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Report for February 1946

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NATIONAL LABOUR LEGISLATION.

Government of India:

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Factories (Amending) Bill, 1946: Referred to Select Committee by Central Legislative Assembly.

A Bill further to amend the Factories Act 1934, was introduced in the Central Legislative Assembly on 14-2-1946 by Mr. S.C. Joshi, Labour Commissioner.

**Hours of Work.**- The Statement of Objects and Reasons attached to the Bill points out that the Washington Convention of 1919 prescribed a limit of 48 hours a week in industrial undertakings, though a special exemption was made for India where a limit of 60 hours was allowed. Over 25 years have elapsed since the present limit of 54 hours was fixed for perennial factories and incorporated in the Factories Act, 1934. At present the Factories Act provides for maximum weekly working hours of 54 and 60 for perennial and seasonal factories respectively and the daily limits are 12 and 11. The Government of India considers that a 54-hour week is indefensible and the limit should be reduced to 48 in all perennial factories, a corresponding reduction from 60 to 54 being made for seasonal factories. The Bill provides for this and also for a corresponding reduction in the daily limits by an hour a day.

**Payment for overtime.**- Section 47 of the Act prescribes payment for overtime at the appropriate rates. The amending Bill provides for payment for overtime at a uniform rate of one and a half times the ordinary rate.

**Exemptions.**- The statement points out that the exemptions granted during the war by which certain factories were permitted to work beyond the limits fixed in section 34 will have to continue for some time in a few cases, e.g., in the textile industry for so long as there is cloth shortage in the country. An amendment, therefore, proposed to section 44 to achieve this object when such exemptions are required in the public interest.

Having consideration of the Bill on 21-2-1946, Dr. Ambedkar described it as a long overdue and belated measure to bring Indian legislation up to the standards laid down by International Convention. It would also afford immediate relief to factory workers who had worked under great strain during the long period of the war. Referring to the objections raised by textile mills in Bombay to a reduction in working hours on the plea that the proposed move would restrict cloth production he said the Government was prepared to meet this objection by agreeing to an extension of working hours in special cases for a period of six months on the recommendation of a provincial Government.

Members of the Assembly generally welcomed the Bill but thought it did not go far enough to meet modern conditions. Among the suggestions made by them were further reduction in the hours of work, doubling of payment for overtime, and no difference in hours of work in seasonal and perennial factories.

The Bill was referred to a Select Committee on 21-2-1946. (The Gazette of India dated 23-2-1946, Part V, pages 126-127; The Hindustan Times, 22-2-1946; The Vanguard, dated 23-2-1946).

Indian Trade Unions (Amending) Bill, 1946:  
Recognition of Representative Trade Unions  
to be Obligatory.

A Bill further to amend the Indian Trade Unions Act, 1926, was introduced in the Central Legislative Assembly on 21-2-1946 by Dr. B.R. Ambedkar, Member for Labour, Government of India.

The amending Bill seeks to insert after Chapter III of the original Act two new Chapters, viz., Chapter III-A on the Recognition of Trade Unions and Chapter III-B on Unfair Practices. The Trade Unions Act, 1926, provides for registration of the unions, but there is no obligation on the employer to recognise any registered trade unions. The Royal Commission on Labour deprecated obligatory recognition pleading for recognition in the spirit as well as in the letter; but the Statement attached to the Bill points out that the position has not improved in regard to voluntary recognition by employers. It is felt that with the existing conditions in India there should be some obligation on the part of employers to recognise trade unions provided they are truly representative. The Bill, therefore, provides for obligatory recognition of representative trade unions. The question as to whether a trade union is representative or not will, in the absence of a statute, be considered by an Industrial Court to be set up for the purpose, by the appropriate government (Central or Provincial). The Bill further confers certain rights on recognised trade unions.

The Bill specifies certain acts as unfair practices on the part of recognised trade unions and certain other acts as unfair practices on the part of employers. The following are to be deemed unfair practices on the part of a recognised trade union namely: (a) for a majority of the members of the union to take part in an irregular strike; (b) for the executive of the union to advise or actively to support or to instigate an irregular strike; (c) for an officer of the union to submit any return required by or under this Act containing false statements.

The following are to be deemed to be unfair practices on the part of an employer, namely: (a) to interfere with, restrain, or coerce his workman in the exercise of their rights to organise, form, join or assist a trade union and to engage in concerted activities for the purpose of mutual aid or protection; (b) to interfere with the formation or administration of any trade union or to contribute financial or other support to it; (c) to encourage or discourage membership of any trade union solely by discrimination in regard to hire or tenure of employment or any term or condition of employment; (d) to discharge or otherwise discriminate against any workman because he has made allegations or given evidence in an inquiry or proceeding relating to a dispute between a recognised trade union and the employer; and (e) to fail to comply with the provisions of the section relating to the rights of recognised trade unions.

Provision has been made enabling withdrawal of recognition where an unfair practice is committed by the executive or members of a recognised trade union or when the trade union has ceased to be a representative trade union or on the failure of the trade union to submit any return prescribed in the Bill. An unfair practice on the part of an employer has been made an offence punishable with fine.

(The Gazette of India dated 23-2-1946, Part V, pages 122-27).

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Assam:

Non-Seasonal Factories to submit Half-Yearly Return -  
Fresh Rule under Factories Act.

Reference was made at page 2 of the report of this Office for October 1945 to the draft of a fresh rule proposed by the Government of Assam requiring non-seasonal factories to submit before the 15th of July each year a return for the preceding half-year in a prescribed form. The draft has been approved and has now been gazetted.

(The Assam Gazette, dated 20-2-1946,  
Part II, pages 234. )

Central Provinces and Berar:

Fresh Rule Under Payment of Wages Act - Maximum  
Limit Prescribed for Deductions from  
Wages.

Reference was made at page 3 of the report of this Office for October 1945 to the draft of a rule the Government of the Central Provinces and Berar proposed to make under the Payment of Wages Act, 1936, laying down that deductions from the wages of an employed person under clause (k) of subsection (2) of section 7 of the Act shall not exceed 40 per cent of the amount of wages earned by him. The draft has been approved and is now gazetted.

(The Central Provinces and Berar Gazette,  
dated 1-2-1946, Part III, page 38 )

Madras:

Madras Maternity Benefit (Amendment) Bill, 1946 -  
Maternity Benefit to be paid up to Six Weeks  
after Confinement.

The Government of Madras has gazetted on 19-2-1946 a Bill further to amend the Madras Maternity Benefit Act, 1934.

The Statement attached to the Bill explains that under section 5(2) of the Madras Maternity Benefit Act, 1934, the maximum period for which a woman worker is entitled to the payment of maternity benefit after her confinement is four weeks immediately following the day of her confinement. The Women's Sub-Committee of the Post-war Reconstruction Committee has recommended that this period should be increased to six weeks. The Commissioner of Labour and the Director of Public Health are also in favour of this recommendation. The latter has pointed out that when the woman gets back to work after confinement, she should be in a fit condition to discharge her duties efficiently and that this

longer period is also necessary in the interests of the health and welfare of the new born child. The Government has accepted this recommendation and the Bill is intended to give effect to it.

The Bill has been published for the purpose of eliciting opinion and is to be taken into consideration on or after 29-3-1946.

(The Port St. George Gazette, dated 19-2-1946, Part IV-A, pages 3-4 ).

Managers of Non-Seasonal Factories to submit Half-Yearly Returns.

The Government of Madras has gazetted this month a rule which it has made in exercise of the powers conferred on it by Section 77 of the Factories Act, 1934, requiring the managers of every non-seasonal factory to furnish to the Inspector of Factories half-yearly returns in a prescribed form giving, in addition to other information, the following details:- the nature of industry the factory engages in; the average number of workers employed daily under the following heads - men, women, adolescent males, adolescent females, boys and girls; number of days worked in the half-year; and the number of man-days lost in the half-year due to sickness.

Reference was made to the draft of this rule at page 3 of the report of this office for November 1945.

(The Port St. George Gazette, dated 26-2-1946; Rules Supplement to Part I, pages 45-46 ).

Punjab:

Factories (Holidays) Rules.

The Government of the Punjab has gazetted this month the Factories (Holidays) Rules which it has made under sections 35A and 40F of the Factories Act 1934. These follow closely those made by the Government of India and other provincial Governments.

(The Punjab Gazette, dated 8-2-1946, Part I, pages 76-78 ).

Cochin State:

Cochin Factories Act to be brought in line with  
British Indian Legislation.

It is understood that the Cochin Government will introduce at the next session of the Cochin Legislative Council the Cochin Factories Act (Amendment) Bill. The Bill seeks to bring the Cochin Act into line with the Factories Amendment Act, III of 1945, passed in British India (vide pages 1-2 of the report of this Office for April 1945).

The Bill also incorporates other amendments to the British Indian Act, especially those relating to the application of certain provisions of the Factories Act to small factories employing less than twenty workers.

(The Hindu, dated 4-2-1946).

Travancore State:

Prohibition of Strikes and Lockouts without Notice:  
Travancore Government's Order.

According to a press note issued by the Government of Travancore on 2-2-1946 the Travancore Government proposes to publish in its gazette dated 5-2-1946, an order under the Defence of Travancore Rules, prohibiting strikes and lockouts without notice; the order follows closely a similar order issued by the Government of India under the Defence of India Rules.

A special provision is made for cases wherein any or all matters of trade dispute have been referred to the Court of Enquiry or Board of Conciliation under Travancore Trade Disputes Act or for conciliation or adjudication under order made under Rule 81-a of Defence of Travancore Rules. It is provided that in such cases no person employed in any undertaking concerned in a dispute shall go or remain on strike and no employer in any undertaking concerned in a dispute shall lock-out or continue to lock-out his employees during the period from the making of reference until the expiry of two months after the conclusion of the proceedings upon such a reference. Instigation or incitement of persons to take part in or otherwise act in furtherance of any strike or lock-out which is, or which when commenced will be, in contravention of provisions of this order is also prohibited.

(The Hindu, dated 5-2-1946 ).

SOCIAL POLICY.

Training of Labour Officers in U.K. - Second Batch  
Leaves India.

Reference was made at page 50 of the report of this Office for February 1945 to a scheme sponsored by the Government of India for the training of Labour Officers in the United Kingdom in matters relating to labour administration. The second batch consisting of 9 officers from the Central government, 9 from the Provinces and 2 from the Indian States left India for the United Kingdom early in February.

The first batch of Labour Officers returned to India in December 1945 after about 8 months training in the U.K.

('vanguard', dated 11-2-1946). + >

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CONDITIONS OF WORK.

Hours of Work and Weekly Rest, etc.

Working of Hours of Employment Regulations on Railways during 1941-42, 1942-43 and 1943-44.

The Indian Labour Gazette, January, 1946, publishes a note on the working of the Hours of Employment Regulations on Railways during the years 1941-42, 1942-43 and 1943-44 based on the reports submitted by the Conciliation Officer (Railways) and Supervisor of Railway Labour. The following is a brief summary.

Class of Railways and Categories of Staff affected by Regulations.- All Class I Railways in British India are now under statutory obligation to observe the Regulations which, in the main, regulate the hours of work of the railway servants, the grant of compensatory periods of rest to them and the payment of overtime allowance when the limit of hours of work prescribed by the Regulations is exceeded, in certain specified circumstances. The yearly figures relating to the number of staff affected by the Regulations in respect of each Class I Railway are given below:-

Year	Name of Railway									
	B.N.	N.W.	E.I.	B. & A.	G.I.P.	M&S.M.	B&B	C.I	O.&T.	S.I.
1941-42	57696	79618	93718	51345	64937	34668	51106	29994		30632
1942-43	59158	88822	100659	51555	72546	35777	51869	30335		35316
1943-44	64909	89966	112405	62167	80956	36923	54549	31279		35316

The above table however does not include the staff governed by the Factories Act and the Mines Act. Also, running staff, staff engaged in supervision or management and certain well defined categories of inferior staff have been excluded from the scope of the Hours of Employment Regulations. The interests of such staff known as 'excluded staff' are, however, carefully watched to see that they are not deprived of the protection of the Regulations without sufficient justification. The hours of work of 'excluded staff' are scrutinised and changes are suggested which may appear necessary on humanitarian grounds.

The following statement gives figures of staff under the Hours of Employment Regulations, Factories Act and the Mines Act for the three years ended the 1943-44:-

Year	Name of Railway								
	N.W.	E.I.	A. & B. B. & A.	G.I.P.	M. & S.M.	B.B. & C.I.	O. & T.	S.I.	B.N.
1941-42	103040	124928	64614	82727	46641	65820	35200	37535	72429
1942-43	113011	129020	65201	92978	48985	66737	35426	42384	75257
1943-44	117468	141399	82199	103274	51126	71982	38642	42750	82573

**Classification of Railway Workers.-** The question of classification is of vital importance to railway servants, as on the correct classification depends their title and to certain privileges given by the law. In the case of a 'continuous' worker the maximum limit of hours of work is 60 hours a week averaged over a month and he is entitled to a rest of 24 consecutive hours every week, whereas an 'essentially intermittent' worker may be rostered to work up to 84 hours a week without any statutory period of rest. In view of the importance of this question of classification, every endeavour is made to improve the classification of the staff and the Railway Administrations are regularly addressed in this connection.

**Temporary Exemptions and Payment of Overtime.-** The Railways (Hours of Employment) Ordinance, 1942, empowered the Central Government to suspend by notification the operation of Chapter VI-A of the Indian Railways Act and of the Rules made thereunder on any specified Railway or section of Railway. During the years 1942-43 and 1943-44 no Railway resorted to the temporary abrogation of the Hours of Employment Regulations. The rules for the payment of overtime were also generally observed.

**Periods of Rest.-** All railway workers who are governed by the Hours of Employment Regulations and who have not been declared by the Head of Railway to be 'essentially intermittent' workers nor been granted periods of rest on less than the normal scale under the Railway Servants' Hours of Employment Rules, 1931, are entitled to a rest of not less than 24 hours on one day each week. The percentage of the staff enjoying 'calendar day's rest during 1943-44 as compared with the years 1941-42 and 1942-43, on each railway, is as follows:-

Railways	Percentage of the staff enjoying a calendar day's rest to the staff entitled to rest day.		
	1941-42	1942-43	1943-44
N.W. ....	71.5	67.3	68.4
E.I. ....	74.7	71.1	72.0
A.B. } (M. & A.) ....	62.8		
E.B. }	65.4	60.5	64.0
M. & S.M. ....	94.7	93.2	92.6
B.B. & C.I. ....	75.6	74.0	74.0
O. & T. ....	70.8	72.4	69.7
S.I. ....	77.4	64.0	64.1
B.N. ....	79.9	79.1	78.6
G.I.P. ....	70.2	66.5	66.2

During the year 1943-44, 151 cases of the employees working habitually and 124 cases of working occasionally during the periods of weekly rest on all Railways were detected, as against 206 and 154 in the year 1942-43.

**Inspections.-** The strength of the Inspectorate stood at 23 during the year 1942-43 and 1943-44, as against 21, in 1941-42. The number of establishments inspected by the Inspectors during the year 1943-44 was 7741, as against 6879 and 6819 in the years 1941-42 and 1942-43. Emphasis continued to be laid on special investigations and specific enquiries rather than on routine inspections.

(Indian Labour Gazette, January, 1946).

Wages.Increase in Wages and 15 Day's Sick Leave on Half Pay  
for Bombay Tramway Employees: Adjudicator's Award.

Mr. Justice Chagla, who was appointed Adjudicator in <sup>a</sup>dispute between the Bombay Electric Supply and Tramway Co., and its non-scheduled staff, has in his award recommended that all those who are drawing a wage below Rs. 13-8 a month should be given an increase at the rate of six annas in the rupee; those drawing between Rs. 13-8 and Rs. 25 an increase of five annas in the rupee; between Rs. 25 and Rs. 35 an increase of four annas in the rupee; between Rs. 35 and Rs. 40 an increase of three annas in the rupee and those drawing between Rs. 40 and Rs. 75 an increase of two annas in the rupee. With regard to the demand of the staff that the dearness allowance now paid should be consolidated with the basic wage, the Adjudicator did not consider it a just demand.

Leave with pay.— As regards leave with pay, the award considers the present practice of the Company of giving to all its non-scheduled employees 15 days' leave with pay ~~per~~ per year, which could be accumulated up to 45 days, quite fair. It has, however, recommended that sick leave on half pay should be given for 15 days in the year, but such leave should not be permitted to be accumulated. This leave should only be granted on a medical certificate.\*

(The Times of India, 27-2-1946). f +

## Industrial Disputes.

### Industrial Disputes in British India during the Quarter ending 30-6-1945.

According to the statistics published by the Department of Labour, Government of India, the total number of stoppages during the quarter ended 30-6-1945 (including 6 in progress at the close of the quarter) was 217, and the number of workers involved 170,510 as against 197 stoppages involving 163,333 workers for the same quarter of the previous year; the total number of man-days lost was 427,329 as against 1,331,668. There were 3 stoppages involving 5,000 or more but less than 10,000 workers, and 3 involving more than 10,000 workers. In none of the stoppages did the man-days lost amount to 100,000 or more.

Provincial Distribution.- The largest number of disputes occurred in Bombay, where there were 87 disputes involving 70,474 workers and entailing a loss of 166,760 working days; followed by Bengal with 54 disputes involving 23,125 workers and entailing a loss of 122,581 working days; C.P. and Berar with 23 disputes involving 51,752 workers entailing a loss of 55,155 working days; Madras with 20 disputes involving 7,903 workers and ~~entailing a loss of~~ 16,982 working days; the United Provinces with 14 disputes involving 10,196 workers and entailing a loss of 35,159 working days; Bihar with 9 disputes involving 5,017 workers and entailing a loss of 26,764 working days; Sind with 8 disputes involving 1,961 workers and entailing a loss of 3,855 working days; and Assam and Orissa with 1 dispute each, involving 61 and 21 workers and entailing losses of 61 and 32 working days respectively.

Classification by Industries.- Classified by industries, the largest number of disputes occurred in Cotton, Woollen and Silk mills, where there were 57 disputes involving 90,217 workers and entailing a loss of 176,442 working days; followed by engineering industries with 32 disputes involving 8,810 workers and entailing a loss of 45,982 working days; and jute mills and Railways (including Railway Workshops) with 7 disputes each involving 11,840 and 3,310 workers and entailing losses of 87,696 and 4,735 working days. There were 114 disputes in miscellaneous industries involving 56,233 workers and entailing a loss of 113,474 working days. Thus the textile (cotton, silk, woollen and jute) mills accounted for 29 per cent of the number of stoppages, 60 per cent of the workers involved and 62 per cent of the man-days lost.

Causes and Results of Disputes.- Of the 217 disputes, 127 arose out of questions of wages and bonus, 39 on account of personnel, 19 on account of leave and hours and 31 due to other causes; in the case of 1 dispute the demand was not known. 27 disputes were wholly successful, 33 partly successful, and 108 unsuccessful; no definite results were obtained in respect of 43 disputes; 6 disputes were in progress at the end of the quarter.

(The Communiqué dated 8-2-1946, issued by the Department of Labour, Government of India).

Welfare.

RS. 8 Million to be spent on Welfare Work in Mines in 1946-47:  
Coal Mines Welfare Advisory Committee's Schemes.

Rs. 1,200,000 to be spent on Literacy Drive.- A scheme for a far reaching literacy drive among the miners working in India's coal-fields was approved at a meeting of the Coalmines Welfare Advisory Committee at Dhanbad on 29-1-1946 with Mr. H.C. Prasad, Secretary, Labour Department, Government of India, as Chairman. The Committee has decided to spend Rs. 300,000 in the first year and 'not less than Rs. 300,000' for the next five years on this scheme of adult education which is intended to provide not only education in the three R's but also in all other matters which will enable the miner to improve his standard of living.

Rs. 8 Million to be spent on Welfare Work in Coalmines in 1946-47.-

The Advisory committee further approved a budget estimate showing expenditure of over Rs. 8,000,000 during the year 1946-47, a considerable portion of which will be spent on the provision of hospitals, child-welfare centres and improved water-supply. Expenditure will be incurred in all coalfields in India. Provision has also been made for the continuance of anti-malaria work which, it is hoped, will banish malaria from all coalfields. As a part of the scheme for establishing creches in all mines, training of nurses has been approved.

Employment for Women Workers displaced from Mines.- With a view to providing further employment for women who are prohibited from work underground the fund is setting up vegetable farms with immediate effect—a step which, it is hoped, will also improve the nutritional standard of the miners.

Among various other things, the committee discussed also a mass radiography survey for anti-tuberculosis work, putting up child welfare clinics and maternity hospitals, the construction of miners' townships and the fund's relations with the provincial Governments.

('Dawn', dated 9-2-1946).

Pithead Baths for Miners: Central Government to provide  
10 per cent of Capital Cost.

Speaking on the Bill to amend the Indian Mines Act for the provision of pithead shower baths for miners in coal mines (vide page 1 of our report for January 1946), Dr. Ambedkar, Labour Member to the Government of India, declared in the Central Legislative Assembly on 8-2-1946, that as an incentive to expedite the reform, the Government had provided for the payment of 10 per cent of the capital cost of construction of baths, provided colliery owners constructed them within 12 months.

(The Statesman, 9-2-1946). +x

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ECONOMIC CONDITIONS.

Post-War Problems of Indian Cotton: Meeting of Indian  
Central Cotton Committee, Bombay, 28-1-1946 to  
2-2-1946.

Important matters relating to Indian cotton were discussed at meetings of the Indian Central Cotton Committee held from 28-1-1946 to 2-2-1946. The meetings were attended by representatives of the various interests concerned from all parts of India, Sir Herbert Stewart, C.I.E., Vice-Chairman, Imperial Council of Agricultural Research, presiding.

Production Plan for 1946-47.- The most important among the subjects discussed was the acreage that should be sown under cotton in the ensuing season 1946-47. The Cotton ~~Plan~~ Planning Sub-Committee which first examined the plan for cotton production for 1946-47 was of the view that with the termination of hostilities, and having regard to the present stocks of cotton in the country, the probable export and internal demand and the acute shortage of cotton seed in certain Provinces and States, India could not go on growing crops which were dangerously small in relation to her long-term needs, and that, in the interests of farm incomes, she must now claim a rightful share of such export markets as were available. The Sub-Committee emphasised that the present level of production of short staple cotton was not adequate for the requirements of the local industry and suggested that the plan should be to aim at a production of 5.5 million bales which meant reversion to the normal acreage of 21 millions. But as the Indian Central Cotton Committee was discussing this subject information was received that the food position in the country was very grave. The Committee, therefore, adopted a resolution which stated that while from the purely cotton standpoint an extension of the cotton acreage was highly desirable, in view, however, of the gravity of the food position in the country, the Government of India and all provincial Governments and States should be required to take whatever steps were necessary to restrict the cotton acreage for the season 1946-47, so that it may not exceed the acreage sown in 1945-46. In making this recommendation, the Committee was aware that the maximum acreage suggested was below India's minimum domestic requirements of raw cotton and cotton seed for cattle food.

Improvement of Cotton Yields.- Another subject which came in for a good deal of discussion was the improvement of cotton yields in India. Some success in this direction has already been achieved in India as will be evident from the fact that the average yield per acre rose from 96 lbs. in the quinquennium 1922-27 to 109 lbs. in the quinquennium 1937-42, 112 lbs. in the triennium 1942-45, and 122 lbs. in 1944-45. The Committee however felt that there was considerable scope for improvement and recommended that investigations should be carried out in every region at a suitable farm representing the soil-climate complex of such region to ascertain what set of treatments produced maximum yields in respect of cotton irrespective of cost. It would then be for the administrations concerned to ascertain which factors contribute to the greatest increase in yield in the regions concerned. The Committee further recommended that two or more suitable officers possessing basic knowledge of agricultural conditions in India should be sent to the U.S.A. for a period of one or two years to study cotton cultivation and the economics of cotton production.

Legislation to prevent mixing of Cotton.- The Committee was ~~convinced~~ that the ~~malpractice~~ of mixing of different varieties of cotton was seriously hampering the work of cotton improvement in the country and it was decided to urge the major cotton growing provinces and States to themselves enact the necessary legislation against mixing of cotton and ~~also~~ to take early steps for its introduction and enforcement. It was further decided to request the Government of India to take steps to enact the required legislation in so far as Chief Commissioner's Provinces are concerned and thereby give the lead in the matter to the Provinces and States concerned. The Committee attached considerable importance to uniformity in such legislation in the Provinces and States.

Among the other topics discussed by the Committee were subjects relating to research on cotton and seed distribution schemes.

(Condensed from a Press Note issued by the Indian Central Cotton Committee, 8-2-1946).

Protest against Government of India's Financial Policy:  
Indian Economists' Manifesto.

In the first week of February twenty four leading economists of India issued a manifesto on the financial and currency policy of the Government of India warning the government ~~as~~ that it was driving Indian economy almost to the brink of disaster by continuing to finance His Majesty's Government's purchases in India even after the cessation of hostilities by the same inflationary procedure as during the war. This is the second manifesto issued by Indian economists in the course of the last three years, the first having been issued on 12-4-1943 (vide pages 8-9 of the report of this Office for April 1943). The manifesto has received wide publicity in the press and copies of it have been forwarded to the authorities concerned and party leaders in the Central Legislative Assembly. The main arguments and conclusions of the manifesto are summarised below.

Futility of Control Measures in Face of Continued Currency Expansion.  
The ~~manifesto~~ first refers to the uninterrupted expansion of currency against the increase of sterling securities in the Issue Department of the Reserve Bank of India, even after the cessation of hostilities, and to the prospect of its indefinite continuance revealed by Dr. Dalton's assertion, during his speech in the House of Commons on the Anglo-American agreement, that the sterling balances within the sterling area would continue to grow. It maintains that by continuing to finance the purchases of His Majesty's Government in India by the same inflationary procedure as during the war the Government of India is driving Indian economy almost to the brink of disaster.

According to the manifesto the glaring mismanagement of currency and finance and the inefficient and inept working of economic controls during the war have created in India a host of intractable post-war problems. Instead of trying to tackle these by an appropriate economic and financial policy the Government of India seems to be satisfied with

resorting to such merely palliative measures as the recent Demonitization Ordinances. The Demonitization Ordinances, the manifesto urges, cannot bear any important consequences as long as currency continues to be issued in large amounts, week by week. They cannot check either speculative pressure on prices or the operation of ~~the~~ black marketeers. The Ordinances do not directly reduce the amount of money held, but merely change its form. The forces of inflation and the resulting operations of blackmarketeers and profiteers cannot be brought under check while deficit induced fiat money inflation keeps on.

India in no position to lend: Protest against continued Lending to Great Britain.— The financial help now being extended by India to Great Britain, the manifesto points out, is no longer required for winning the war; it only helps in the rehabilitation and reconstruction of the borrowing country, namely Britain. The justification of a loan is to be found in the relative resources, current and capital, of lender and borrower and the issue needs to be raised whether India is in a position to lend at all. Considering her immediate consumption needs there is no doubt that India has no lending capacity. During the war the standard of consumption of India's people has declined even below the precarious prewar level. During the current year in particular, famine, probably the worst of the past two decades, stalks peninsular India. India needs all the imports she can get immediately of such essentials as rice and wheat. Apart from ~~the~~ pressing consumption needs the urgency of utilizing every available resource that India can obtain for internal rehabilitation and reconstruction is demonstrably plain. In these circumstances, in continuing to lend to Britain, the Government of India, while attending to the convenience of that country, is being unjustifiably negligent of India's legitimate interests.

Call to Stop Increase in India's Sterling Balances.— Another remarkable thing about this lending, the manifesto protests, is that it is being achieved by the worst possible method, that of currency inflation. The deficits to finance which currency was inflated on such a large scale during war were not those of the Government of India but those of His Majesty's Government. During the last few months the process has continued so that from 31-8-1945 to 11-1-1946 the total currency issued increased from Rs. 1150 million to Rs. 12,360 million as against the parallel rise in the value of sterling securities from Rs. 10,340 million to Rs. 11,200 million.

Unbelievable as it may seem, India is today being forced to add to her sterling balances with the almost certain prospect of her being ~~forced~~ forced to give up a part of them in the near future. In this connection the manifesto maintains that sterling balances built up to India's credit during war, represent real resources that ~~she~~ she had to sacrifice at the cost of suffering and starvation. The cost ~~of~~ cannot be just written off because it has been already borne in the past. The economists would emphatically assert that this huge cost would never have been visited on the country and India would never have been deemed capable of bearing it, if the financial policy of India had been governed by the policy of contributing the utmost to the war effort consistent with the maintenance of minimum national standards, which ruled in the self-governing Dominions. All sections of people in India are concerned over the grave deficiencies in India's industrial and other capital equipment and every plan of reconstruction and development made so far has depended on the sterling balances being available for the finance of its capital programme. The extent to which and the time at which

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they will be available seems uncertain today. But India can at least ~~insist~~ insist with all the force at her command that the size of this problematic quantity should not increase. The first thing that must happen to the sterling balances, says the manifesto, is that they should cease to grow.

British Reaction to Anglo-American Loan - An Object Lesson for India.— Finally the manifesto refers to the manner in which all ~~the~~ sections of British opinion have combined to assail the recent Anglo-American Agreement—a loan 'which appears to third parties as unprecedented in history, generous both in conception and magnitude'—as a hardhearted bargain. This the manifesto urges should serve as an object lesson for India. If the conditions of that agreement are ~~hard~~ hard, the economists are at a loss to describe in appropriate terms this compulsion on a poor famine stricken country of lending through currency inflation, large sums to a country which is among the richest in the world.

Among the signatories are Mr. D.G. Karve, President of the All-India Economic Conference, Mr. V.G. Kale, Mr. P.A. Wadia, Mr. K.T. Shah, and Mr. P.S. Lokanathan.

(The Bombay Chronicle, 5-2-1946).

Proposals for developing India's Sugar Industry:  
Recommendations of Sugar, Alcohol and ~~Yeast~~  
Food Yeast Panel.

According to a message published in the Statesman early establishment of 17 new sugar factories, each capable of producing from 10,000 to 12,000 tons a year, is one of the recommendations of the Panel on Sugar, Alcohol and Food Yeast set up by the Government of India (vide page 58 of the report of this office for January 1945) early in 1945.

Production Target of 1.55 Million Tons.— According to the note submitted by the panel the normal production of sugar today is 1,100,000 tons a year compared with 158,000 tons in 1931-32. Before the war India had already become self-sufficient, but the demand is now 50 per cent higher than in 1939. The note sets the target of production at the end of five years as 1,550,000 tons, of which 50,000 should be for export, and says that it has become vital to prepare for competition from Java and other countries not only in India but in neighbouring markets. As regards the most desirable size of the production establishment, the note recommends that factories ~~with~~ with a crushing capacity of more than 250 tons and less than 800 should be encouraged to expand to the latter capacity. Of the 17 new factories proposed the note intimates that the Government has approved five for Travancore, Hyderabad, Baroda, the NWFP and Bihar; two of the remaining 12 it suggests should be allotted to Madras, four to Bombay, (including one for the Deccan States), three to the Punjab (one for the States), two to Bengal and one to Assam.

State Control and Assistance.— The note considers that state control of prices and distribution of sugar is necessary, but not State ownership or management. There should, however, be Central Government control, exercised in close collaboration with local Governments, over such matters as the location of new factories and sizes

and specifications of plant and alterations in existing units. The central executive authority should be an official Controller, advised on policy by a representative board and on technical matters by a committee. Distribution of sugar, the note recommends, should be by an organization, membership of which will be compulsory for all factories. Efforts should be made steadily to reduce costs; tariff protection should be continued for five years, its level as well as that of the excise duty being gradually reduced.

The capital goods required to develop the industry are estimated to cost from Rs. 105 to 115 million. Machinery should be made as far as possible in India.

Target of 20 million gallons of Power Alcohol.- For strategic and other reasons, the panel recommends that 20 million gallons of power alcohol per annum should be produced from molasses by the end of the next five years, the necessary new plant costing Rs. 20 million being made in India to the maximum extent. Power alcohol should be used as a motor fuel in admixture with 80 per cent of petrol, at first in the U.P., Bihar and neighbouring areas and later over a wider field. Standard size distilleries (of one million gallons capacity) should be situated mostly in the U.P. and Bihar. Suggestions have been made for the location of 20 such distilleries and for the grouping of factories to supply them with molasses, control being vested in an Alcohol Commissioner.

but / Finally the panel suggests that government should encourage sugar factories to set up small units producing food yeast at the rate of a ton a day, and should take over and distribute the entire production for the first three years. Among subsidiary products of the sugar industry to which attention is given are alcohol preparations and "dry ice".

(The Statesman, 7-2-1946).

Indian Trade Delegation to China.

A delegation, led by Mr. K.K. Chettur, Deputy Secretary, Commerce Department, left for China in the middle of February to explore the chances of recovering markets for Indian cotton and tobacco. Before the war 25 per cent of Indian cotton and almost all Indian tobacco went to China. It is stated that the Chettur delegation will also discuss the question of granting credits to the Chinese Government.

(The Hindustan Times, 1-2-1946). +

Railway Budget 1946-1947.

The Railway Budget of the Government of India for 1946-47 was presented to the Central Legislative Assembly on 18-2-1946 by Sir Edward Benthall, Member for War Transport, Government of India. The following are the figures for receipts and expenditure for 1944-45 (accounts), 1945-46 (revised estimates) and 1946-47 (budget estimates).

	<u>In Millions of Rupees</u>		
	<u>1944-45</u> Accounts	<u>1945-46</u> Revised Estimates	<u>1946-47</u> Estimates
Receipts	2214.1	2299.6	1813.9
Expenditure	1715.2	1978.9	1691.7
Surplus	498.9	320.7	122.2

The budget for 1946-47 places the gross traffic receipts in 1946-47 at Rs. 480 million less than the figure for the current year to allow for an expected sharp decline in military and parcels traffic. Of the surplus, general revenues will receive Rs. 320 million in 1945-46 and Rs. 73.6 million in 1946-47. Rs. 0.70 million is allocated to the Railway Reserve Fund in 1945-46 and Rs. 18.6 million in 1946-47. The balance of Rs. 50 million in 1946-47 is to be carried over to a Betterment Fund which the Government proposes to set up this year.

Railway Minister's Review of Situation.— Presenting the Budget to the Central Legislative Assembly, Sir Edward Benthall claimed that it was at one and the same time a victory budget and the precursor of a series of more difficult post-war budgets. Though conditions particularly for ~~the~~ passengers' traffic had been difficult during the year all military requirements were successfully met, the people's food had been moved, industry had been maintained at a high level of productivity and generally speaking, the railways had delivered the goods.

Passenger Traffic-Proposed Amenities for Lower Class Passengers.— Passenger traffic had continued at a very high level. The latest statistics showed that, apart from the large number of military personnel moved in specials, the Class I railways had carried an average of 85 million passengers every month during the current year or 20 million over the monthly average in the year 1943-44. The passenger traffic handled in scheduled trains in terms of passenger miles—a more comprehensive unit of measurement—during the current year was nearly two and a quarter times the prewar level. With the reduction of military demand, it had been possible to restore a certain number of train services but, conditions of travel were still very far from satisfactory. There were no fewer than 1,366 broad gauge and 416 metre gauge coaches still with the military and Sir Edward asked the public to be patient over their difficulties for a little longer. Improvement in the number and condition of coaching stock was one of the major tasks of the railways in the next few years and early increase of lower class accommodation would fully occupy shop and labour capacity for coach building. Intensive study of new coach designs promised more comfortable travelling for inter and third class passengers, with sleeping accommodation for both classes and better lighting and fans for inter-class compartments. There would be increased space per passenger; to meet consequent reduction in seating capacity, lighter and wider stock was being considered; there would be better insulation against heat.

**Rolling Stock Position.**- The position regarding engines and wagons was ~~more satisfactory than~~ that of coaching stock. Orders had been placed for broad gauge engines and wagons in India (for wagons only) and abroad, and when all these deliveries were completed, the railways which commenced the war with some 7,279 broad and metre gauge engines and 193,805 broad and metre gauge wagons should have available 8,541 engines and 239,000 wagons. 11 per cent of the total wagons had been in service for 40 years or had been recommended for premature replacement, but Indian industry should be in a position to provide replacements and any further accretions necessary to meet developing trade. Of the engines, however, 29 per cent had passed the normal age of 35 years and it might be necessary to order a certain number of passenger engines from overseas before the locomotive building works now in course of inauguration in India were in a position to meet the demand.

**Post-war Plans-Rs. 220 Million to be spent in 1946-47 on New Construction and Rehabilitation.**- Turning to the post-war plans of ~~the~~ railways, Sir Edward stated that the government recognized the important part which railway rehabilitation and development could play in mitigating the shock of transition between war-time and peace-time conditions and in providing work for railway and other workers. The programme of construction of new railways and restoration of dismantled lines had been settled in consultation with provincial Governments and surveys were proceeding on 3,000 miles of line. Work was being put in hand on such sections as required no further survey but the bulk of the ~~work planned could not commence until the next working season.~~ A large programme for building new staff quarters of improved types ~~was~~ under way and in designing these types the wives of railway staff had been consulted. The total amount budgeted next year for new construction and open line rehabilitation works was Rs. 220 million which should be a useful contribution to help counter the reduction in war expenditure.

As regards road-rail co-ordination, the Railway Member stated that the proposals for co-ordinating road and rail transport in accordance with the general terms on which the last Assembly approved the investment of Government railway finance in road transport companies, had made uneven progress. The progress made by the Railway Board had been the subject of examination by a special committee of the House and a sum of 34.8 million had been included in next year's budget for investment in road-rail companies.

**Railway Staff - Retrenchment and Scales of Pay.**- Referring to the widely felt fear that a reduction in railway activity and the absorption of ex-service men would result in the discharge of large numbers of temporary staff the Railway Member pointed out that rehabilitation works and new projects would absorb large numbers of railway workers in alternative employment and were being put in hand as rapidly as the supplies of raw material and the need for preparatory work permitted. A variety of other means had also been adopted to avoid retrenchment on a large scale. Overtime had been cut down; in some cases, reduced hours of work for certain types of staff had been introduced; greater facilities for leave resulting in the entertainment of more substitutes had been arranged; certain leave rules—as a long-term policy—had been liberalized, while some work normally carried out by contract was, where possible, being temporarily allotted to departmental staff. So far, some 8,000 surplus men had been absorbed in this way and only 8,800 out of a total labour strength of over 850,000 had had to be discharged, many of whom were occupied on purely war work which had been closed down. The Railway Board had been in close touch with the

All-India Railwaymen's Federation in regard to this question, and would continue to keep a close watch on these adjustments in the labour strength and consult the Federation from time to time as heretofore.

As regards the demand of organised labour for an immediate revision of scales of pay, Sir Edward pointed out that the difficulties of such a revision at the present time were intensified by the uncertainty of future price levels. The Railway Board had, however, been working for some time on a suitable post-war pay structure with the idea that the actual scales would be determined without delay as soon as there was more certainty as to the level at which prices, rates and fares were likely to become stabilised. Also, the Government had decided to set up a Commission (vide page 45 of this report) which would be predominantly non-official in character, to go into the whole question of the scales of pay for all their servants. The question of medical facilities and educational assistance, the working of Staff Councils and the Staff Benefit Fund, the hours of employment of railway workers, housing, technical training and the method of handling establishment matters, all these with other questions relating to specific categories of staff, were under review. The Railway Board were giving the welfare of railway servants a prominent position in their post-war programme.

Betterment Fund to finance Amenities for Passengers and Staff.- In February, 1946, the Standing Finance Committee for Railways had recommended that during years of prosperity a fund be built up by appropriation from surpluses for financing amenities for lower class passengers, the expenditure on which was likely to be unremunerative. The Government had now before it a large programme of additions and improvements covering amenities to lower class passengers, staff welfare and other items designed for the safety and comfort of the public, which were not likely to be remunerative. To provide for this and to enable the Board to plan ahead their programme of such works, the Government had decided to start a Betterment Fund by transferring a sum of Rs. 120 million from the Railway Reserve and a sum of Rs. 30 million from the surplus of 1946-47. Subsequent appropriations to the fund would depend upon the net revenue of each year and on a consideration of the respective needs of the railways and of General Revenues subject, of course, to any convention which might hereafter be adopted for the distribution of surpluses between Railways and General Revenues.

Future Problems.- Concluding his Budget speech, the Railway Member sounded a note of caution. The future course of railway earnings was more likely to be downwards than upwards. In the course of the next year or two, the Government would probably have to consider several very serious problems in connection with railway finances. Among these he ~~had~~ listed, the basis of the Depreciation Fund; the revision of the Convention regarding the division of future railway surpluses between Railway Reserves and General Revenues; the linked problems of the levels of railway rates and fares; the price of coal; and the level of wages. These were knotty problems which had to be faced courageously and with a broad outlook, if India's post-war plans were to be brought to fruition; for once the budget became unbalanced and the reserves were eaten up and under unwise management they could disappear almost overnight—it would not be an easy matter to rebuild them or to find the money for extensions, improvements, ~~and~~ staff benefits and amenities to passengers.

(The Hindustan Times, 19-2-1946).

Railway Budget for 1946-47: Cut Motions in  
Central Legislative Assembly.

I. Need for Inquiry into Present System of Railway Management.- On 22-2-1946 the Central Legislative Assembly adopted without a division a cut motion moved by Mr. K.C. Neogy to discuss his suggestion for an inquiry into the present system of management of railways in its principal aspects, such as control of the legislature, Indianization of the Railway Board and railway services, railway finance, relations between railways and their customers, railway policy vis-a-vis the development of the country including rates, policy and development of railway industries. Mr. Neogy explained that his idea was a committee which would examine how railways had fared under State management and under the present administration. Replying to the debate, Sir Edward Benthall considered such a committee not only "desirable but inevitable". But in his view it should have its eyes on the future; it should consider the question of overhauling the set-up of railways, revision of the separation convention and of rates and fares, and examine questions, such as, whether railways should be run on business or other principles and regrouping of railways, which in turn would depend on the constitutional settlement.

II. Demand for Better Conditions of Work for Railway Staff.- A cut motion moved by Mr. N.V. Gadgil on 22-2-1946, demanded better wages, allowances, working hours, leave arrangements and security for Railway employees. Replying to the motion, Sir Edward Benthall reiterated that an impartial commission, with a non-official majority, "would go into the whole question of post-war scales of pay", but the Assembly passed the motion without a division.

On 25-2-1946, the Assembly passed without a division another cut motion moved by Mr. N.G. Ranga to discuss the financial aspect of better amenities for railway passengers and increased pay to lower-paid staff. Prof. Ranga suggested that by Indianization of the whole staff, by manufacture of locomotives and wagons within the country and by a system of tripartite management of railways—jointly by workers, technical staff and the community at large—economy could be effected and thereby better amenities to passengers and better pay to staff would become possible. Prof. Ranga also wanted examination of the present basis of contribution to the Depreciation Fund and urged the creation of an amortization fund. Sir Edward Benthall, replying, suggested that these were not matters on which the present Government could make immediate commitments. Some of the questions were for deep consideration and ~~immediate~~ decision by the new Government, others were for examination by a committee or committees to be constituted for the purpose. Increase of railway staff pay, for instance, could not be considered in ~~isolation~~ isolation but in relation to the pay of Government employees in general and in relation to the general standard of the country. The commission, which as already announced was to be appointed, would consider this question. He reiterated that improvement of amenities and wages, higher rates and fares, revision of the convention and the basis of the Depreciation Fund, were all linked together. Refuting the charge made by ~~the Opposition~~ the Opposition that the railway administrations were over-officered, Government spokesmen pointed out that the railways were actually under-officered as the railways had one officer for 450 men as against one officer for 50 men in the army. It was further pointed out that the pay-bill of officers drawing Rs. 1,000 and above worked out at only two per cent of the total wage bill, and no great reduction of expenditure could be achieved by a cut in these salaries.

III. Grant for Road-Rail Co-ordination Projects Refused.- On 26-2-1946, the Central Legislative Assembly refused a grant of Rs. 34.8 million for investment by railways in road services. The cut motion was moved by Nawab Siddique Ali Khan and its supporters alleged that the principles set out in the White Paper in regard to rail-road co-ordination had not been followed; that old road operators had been eliminated and licenses had been given to firms dealing in motor spare parts; and that the scheme created monopolies which would drive out the small bus-owners. In his reply, the Railway Member pointed out that the whole scheme had been agreed to by party leaders last year and that the Railway Department had entered into commitments, which might amount to Rs. 11.8 million. The cut motion ~~pr~~ would throw away a year's solid progress in co-ordinating road transport. It would be a bad day for the development of co-ordination of transport as a whole if it was carried. The cut motion was carried by 66 votes to 36.

IV. Minimum Wage of Rs. 60 for Railway Employees.- A cut motion moved by Mr. Frank Anthony proposing a minimum wage of Rs. 60 per mensem to railway employees in the lower cadre, was talked out in the Central Legislative Assembly on 27-2-1946. Moving his cut motion Mr. Anthony stated that the Royal Commission on Labour had recommended a minimum wage of Rs. 55 for India. He had put it at Rs. 60 in view of the increased cost of living today. The textile worker was now getting Rs. 83 per month and there was no justification for denying a minimum wage of Rs. 60 for railway labour. The matter was urgent in view of the prevailing unrest among railway workers. In his reply to the debate Sir Edward Benthall said that to pay a minimum wage of Rs. 36 in addition to extra dearness allowance, as asked for by the Railwaymen's Federation, they would require an additional Rs. 780 million per annum, while acceptance of Mr. Anthony's proposal, would raise the figure to Rs. 1000 million. The present wage bill was Rs. 750 million as compared with the pre-war wage bill of Rs. 350 million. To give a minimum wage of Rs. 60, the railways would have to raise their rates and fares by 50 per cent. Any such increase in the minimum wage would have repercussions not only upon the other departments of the Central Government but also upon the provincial Governments and employers throughout the country. The question of wage structure, the Railway Member emphasized had to be dealt with as a whole and not by particular departments.

The Legislative Assembly also adopted other cut motions relating to the manufacture of locomotives and wagons in India, the grievances of third class passengers and to pilferage and delay in settlement of ~~and~~ claims for compensation.

(The Statesman, 23, 26, 27 and 28-2-1946 ).

Government of India Bill to Provide for the  
Rationalisation of the Production and Supply  
of Electricity - Electricity (Supply) Bill,  
1946.

In the Central Legislative Assembly, on 7-2-1946, Dr. B.R. Ambedkar, Member for Labour, introduced a Bill to provide for the rationalisation of the production and supply of electricity, and generally for taking measures conducive to the electrical development of India.

The Statement of Objects and Reasons appended to the Bill points out that the co-ordinated development of electricity in India on a regional basis is a matter of increasingly urgent importance for post-war reconstruction and development. Besides, it is becoming more and more apparent that if the benefits of electricity are to be extended to semi-urban and rural areas in the most efficient and economical manner consistent with the needs of an entire region, the area of development must transcend the geographical limits of a municipality, a Cantonment Board or a Notified Area Committee, as the case may be. It has, therefore, become necessary that the appropriate Governments should be vested with the necessary legislative powers to link together under one control electrical development in contiguous areas by the establishment of what is generally known as the "Grid System". The Bill seeks to acquire for ~~the provincial governments~~ the necessary legislative power not only to facilitate the establishment of this system in newly licensed areas but also to control the operations of existing licensees so as to secure fully co-ordinated development; and to enable them to set up suitable organizations to work out "Grid Schemes" within the territorial limits of the Provinces.

Central Legislation, the statement points out, is necessitated by (i) the need for uniformity in the organization and development of the "Grid System"; and (ii) the necessity for the constitution of semi-autonomous bodies like Electricity Boards to administer the "Grid Systems". Such Boards cannot, however, be set up by provincial Governments under the existing Constitutional Act as they would be in the nature of trading corporations falling under the Federal Legislative List.

(The Gazette of India, dated 16-2-1946,  
Part V, pages 43-85 ).

Decimal System of Coinage for India: Bill to amend  
Indian Coinage Act of 1908.

A Bill introduced in the Central Legislative Assembly on 18-2-1946 by Sir Archibald Rowlands, Finance Member, Government of India, proposes a decimal system of coinage for India. Under the Bill the rupee, half rupee and quarter rupee would be equivalent to 100 cents, 50 cents and 25 cents respectively. According to the statement appended to the Bill modern trade and commerce demand speed and simplicity in the methods of computation, to achieve which there is nothing to compete with the decimal system which has gradually displaced all other systems in most of the advanced countries of the world. Public opinion, the statement adds, has expressed itself largely in favour of the adoption of decimal coinage in India.

(The Gazette of India, dated ~~23~~ 23-2-1946, Part V,  
pages 121-122 ).

Maahkund Project: Agreement reached between  
Madras and Orissa.

The final agreement between the Governments of Madras and Orissa in respect of the sharing of power, financial arrangements and the execution of the Maahkund Hydro-Electric Project (vide page 63 of the report of this Office for October 1944), has been ratified by the two Governments and the main provisions of the Agreement were officially announced on 2-2-1946.

Nature of Project.- The Project has been designed to harness the power of the Maahkund Waters at Doduma falls where the river drops to 550 feet. It is intended to develop 105,000 K.W. of electric energy. The Project is estimated to cost Rs. 75 million. The Madras Government will provide 70 per cent of the cost and the Orissa Government 30 per cent. It may be mentioned for the sake of comparison that the total outlay on Ryhara, Nottar and Papanasam Projects is Rs. 30.4 and Rs. 21.3 and ~~Rs. 16.7 million respectively.~~ Rs. 16.7 million respectively. The total output of power is 70,000 K.W., 40,000 K.W., and 28,000 K.W. respectively. The execution of the Project is now proposed to be taken on hand immediately by the Government of Madras. It will take six ~~year~~ years to complete, but power is expected to be made available at the end of the first stage, which, if plant and machinery are secured without undue delay, is estimated to take four years. The power House will be located on the Orissa side.

The Project will be entirely an Hydro-Electric Project serving the requirements of the districts of Visagapatam, East Godavari, West Godavari and Eluru and also portions of Guntur district, as far south as Ongole. When cheap power is made available through the Project, the Madras Government hopes that highly productive and valuable industrial undertakings would come into existence rapidly in those districts, calculated to uplift the Andhra country from its present poorly developed economic position.

Joint Board of Control to be set up.- A Joint Board of Control is to be set up as soon as practicable and all matters of major policy will be referred to that Board. Representation on the Board will be in proportion to the capital contributed by each Government. An Advisory Committee may be set up to advise the two Governments in respect of incidental matters connected with the resettlement of the ~~dispossessed~~ dispossessed inhabitants, afforestation of reserved areas in the catchment, construction of silt traps along the water course, terracing of cultivation, formation of thick forest belts near the river margins, etc. This Committee will consist of two representatives nominated by the Government of Orissa, two nominated by the Madras Government and one by the ~~Proprietor~~ Proprietor of the Jeypore and Madgala Estate.

Sharing of Power.- The Agreement provides (1) that the power should be shared between the two Governments in the ratio of fifty-fifty both in the ultimate and at the intervening individual stages of its development and (2) that the Madras Government may utilise 20 per cent of the power in addition to the 50 per cent for a period of 99 years, subject to payment of a royalty of Rs. 20 per K.W. on 20 per cent of the actual maximum demand recorded at the Power House during each financial year. This latter provision is subject to revision after a period of thirty years. At the end of 99 years, however, the Orissa Government may claim

the twenty per cent subject to payment of the proportionate share of the capital cost incurred by the Madras Government.

The Agreement provides that any dispute arising in respect of it, including the interpretation of any of its clauses will be referred to the Governor-General, whose decision will be final and be binding on the two Governments.

(The Hindu, dated 22-2-1946).

Budget of the Government of India for 1946-47.

The Budget of the Government of India for 1946-47 was presented in the Central Legislative Assembly on 28-2-1946 by Sir Archibald Rowlands, Finance Member, Government of India. Relief to industry in several directions, including abolition of the Excess Profits Tax, reduction in a number of taxes bearing upon persons of moderate means, encouragement of building enterprise and increased grants to provinces for the immediate execution of post-war schemes as anti-slump measures, a heavy duty on imports of bullion and the proposal to appoint a taxation enquiry committee were the main features of the budget. The revised estimates for the current financial year (1945-46) reveal a deficit of Rs. 1449.5 million and the budget for 1946-47 a deficit of Rs. 440.6 million which however is reduced to Rs. 261.0 million by crediting to revenue the balance of Rs. 261.0 million in the two War Risk Insurance Funds.

The following are the figures:

Revised Estimates for 1945-46.

Revenue	Rs. 3606.6 million.
Expenditure	Rs. 5056.1 million.
Deficit	Rs. 1449.5 million.

Budget Estimates for 1946-47.

Revenue	Rs. 2855.5 million.
Expenditure	Rs. 3557.1 million.
Deficit	Rs. 701.6 million.
Credit from War Risk Insurance.	Rs. 261.0 million.
Net Deficit	Rs. 440.6 million.

Defence Expenditure

Revised Estimates for 1945-46.

Revenue Portion	Rs. 3764.3 million.
Capital Portion	Rs. 149.3 million.

Budget Estimates for 1946-47.

Revenue Portion	Rs. 2437.7 million.
Capital Portion	Rs. 15.7 million.

H.M.G.'s Expenditure in India.

Revised Estimate 1945-46	Rs. 3470 million.
Budget Estimate 1946-47	Rs. 420 million.

Introducing the Budget Sir Archibald Rowlands referred to the drop in defence expenditure on account of His Majesty's Government and the Government of India combined. It will be of the order of Rs. 6000 million next year as compared with the Budget this year and stated that it must be the object of the Government, in the coming year, with the help of the public and of the business community, to avoid the Scylla of increasing inflation and the Charybdis of too precipitate a deflation.

Among the measures which the Government of India proposes to meet this situation are:-

(i) Speeding up Provincial Development Schemes by Central Grants and Loans amounting to Rs. 500 million.- In May last provincial Governments were asked to select from their five-year plans schemes which would create employment and could be started at short notice; they were promised a substantial contribution towards the cost of such measures. Provincial Governments have now been urged to embark forthwith on all schemes which provide a high proportion of employment relative to the cost, or are productive or of economic importance calculated to increase the national income. Such schemes will include roads, buildings, minor irrigation works, anti-famine measures, agricultural and forestry development, and public health measures such as anti-malaria, water supply and drainage schemes. As an incentive to urgent action the Government of India has undertaken to provide provincial Governments with all the funds that they may require for approved schemes of this nature up to the end of March, 1947. In the case of self-financing schemes, this assistance will take the form of loans, and for others of advance grants to cover the full costs, which will not be recoverable but will be adjusted against whatever scheme of Central grant is eventually decided upon. A lump sum provision of Rs. 350 million has been made in the Budget Estimates for such advance payments, and of Rs. 150 million for loans to provinces for productive development works.

(ii) Central Government Development Schemes.- For Central Government development schemes, excluding some Rs. 220 million on Railway items, a total provision of about Rs. 270 million has been made in the Budget. This covers development expenditure in the Centrally Administered Areas, expenditure on the post-war plans of the Posts and Telegraphs and the Civil Aviation Departments, special loans to Port Trusts to assist them in carrying out works which will create employment, and a lump-sum provision for various schemes of the Central Departments which are not sufficiently advanced for inclusion under the ordinary departmental budgets. The latter include a subsidized housing scheme prepared by the Labour Department.

(iii) Industrial Finance Corporation to be set up.- The Government of India has ~~not~~ taken on hand the establishment of an Industrial Finance Corporation in order to ensure the availability of medium and long-term credit to industrial enterprise in India where the more normal methods of industrial finance are inadequate. The necessary legislation is expected to be introduced during the present session of the Assembly.

(iv) Stimulation of House-building.- The Government of India's proposals ~~under this head~~ include a Labour Department ~~new~~ scheme, which is intended to benefit not only employees of Governments and Local Authorities but also industrial workers. It provides for a subsidy

up to 12½ per cent by the Centre to local bodies and industrial employees, provided the provincial Government concerned is also prepared to make a grant equivalent to 12½ per cent of the cost to enable suitable houses to be constructed for the poorer classes of workers who are not in a position to pay a full economic rent. In addition, the Government proposes to grant for new residential buildings and business premises constructed within the next two years, a two-years' income tax exemption in the case of the former and an initial depreciation allowance of 15 per cent instead of 10 per cent in the case of the latter. Housebuilding is to be assisted further by increasing the free availability of bricks, timber, cement and steel.

**Taxation Proposals.**— Among the new proposals with regard to taxation are a reduction in the rate of income-tax on the second slab of Rs. 3,500 from 15 pies to 12 pies and on the third slab of Rs. 5,000 from two annas one pie to two annas. Earned income relief will be raised to one-fifth, subject to a maximum of Rs. 4,000. On merits, and partly to offset this loss of revenue, the tax on the balance of income above Rs. 15,000 is increased from four annas nine pies to five annas. Surcharges on income and super-tax are amalgamated with basic rates—a proposal that will not only affect all classes of tax-payer, but benefits the provinces to the extent of Rs. 127.5 million at the expense of the Centre. There will be a more gradual steepening of the super-tax rate.

The poor man benefits by a reduction in the duty on kerosene from four annas six pies to three annas nine pies per gallon. The duty on motor spirit is cut from 18 annas to 12 per gallon, while an impost is levied on gold bullion and coin and the silver duty is raised.

The proposals affecting industry, in whose expansion the Finance Member sees the earliest prospect of increasing the national income and raising the standard of living, are:— (1) discontinuance of ~~the~~ excess profits tax after March 31; (2) special depreciation allowances for new buildings, plant and machinery; (3) relief from a customs duty on imported raw materials, plant and machinery; (4) reduction in the tax on companies; (5) adjustment of tax on dividends to encourage ploughing back of profits; and (6) income-tax relief for building expenditure.

(Further details regarding the Budget will be given in our report for March 1946).

Working Class Cost of Living Index for Various Centres in India during November, 1945.

The index numbers of the cost of living in for working classes in various centres of India registered the following changes during November, 1945, as compared with October, 1945.

<u>Name of Centre</u>	<u>Base = 100</u>	<u>October, 1945</u>	<u>Nov. 1945.</u>
Bombay	Year ending June 1934	242	242
Allahabad	Year ending July 1927	217	--
Sholapur	Year ending January 1928	207	206
Nagpur	August 1939	269	270
Madras	1931-35	--	--
Cawnpore	August 1939	318	317
Patna	Average cost of living for five years preceding 1914	322	--
Jamshedpur	Ditto	370	--
Jharia	Ditto	422	--
Madras	Year ending June 1936	225	225
Madras	Ditto	230	235
Calcutta	Ditto	257	230

(Monthly Survey of Business Conditions in India for November, 1945).

MIGRATION.

Indians in South Africa - Report of the High Commissioner  
for 1943.

The following is a brief review of the developments in South Africa during 1943 affecting the Indian community in South Africa based on the Annual Report of the High Commissioner for ~~Indian~~ India in the Union for the year ending 31-12-1943.

Broome Report on Indian Penetration in Durban European Area.- The terms of reference to Mr. Justice Broome who had been appointed Commissioner to investigate charges of increased penetration by Indians in the Durban area (vide page 15 of the report of this Office for March 1943) were gazetted on 19-2-1943. They were "To enquire into and report whether, and if so to what extent, Indians (including companies with predominantly Indian Directorates) have since the 30th September, 1940, in the municipal area of Durban acquired sites in those areas which a previous Commission found to be predominantly European on 1st January, 1927".

The Commission opened on 16-3-1943 and sat until 19-3-1943. In the report which was submitted towards the end of March 1943, Mr. Justice Broome pointed out that the number of sites acquired by Indians in 1942 in areas covered by the Report was two and a half times greater than the highest previous annual total and in the first two months of 1943 the purchase price paid by Indians exceeded the total purchase price in any complete year covered by the previous Commission. A map appended to the Report focussed attention on the development of the situation in the old borough, i.e., the area in which Indian acquisitions had proceeded most rapidly during the period covered by the Report, while other areas, under the terms of reference, were ignored.

The Pegging Act.- The legislative proposals of the South African Government were published on 7-4-1943. The Transvaal Interim Act was to be renewed for a further period of three years. During the same period the position in Durban was to be pegged so that no Indian would be permitted to occupy or acquire property occupied or owned by a European before 22-3-1943. Similar provision could at any time be applied to the rest of Natal by Proclamation following the report of an ad hoc committee. The proposed legislation was in form non-discriminatory in that Europeans were disqualified from acquiring property in Indian ownership or possession on 22-3-1943. The Minister also informed the High Commissioner for India that he would announce the appointment of a Commission to go into the whole question of Indian housing requirements and cognate problems in Natal.

In representations made to the South African Government on 9-4-1943 and 14-4-1943 the Government of India laid stress on the Union Government's decision in October, 1939, not to proceed with Indian legislation during the war, having regard to the feeling and friction which such legislation would inevitably cause, and pointed out that there was nothing in the Broome Commission's Report to suggest the need for the extension of the Transvaal legislation. While welcoming the proposal to appoint a Commission to go into the question of Indian housing needs in Natal, the Government of India pointed out that so far as the Indian community was concerned the proposed legislation would not provide a suitable atmosphere for such discussions. The Government of India also

went on to suggest that pending the report of the proposed Judicial Commission ~~taxpayers~~ all intended transfers of land between Europeans and Asiatics should be subject to prior publication before confirmation, and objections should be heard by a Joint Committee which would not have statutory powers but would be at liberty to publish its recommendations. Finally, the Government of India reminded the Union Government that both Governments were signatories to the Cape Town Agreement.

The South African Government, however, adhered to its determination to enact the proposed Bill. It was introduced in South African Assembly on 10-4-1943, given its third reading on 21-4-1943 and passed by the Senate on 26-4-1943. During the course of the debate in the Senate, however, Mr. Lawrence, on behalf of the South African Government stated that if the Judicial Commission which he proposed to set up found the Durban City Council dilatory in giving adequate housing to Indians the protection afforded by the Act would be taken away.

In this connection the report of the High Commissioner refutes the charge that the Indian purchases in the European area of Durban was an aggressive move by a few wealthy Indians out for good investments. The great majority of the Indian buyers purchased single houses, most of them quite small, in an area where Europeans were willing to sell, and the Building Societies were willing to lend, and this suggests a housing shortage rather than an outlet for investment.

The Indian Old Age and Indigent Pensions Scheme.- During the year ~~the High Commissioner~~ again drew the attention of the authorities to the need to extend to Indians the provisions of the Blind Persons and the Old Age Pensions Acts which apply exclusively to Europeans and the Coloured community. Failing this it was urged that the maximum benefit of 10/= a month obtainable for age-blind and indigent Indians from the fund administered by the Ministry of the Interior should be substantially increased. While rejecting ~~the~~ the request for amending legislation, the Government of South Africa agreed to make provision for the increase of the rate of maximum benefit to 25/= for Indians living in towns and 20/= for those living in the rural districts.

Indian Seamen in Durban and Capetown.- The Seamen's Port Welfare Committee had before it in the course of the year a report of a small sub-committee which had been appointed to examine the condition in which Indian seamen were housed. The report, adopted unanimously, condemned as unsuitable most of the private lodgings to which the seamen had been allocated and strongly recommended that they should be sent only to the improved barracks run by the Immigration Department, or, in the event of the accommodation there proving inadequate, to some of the private lodgings which after inspection had been passed as satisfactory. The question of the accommodation of Indian seamen stranded in Cape Town as a result of enemy action, or awaiting repatriation or transfer to another ship, was also carefully investigated during the year. At the end of June 1943 a Club for Indian seamen was opened by the Mayor in Cape Town with the High Commissioner as patron. The Club provides recreational facilities and limited quarters reserved for men who have received hospital treatment.

Natal - Durban Housing Schemes.- During the year the proposal to expropriate the Riverside area, mostly Indian occupied, which had been dropped in 1942, (vide page 21, Review of the Report of the High Commissioner for South Africa 1942) of our February 1943 report) was revived but proved no more acceptable than its predecessors. On 29-7-1943 legal opinion was submitted to the City Council sitting in Committee to the effect that the proposed scheme was ultra vires of the Housing Act.

Also, during the year, Mr. George Singh, the Secretary of the Durban Indian Municipal Employees' Union, succeeded in rousing a great deal of sympathy and interest among both Indians and Europeans in the slum conditions resulting in a high rate of mortality in the magazine barracks in which the bulk of the Durban City Council's Indian employees are housed. The City Engineer who produced a plan providing for the demolition of all the wood and iron structures and replacing them by modern and comparatively commodious flats stated that if the necessary building permits could be obtained from the Union authorities the work could be commenced without delay; but at the end of the year, the permits had not been obtained.

The Report of the Special Committee on Durban Post-War development published in September 1943 also deals with the housing of Indians. It envisages the construction of 3,600 houses on an economic basis; and 15,400 houses on a sub-economic basis for the Indian community at a cost respectively of £ 3,006,800 and £ 7,116,000 totalling £10,122,800 for a ten-year period after the cessation of hostilities. The report urges that immediate action to lay out with proper amenities two of the proposed housing areas for upper or middle class Indian occupation would go far to remove the causes of friction which gave rise to the Pegging Act, since this would not only provide much needed housing but an outlet for investment which would improve Indian social conditions in Durban generally.

Asiatic Advisory Board in Durban.- In February 1943 an Asiatic Advisory Board was set up by the South African Government in Durban to advise the Minister on the administration of the Indian Immigration Act and "as to matters incidental to such administration". Two of the Indian members of the Board resigned in protest when the Pegging Act was before the South African Parliament.

Transvaal-Post-War Town Planning in Johannesburg.- In November 1943 the Mayor of Johannesburg invited an Indian delegation to meet the City Council to discuss Indian housing needs in the city and suburbs. The Transvaal Indian Congress was consulted on the constitution of the delegation. The summoning of an Indian delegation for consultation marks an advance in co-operation between the Indian community and the City Council in the matter of town planning.

( Summarised from the Annual Report of the High Commissioner for India in the Union of South Africa for the year ending 31st December, 1943, pp.23 ).

Indian Nationals Overseas Congress: New Organisation  
to safeguard interests of Indians Overseas.

With the object of promoting and safeguarding the interests of Indians overseas and rendering them every possible assistance in the matter of repatriation, rehabilitation and colonization an organisation known as the Indian Nationals Overseas Congress has been formed with headquarters in Bombay. The Congress, it is stated, will work for securing Indians overseas the rights of citizenship in the ~~countries~~ countries of domicile and for the promotion of better social and cultural contacts.

is to

The first annual session of the Congress will be held in Bombay shortly.

(The Hindustan Times, 11-2-1946).

Conditions of Estate Labourers in Malaya:  
Dr. Kunzru's Statement.

Reference was made at page 27 of our report for December, 1945, to the deputation consisting of the Hon'ble Dr. H.N. Kunzru and Mr. P. Kodanda Rao sent by the Government of India to visit Malaya for studying the conditions of Indians settled there. Dr. Kunzru who returned to India early in February said, in the course of a press interview, that there were very few rubber estates in full working order in Malaya. But the Indian deputies of the European managers remained in their positions on practically all the estates during the Japanese occupation. They looked after the labour force as best as they could and they are reorganizing the work as far as the subordinate position which they occupy allows them to do so. As regards the economic condition of the labourers, Dr. Kunzru stated that the British Military Administration was paying the workers at the following rates: male workers 70 cents (roughly Re. 1-1-6); women workers, 50 cents (Re. 0-12-6); and children 40 cents (Re. 0-10-0) each. These wages, he observed, may appear to be higher than what they were before the war, but while the wages have risen by one-fourth or one-third the prices have risen 10 times. For instance, a cup of coffee costs 40 cents or 10 annas, a seer of milk about Rs. 3, chillies which are essential for Tamil workers sell at Rs. 8 or Rs. 9 a catty (which is equivalent to one and one-third pound) and sugar costs about Rs. 6 per pound.

Food and Clothing.- The staple of diet of the people was rice and it was rationed. In towns the ration of a male adult was only nine ounces and in villages probably only six ounces. Persons who had money to spend, therefore, resorted to the black market to purchase the rice needed by them for a full diet and they had to pay as much as Rs. 1-9-0 for a catty of rice. There was shortage of foodstuffs and acute scarcity of all consumer goods. Even before the war the rice production in Malaya sufficed only for one-third of the year and they had to import rice from Burma and Siam. There was also a great shortage of cloth.

Repatriation.- Dr. Kunzru further revealed that nearly 15,000 ~~IN~~ Indians had already registered their names for repatriation, and that the figure might go up to 25,000; there were some 25,000 others who wanted to come to India at least for a temporary period. The B.M.A. had agreed to his suggestion that Indian workers on the rubber estates should be sent back to India at the expense of the Immigration Fund. But there were other Indians who were no less poor than these labourers and they could not afford to pay the steamer fare which had approximately risen from Rs. 32 to Rs. 84 from Singapore to Madras. He suggested that both the Government of India and the Malayan administration should make representations to the Allied Shipping Board to secure shipping facilities; otherwise the problem would become serious and there would be great discontent among Indians.

(The Hindustan Times, 14-2-1946).

Indians in Different Parts of British Empire: Developments during 1944-1945\*.

The following review of the important events relating to or affecting Indians in the different parts of the British Empire during 1944-45 is based on the annual report for the period issued by the Department of Commonwealth Relations, Government of India.

Centralisation of Control over Emigration and Appointment of Controller General of Emigration.- With a view to dealing directly with all emigration problems in the post-war period on a uniform all-India basis, the Central Government resumed, with effect from the 1-10-1944, the administration of its functions under the Indian Emigration Act, hitherto performed by the provincial governments by virtue of the powers delegated to them under Section 124(1) of the Government of India Act. The Central Government also appointed a Controller General of Emigration to carry on the work under its immediate direction.

South Africa.

Pretoria Agreement and the Natal Ordinances.- The draft ordinance embodying the major points of the Pretoria Agreement which had been generally acceptable to the Natal Indian Congress and had been referred to a Select Committee by the Natal Provincial Council (vide page 23 of the Report of this Office for May 1945) was radically altered and after being renamed as Residential Property Regulation Ordinance was laid on the table of the Natal Provincial Council on the 17-10-1944. ~~Along with this ordinance the Natal Provincial Council also passed an ordinance which was amended by~~ The Ordinance as amended by the Select Committee proved unacceptable to the Natal Indian Congress, but was passed by the Natal Provincial Council on 3-11-1944. The Ordinance was a departure from the Pretoria Agreement in the following aspects: (1) it controlled occupation in all boroughs

\* Review of Important Events Relating to or Affecting Indians in Different Parts of the British Empire during the Year 1944-45, Pp.16.

and townships in the Province, whereas the Pretoria Agreement provided for the control of occupation in the first instance in Durban only, and in other boroughs and townships only after an enquiry by the Board; (ii) it controlled acquisition as well as occupation, whereas the Pretoria Agreement provided for the control of occupation only; (iii) it set up machinery of a permanent character, whereas the Ordinance contemplated in the Pretoria Agreement was expressly stated to be "of a temporary character".

Simultaneously with the Residential Property Regulation Ordinance, two other Ordinances, namely, (i) the Natal Housing Board Ordinance, and (ii) the Provincial and Local Authorities Expropriation Ordinance, were also passed by the Provincial Council. Under (i) the establishment of a Housing Board was envisaged. This Board was to have powers to acquire and sell property. The latter conferred on local authorities power to expropriate land. All these Ordinances were based upon the reports of the Natal Post-war Reconstruction Commission which had recommended racial zoning and on which Indians were not represented. All the three Ordinances were opposed by the Indian community in Natal, which apprehended that they were designed to impose racial segregation, the Indians in Natal, as well as by the Government of India. On 3-11-1944 the Government of India brought the Reciprocity Act into force against South Africa.

Ultimately all the three Ordinances were declared ultra vires of the powers of the Provincial Council. The union Government enacted a new Bill, entitled "the Housing (Emergency Powers) Bill" on 11-6-1945. This Act empowers the Governor General to promulgate regulations in respect of powers of the National Housing Commission, the Provincial Housing Board to be instituted by the Provincial Council and the local authorities to construct dwellings, expropriate property and carry out other incidental purposes. These regulations will be limited in the first instance to a period of three years but are renewable by a resolution of both the Houses of the Parliament. Section 4 of the Act empowers the Provincial Council to institute a Housing Board by an Ordinance. The powers of expropriation will remain in the hands of the Minister. The Government of India and the Natal Indian Congress have however been assured that they will be fully consulted at the time of the framing of the regulations.

Third Broome Commission Report.- The passing of the Residential Property Regulation Ordinance on 3-11-1944 made it impossible for the Broome Commission (vide page 15 of the report of this Office for March 1945) to carry on its work smoothly, and on 7-2-1944 the two Indian Commissioners resigned from the Commission. The Interim report of the Commission published on 11-6-1945 recorded the opinion that the "only way out of the present impasse lies in the direction of a full and frank exchange of views between the Government of the Union and the Government of India" and recommended that "the Union Government invite the Government of India to send to the Union a delegation, composed substantially of Indians, for the purpose of discussing with the Union Government, and with such representatives as the Union Government may appoint, and with such other persons as the delegation may invite, all matters affecting Indians in South Africa".

Reciprocity Act and Rules.- In 1945 the Indian Legislature passed the Reciprocity Act which makes provision for the treatment in India on a reciprocal basis of persons of non-Indian origin domiciled in other British possessions. The Act was brought into force on the 3-11-1944. Under this Act three sets of Rules were framed, namely,

(i) the Reciprocity (South Africa) Rules, (ii) the Reciprocity ~~(Natal and Transvaal)~~ (Natal and Transvaal) Rules and (iii) the Reciprocity (South Africa) (Local Franchise) Rules.

Under (i) all persons of non-Indian origin domiciled in South Africa have been declared "prohibited immigrants" and as such they are not allowed to enter and reside in British India without obtaining exemptions or entry permits. Under (ii) a person of non-Indian origin domiciled in the Natal and the Transvaal provinces cannot acquire any property without a permit from the Government of India or occupy ~~and~~ any land or premises in India which was not occupied by any South African before the 1-12-1944. Number (iii) debar a person of non-Indian origin domiciled anywhere in the Union excepting the Cape Province from the franchise of a local authority in India unless he was already on the electoral roll of that local authority before the commencement of the Rules.

East Africa.

Immigration Restrictions.- As a result of correspondence with the Governments of Kenya, Uganda and Tanganyika on the Defence (Immigration) Regulations promulgated by them (vide page 24 of the report of this Office for May 1945) the Government of India was assured by these Governments that entry permits would be granted to bona fide residents even though they might have been away for more than two years. The Government of India addressed His Majesty's Government on the subject in October 1944 and their reply was received in March 1945. At the end of the period under review that reply was under examination. On 13-4-1944 the Government of Zanzibar also promulgated the Defence (Immigration Restriction) Amendment Regulations bringing the Zanzibar Regulations into line with the regulations promulgated in Tanganyika, Kenya and Uganda, earlier in the year. The Government of India have addressed the Government of Zanzibar and His Majesty's Government on the matter.

Kenya Ordinances to Control Transactions in Land.- During the year under review two Ordinances were promulgated in Kenya providing for the control of transfers of landed property. The Land Control Bill, was introduced into the Kenya Legislative Council in April 1944 and after having been referred to a Select Committee consisting only of Europeans, was passed by the Kenya Legislative Council. The Bill as passed provided for the establishment of a Board called "the Land Control Board" consisting of 3 official and 6 non-official members appointed by a majority of the European elected members of the Legislative Council of the Colony. No transactions in land in the Highlands can be effected under the Ordinance without the written consent of both the Governor and the Land Control Board. The Board can, however, withhold its consent to a transfer only upon the ground that the applicant already has sufficient land or that it objects to the proposed selling price of the land or to the rent to be charged. Thus while previously the Highlands Board could only advise the Governor, under the present provision the Land Control Board is in a position effectively to prevent the acquisition of land by an Indian in the Highlands, even if the ~~the~~ Governor should be willing to permit such acquisition. The Crown Lands (Amendment) Bill of 1944, was introduced in the Kenya Legislature and after having been referred to a select committee which included an Indian member was passed by the Kenya Legislative Council. The Principal Ordinance, viz., the Crown Lands Ordinance empowered the Governor-in-Council to veto any transaction in land between persons of different races. The Bill as passed now provides that no transactions in land situated in the Kenya Highlands can be effected without the written consent of the Governor. It also provides that inter-racial transfers

of shares, etc., of companies holding land situate in the Highlands cannot be effected without the prior written sanction of the Governor. Both these Ordinances were stoutly opposed by the Indians in Kenya and the Government of India made representations to His Majesty's Government requesting that the Royal assent to them be withheld. His Majesty's Government, however, expressed their inability to accede to the request and both the bills received Royal assent on 14-12-1944.

#### Central Africa.

A standing Central African Council covering Southern and Northern Rhodesia and Nyasaland was set up on 31-3-1945. It is consultative in character and its general function will be to promote the closest contact and cooperation between the three governments and their administrative and technical services.

Mauritius.- The report of the Commission which had been set up to inquire into the disturbances on estates in Mauritius in September 1943 was published on 28-11-1944 (the findings of the Commission are summarised at pages 18a to 19 of the report of this Office for December 1944). The Government of Mauritius has taken action on certain recommendations in regard to the improvement of labour conditions, and a Central Statistical Bureau has also been set up. The Government of India is in correspondence with His Majesty's Government on other points.

#### West Indies.

Reservation of seats for East Indians in Jamaica Legislative.- In its reply to the representations made by the Government of India on the question of reservation of seats for East Indians in the Legislative Council and House of Representatives in Jamaica, His Majesty's Government reiterated its previous reply (reference has been made to this at page 26 of the report of this office for May 1945).

Franchise Commission - British Guiana.- The report of the Franchise Commission in British Guiana was published on 4-10-1944 and recommended a liberalisation of the property and income qualifications for the exercise of franchise.

Franchise Commission - Trinidad.- The report of the Franchise Commission in Trinidad which was published on 4-8-1944 recommended the abolition of the property and income qualifications, and that women who had attained the age of 21 years should also be eligible to vote, but did not recommend any change in the provision regarding understanding English when spoken. The Secretary of State for the Colonies however recommended the introduction of universal adult franchise, without the English language qualification, and abided by his decision to exclude the language test in spite of the adverse vote of the Trinidad legislature. Information was received in June 1945 that the language test had been abolished, and Trinidad would thus appear to have adult franchise.

#### Thaxrapart

#### Fiji.

The report of Dr. C.Y. Shephard of Trinidad who had been appointed to inquire into the sugarcane growers' dispute in Fiji had not been published till the end of the year under review.

#### Australia.

India's first High Commissioner in Australia, Sir Raghunath P. Paranjpye reached Canberra in December, 1944. Also at the invitation of the Government of the Commonwealth of Australia, a delegation of Indian industrialists visited Australia in February, 1945, to study the industrial conditions there and foster industrial relations between Australia and India.

Ceylon.

Labour Conditions on Estates.- Both the tea and rubber industries continued to be prosperous during the year and there was therefore plenty of work for the labourers. Labour disputes arising during the period were dealt with under the provisions of the Essential Services (Avoidance of Strikes and Lockouts) Order, 1942, the Controller of Labour referring these to a tribunal for an award. The "seven points agreement" continued to regulate the procedure for settlement of disputes by conciliation. The regulations restricting the holding of public meetings in planting areas continued to be in force. This together with the general attitude of the planters with regard to the right of entry into estates of labour ~~union~~ union leaders left little scope for ~~the~~ trade union activities during the period. In July 1944 the Ceylon Estates Employers' Federation was inaugurated. In future the Federation will be the body responsible for negotiations between the planting employers and employee unions.

Dearness Allowance.- The position in this respect continued as in the previous year and the present practice of computing the cost of living index continues to affect labour adversely.

Wages Boards Ordinance - Recommendations of Rubber and Tea Wages Boards.- The Wages Boards for tea and rubber growing and manufacturing trades established by a notification, dated 17-7-1944. They made proposals to enhance the minimum rates of wages payable to workers throughout the island and these were published in a gazette Extraordinary, dated 16-12-1944. According to this notification the minimum time rate for a working day of 9 hours (including 1 hour for meal) will consist of—(1) basic rate, and (2) special allowance to be computed and published monthly by the controller of labour.

(1) The basic rate is to be as follows:-

Class of workers	Basic rate for a normal working day.
Male workers <del>and</del> not under 16 years of age.	58 cents.
Female worker not under 15 years of age.	46 cents.
Child worker.	41 cents.

(2) When the cost of living index number is 215, the special allowance for normal working day is to be 67 cents, 54 cents and 47 cents for the 3 categories of workers. When the cost of living index number is different, the allowance will increase or decrease by 3 cents for a male, 2 cents for a female and 2 cents for a child worker for each complete unit of 5 points by which the index number exceeds or falls, short of 215.

(3) The notification also provided for payment of overtime as follows:-

	Between 6 A.M. and 6 P.M.	Between 6 P.M. and 6 A.M.
For a male worker.....	20 cents	24 cents.
For a female worker .....	16 "	19 "
For a child worker .....	14 "	17 "

One important feature of the new rates is that the distinction hitherto made between the minimum rates for the up-country, mid-country and low-country estates is not to be maintained. These decision, of the Wages Boards have evoked considerable opposition from the Planting interests.

Food Position on Estates.- The general food rationing scheme continued to be in force as in the previous year. Under section 11 of the Minimum Wages Act, the employer is required to issue, free of charge each month, 4 Ceylon measures of rice (8 lbs.) to every Indian male labourer over 16 years and to every widow resident on the estate and having at least one child below the age of 10 years dependent upon her. In the alternative the employer is permitted to supply daily, free of charge, one or more meals of rice and curry to each child below the age of 10 years resident on the estate provided that the meals are not less in value than the allowance of rice. It was however found that on 17 of the estates inspected by the Agent of the Government of India the value of the meals supplied was not equal to that of the free allowance of rice. In August, 1944, the Executive Committee of Labour, Industry and Commerce decided that on estates where free feeding is not undertaken, the free issue of rice and foodstuffs should be as follows: (1) Where the male labourer is married and has a wife or children the total issue to the family should be computed and 4 measures of rice be issued free; and (2) if the male labourer is unmarried or a widower and has no dependents the free issue should be restricted to the rationed quantity of 2½ measures of rice per month and the balance of 1½ measures should be issued in substitute rations.

Ceylon order fixing Prices of Handloom Textiles.- The Ceylon Government passed a Textile Control Order fixing the wholesale and retail prices of handloom textiles imported into Ceylon after 31-10-1944. Many protests from Indian merchants and a deputation were received by the Government of India against this order. The main grievances were that (i) it retrospectively affected goods for which contracts were entered into before the 1-11-1944, and (ii) the prices fixed did not have reasonable margin of profits. The Government of India addressed the Ceylon Government asking for exemption from the operation of the order of goods covered by contracts entered into before that date. That Government, however, agreed to exempt only goods actually railed or shipped before that date. The Government of India have since agreed to the promulgation of a scheme for the handloom price control prepared by the Madras Government with certain modifications until its own scheme for all-India application is ready.

Indian Trades in Ceylon.- During the year the Government of India received various complaints from the Indian merchants in Ceylon that the war time control measures had the effect of depriving a large section of the established Indian traders of their share in the internal trade in Ceylon. The principal complaints were: (1) Rice at an early stage and pulses and condiments later were requisitioned by the Government from the importers and passed on to the co-operative societies which had been given a practical monopoly of distribution of such commodities. (2) 40 per cent of the stocks of certain types of textiles held by retail dealers were requisitioned by Government and passed on to co-operative societies for sale to the public. (This percentage was subsequently raised to 51). (3) The incidence of these control measures had fallen heavily on the Indian traders who constituted about 90 per cent of wholesalers, about 60 per cent of medium dealers and about 40 per cent of retailers in the island.

The Government of India placed these complaints before the Ceylon Government with a request for their redress. In reply, the Government of Ceylon stated that in the circumstances prevailing in Ceylon, Government intervention in trade through normal channels was inevitable and that their endeavour was to maintain this interference at the minimum. The Government of India are examining the question further.

Far East.

Indo-Burma Immigration Question.- In March 1944, the Government of Burma sent certain proposals to the Government of India as a basis for fresh negotiations in regard to the post-war immigration of Indians into Burma. Members of the Standing Emigration Committee and certain representatives of Burma-Indian interests were consulted on these proposals. Negotiations between the two Governments were not completed by the period under review.

Appointment of a Representative of the Government of India with the Government of Burma.- With the improvement in the war situation and the urgency which the various Indo-Burma questions assumed, the need for reviving the post of Agent of the Government of India in Burma became apparent. In view of the complexity of Indian interests and of the importance of safeguarding their interests in the post-war period, the Government of India with the concurrence of the Government of Burma, appointed a representative and accredited him to the Government of Burma. Mr. Jamnadas M. Mehta, M.A., LL.B., Bar-at-Law, M.L.A. (Central) was appointed the first representative of the Government of India with the Government of Burma and he took charge on 30-10-1944.

Assistance to Evacuees and to Dependents in India of British Subjects detained in enemy occupied Territories.- The scheme which was sanctioned in 1942 continued throughout the year with some modifications. The rates of maintenance allowances were increased in the cases of persons whose pre-evacuation income was Rs. 200 p.m. or less. Special allowances were also sanctioned for funerals and for journeys in connection with interviews for government employment. It is estimated that nearly 100,000 evacuees and dependents were in receipt of relief during the year and that a sum of about Rs. 19.5 million was disbursed to them.

Burma Refugee Organisations, Assam and Bengal.- The two organisations continued to function throughout the year. Both the forward and the base camps were always kept in a state of readiness to receive any refugees who might arrive.

Scheme for the Long-term Maintenance of Refugee Orphans.- With the concurrence of provincial Governments, the Central Government formulated during the year a scheme for the long term maintenance of refugee orphans in India of British Indian parentage. The scheme makes provision for the maintenance, care and education of refugee orphans till they attain majority and for safeguarding their interests.

(See Review of Important Events relating to or affecting Indians in Different parts of the British Empire during the year 1943-44 was notice in our May 1945 report at pages 23-28 ).

Conference of South African Indian Congress, Capetown, 8-12-2-1946. Protest Against Proposed Asiatic Land Tenure Legislation: Delegations to be sent to India, United Kingdom and United States of America.

Reference was made at page 28 of the report of this Office for January 1946 to the announcement by Field Marshall Smuts that the South African Government proposed to ~~enact~~ enact a bill for controlling the acquisition and transfer of fixed property in Natal and to the South African Indian community's opposition to the proposed legislation.

Conference of South African Indian Congress, 8 to 12-2-1946 - Failure of Delegation to F. M. Smuts.- A conference of the South African Indian Congress which met at Capetown on 8-2-1946 to consider the proposed legislation adjourned to enable a deputation to wait on General Smuts with a resolution unanimously passed by it, rejecting ~~of~~ his proposals and urging the holding of a round table conference between India and South Africa to settle matters on the basis of mutual discussion. Accordingly a delegation of about 50 delegates of the Congress waited on Field-Marshal Smuts on 11-2-1946; the Minister of the Interior, Senator C. D. Clarkson and the Commissioner for Immigration and Asiatic Affairs, Mr. J.H. Basson were present at the interview. Field-Marshal Smuts, however, ~~turned down the proposal~~ turned down the proposal for a round table conference, and reaffirmed his intention of introducing the new land tenure measure and also legislation granting Indians communal franchise. The latter, it was, indicated would include communal franchise on a separate roll, Indians voting for European representatives on the lines of the representation of natives who have three representatives in a House of 150.

The Conference accordingly adopted unanimously on 12-2-1946 a resolution calling for mobilization of all resources of South African Indians to oppose the proposed new Asiatic land tenure legislation, and another claiming the right to be heard before the General Assembly and the Security Council of the United Nations Organisation.

The first states "This conference, having regard to the Prime Minister's refusal, resolves to mobilise all the resources of the Indian people in this country in order to take every measure possible to secure the lapsing of the Pegging Act and to oppose the proposed legislation of the Government by: (1) Sending a deputation to India to urge upon the Government of India the convening of a round-table conference between the Governments of India and South Africa (failing which to request the Government of India to withdraw the office of its High Commissioner in South Africa and apply economic sanctions against South Africa), to carry out a campaign of propaganda in India to secure the fullest support of India's millions and to invite Indian leaders to come to South Africa; (2) by sending deputations to America, Britain and other parts of the world; and (3) by proceeding immediately to prepare the Indian people of South Africa for concerted and prolonged resistance, details of which this conference instructs its executive to prepare for submission and action to its constituent bodies".

By the second resolution the Conference affirmed its faith and hope in the principles on which the foundation of the Charter of the United Nations was based and as an unrepresented minority permanently settled in the Union of South Africa, claimed its human rights to be heard before the General Assembly and the Security Council of the

United Nations Organization on the grounds, among others, (a) of a breach of the undertakings which assured equal treatment to Indians on their introduction to this country and (b) a breach of the Capetown Agreement entered into between the Governments of India and South Africa in 1926. The personnel of the delegations which are to proceed to India and to Britain and the United States has been announced.

Natal Indian Congress to ~~appoint~~ appeal to U.N.O.- At a mass meeting on 3-2-1946, the Natal Indian Congress also decided to appoint delegates to proceed to Europe and the United States to state the Indian case and take the lead in the formation of a world organisation for "oppressed colonial peoples". It further decided to appeal to the UNO to summon South Africa before the Security Council to explain her treatment of the Indian minority.

(The Statesman, 5, 12 and 13-2-1946;  
The Hindustan Times, 18-2-1946 ).

Failure to Protect Indians in South Africa  
Government of India censured in Central  
Legislative Assembly.

The Central Legislative Assembly, on 4-2-1946, passed without a division an adjournment motion tabled by Seth Govind Das to censure the Government of India on its failure to protect the vital interests and peaceful existence of Indian nationals in South Africa.

Moving the adjournment motion Seth Govind Das traced the history of the Pegging Act, and asked for immediate application of economic sanctions and the recall of the High Commissioner.

Government Reply.- Replying on behalf of the Government of India, Mr. Banerjee, Secretary, Commonwealth Relations Department, stated that the Government had no official intimation of the exact provisions of the new measure, but un-official information showed that while the Pegging Act would lapse, a new Act was to be introduced to take its place which would place restrictions on the right of Indians to occupy and acquire land more or less on the same lines as existing restrictions in the Pegging Act. The Government of India had been told that the measure might contain some elements of enfranchisement of the Indian community in the shape of "loaded franchise", by which Indians in possession of a certain amount of minimum property and educational qualifications would be allowed to vote for European representatives, who would represent them in the Legislature. This was all that the Government of India ~~know~~ knew at present. The Government fully realized the implications of the proposed Bill and the gravity of the situation. They had had full discussion with the Indian High Commissioner, who had been asked to place before the Union Government a suggestion for sending a representative delegation from India to explore the possibilities of an alternative settlement. Mr. Banerjee proceeded to state that the present position in South Africa was more or less analogous to that in 1924-25, when a delegation from India went there and their efforts resulted in the Cape Town Agreement. The Government were awaiting the results of the High Commissioner's discussions with the Union Government, and as ~~the~~ as these results were available, the government would take a decision. The Government ~~will~~ would also give all possible assistance to the Indian community there. (The Statesman, 5-2-1946).

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Failure to Protect Indians in East Africa:  
Central Legislative Assembly Censures  
Government.

An adjournment motion to censure the Government of India on its "failure" to counteract the danger to the civic rights and the position of the Indian community in the proposed inter-territorial organisation in East Africa, was passed without a division by the Central Legislative Assembly on 5-2-1946.

Moving the adjournment motion Seth Govind Das referred to the proposals for the inter-territorial organisation of Kenya, Uganda and Tanganyika published by the Colonial Office in December 1945 (vide pages 28-29 of the report of this Office for December 1945). These envisaged a Central legislative Assembly including six European and six Indian members elected by the territorial Legislative Councils and six members nominated by the High Commission as trustees for African interests. Lord Francis Scott and the White settlers had opposed these proposals because equality of representation was sought to be given to the three races. ~~Mr~~ Seth Govind Das asked what the Government of India had done in the matter. Their duty, he said, was not only to oppose the stand taken by Lord Francis Scott, but to make it clear that it was unjust to place Indians on a footing of equality with Europeans, who were numerically far less than the Indians.

Government Reply.- In his reply Mr. R.N. Bannerjee, Commonwealth Relations Secretary, said that while the Government of India could not stand in the way of the constitutional evolution of the three East African colonies, the Government's policy was to take every possible precaution to safeguard ~~indian~~ Indian interests. The Government of India had been slightly handicapped by the absence of any accredited representative in these ~~native~~ colonies, but they had set action in motion to ascertain the views of the Indian community. About wartime restrictions on the immigration of Indians, Mr. Bannerjee said that the Government of India had urged immediate repeal of the regulations, but the colonies pleaded inability to do so in view of the continuance of war conditions. All that the Government of India could obtain was an assurance that permits would be granted to such old residents as had been absent from the colonies for more than two years. The Colonial Office had assured the Government of India that the regulations would be repealed some time about the middle of this year or a little later.

(The Statesman, 6-2-1946). \*

AGRICULTURE.

Bihar Public Irrigation and Drainage Works  
Bill, 1946.

The Government of Bihar gazetted on 20-2-1946 the text of a Bill which it proposes to enact to provide for the construction, improvement and maintenance by the provincial Government of irrigation, drainage and other works intended to improve the condition of lands.

The Statement of Objects and Reasons appended to the Bill points out that it will be necessary in the post-war period for a large number of works of irrigation, drainage, land reclamation and flood alleviation to be taken up and many of these will be on such a scale that they will be beyond the means of the landlords and tenants and will have to be undertaken by the State. The Bill provides for a simplified procedure for taking up such works whether on report by an officer of Government or on an application by any person. The Bill further provides that the provincial Government may, in the case of any sanctioned work, order that a cess be levied for the purpose of recovering the annual cost of maintenance. It also enlarges the power of Government, in cases where the capital cost is recovered in a number of instalments, to recover the estimated capitalised cost of maintenance in instalments from the persons benefited. Discretion is also left to Government in any case to order that only a portion and not the whole of the cost should be recovered.

The Bill will be taken into consideration on or after 7-4-1946.

(The Bihar Gazette dated 20-2-1946,  
Part V, pages 16-34 ).

Bombay Agricultural Debtors Relief (Amendment)  
Act, 1946 (Act No. II of 1946).

The Bombay Agricultural Debtors Relief (Amendment) Bill to which reference was made at pages 37-38 of the report of this Office for November 1945 ~~has~~ received the assent of the Governor General on 1-2-1946 and has now been gazetted as the Bombay Agricultural Debtors Relief (Amendment) Act, 1946 (Bombay Act No. II of 1946).

(The Bombay Government Gazette, part IV,  
dated 14-2-1946, pages 57-59 ). +

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PROFESSIONAL WORKERS, SALARIED EMPLOYEES AND PUBLIC SERVANTS.

Working of Bombay Shops and Establishments Act during 1944 .

1944 was the fourth year of the working of the Shops and Establishments Act in the Bombay Province. During the year the Act was extended to Nasik City. There were requests which were pending at the close of the year, from several other places for the extension of the Act to them.

**Exemptions.-** No permanent exemptions from the provisions of the Act were granted during the year. The exemptions granted to various concerns connected with war work continued. Certain kinds of shops and establishments were granted exemptions from certain provisions of the Act at the time of religious festivals and occasions, like Jamshedji Navroj, Ganesh Chaturthi, Ramzan, Divali, Christmas, etc.

**Enforcement.-** The number of irregularities detected during 1944 was 11,341, in respect of all places in the Province where the Act is in force. The number of prosecutions launched during the year was 3,654 as against 3,638 in 1943. During the year under review one appeal was filed in the High Court by the Bombay Municipality. The question in the case was whether bidi turners in bidi shops who work on a piece work basis come within the definition of the term "persons employed" as defined in the Shops and Establishments Act, and are governed by the Act. The case had not been decided by the close of the year.

(Indian Labour Gazette, January, 1946).

Strike Notice by All-India Post-men and ~~Lower~~ Lower Grade Staff Union.

The All India Postmen and Lower Grade Staff Union has given notice to the Director-General of Posts and Telegraphs to go on strike from 11-3-1946, if no satisfactory reply to their demands is received by that date. The demands of the Union include ~~the~~ the revision of scales of pay, revision of leave and pension rules, increase in dearness allowance, supply of food grains at concession rates and the provision of warm clothing at places where the temperature on any three days falls below 50.

It may be recalled that a resolution was passed at the 20th session of the All-India Postal and R.M.S. Conference demanding revision of the scales of pay (vide page 38 of our report for December, 1945).

(The Hindustan Times, 13-2-1946).

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Redress of Postal Employees' Grievances:  
Central Government's Decision to Appoint  
Predominantly Non-official Enquiry Committee.

On 7-2-1946, the Central Legislative Assembly debated an adjournment motion tabled by Mr. N.V. Gadgil to discuss the "imminence of a general strike in the Posts and Telegraphs Department in pursuance of the decisions taken by certain unions". Moving the adjournment, Mr. Gadgil said that the main demands of the unions related to revision of scales of pay, working conditions, retrenchment and pensions. While the profits of the department for 1945-46 were expected to total more than Rs. 100 million, most of the employees of the Department were in debt. Mr. Gadgil urged that the salaries of the employees should be restored at least to the 1927-28 level and that they should be given a dearness allowance of 66 per cent to neutralise the effect of war conditions.

Mr. S. Guruswami, General Secretary of the All-India Railwaymen's Federation, asked the Government not to provide employment for ex-servicemen at the cost of the present employees. If they wanted to give employment to ex-servicemen they could do so in future vacancies.

Mr. Lahiri Chowdhury, President of the All-India Postal Employees Union, said that the condition of postal employees was deplorable and if they decided to strike as a last resort to redress their grievances, the responsibility would be that of the Government.

Mr. J. Srinathan, suggested that no Government servant should receive a basic pay of less than Rs. 50. She drew particular attention to the low scales of pay given to village post-masters and runners.

Government Reply.- Sir Gurunath Bewoor, Posts and Air Secretary, replying for the Government, said that there was no great fear of immediate retrenchment in the Department. He said that the permanent staff in the Department numbered 160,000, temporary staff about 25,000, and men sent on military service 2,170. The total number of men who might be discharged from the temporary staff would be 6,500. Even this number would not be retrenched in a day or a month but would be spread over a long period; and the discharged personnel would have first preference for inclusion in the Department's annual intake of 3,000 due to retirement, discharges, death or resignations or creation of new posts. In addition to this, the Department had a large programme of post-war expansion, involving new posts. The net result, he reiterated, was that there was no great fear of immediate retrenchment.

Sir Gurunath further announced the Government's decision to appoint a predominantly non-official committee to examine the whole range of Government servant's salaries particularly minimum salaries. He indicated the Government's intention to set up machinery to provide means to ensure that disputes were not taken to a stage at which threats of strike were made. He stated that Government intended to examine sympathetically the various suggestions and demands made by the unions; he considered it would be entirely unjustified for unions to take desperate action.

The Assembly, however, passed the motion without a ~~split~~ division.

(The Statesman, 8-2-1946).

Increased Dearness Allowance to Primary School Teachers in Bombay: Bombay Government's Instructions.

In virtue of the powers conferred upon it by the Bombay Primary Education and Local Boards (Amendment) Act, 1945 (vide page 63 of our January 1946 report), the Government of Bombay has directed that, all Local Authorities and Municipalities in the province which are not already paying dearness allowance to their primary school teachers at the rates at which Government servants serving within their limits and drawing equivalent pay receive the allowance, shall pay the allowance at Government rates to their primary school teachers.

The Government has also decided to raise the pay of temporary untrained ~~xxx~~ primary teachers from Rs. 15 to Rs. 20 and to permit all local authority municipalities to pay a local allowance not exceeding Rs. 5 a month to each of their primary teachers. A local allowance will also be permitted in other places where the cost of living is ~~proved~~ to be unduly high. The Government is, however, unwilling to undertake a general revision of basic pay scales at a time when prices are liable to wide fluctuations, and considers that in present circumstances the increased cost of living is best provided for by dearness allowance.

(The Times of India, 15-2-1946; and Press Communiqué, dated 20-2-1946, issued by the Director of Information, Bombay ).

C.P. Government Raises Basic Salary of Police Constables.

The Government of the Central Provinces has revised the salary scale of the constables and raised their basic pay from Rs. 15 to Rs. 22 per month with a dearness allowance of Rs. 16 a month. The pay of head-constables has been raised from Rs. 30 to Rs. 35 per month. The salary of sub-inspectors has not, however, been increased.

(The Hindustan Times, 1-2-1946).

India-wide Strike of Posts, Telegraphs and Wireless  
Employees Probable: Notice to be given by Federation  
of Post and Telegraph Unions.

The Federation of Post and Telegraph Unions, which consists of 6 leading unions of the Posts and Telegraphs Department, and claims a membership of 40,000 including employees in the Wireless, Telegraphs, Telephones and Engineering personnel, has put forward to the Director-General of Posts and Telegraphs the following basic demands: (1) the abolition of the new scales of pay, introduced for the employees recruited after the year 1931, which are between 33 to 50 per cent lower than the old scales; (2) an upward revision of the single pre-1931 scale in accordance with the rise in the cost of living, and the grant of an adequate dearness allowance until such time as the pre-1931 scales are raised; and (3) the grant of pensions and an adequate dearness allowance to all retired employees in the Department. The Federation further insists that no temporary employee should be discharged merely to make room for an outsider. It is stated by the General Secretary of the ~~Postal~~ Federation that negotiations are at present going on between the Federation and the Directorate-General of Posts and Telegraphs and that if these fail, a strike notice will be given on 24-2-1946; the strike may be started on some date between 27-3-1946 and 2-4-1946.

(The Amrita Bazar Patrika, 20-2-1946).\*

CO-OPERATION AND COTTAGE INDUSTRIES.

More Yarn for Handlooms: Central Assembly passes Resolution.

The Central Legislative Assembly passed on 4-2-1946, a resolution moved by Syed Ghulam Bhik Nairang<sup>ts</sup> for releasing more yarn for the use of handlooms. The resolution as amended and passed reads: "This Assembly recommends to the Governor-General-in-Council to take immediate steps by legislation ~~or~~ or otherwise for compelling cotton textile mills to release at least one-third of the yarn manufactured by them for the use of handlooms and with a view to facilitate the same, prohibit all export of yarn and cloth for trade purposes to countries outside India for a period of one year or until such time as it takes for this country to become self-sufficient whichever is earlier, and to take other necessary steps to ensure adequate supplies of yarn to handlooms calculated to provide full and remunerative employment to the 1 crore (10 million) handloom weavers of the country".

Moving the resolution on 31-1-1946, Mr. Nairan, said that 2.4 million of whole time handloom weavers employing about 3.6 million of assistants were faced with a grave situation owing to lack of yarn. It was estimated that the weavers had 4 million dependents and in all 10 million people depended for their livelihood on the handloom weaving industry. Out of 1,622 million pounds of yarn produced only ~~the~~ 470 million pounds was distributed among power looms, handlooms and the hosiery industry. During the last two years 6.30 million pounds and 5.9 million pounds of yarn was exported. Mr. Nairang urged that no yarn should be exported so long as the handloom weavers in India suffered from shortage of yarn, and the Government should compel the mills to set apart one third of yarn production for the weavers.

In the course of the debate, Mr. A.A. Waugh, Industries and Supplies Member, said that if the motion was accepted the mills would lose 141,000,000 lb. yarn and perhaps 14 per cent of mill labour would be affected. There might also be some difficulty before the handlooms were equipped or able to absorb the quantity of yarn so transferred to them from the mills. The plans the Government had in view for getting spinning machinery would bring the total amount of yarn available for handlooms to well beyond the figure which the mover had in mind. The Government was investigating the chances of manufacturing textile machinery as a temporary measure—and perhaps as a long-term measure—in India's Ordnance factories. In his reply to the debate, Mr. Waugh said that the actual quantity of yarn exported amounted to less than one third of one per cent of the total consumption of yarn in India. There was at present an overall shortage of yarn. If the resolution was given effect to, it would result in dislocation and a temporary falling of production at a time when more cloth was needed. He admitted the position was not satisfactory, but it would be no solution, ~~as~~ he concluded, to shift more yarn from the mills to handlooms.

Nutrition.Canteens in Hyderabad State Factories and Workshops:

In the Hyderabad State, 12 factories and workshops, each employing 1500 or more workers, have set up food canteens for the benefit of their workers. For the time being, the canteens are housed in temporary buildings; two mills have, however, already started constructing pucca canteen buildings on modern plans.

Tea and light refreshments are served at all hours of the day inside the factory. Meals and snacks are, however, served during the lunch interval and in the canteens only. Tea as well as snacks are sold against coupons. In the beginning, at the time of ~~disbursement~~ of salary, coupon-books were sold, but it was found that workers were not satisfied with this method; coupons are now sold every day. 50 per cent of the workers approximately, are taking advantage of these canteens ~~for~~ for tea and snacks. Food is prepared under hygienic conditions and is sold at cheaper rates than at the restaurants.

Commenting on the above, the Eastern Economist, New Delhi, dated 15-2-1946, pleads that it should be possible to embrace the entire labour personnel "especially as food in the canteens is made available at considerably cheaper rates than in the restaurants". It further observes that even "these low rates are still beyond the reach of the general mass of labourers" and urges that "steps should be taken by the State in conjunction with the mill authorities to bring costs lower; for, it is obvious, it is the poorer labourer who most stands in need of balanced and cheap food".

("Feeding the Worker: Canteens in Industry",  
January, 1946 ).

Improvement of Milk Supply in India: Government Action  
on Pepperall Report.

The Government of India has taken action on the report of Mr. R.A. Pepperall, Chief Executive Officer of the British Milk Marketing Board, who toured India during 1945 as Milk Marketing Adviser to the Government to make recommendations on the dairy industry. Schemes have been drawn up in some provinces for the creating of a Milk Control Board, and appointing Dairy Development officers, while various provincial Governments ~~have~~ already taken measures to ~~take~~ tackle the problem of milk supply.

Terms of Reference.- Mr. Pepperall's terms of reference were to make ~~a rapid survey~~ of the problems involved in the supply of milk to Indian cities, particularly the procurement, transport, processing (if any), ~~quantity~~ quality and price control aspects; to make recommendations for both short-term and long-term policies and to prepare, if possible, a detailed scheme for organised marketing of milk to a large town, particularly in relation to Bombay and Delhi.

Inefficiency of Indian Dairy Industry.- Mr. Pepperall in his report catalogues thirteen evils in the present system of milk production in India. These are : (1) Livestock is in a state of semi-starvation; (2) Animal management is very poor; (3) Milk production is steadily decreasing; (4) Human population is increasing rapidly; (5) Producers are mostly illiterate, indebted and poverty-stricken; (6) The price of milk is the highest in the world; (7) The average income of the population is amongst the lowest in the world; (8) There is widespread adulteration of milk; (9) Total ignorance of sanitation and complete indifference to hygienic standards; (10) Corruption and a low standard of ~~its~~ integrity is very common in India; (11) The general public is apathetic; (12) There is serious neglect of their duties by the public bodies; and (13) Dairy equipment is almost non-existent.

Adulteration.- The report contains a strongly worded indictment of the conditions of milking stables in Bombay, Calcutta and many other cities and quotes from a test of 247 samples of milk made at Calcutta. In one case the fat content was 0.9 per cent; in another added water to the extent of 87 per cent was disclosed and the general average of ~~of~~ added water for all the samples exceeded 25 per cent. The report emphasises that the main interest lies not in the adulteration itself but to the extent thereof. The poverty of the producer compels him to accept an advance from his buyer which is offset against the quantity of milk supplied; the remedy suggested is that there should be a fixed price for the producer and a low price for the consumer.

Low Milk Yields.- Mr. Pepperall attributes the low milk yields in India to the state of semi-starvation to which dairy animals are exposed, and maintains that by the adequate feeding of the animal an immediate reward of 100 per cent or more in milk yield can be assured.

Milk Commission for Every Province.- The report suggests that in every province a Milk Commission should be set up with a Commissioner, a paid Director and Advisory Board nominated by Government, and at the centre a co-ordinated milk policy as part of an all-India food policy should be adopted and implemented through a central Milk Director.

Other Recommendations.- Other recommendations are: (1) The cow should be developed for dual purposes—milk and draught; (2) cattle from city stables should be dislodged and colonized in more natural environments; (3) village areas ~~should be utilized for cultivating areas~~ should be utilized for cultivating and feeding green fodder in preference to grazing; (4) a total ban should be imposed on the export overseas of oilseeds and cakes from India; (5) dairy appliances and utensils of uniform standards should be manufactured in India; (6) the existing legal standards for pure milk should be re-examined; (7) the activities of the Military Dairy Farms should be restricted with regard to the manufacture of milk products and their export; (8) manufacture of milk products should be confined to remote rural areas; (9) cheap milk should be provided for priority consumers; (10) producers should be organized into Co-operative Societies; (11) the manufacture of dairy products should be controlled by licensing; and (12) modern dairies should be established in cities. ~~and Dairy Farms should be established.~~

Government Action on the Report.- The Government of India has invited the attention of provincial Governments to Mr. Pepperall's recommendations and has stressed the need for expeditious action on such measures as have not received adequate attention so far. Such schemes have already been drawn up in some provinces for the setting up of a Milk Control Board and appointing Dairy Development Officers.

The Imperial Council of Agricultural Research and the Imperial Veterinary Research Institute at the Centre and the various provincial Governments have already taken measures to tackle the problem of milk supply and further action is being taken to achieve the desired results. Several Provinces have started separate departments for dairy development. The technique of artificial insemination under Indian conditions is being perfected and work on a full scale has been started at a few centres both on farms and in city cattle stables.

The policy of developing the cow for the dual purposes of milk and draught has been followed by the Provinces wherever possible. The dislodging of cattle from city stables and colonizing them in more natural environments is the accepted policy of Government and specific steps are being taken by some of the larger cities like Bombay, Madras and Calcutta to give effect to it. Berseem is grown wherever irrigation facilities and soil and climatic conditions permit. Green fodder is cultivated wherever there are irrigation facilities but most of the areas kept for grazing are unfit for fodder cultivation. Manufacture of simple types of utensils like dairy pails, milk cans, strainers, etc., to meet the demand of local dairymen at comparatively low prices has been fairly well established during the war and encouragement is provided for the manufacture of high grade equipment. The I.C.A.R. and the Food Standards Committee are considering the question of re-examination of the existing legal standards for pure milk. The manufacture of milk products in the rural areas is the accepted policy of Government. The suggestion in the Report that butter should not be manufactured in India, is being further examined as it is feared that such a course might adversely affect the development of the dairy industry. Schemes for the supply of cheap milk to priority consumers have been in operation in several large towns since the outbreak of the war under the guidance of the Food Department. Concrete schemes for organizing producers into co-operative societies are being taken up by the provinces.

(The Statesman, 20-2-1946).

Nutrition Sub-Committee set up in Madras.

The Madras Regional Rationing Advisory Committee has set up a Nutrition Sub-Committee with the Regional Food Commissioner as its Chairman. The Provincial Controller of Food Rationing - Madras, and the Nutrition Officer, Madras, are also members. The Nutrition and Education Officers of the Governments in the Region will be co-opted as members whenever necessary and also the leader of the Provincial W.V.S.(I). The object of the Committee is to implement and co-ordinate the Nutrition Work of the several Governments and to make helpful contributions in solving nutrition problems.

(Nutrition, February, 1946, issued by the Department of Food, Government of India, New Delhi ). +

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Housing.

Industrial Building Fund to finance Workers'  
Housing: Meeting of Industrial Housing Sub-  
Committee.

The Industrial Housing Sub-Committee of the Standing Labour Committee (vide page 3 of our report for August 1945) met at New Delhi, on from 12th to 14th February 1946. Mr. Gordon Peace, Chief Adviser (Factories), Department of Labour, presided. The Committee is understood to have reached tentative conclusions on the manner in which an Industrial Building Fund should be created for implementing the housing schemes in which the State, local authorities and employers will participate. The committee also considered the question of assessing the basis on which low-paid workers can be required to pay a fair rent. The Sub-Committee further agreed on certain minimum standards of housing.

Representatives of the Central and Provincial Governments, Indian States, employers and employees took part in the proceedings of the committee.

("vanguard", dated 16-2-1946). x

The Bihar Restriction of Uses of Land Bill, 1946.

The Government of Bihar published on 23-2-1946 the Bihar Restriction of Uses of Land Bill, 1946, for the purpose of eliciting opinion.

Measures to check Unregulated Building.- According to the statement of Objects and Reasons attached to the Bill there is grave danger in a number of localities, and potential danger in others from the unregulated development of land and its utilisation in manners which are not in the best interests of the locality or of the province. It is necessary, therefore, to give Government the power to restrict the non-agricultural use to which land is put, in the interests of health and public safety. Both for preventing ribbon development and for regulating building activities in places where regular town planning operations have not been taken up, it is necessary that such use of land should be prevented and the unrestricted freedom of use of land curtailed, with suitable compensation where necessary. The Bihar Restriction of Uses of Land Bill, 1946, therefore, proposes to give powers to impose such restrictions and place on District Magistrates the duty of administering the control on behalf of Government.

(The Bihar Gazette Extraordinary,  
dated 23-2-1946, pages 1-16 ).

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ORGANISATION, CONGRESSES, ETC.

Miscellaneous.

Women in Trades, Industries and Professions Conference,  
Bombay.

A Women in Industries, Trades and Professions Conference organised by the Bombay Provincial Women's Council was inaugurated by Lady Cowasjee Jehangir at Bombay on 17-2-1946. The Conference was organised with a view to ensuring the rights ~~with~~ of women by affording them equality with men, the right to work, rest and ~~in~~ social insurance, and also to present information as to how women were ~~work~~ dispersed in the various branches of work, the existing conditions of employment and to discover potentialities for further employment.

The Conference decided to appoint a Career Sub-Committee to study the professional conditions and to help women in taking up new careers. A second resolution was passed to appoint a Food Sub-Committee to draw up a programme in connection with the curtailment of grain ration and to study the consequences thereof. Among the talks given at the Conference ~~was the one on Women in Mills and Factories~~, stressing the need for midwives, health visitors and women nutritionists for bettering the lot of women labourers and ~~others~~ others on women in the U.N.R.R.A. and women labourers in Municipal Departments.

(The Times of India, 18-2-1946)  
The Bombay Chronicle, 22-2-1946). +

SOCIAL CONDITIONS.

Bombay Beggars Act, 1945(Act No.XXIII of 1945).

The Bombay Beggars Bill to which reference was made at page 35 of the report of this Office for April 1945 was assented to by the Governor General on 12-2-1946 and has now been gazetted.

It provides for the detention of beggars in suitable institutions after commitment by a magistrate. It will come into force in particular areas of the Province on such dates as may be notified by Government. The statement attached to the Act points out that the legislation depends for its working on the provision of adequate and varied institutional accommodation and it is intended to be brought into force as and when such accommodation becomes available in particular areas.

(The Bombay Government Gazette, Part IV, dated 20-2-1946, pages 63-76).

EDUCATION.

Educational Expansion in Hyderabad State: 14-Year Plan to cost 500 Million.

A 14-year post-war educational plan of the Hyderabad State, estimated to cost Rs. 500 million, envisages the expansion of general and vocational education in the State. The plan is designed to bring under instruction 33 per cent of the school going age population, and contemplates the establishment of a Vocational Guidance Bureau. It aims, inter alia, at the provision of educational facilities for .5 million additional pupils in the primary stage, for about 262,000 students in the lower secondary and for 131,000 in the higher secondary stage. It is estimated that an additional teaching staff of 4,540 persons for the primary stage and 2,670 for the secondary stage will be required if the scheme is to be successfully implemented. The State Government proposes to meet this demand by inducing young men to take to the teaching profession by a liberal grant of scholarships and stipends. A provision is also made for adult education.

Scholarships for Studies Abroad.- The Government proposes to provide scholarships for studies in Europe and Asiatic countries, for training in technology, agriculture, commerce and industries, and to establish training institutions in the State itself with those trained abroad as teachers. It is further proposed to set up an Employment Bureau, as an integral part of the State's educational structure and for work in connection with this, two persons—preferably trained teachers—are to be sent abroad for further training.

Central Bureau.- A central Bureau is also to be set up in the State capital. The task of the Bureau will be to find out avenues for vocational training in the State, and to stimulate industrial and technical education. It will have branches throughout the State.

(Hyderabad Information, January, 1946).

C.P. Government sets up Committee of Scientific Education in Schools.

The Central Provinces Government has constituted a Committee of five educationists to suggest measures essential for creating an environment in schools which will enable the pupils to cultivate a scientific mind, a spirit of discovery and interest in the achievements in the field of science. The committee will also survey the existing state of instruction in middle and high schools especially in the subjects of science and mathematics. It will be assisted in its task by a special officer of the Education Department (post-war reconstruction). In particular the committee will examine the problem of how students with special aptitude for advanced study in science could be helpful in the solution of the country's social and economic problems.

(The Amrita Bazar Patrika, 5-2-1946). +

THE TRANSITION FROM WAR TO PEACE.

Wages.

20 per cent Bonus for Ahmedabad Textile Workers:  
Agreement between Millowners and Labour Association.

An agreement reached between the Ahmedabad Millowners' Association and the Textile Labour Association, Ahmedabad, on 13-2-1946, provides that the textile workers of Ahmedabad mills get 20 per cent of their total earnings for 1945 as bonus.

(The Times of India, 14-2-1946). \*

Food.

Serious Food Situation in India: Debate in Central Legislative Assembly.

Government Spokesman on Reasons for Shortage and Proposed Remedial Measures.- Opening the Food debate in the Central Legislative Assembly, on 30-1-1946, Mr. B.R. Sen, Food Secretary, Government of India, referred to the serious food situation in India, and pointed out that during the year India has had to pass through a devastating cyclone, and a failure of the north-east monsoon in Southern India. Now there was the threat of a failure of winter rains in U.P. and North-Western India. The cumulative effect of all these factors, he said, must be serious.

In December, 1945, the Government of India had sent Sir Robert Hutchings, the permanent Food Secretary to Washington to help the British food mission to place India's case before the Combined Food Board. His discussions were yet incomplete, but from the indications he had given, it was not likely that in the present global shortage in food grains, with even the greatest sympathy and appreciation of India's difficulties, she will get even the minimum quantities needed. Since his deputation, owing to continued drought, the situation had further deteriorated, and the Government was now considering, in consultation with the Board, in the light of the latest crop position, the further steps India must take to persuade the Combined Food Board to reopen and reconsider the whole case of allocations for 1946, irrespective of any allocations and priorities they may have already decided upon.

Mr. Sen then outlined the measures contemplated by the Government of India to stabilise the food position. They are: (i) the mobilisation of the internal resources of the country much more completely than hitherto including an improvement in the system of procurement in the Punjab, Sind, the U.P. and Bihar; (ii) the even distribution among the population of the shortage, if any, by the extension of rationing and the revision of ration scales on an All-India basis; and (iii) the maintenance of the policy of price control, and the adoption of measures such as the requisitioning of stocks from traders ~~producers~~ and ~~producers~~ producers in areas where there was no Government monopoly. Mr. Sen further referred to the efforts the Government of India had made to build up a central reserve of food grains and said that the imports actually received during January to December, 1945 were 840,000 tons of wheat and upto January 21, 1946, the imports amounted to 62,700 tons. With these imports, at no time had the Government of India been able to accumulate more than 50 to 100 thousand tons as reserve.

Sir P. Kharegat on Measures to Grow More Food.- Intervening in the debate on 1-2-1946, Sir Pheroze Kharegat, Secretary, Department of Agriculture, detailed the steps, Government had already taken for growing more food. The first ~~prerequisite~~ pre-requisite for increased production, he said, was an assurance of remunerative price. That position had been accepted by the Government of India. Government had also given grants of nearly 50 million to be supplemented on fifty-fifty ~~in~~ basis by provincial Governments. Government had further spent nearly 14.5 million for emergency irrigation works. Grants for irrigation works, Sir Pheroze continued, had provided for the construction of 34,500 tanks and 7,700 minor irrigation works. In addition repairs of 4,600 wells had been carried out. The irrigation works, he computed, would increase the food production by 700,000 tons. Reclamation work

covering half a million acres also had been carried out. Sir Pheroze said that arrangements had been made for the year 1945-46 to import 154,000 tons of chemical fertilisers. The Government expected 700,000 tons more food grains on account of more grants made for improved seeds. An official of the Department had been sent to U.K. and U.S.A. to arrange to secure the tractors, and he hoped to get about 800 to 900 tractors before the close of the year. The Government had further suggested to the Provinces the adoption of measures for the cultivation of more cash crops and garden crops. Efforts were also being made to improve fishing and he hoped in the course of next year something like 45,000 tons more fish would be caught.

Food Delegation to U.K. and U.S.A.- Replying to the debate on 5-2-1946, Sir J.P. Srivastava, the Food Member, announced that he proposed to take a delegation to London and then to Washington to press India's case for more food grains to meet the country's shortage, which he estimated at three million tons. He proposed to take with him as members of the delegation representatives of the Governments of Madras, Mysore and Bombay, and two or three non-officials, from different parties in the Assembly. In addition, ~~arrangements~~ to be adequately prepared for the contingency of famine, the Government of India had already set up in the Centre a co-ordination committee of secretaries of departments which may be called upon to deal with famine conditions, which would meet regularly once a week; and proposed to set up a co-ordination board of the affected areas. The Food Member hoped that this board, which would be given a high-powered executive officer, would be able to co-ordinate and correlate the activities of the different provinces affected by famine.

The official motion on the food situation was adopted by the Assembly on 5-2-1946, with a number of amendments which inter alia expressed dissatisfaction "at the failure of the Government of India to import adequate supplies of food grains for building up a reserve and meeting the needs of deficit areas", urged the Government to so reorganize its procurement and requisitioning of food grains as to eliminate "the existing arbitrariness, corruption and oppression of peasants", to leave with the peasants adequate quantities of food grains for their family and labour consumption and to obtain their co-operation in Government's procurement and price-fixing operations. The motion, ~~passed~~ as adopted by the Assembly further expressed grave apprehension that, unless substantial imports were immediately made available, a situation would arise, particularly in the southern and western parts of the country, where large sections of the people would face starvation, and ~~the~~ urged the Government to take steps to obtain independent representation for India on the Combined Food Board.

(The Hindustan Times, 31-1-1946 and 6-2-1946; The Hindu, 3-2-1946; and the Statesman, 7-2-1946)

Food Delegation.- The personnel of the delegation which will proceed to the U.K. and U.S.A. to press India's case for imports in pursuance of the announcement made by Sir J.P. Srivastava, Food Member, in course of the Food debate in the Central Legislative Assembly on 5-2-1946 has been announced.

Sir J.P. Srivastava, Member for Food, leader of the delegation.

Members: Sir A. Ramaswami Mudaliar (will join the delegation in London); Sir S.V. Ramamurti, Adviser to the Governor of Madras; Mr. A.D. Gorwala, Commissioner, Civil Supplies, Bombay; Mr. N. Madhava Rau, Dewan, Mysore; Sir Theodore Gregory, Economic Adviser to the Government

of India; Sir Manilal Nanavati; Sardar Sant Singh; Sir M. Nazimuddin; Mr. Habib Ibrahim Rahimtoola; President, Muslim Chamber of Commerce; and Sir Robert Hutchings (will join the delegation in London).

The following will be attached to the delegation as advisers: Dr. V.K.R.V. Rao, Economics and Statistics; Mr. D.R. Sethi, Agriculture; and Dr. Aykroyd, Nutrition.

Owing to ~~illness~~ illness, Sir J.P. Srivastava, however, will not be able to leave India immediately. Sir Ramaswami Mudaliar, who is already in London, will therefore lead the delegation in the U.K. It is hoped that the Food Member will be in a position to leave for Washington in time to lead the delegation in the U.S.A.

(The Hindustan Times, 14-2-1946).

Measures to Augment Food Production: Madras Government  
to Subsidise Construction of Wells.

According to a press note issued on 12-2-1946, the Government of Madras would subsidise the excavation of irrigation wells on a large scale to increase food production in the next cultivation season and has passed orders that a target of ~~10,000~~ 10,000 wells should be the goal in each of the districts of Chingleput, North Arcot and Chittoor where the ~~failure of rains has adversely affected the crops.~~ The government will give a subsidy of 50 per cent of the cost of construction subject to a maximum of Rs. 310 per well, provided the well is ready for use by 15-6-1946 and an irrigated food crop is grown under it for the next three years. One half of the subsidy will be paid when the work is begun and the other half given at the same time as a loan to be written off if the well is completed by 15-6-1946. If the ryot (cultivator) applies for a loan under the Takkavi rules to meet the remainder of the cost of construction of the well, he will be charged no interest for the first year and the repayment of the loan will begin only after 2 or 3 years at his convenience. Breach of conditions of the grant will lead to summary recovery of the amount misapplied. Wells begun before and completed after 15-6-1946 will not get the benefit of these concessions but may still be eligible for the 25 per cent subsidy announced earlier.

(Press Note No. 21 dated 12-2-1946,  
of the Revenue Department, Government  
of Madras ).

By press note No. 24 dated 18-2-1946, the above scheme has been extended to the South Arcot district. As this district has, however, more irrigation facilities, the Government contemplates the sinking of 1000 wells only. A subsidy of 50 per cent of the cost of construction subject to a maximum of Rs. 300/= per well will be given provided the construction of the well is begun on or after 14-2-1946 and completed by 15-6-1946 and an irrigated food crop is grown with the help of the well during the first three years.

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Basic Cereal Ration to be cut all over India -  
Viceroy's Announcement.

In a broadcast talk given on 16-2-1946 on what he described as "a very serious shortage of food" in India, His Excellency the Viceroy announced that as a method of meeting it the Government ~~is~~ had decided to cut the basic cereal ration all over British India from one lb. to 12 ounces with four ounces more for the heavy manual labourer.

Among the other administrative measures to meet the situation indicated by the Viceroy are: the widest possible extension of rationing; the procurement of all surplus grains all over India; and the proper distribution of this surplus to areas in need.

(The Statesman, 17-2-1946).

Relief Co-ordination Committee to deal with Problems  
of Food Shortage.

The Government of India is understood to have constituted an inter-departmental committee called the Relief Co-ordination Committee to deal with effectively and expeditiously with the problems arising out of the food shortage. Subjects likely to fall within the jurisdiction of the committee will, inter alia, be: supply of potatoes, fish, milk, eggs, vegetables and other protective foods; the production of short-term crops; medical relief; transport assistance; supply of fodder; and assistance to relief organizations. The Central Food Department will co-ordinate measures to be taken by the several departments of the Government of India. It is learnt that at its first meeting held on 18-2-1946, the committee discussed measures to secure prompt information on scarcity conditions in various areas; and the questions of acquiring U.S. Army surplus foodstuffs, medical stores, and the release of doctors from the army.

(The Statesman, 22-2-1946).

Agriculture and Food Policy in India - Government of  
India Statement.

The following is a resume of 'A Statement of Agricultural and Food Policy in India' issued by the Government of India on 20-1-1946 (A short summary was given at pages 60-62 of our report for January 1946).

Policy.- The All-India policy is to promote the welfare of the people and to secure a progressive improvement of their standard of living. This includes the responsibility for providing enough food for all, sufficient in quantity and of requisite quality. The Central and provincial Governments will bring all available resources to bear to achieve this end in the shortest possible time,

Objectives.- The Cardinal objectives of this policy are as follows:-

(1) To increase the production of food, both of foodgrains and protective foods, required to meet the basic needs of the present and future population of India and thus reduce dependence on imports.

As an indication of the magnitude of the task, it has been estimated that existing production falls short of present requirements for a balanced diet by the following margins.

Cereals	by 10%	(6 million tons)
Pulses	by 20%	(1½ " " )
Fats & Oils	by 250%	(5 " " )
Fruit	by 50%	(3 " " )
Vegetables	by 100%	(9 " " )
Milk	by 300%	(70 " " )
Meat, Fish and Eggs.	by 300%	(4½ " " )

(2) To increase the efficiency of the methods of agricultural production, marketing and distribution. (3) To stimulate the production of the raw materials of industry, both for domestic manufacture and for export. (4) To secure for agricultural produce an assured market at a price remunerative to the producer, and fair to the consumer. (5) To secure fair wages for agricultural labour. (6) To improve the standard of living of the rural population, and for this purpose to solve the problems of rural economy which stand in the way of agricultural improvement. (7) To secure continuous and profitable employment in agriculture by the introduction of intensive scientific agricultural methods, the development of agricultural and cottage industries, and the bringing of new areas under cultivation. (8) To enlarge the market for agricultural produce and augment the national wealth with a view to improving the national diet, and for this purpose to promote industrial development. (9) To ensure a fair distribution of the food produced. (10) To promote nutritional research and nutritional education, as a prominent part of the public health programme.

Programme of Action.- The statement then proceeds to describe the particular measures which will be required; these are to be included in a programme of action prepared in consultation with provinces, and designed to achieve ~~specified~~ specified goals over a specified period of years. Many of the measures are already in hand; where preparatory work is necessary, it will be completed before the end of 1946.

These measures, which already find a place in the development plans of provincial and Central Governments, and on which much work has already been done, are: (1) The supply and conservation of WATER, by the ~~conservation~~ construction of wells, tanks, dams and canals. (2) The conservation of SOIL, and the proper use of LAND. (3) An increase in the production and utilisation of all resources of MANURES and fertilisers, on a subsidised basis, if necessary. (4) The production and distribution of improved varieties of SEED. (5) Measures for the PROTECTION OF CROPS and STORED GRAIN against pests and diseases. (6) MALARIA control. (7) The development of FISHERIES. (8) An increase of MILK PRODUCTION. (9) The establishment of a network of DEMONSTRATION AND DISTRIBUTION CENTRES. (10) The TRAINING OF ABUNDANT supply of workers for the practical work involved, and building up on the basis of the village, or a group of villages as the primary unit, an adequate and efficient administrative organisation to ensure practical results. Other measures which will be included in the programme of action are as follows: (1) A sufficient supply of iron and steel will be made available to meet all

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demands for agricultural implements, and mechanical cultivation will be introduced in suitable areas. (2) The results of research on improved methods of cultivation will be extended progressively throughout the country, and pilot schemes in new methods of agricultural organisation in villages by means of co-operative and collective farming and joint management will be carried out. (3) The production of fruit, vegetables and tubers will be progressively increased, and their distribution improved. (4) The production of oilseeds will be increased and the seeds crushed in India, so as to make more oil and oilcakes available both as a cattle feed and as manure. (5) The quality of plough and milch cattle, sheep and goats will be improved by the establishment of breeding farms, by the distribution of selected animals for breeding, and by development of goshalas. (6) The quantity and quality of cattle feed will be improved, and better facilities for grazing made available. (7) Facilities for the protection of cattle against disease will be extended. (8) Dairy and poultry farming will be developed making use, where possible, for civil purposes, of developments introduced by the Army during the war. (9) Conservation of forest resources will be developed and extended, including the development of village forests. (10) Agricultural statistics of acreage and yield will be improved. (11) The regulation of markets and the improvement of marketing facilities. (12) An adequate marketing organisation will be set up to ensure that middlemen's profits are related to services rendered, and the producer gets a fair share of what the consumer pays. A Committee has been appointed to advise on the subject and action will be taken without delay on its recommendations when received. (13) Communications between villages and markets, and methods of transporting perishable foodstuffs, will be improved. (14) Accommodation for the storage of foodgrains will be multiplied and improved. (15) Assistance will be given to the establishment of industries for food processing, and the preservation of foodstuffs. (16) The standards of quality of foodstuffs will be improved and enforced. (17) Facilities for obtaining special beneficial foods for mothers and small children will be increased. (18) School-feeding and industrial canteens will be extended. (19) The consolidation of holdings will be encouraged and the fragmentation of holdings discouraged. (20) Consultation with Provinces will be undertaken to ascertain the extent to which the existing systems of land tenure, including the rights and obligations of holders and tillers of land, impede the full productive use of land, and the measures to be taken. (21) Co-operative farming, credit and marketing will be encouraged, and other forms of providing agricultural finance will be extended. The reports of Special Committees appointed on rural credit and the Development of the Co-operative Movement have been recently received. Their recommendations are being taken into urgent consideration. (22) Such economic measures will be taken as may be practicable for the regulation of prices so as to ensure an adequate return to the producer and a fair price to the consumer. A Special Committee has been set up to advise how agricultural prices should be fixed and made effective. Its recommendations will be examined as soon as they are received. (23) The question of subsidization of foodstuffs is under consideration by a Committee. (24) Suitable measures to regulate the wages or remuneration of agricultural labourers and crop shares, so as to ensure to them a reasonable standard of living, will be encouraged. (25) Legislation will be undertaken, when necessary, to secure these objects, including legislation to ensure that beneficial measures are not held up by the opposition of a minority to such matters as the control of pests and diseases, measures of soil conservation, consolidation of holdings, and improvement of live stock. (26) Village agricultural associations, committees or co-operative societies for better farming

as well as similar tahsil, district and provincial bodies will be set up so that the people immediately concerned and government officials may work together to prepare and execute local plans and achieve the common goal of promoting the welfare of the people.

The statement further explains that imports and distribution of food, and the holding of reserves, will be regulated to the extent that and for as long as may be necessary. It is intended that the trade shall in due course resume its normal functions. The relaxation of controls will be a gradual and regulated process, and not inconsistent with the need for establishing a permanent system which will assure a market for the producer and equitable distribution of food to the consumer, at prices fair to both.

Role of the Centre and of Provinces.- Agriculture, and the supply and distribution of food are provincial subjects, and on Provinces will rest the first responsibility of making plans, in the light of local needs and capacity, and the final responsibility of carrying them out. But it is necessary for the Central Government to take the initiative in co-ordinating the proposals and bringing them into the framework of a common plan for agriculture and food.

The first and most urgent task of the Centre is to assess the requirements of the country as a whole in respect of the different types of agricultural produce, and of nutrition. The Centre will estimate, on an all-India basis, what is required to be produced. This will be compared with the Provincial programmes of increased production. It will then be determined, by mutual consultation between the Centre and the Provinces how the gap should be reduced, what additional amounts should be produced in each area, what measures ~~should~~ should be taken and facilities provided to achieve these ends, and in what period they should be completed. The Central and Provincial plans will be examined from this point of view, to make sure that between them they include the measures necessary to achieve the objectives and make adequate provision for the administrative machinery required for the performance of these tasks. (The other functions of the Centre in respect of grants and of agricultural research and training; the preparatory work that has already been done; and the setting up of a special Central organisation to ensure co-ordination have all been referred to at pages 60-62 of the report of this Office for January 1946).

Special Organisations to be set up by Central Government.- An annexure to the statement outlines the facilities for research and training which the centre has already provided or proposes to set up in the near future and ~~it~~ lists a number of special organisations ~~which~~ which it proposes to set up.

As regards ~~agricultural~~ agricultural training the Central Government will itself set up an Agricultural College and an Animal Husbandry College to meet the needs of the Centrally Administered areas and the smaller Provinces and States, which cannot afford to have separate colleges. The Central Government has also increased the facilities for post-graduate ~~training~~ training in Agriculture and Animal Husbandry. The number of post-graduate students admitted to the ~~Agriculture~~ Agriculture Institute has already been increased from 16 to 50 per year and it is proposed to increase the number to 100 in a couple of years. Admissions to the Veterinary Institute have been doubled. The facilities for training in special subjects like Dairying, ~~Breeding~~ Forestry, ~~Fishing~~ Fisheries, Fruits and Vegetables etc. are also being expanded. The Centre is also arranging for post-graduate training in special subjects overseas. About 100 students have already been sent and it is hoped to send another 75 in 1946.

In the sphere of Research the Central Government proposes to develop intensive research, in collaboration with the Provinces, on a sufficiently large scale in regard to agricultural matters. For this purpose, it will expand the facilities for research at the Agricultural, Veterinary, Dairy and Forest Institutes and will also set up Institutes in respect of Rice, Potatoes, Vegetables, Fruits, Grasslands, Livestock breeding and Fisheries. Research on Cotton, Jute, Lac, Tobacco and Sugarcane and Coconuts is being attended to by special commodity committees and it is hoped to set up a similar committee for oilseeds shortly. In particular, the Central Government will take the initiative in carrying out pilot schemes of co-operative farming, joint management, testing the use and extension of mechanised farming etc.

Lastly, the Centre proposes to set up and maintain, in certain cases, special organisations requiring central co-ordination or management for providing expert guidance and advice on technical matters to those who need it. These are (i) A Statistical and Economic Organisation for the collection, compilation, and interpretation of data relating to the production and distribution of agricultural commodities. (ii) A Central Agricultural Marketing Organisation which already exists, but will be strengthened and placed on a firmer footing. (iii) A Plant Protection Organisation which will look after quarantine stations for plants and take up the study of birds in their relation to agriculture. A similar organisation on the Animal side, particularly for dealing with rinderpest. ~~in collaboration with provinces~~ (iv) A Soil Conservation Bureau which will, in collaboration with provinces, advise on anti-erosion work and guide and train the provincial staff in this line of activity. The Centre is also examining the advisability of expanding the Imperial Council of Agricultural Research into an all-India Council of Agriculture and the question of establishing an all-India Council of Cooperation, particularly for dealing with problems of rural credit and marketing and the steps to be taken to provide both long term and short term credit to Agriculture.

(Summarised from "A Statement of Agriculture and Food Policy in India" issued by the Department of Agriculture and the Department of Food, Government of India ).

#### War Surpluses to Help Famine Areas.

In order to assist the provinces and States affected by famine by ascertaining which of their requirements can be immediately met from war surpluses, the government of India is sending a committee headed by Major-General Thomson, to discuss matters with the authorities on the spot. The committee which will leave New Delhi on 1-3-1946, will take with it full lists of surplus material and plant likely to be of assistance, including river and aircraft, motor transport, building material, tractors, pumps and accessories, medical supplies and equipment and refrigeration plant. It will visit Madras, Bangalore and Bombay, and at each of these centres a conference of experts will be held at which problems of supply and requirements will be discussed in detail.

(The Hindustan Times, 28-2-1946). \*

Demobilisation and Resettlement.

General Council All-India Railwaymen's Federation demands  
Adjudication - Preparations for Strike Ballot.

At a meeting in New Delhi on 13-2-1946, the General Council of the All-India Railwaymen's Federation demanded the immediate appointment of a court of adjudication to arbitrate in the dispute between the Railway Board and the railwaymen. The Council also directed the affiliated unions to take a ballot for a general strike, if no reply is received from the Government of India to its demand.

(The Statesman, 14-2-1946).

Employment of Ex-Servicemen in Construction Works:  
Madras "Construction" Contract Cooperative  
Society.

The Government of Madras has sanctioned the Madras "Construction" Contract Cooperative Society scheme under which 10 societies are being formed on a cooperative basis - 5 for buildings, 2 for irrigation and 3 for roads works. The majority of the members of these societies will be ex-servicemen, but limited numbers of civilians will be admitted where necessary to fulfil contracts by specified dates. Each member is expected to take up at least one share to the value of Rs. 50, but not more than 20 shares, his liability being limited to the value of the shares held by him. The share capital must be paid in one instalment on admission. Each society may consist of not more than 500 members, but the number may go up to 1000 in the case of very large scale construction works.

Small tools and implements will be purchased by each society, but larger and more durable items of machinery and equipment, such as road rollers, will be provided by the P.W.D. Societies may borrow from local financing banks to pay wages and purchase material, the Madras Government being responsible for the initial capital equipment. The societies will be managed by representatives of the members and by officers of the Government and other public bodies. A gazetted officer of the rank of Assistant Engineer, P.W.D., will be appointed as the executive officer of each society.

Apart from wages, members will also be entitled to their share of profits. It is proposed that 25 per cent of net profits will go to a reserve fund, an equal percentage to the Government towards the cost of staff, the remainder to be divided as bonus among the members in proportion to their shares and the length of membership.

(The Statesman, dated 13-2-1946).

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Regional Employment Exchange in Mysore.

Reference was made at page 62 of the report of this Office for December 1945 to the expansion of the existing employment exchange in Mysore State to a regional employment exchange. The kind of occupations in which the exchange hopes to settle demobilised army personnel are: (i) Agricultural work. (ii) Afforestation. (iii) Charcoal burning. (iv) In the Public Works Department for the construction of (a) roads, (b) buildings. (v) Railway work. (vi) Teachers, etc., in the Educational Department. (vii) Secretariat work. (viii) State Police. (ix) State Military Department, and (x) Employment in Industrial Concerns in the State. Bulletins are under preparation on these subjects which will be issued periodically.

(Mysore Information Bulletin, November, 1945).

Bombay Returned Soldiers Land Settlement Bill, 1946  
Demobilised Soldiers to Have First Option on Land  
for Sale or Lease.

The Government of Bombay gazetted on 19-2-1946 the Bombay Returned Soldiers Land Settlement Bill, 1946, which it proposes to take into consideration on or after 15-3-1946.

The statement attached to the Bill points out that one of the problems of post-war reconstruction will be the resettlement of returned soldiers. As many of them belong to agricultural communities, it will be necessary to settle them on land by grant of waste land for agricultural purposes. The area of government waste land suitable for the purpose is however not sufficient and legislation is, therefore, necessary to acquire for the benefit of returned soldiers the right of first refusal in case of purchase or lease of any land proposed to be transferred by way of sale, lease, gift, mortgage or otherwise.

Returned Soldiers Land Boards.— Transactions regarding purchase or lease of land for the purpose of returned soldiers will, under the proposed legislation, be entrusted to Returned Soldiers Land Boards constituted under the Act and composed of official and non-official members. It is also proposed that these Boards should have the power to take over lands which are lying waste or are inefficiently cultivated. These Boards will be enabled to finance all such transactions with funds provided partly by Government and partly by returned soldiers who desire to take up lands.

Reference was made to the likelihood of legislation on these lines at page 60 of the report of this Office for November 1945.

(The Bombay Government Gazette, Part V,  
dated 19-2-1946, pages 10-18).

Post-War Reconstruction.

Central and Provincial Post-War Plans: Review of Recent Progress.

An announcement made in the third week of February reviews the progress made in the execution of the Central and the provincial post-war plans during Sir Ardeshir Dalal's 18 months of office as Government of India's Planning and Development Member.

Formulation of All-India Plans - Special Bodies to deal with different aspects of development.- Not only have many of the plans, both of the Central and Provincial Governments, reached the blue-print stage but quite a number of them are being actively pursued and executed. All-India plans and policies in respect of education, agriculture and food, roads, railways and civil aviation have been announced whereas those regarding such subjects as health, labour, publicity, etc., are in an advanced stage of preparation. Special bodies to deal with certain important aspects of development have been constituted at the Centre, the most important of which are the Central Technical Power Board and the Central Waterways, Irrigation and Navigation Commission. These bodies have already taken a prominent part in planning the Damodar Valley schemes and are considering the question of the control and development of the Gomti, the Gomti, the Mahanadi, the Teesta, and other rivers. The demand for their services at present exceeds their capacity.

An organization for advising on the layout of factories and factory inspection has been set up. Measures for the health insurance of workers have been prepared and other labour questions, such as, hours of work, the recognition of trade unions, etc., are under investigation, while a special staff has been built up to deal with roads, civil aviation, agriculture, labour, education, etc.

Scientific Research and Training Schemes.- A plan for widespread expansion of scientific research activities has been initiated. The first of a series of five national laboratories, namely, the Ceramic and Glass Research Laboratory, has been inaugurated in Calcutta. The other laboratories, the plans for which are going ahead, are the National Chemical Laboratory at Poona, the National Physical Laboratory at Delhi, the National Metallurgical Laboratory at Jamshedpur and the Fuel Research Station near Dhanbad.

As a first step towards development, training schemes have been actively pursued. About 600 students were selected for advanced technical training overseas during 1945-46. Unfortunately, owing to the difficulties arising out of the necessity of transporting demobilised troops, the dispatch of the students has been considerably hampered. Over a hundred technicians from different industries have also been selected for advanced training in factories in the U.K. and U.S.A. The Education Department of the Government of India is also proceeding with the development of a number of technical institutes, which include four all-India institutes of technology on the lines of the M.I.T., the first of which, it is hoped, will be started next year. Other proposals include a Central Engineering College, a college for teachers in technology and domestic science and a college of physical education. A high grade military academy on the lines of "West Point" in America to train officers of all the three services is to be set up as a war memorial.

Provincial Governments are similarly expanding their existing training institutions or putting up new ones.

Food Production Drive.- Special priority has been given in the development plans to the 'grow more food' campaign. Though it is difficult to estimate the actual results obtained, an additional output of 750,000 tons of food-stuffs has been estimated as the ultimate result of these measures. Seven thousand tube wells are being sunk and over 3,000 tanks and 4,000 other minor irrigation works are under construction. The cost of the campaign in 1945-46 will approximate Rs. 20 million in loans and Rs. 17 million in grants; and expenditure on a similar scale is contemplated for 1946-47.

Proposed Institute of Economic Research.- The Government also proposes to inaugurate next year an Institute of Economic Research if the funds for the purpose are voted in the budget.

Other Central Development Plans: Amounts to be spent on Railways, Civil Aviation and Posts and Telegraphs Programmes in 1946-47.- The Central Government scheme for the five-year development period includes a 50 million scheme for Delhi Province, a railway programme involving a total expenditure of Rs. 3,190 million in seven years, of which about 20 per cent is hoped to be spent in 1946-47. The civil aviation plan involves an expenditure of Rs. 60 million, of which Rs. 6 million is proposed to be spent in the coming year. The total cost of the national highways, which it is hoped will be the responsibility of the Centre, comes to about Rs. 700 million over a period of 10 to 15 years; the amount to be spent the next year will depend upon the reports of the provinces. The posts and telegraph programme is of the order of Rs. 120 million of which Rs. 40 million will be spent in 1946-47, while the long-term programme of the Information and Broadcasting Department is estimated at Rs. 700 million.

Provision for Central Agricultural Service.- The Agricultural Department proposes to set up a Central Agricultural College and an Animal Husbandry college and to establish a Central Agricultural Service. The Forest College of Dehra Dun has been expanded. Facilities for research on different types of crops, fishery, marketing etc., are being provided and it is proposed to set up a Council for Co-operation and a Soil Conservation Bureau.

Financial Five-Year Plans.

The proposed expenditure of the provinces under the various major heads is as follows:-

Public Works Department: Rs. 4,660 million (including, roads, Rs. 2,460 million; irrigation Rs. 1,460 million; and electric power development, Rs. 200 million).

Education: Rs. 1,040 million.

Medical and Public Health: Rs. 900 million.

Agriculture: Rs. 850 million.

Industry (to the extent to which it is financed by the Government): Rs. 220 million.

The points from which the provincial plans will be examined by the Central Government are financial and administrative practicability, balanced development of the various subjects with due regard to the priorities laid down and conformity with the all-India policies and objectives.

### Anti-Deflationary Measures :

Interim Plans.- The sudden termination of the war, the early commencement of demobilisation and the contraction of war expenditure have all rendered necessary special attention to measures for counter-acting deflation and unemployment during the transition period. From that point of view, the Central Government has requested all Provincial Governments to put up urgent interim plans consisting of schemes selected from their five-year plans for immediate execution. The importance of selecting productive schemes providing a high degree of employment relative to costs such as roads, irrigation, buildings, etc., has been emphasized. These schemes have been based on the objectives laid down in the different plans such as for education and agriculture and are not merely an haphazard collection of unco-ordinated projects. The individual provincial schemes still remain to be put into a co-ordinated whole in accordance with all-India targets and objectives and this work will be undertaken by the Centre in co-operation with the provinces.

Rs. 750 million to be spent on Interim Plans to combat Deflation.- The Central Government has promised to advance to the provinces up to 100 per cent of the expenditure as well as assistance in raising loans, the advances to be recovered from the Central subventions to be paid to the provinces during quinquennium beginning April 1, 1947. Practically all the provincial plans have been received and are being examined. The total expenditure, including loans, proposed for the interim plans is of the order of Rs. 750 million which would go some way towards counter-acting deflation.

Building Schemes: Industrial Housing: 2 Million Houses in 10 Years.- Among the measures for combating unemployment and deflation, the scheme for promoting building takes an important place. Steps have been taken to make material more freely available for private building and the facilities for financing such activities are being studied. In regard to industrial housing, the Government of India is preparing a scheme with the ultimate objective of building two million houses in ten years with the help of subsidies from the Central and local Governments.

### Industrial Policy:

Consultations between Centre and Provinces and States.- An industrial policy for the country has been framed and was issued in the form of a statement in April 1945 (vide pages 51-58 of the report of this Office for April 1945). The announcement points out that there is a substantial measure of agreement between this statement and the industrial policy as announced in the blue-print for a free India enunciated by Pandit Jawaharlal Nehru, Chairman of the National Planning Committee. The statement is being considered in consultation with the provinces and the States from whom also a large measure of support has been received. When these consultations have been concluded, it will be possible to proceed to legislation for the central control of certain industries of national importance and the establishment of Licensing and Investment Boards.

Plans for Textile and Cement Industries.- Practical problems of planned development have also arisen in the meanwhile and have been dealt with: for example, a detailed plan which has been drawn up for the textile industry on a regional basis has been broken down further and quotas settled for States and provinces. Likewise, the cement plan has now been adopted, quotas fixed for States and provinces and the allocation is being made. The needs of industrially backward provinces and States have been particularly taken into account in the allocation of quotas.

Industrial Blue Print for India Progress of Industrial Panels.-

Considerable progress has also been made in the preparation of an industrial blue-print for India. With that object, a large number of industrial panels have been established and they have been asked to make recommendations for a detailed phased plan for five years as the first stage of a 15-year plan of industrial development.

The announcement explains that it took some time to form the panels because in the selection of personnel due weight had to be given to specialized industrial experience, and that considerable difficulty was also experienced in securing the required staff. But once started, all the panels, with the exception of two or three, have made satisfactory progress and the reports of a large number of them, including the important panel on the steel industry, are expected within the next two or three months while a few reports have already been received.

Encouragement to Private Enterprise - Registration for Import of Capital Goods - Supply Missions set up in U.K. and U.S.A.- Pending the conclusion of the work of the industrial panels, the object of the Planning Department has been to encourage private enterprise to go ahead, but, in doing so care has had to be taken to see that the plans of private industry are not likely to be in serious conflict with the ultimate plan of industrial development that may be laid down in consultation with the provinces and states. This raises the important question of capital issue and other controls. The Government has decided that in order to provide it with the data for planning and to enable it to assist industry, all applications for import of capital goods must be registered. This scheme has been functioning since December 1944, and the Government has now got complete information as regards the plans of the private industries during the next few years as a result both of the registration scheme and the administration of capital issues.

During his recent visit to the United Kingdom and the U.S.A. Sir Ardeshir Dalal discussed with the various authorities the possibilities of obtaining capital equipment. As a result of his tour, the two countries have taken a more widespread and practical notice of India's desire to industrialize herself and of her need for technical equipment as well as technical assistance. ~~Therefore~~ To further this aim and to help Indian industrialists to obtain capital equipment, an Indian Supply Mission has been set up in the U.K. and a similar Mission in Washington has been strengthened. Pending the large-scale import of capital goods which under present conditions is likely to take two to three years more, the surplus machinery and equipment available in some of India's well-equipped Ordnance Factories is being utilised to assist India's industrialisation and some of the factories have already been turned to work for civil purposes.

Industrial Finance Corporation.- Lastly, to help in the financing of private industries, a project for the establishment of an Industrial Finance Corporation somewhat on the lines of the similar body in the U.K. has been discussed with the Reserve Bank of India and the Corporation is expected to be set up in the near future. It would also be possible to start similar corporations to help smaller industries in the provinces, once the all-India Corporation comes into being.

Details of Road Building Plan of Hyderabad State.

The Government of Hyderabad proposes to spend about Rs. 440 million during the next 20 years on road-building in the State. One of the most important items in its programme aims at the construction of 40 miles of national highways, 258 miles of provincial highways, 7,816 miles of major district roads, 3,915 miles other district roads and 7,076 miles of village roads. Under the scheme, it is proposed that all roads radiating from Hyderabad City will be constructed of cement concrete upto a length of 30 miles, with a width of 20 feet. Towns with populations of 2,000 and above will be brought within five miles' distance of the pucca roads, and villages with a population of 500 and above will have one of the above classes of roads within one-and-half miles from them.

At present there are 5,715 miles of roads of all classes in the Hyderabad State.

(The Hindu, dated 8-2-1946).

Development of Industrial Education and Cottage Industries: Post-war Plans of Punjab Government.

Reference was made at pages 76-77 of our report for October, 1945, to the post-war development plans of the Government of the Punjab. Further details now available regarding the extension of industrial education, the development of cottage industries and the setting up of new industries like coal-tar distillation are summarised below.

(1) Industrial Education.- Industrial education ~~is~~ will be extended by increasing the number of industrial institutions, run by the Government, (2) by raising the status of some of the schools to that of institutes, and (3) by adding new sections in the existing schools. Three new schools at Rawalpindi, Ambala and Multan for training electrical supervisors, and a metal works institute at Rawalpindi to impart specialized training in automobile repairs will be established. New leather-works sections will be added to industrial schools. For girls, 23 new industrial schools will be started so that each district (with the exception of Simla) will have a girls' industrial school. The scope of activities of the Institute of Dyeing and Calico Printing, Shahdara, will be extended. The plan provides Rs. 10 million for industrial research and education.

Cottage Industries.- A Government colony consisting of 50 cottages, each of which will house two more power-looms will be set up, and one or two weavers from each district will work under the guidance of a Central Preparatory and Finishing Station, which will supervise the work in all the processes. Efforts will be made for the revival of chemical cottage industries, such as the production of borax, alum, saltpetre, glue, gut, inks, etc. A central designing and marketing agency for silk will be set up at Multan. A new ~~xxx~~ training centre near Kulu

and two additional nurseries for mulberry culture will be opened soon. Rs. 17.6 million is to be spent on these schemes.

**New Industries.-** The Government proposes to develop coal-tar distillation in the Punjab and has provided Rs. 7.8 million for this purpose. A large ammonium sulphate factory may also be set up.

**Financial Assistance.-** Besides providing a sum of Rs. 5 million for helping the ex-soldiers, the Government will also give financial assistance to students in the form of stipends and scholarships and to industries in the form of subsidies.

(The Hindustan Times, 15-2-1946). x

### Post-War Reconstruction Schemes of Mysore.

The following details regarding the development schemes of Mysore State are taken from an article under the same caption in the Mysore Information Bulletin, of November 1945.

**Object.-** The object of economic planning, it is stated, is to devise measures for the effective and maximum utilisation of local resources, both in men and material, not only with a view to increasing the standard of income of the people, but also, to improving their standard of living. The various schemes of development have been drawn up with the ends in view and cover only a period of five years and are to be followed up later by similar plans for five years or for longer periods, suitably designed in the light of experience gained, the results achieved and the resources that may be expected to become available.

#### Primary Production

**Agriculture and Irrigation.-** Though self-sufficient in ragi, the staple food of the masses, the Mysore State is deficit in regard to rice—the main food of the middle and the uppler classes—to the extent of about 50,000 tons per annum. To make good this deficit, the area under wet cultivation and also the output are to be substantially increased. Several irrigational projects—some of which have been already sanctioned and are under execution—are proposed to be taken up at an estimated outlay of Rs. 20 million during the next ten years, and these works will, when completed, bring over 90,000 acres of additional land under wet cultivation. With the same purpose, minor tanks are proposed to be restored at the rate of 500 per year at an estimated outlay of Rs. 5 million during the next five years. To increase the output, high yielding strains of paddy are intended to be produced in large quantities for wide distribution; and for this purpose, basic central farms in each district and a number of seed farms on raiyats' fields will be established, covering altogether an extent of 12,000 acres and producing seeds sufficient for distribution over 50,000 acres in the first year and increasing by 50,000 acres in each of the succeeding years so as to reach the target of 250,000 acres in five years. Groundnut-oil cake and artificial manures, at a cost of ranging from Rs. 750,000 in the first year to Rs. 3.75 million in the fifth year, are to be distributed to

the agriculturists at a concession rate of 12½ per cent below cost, the net expenditure to Government on this account being Rs. 95,750 during the first year and increasing, by gradual stages, to Rs. 468,750 in the fifth year. The proposed introduction of tractor service in 61 ~~maida~~ taluks, at the rate of one tractor per taluk, is expected to place the benefits of mechanised agriculture at the disposal of the raiyat population. Improved agricultural implements are intended to be distributed on a large scale at the rate of 20,000 per year, at a concession rate of 25 per cent below cost and this will entail a net expenditure to Government of about Rs. 250,000 per year. The production of compost manure by improved methods will be encouraged by the grant of a bonus of 12 annas per ton during the first year. Ample provision is also made for research and experimental work in regard to the cultivation of certain crops and plants and investigation and eradication of crop-diseases. In order to demonstrate the results of research and experiment to the agricultural population, 50 demonstration farms, at the rate of 10 per year, are proposed to be started during the next five years.

No of Schemes	20
Non-Recurring Expenditure in next five years.	Rs. 1.501 million.
Recurring Expenditure.	Rs. 7.628 "

Veterinary and Livestock.- Altogether 26 schemes have been formulated under this head; and these include the starting of 105 more veterinary dispensaries during the next five years at the rate of 21 per year, ~~so that there may be one dispensary for every 25,000 head of cattle;~~ the supply of 150 bulls of the several types and of the requisite quality to selected breeders every year, free of cost; the starting of seven ~~cattle-breeding stations;~~ the starting of a sheep-breeding farm in each of ~~the~~ the districts except Shimoga; the establishment of three dairy farms for the scientific breeding and propagation of dairy cattle in Bangalore, Hassan and Shimoga Districts; the development of poultry, duck and turkey farming and the popularising and developing of bee-keeping as a rural industry. Schemes ~~has~~ have also been formulated for research work on and treatment of the several diseases of cattle and for the expansion of the Serum Institute, to prepare biological vaccines of the several kinds in adequate quantities.

No of Schemes	26
Non-recurring Expenditure in next five years.	Rs. 2.356 million
Recurring expenditure.	Ranges from Rs. 1.151 million in the first year to Rs. 1.743 million in the fifth year.

Forests.- Forests have played a very important role in the industrialisation of Mysore as many industries, both major and minor, depend more or less upon forests for their requirements of essential raw material. Eleven schemes have been formulated under this head. They include the establishment of a Central Sylvicultural Research Station for devoting attention to the study of problems connected with the regeneration and improvement of forests and grass-land management; the re-forestation of barren areas in maidan divisions to the extent of 40,000 acres, with a view to providing for ~~for~~ future fuel supplies and preventing erosion and similar other effects of deforestation; rehabilitation of over-exploited areas commencing with 1,000 acres in the first year and increasing to 3,000 acres in the course of five years; improvement of forest communications to tap inaccessible areas in the Ghat region and formation of cinchona plantations over an area of 500 acres.

No of Schemes	11
Non-recurring Expenditure	Rs. 2.552 million
Recurring Expenditure	Ranges from Rs. 295,000 in the first year to Rs. 427,000 in the fifth year.

Mining.- Schemes under this head include investigation into new gold mines, working of the deposits of kaolin in the State, proposals for the manufacture of cement asbestos sheets and the erection of small cement plants.

Sericulture.- The sericultural industry forms the largest and the most important cottage industry in the State, practised largely by the agriculturists as a subsidiary occupation. Schemes for this industry include the establishment of a Central Sericultural School for training sericulturists and the staff of the Department in scientific methods and a Sericultural Research Institute, well-equipped and up-to-date, to tackle and solve the several problems connected with the industry so as to ensure efficiency of production at lower costs.

No. of Schemes	IX 9
Non-recurring Expenditure.	Rs. <del>3.552 million</del> 3.178 million.
Recurring Expenditure.	Ranges from Rs. 289,000 in the first year to Rs. 645,000 in the fifth year.

Industrial Expansion

Industries.- The note points out that any major move in the industrial sphere should be more or less in consonance with the final decisions taken by the Government of India in regard to its industrial policy. The schemes of industrial development formulated for Mysore are, therefore, with certain exceptions, largely in the nature of expansion of existing industries. They include plans for the expansion of the Mysore Iron and Steel Works, modernising the Bakelite Moulding Section of the Government Electric Factory, the mass manufacture of induction motors and other electrical goods, the development of the Government Porcelain Factory and the Mysore Paper Mills, improvements to the Government Dichromate Factory, stepping up the output of the Government Soap Factory, etc. An attempt is to be made to manufacture paints and varnishes and facilities for industrial training in the State are to be expanded. As against the 45 centres now working, the number is proposed to be increased to 107 during the next three years, providing instruction ~~being~~ and training in 16 industries, the new centres being located in suitable areas after careful survey of local conditions and resources. The manufacture of radio-sets in the State is also under consideration.

Electric Power.- Adequate electric power is necessary for industrial expansion, agricultural development, electrification of railways, lighting in cities, towns and villages and a host of other purposes. A sum of over Rs. 80 million has been spent by the State on the development of its power resources and a sum of Rs. 50 million is estimated to be spent during the next five years on further developments. These include the completion of the first stage of the Jog Falls Project, which is expected to yield an installed capacity of 48,000 E.H.P. to be ultimately increased to 128,000 E.H.P. when the scheme is completed and is under full operation.

## Public Works

Roads and Transport.- A programme of development providing for the formation of new roads to the extent of 1,500 miles, construction of bridges wherever necessary and ~~and cement-concreting~~ cement-concreting of about 350 miles of important trunk roads has been drawn up involving altogether an outlay of Rs. 42.7 million. Similarly, in regard to transport, about 20 schemes have been formulated for the rehabilitation and development of railways, development of workshops and increased amenities to passengers. These schemes are expected to involve an outlay of about Rs. 50 million.

Housing.- The Housing Sub-Committee, which has been formed under the Chairmanship of the Chief Engineer for Roads and Buildings, is addressing itself to the task of tackling this problem. The formation of an Industrial Suburb for Bangalore has been sanctioned and work on the first stage of the scheme estimated to cost Rs. 2.242 million ~~lakhs~~ has already been started. Plans and estimates have also been prepared for housing the labour population of the suburb.

Other Public Works.- Schemes under this head include projects to improve the water supply to the cities of Bangalore and Mysore.

## Social Services

Education.- Literacy in the State is today as low as 14 per cent. The post-war plan envisages the liquidation of illiteracy. The scheme for the development of primary education envisages an increase in the number of pupils from 430,000 to 782,000 (which will be about three-fourths of the school-going population), in the number of schools from ~~8,000~~ 8,000 to 10,500 at the rate of 500 schools per year and in the number of teachers from 13,500 to 24,000. Every year, nine taluks are to be brought under the compulsory attendance scheme in primary schools, the programme being completed within ten years. In consequence of this development, the establishment of 100 additional middle schools to ~~provide~~ provide for 150,000 pupils is contemplated, as also the reorganisation of the courses so as to give a practical bias to the curriculum according to environment. The urgent need for the training of teachers on a large scale for the several grades of schools is recognised and it is proposed to enlarge the existing institution to take in 600 candidates as against 200 at present, to start nine more training institutions, spread over a period of four years, in addition to special sections to be opened in high schools as a temporary measure and to provide refresher courses for about 10,000 teachers. 3400 adult literacy classes are proposed to be started during the first year increasing to 6,600 in the fifth year, for turning out altogether about 400,000 literates. Schemes have also been drawn up for the development of ~~physical~~ physical education, medical inspection of children in schools, provision of mid-day meals to necessitous children, education of defectives, deputation of officers for training and for the introduction—as an experimental measure—of some basic schools of the Wardha type. The plan further provides for the development ~~of~~ and expansion of university ~~and~~ technical education.

Medicine and Public Health.- In this sphere considerable attention is proposed to be bestowed on the preventive side of medicine which includes, anti-malarial measures, the formation of additional health units, the conversion of certain existing dispensaries into health units, etc.; these measures are expected to cost about Rs. 5 million annually. The provision of underground and surface drainages in towns and cities and in certain large villages is expected to cost another Rs. 5 million during this period. The starting of mobile dispensaries

at the rate of one per year, opening of new dispensaries and provision of in-patient wards to Local Fund Dispensaries are calculated to afford relief exclusively for rural areas. Among other developments contemplated are the reorganisation of nursing services so as to provide adequate and satisfactory nursing, and the establishment of a T.B. Hospital at Bangalore. A woman doctor for each taluk, a midwife for each hobli and a ward of six beds for women in each taluk headquarter, are among the targets proposed to be reached at the end of the first quinquennial stage.

No. of Schemes 22.  
Non-recurring Expenditure. Rs. 2.515 million.  
Recurring Expenditure. Ranges from Rs. 639,000 in the first year to Rs. 1.258 million at the end of the fifth year.

Rural Welfare.- In all the schemes of development the village has necessarily to be accorded a prominent place. The five-year programme of rural reconstruction, initiated by the Government recently with a view to raising the standard of village panchayet administration and to improving village amenities by concentrated effort in an entire hobli in each taluk every year, is now running its second year and two hoblis in each taluk have now come under the programme. This programme will, when completed, contribute materially to the improvement of the general well-being and prosperity of the people in rural parts.

The development schemes sketched above have been proposed by the departments concerned. They have yet to be considered, in detail, by the respective Policy Committees and to go subsequently before the Committee for Co-ordination and Finance which will review the schemes, fix the priorities and define the ~~stage~~ targets so as to be within practicable limits and ~~and~~ within the resources available both in men and material.

(Mysore Information Bulletin,  
November, 1945 ).

Reconstruction Schemes of Rajputana States.

The reconstruction schemes formulated by Jaipur, Udaipur, Jodhpur, Bikaner, Alwar, Karauli, Bundi, Tonk, Shahpura, Dungarpur, Banswara and Palanpur States were briefly outlined by Rai Sahib Vishan Puri, Secretary, Post-War Reconstruction Department, Jodhpur State, in a recent broadcast from the Delhi Station of the A.I.R. In practically all the Rajputana States, schemes had been formulated for the utilisation of their natural resources, for effecting agricultural and industrial expansion, for the improvement of educational facilities, medical relief, public health and communications, and for promoting various nation-building activities.

Jaipur's Plans to cost Rs. 90 Million.- The Jaipur Government, had prepared a five-year plan for a better Jaipur. Its total capital cost will amount to nearly Rs. 90 million and the recurring cost to about Rs. 11,800,000. Out of the capital cost, nearly Rs. 40 million are for hydro-electrical and big irrigation projects and a little over Rs. 10 million for the extension of the Railway system. Construction of wells and smaller tanks, distribution of improved seeds, implements and manure, improvement of live-stock will account for another Rs. 3 million. Introduction and improvement of rural and cottage industries through the

establishment of an engineering school, a technical institute, demonstration parties and investments in heavy or large-scale medium industries will claim about Rs. 5 million. As regards educational expansion, the object in view is to achieve universal primary education in about 25 years and corresponding development of secondary education with adequate advancement of adult and female education. For higher education, a medical college, an ~~engineering~~ engineering college, an agricultural college, a women's degree college and a university will be established.

**Jodhpur's Rs. 40 Million Plan.**- The Jodhpur Government has earmarked Rs. 40 million for post-war schemes. The Jawai irrigation-cum-hydro-electric project is estimated to cost over Rs. 10 million. The area commanded by irrigation will be 230,700 acres. The Jodhpur Railway has a programme of extension and other ~~xxxx~~ works estimated to cost over Rs. 10 million. A 25-year education plan has been prepared. In the first five years, 200 lower primary schools, 30 primary, 10 middle, and 6 high schools and two intermediate colleges, a technical college and a girl's college are to be opened. It is also proposed to open 211 First Aid Posts, 35 dispensaries and seven hospitals during the next five years. Factories for the manufacture of heavy chemicals, cement, and colour and dyestuffs have also been proposed.

**Bikaner State.**- The most important scheme of the Bikaner State is the ~~Bhakra~~ Bhakra Dam in which the Punjab Government and some other States are partners. The Bikaner State's share of the cost is estimated to be Rs. 80 million. The project will irrigate about 2,000 square miles. ~~Agriculture and animal husbandry~~ occupy a prominent place in Bikaner State's planning. A big road construction programme and a good scheme for the supply of electricity have been prepared.

**Udaipur State.**- The Udaipur Government has under consideration a big ~~hydro-electric~~ hydro-electric project on the Chambal, which is being examined by experts. It has also a five year road programme at an estimated cost of Rs. 2.5 million, a major irrigation scheme on the Banas river and railway extension schemes estimated to cost over Rs. 30 million.

**Other States.**- The post-war reconstruction scheme of the Alwar State has been divided into two 5-year periods. The scheme includes a comprehensive plan for the resettlement of demobilised soldiers. The Bundi State proposes to bring an area of 100,000 acres under cultivation and to start an agricultural farm at each Tehsil headquarter. A vigorous afforestation policy is to be followed by enforcing stricter forest laws and replanting denuded and barren areas. The Tonk and ~~Shapur~~ shapur States have earmarked ~~xxxxxxmillions~~ and Rs. 2 million and Rs. 0.2 million respectively for reconstruction schemes. The construction of Chandraveer Sagar Dam is one of the items of Banswara post-war development plans. Agricultural development, electrification of urban as well as rural areas, establishment of textile and other industries and expansion of primary education are amongst the items included in the palanpur State's 5-year reconstruction scheme.

GENERAL.

India (Central Government and Legislature) Bill:  
Central to be empowered to legislate on Controls  
and Unemployment.

A Bill to amend the Government of India Act, 1935, was introduced in the House of Lords on 6-2-1946 by Lord Pethick-Lawrence, the Secretary of State for India. The Bill seeks to remove the existing statutory bar to future replacement of the present Viceroy's Executive Council by one drawn from members of ~~various~~ Indian political parties; and temporarily extends the Central Government's power to maintain certain ~~controls~~ controls in the provinces, temporary continuance of which after revocation of the wartime proclamation of emergency is considered vital to national economy.

Centre empowered to legislate on Economic Controls and Unemployment during Transition.- Clause II of the Bill empowers the Indian Legislature to legislate on the following matters:-

Firstly, trade and commerce in, and production, supply and distribution of cotton and woollen textiles, paper, including ~~with~~ newspapers, foodstuffs, including edible oilseeds and oil, petroleum and petroleum products, ~~spare parts of mechanically-propelled vehicles~~, coal, iron, steel and mica.

Secondly, unemployment among persons who have been serving during the present war in the Armed Forces of His Majesty or of any Indian State and so far as relates to the rehabilitation of disabled persons and the setting up and carrying on of labour exchanges, employment information bureaux and re-training establishments for persons whether disabled or not, as well as unemployment among other persons who have been serving or have been employed in connection with the present war whether their service or employment was by or under the Crown or not.

The period covered by the extension of such power is one or two years from termination of the proclamation of emergency with authority further to extend it by 12 monthly periods up to a maximum of five years. The extensions would be subject to approval of both the Houses of Parliament.

The Bill passed through the Committee stage on 21-2-1946 and has yet to be read a third time in the House of Lords before being passed on to the House of Commons.

(The Hindustan Times, 7-2-1946; and the Statesman, dated 24-2-1946).