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INTERNATIONAL LABOUR OFFICE  
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Industrial and Labour Development in March, 1949.

N.B.-Each section of this Report may be taken out separately.

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## CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - MARCH 1949.

### 11. Political Situation and Administrative Action.

Annual Conference of Socialist Party of India,  
Patna, 6-10 March, 1949: Living Wage for all  
Workers and Creation of a Land Army demanded.

The seventh annual conference of the Socialist Party of India was held at Patna from 6-10 March 1949. Acharya Narendra Deva presided. Among the resolutions adopted by the conference was one embodying the Party's programme which included the creation of a land army for cultivation of new land, planned redistribution of land to ensure a minimum of 12 1/2 acres per farming family, nationalisation of banking, insurance, mining, electricity and British assets, living wage for all wage-earning sections and reduction of prices.

Presidential address: Government's partisan labour policy criticised.- During the course of his presidential address, Acharya Narendra Deva criticised the labour policy of the Government. The machinery which the Government had set up for the settlement of industrial disputes imposed diverse restrictions on the right of collective bargaining. The Government had constituted conciliation boards and industrial tribunals for settlement and adjudication of industrial disputes but the machinery was so complicated and the proceedings so dilatory that it generally worked for the benefit of employers and did not adequately protect labour. Again, the constitution of works committees struck at the root of industrial democracy. He charged the Government with following a policy of favouritism and discrimination against non-Congress workers' organisations. The Government recognised the Congress-sponsored Indian National Trade Union Congress as the most representative labour organisation and in the United Provinces it had given it the right to nominate members of works committees. This was an attack on the democratic right of workers to elect their works committees. The result was that in many factories the works committees did not represent the workers. These committees were in no way related to trade unions whose influence was thus undermined, and the result was that they did not receive any support and co-operation from the unions. An undesirable effect of this provision of the law was that works

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committees were being put up in opposition to trade unions. The partisan attitude of the Government in thus bolstering up the unrepresentative Indian National Trade Union Congress was resented by the general body of workers. The sole object of the Government, according to him, seemed to be to disrupt the trade union movement. Rising prices with the lag in real wages, and the authoritarian attitude of the Government towards labour, were making labour restive and were contributing to the growth of militancy among them. Denial of the right to strike, and restriction on the right of collective bargaining by various devices, would inevitably lead the workers to lose faith in peaceful methods. Recently many unions had repudiated the communist doctrine and had disaffiliated themselves from the communist-dominated All India Trade Union Congress. If this process was to continue and the Indian trade union movement was to develop on sound lines, the Government must give up its partisan attitude and learn to distinguish between those who believed in violent methods and others who believed in democratic and peaceful methods.

Speaking on the need to change the constitution of the Socialist Party, Acharya Narendra Deva stated that the Party should affiliate all the trade unions and kisan panchayats, socialist youth leagues, cooperative societies and other similar organisations which accepted the programme and policy of the Party.

General Secretary's report: Party's trade union activities.— The General Secretary's report for the year on the work of the Socialist Party contained a detailed account of the Party's trade union activities. According to the report the number of unions under the Party's influence were as follows:—

Province	Number of unions	Approximate strength
Bombay (City)-----	22	64,450
Maharashtra-----	36	43,980
West Bengal-----	31	37,954
United Provinces-----	41	25,466
Gujarat-----	16	9,364
Delhi-----	16	8,740
Utkal-----	14	7,623
Tamil Nad-----	27	30,370
Andhra-----	10	6,850
Kerala-----	18	8,560
East Punjab-----	33	10,754
Karnataka-----	36	26,440
Central Provinces and Berar.	29	25,270
Bihar-----	119	188,500
Assam-----	28	30,453

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On the Hind Mazdoor Sabha (vide paragraph 51, pages 6-7 of the report of this Office for December 1948) the report stated that it represented today about 427 unions with a membership of 605,172.

Resolutions.- The conference adopted a number of resolutions, among which was one embodying the Party's programme envisaging the creation of a land army for the cultivation of new lands and nationalisation of banking, insurance, mining, electricity and British assets and their management by autonomous corporations. It also envisaged an overhaul of administrative and recruitment standards; revision of promotion grades befitting a free country; the institution of an economic service; clear demarcation of rights and functions of state, government and political parties and no curtailment of civil liberties; reduction of prices and recognition of the principle of parity between agricultural and industrial prices and vast state aid to small and medium industries; living wage for all salaried and wage-earning sections, with dearness allowance to be pegged to price index. Dealing with agrarian problems, the programme lays down: the creation of a land army for the cultivation of new lands, the state to make arrangements for the food and clothing and allowances of the personnel to be recruited from sections of the people; immediate stoppage of legal or illegal ejections and fresh settlements by the landlord; no increase in land revenue and planned distribution of land to reach within a three-year period, each farming family getting a minimum of 12 1/2 acres; adequate arrangements for the rehabilitation, development and expenditure to be made through gaon and zila sabhas and co-operative societies; and voluntary effort for small-scale irrigation, manuring cattle pasture and the like.

A resolution on the food situation viewed with grave concern the failure of the Congress Governments in the provinces and the Centre to overcome the crisis which had engulfed India's food production. It emphasised that the import of food grains from foreign countries drained away 1,500 million <sup>of</sup> vital foreign exchange resources year after year, and the present Government still failed to recognise the priority of agriculture in any national ~~plan~~ plan of economic recovery. The resolution urged all Governments to take steps for the immediate abolition of zamindaris, immediate stoppage of all evictions of tenants and permanent farm servants, fixation of fair rents, cancellation of past debts, provision for adequate rural finance and enforcement of a definite minimum wage for agricultural labour.

(Janata, dated 13 March, 1949).

Government blamed for fostering Disunity among Labour: Grants for Labour Ministry approved.

On 18 March 1949 Budget demands for grants in respect of the Labour Ministry was sanctioned by the Constituent Assembly of India (Legislative).

Mr. Lakshminarayana Sahu moved a cut motion to discuss the "possibility of uniting different trade union organisations in the country". He blamed the Government for the existence of differences in the ranks of labour and said that labour problems should be handled delicately and tactfully. Labour unrest, he said, was on the brink of an explosion and in order to avert it the Government must try to bring about a united labour organisation in the country.

Mr. Hariharnath Shastri said that the Indian National Trade Union Congress came into existence following the realisation on the part of the working classes of their duty to the community and their desire to get rid of anti-social disruptionists and opportunist elements in the trade unions. Within a ~~representative~~ short time it had become the most representative organisation. It was suggested that there should be only one organisation but he could assure the House that due to increasing realisation on the part of the working class - and not due to any effort on the part of the Government - there would soon be only one organisation that would exist, namely, the Indian National Trade Union Congress.

Mr. Shastri said that some employers had hampered industrial peace. Labour had fought them within the framework of the Industrial Disputes Act, which was found inadequate and ineffective. The Act should be amended. He suggested that old age pension and unemployment insurance should be introduced.

Prof. N.G. Ranga said that as long as there was a Communist Party in the country, it would have a rival labour organisation. As long as a political party, like the Socialist Party of India, exploited trade unionism and trade unions in order to establish its own political regime, there was bound to be a rival organisation. Therefore, one need not be afraid of the existence of rival organisations.

Mr. Balwant Singh Mehta said that the condition of workers in the States was pitiable. The capitalists invested in the States because they could evade taxation and at the same time get labour at very cheap rates. Unless the condition of labour in the States was improved, it would be an open invitation to the Communists to extend their activities to the States also.

Labour Ministers' reply.- Replying to the debate, Mr. Jagjivan Ram, Minister for Labour, asserted that the labour policy of the Government was impartial and progressive, and was based, not on exigencies of the moment but on a long-term consideration of the economy of the country.

The present Government stood committed to the unalterable course of improving the lot of the common man by steady methods. It proposed to proceed as fast as circumstances permitted. The Industrial Disputes Act - which was soon to be amended comprehensively - the Employees State Insurance Act and the Bonus and Provident Fund Schemes Act applicable to collieries were important measures undertaken by the Government. He said that the schemes of profit-sharing drawn up by the committee would soon be finally examined by the Central Advisory Council of Labour and the question of fair wages was now receiving the attention of another committee, which was expected to submit its report within a month.

Mr. Jagjivan Ram emphasised that the policy of the Government in regard to giving representation to labour organisations was one of strict impartiality, and said that so far as the Government was concerned, its work became complicated with the multiplicity of labour organisations. The attitude of the Government was to give representation to the body which was the most representative organisation.

In conclusion Mr. Jagjivan Ram pointed out that certain groups wanted to exploit labour's difficulties and weaknesses for purely political purposes. It was his policy to encourage workers to run their own organisations without any outsider interfering in their affair. Genuine trade unionists might be permitted to assist them. He hoped labour leaders, if they had the real interests of the working classes at heart, would not only welcome this policy, but would help in making it a success.

Mr. Sahu withdrew the cut motion and the House sanctioned the demands.

(The Statesman, dated 19-3-1949).

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West Bengal: Provincial Labour Advisory Board:  
Constitution revised.

By a resolution dated 11 February 1949, the Government of West Bengal has revised the constitution of the Provincial Labour Advisory Board constituted in March 1948 (vide page 10 of the report of this Office for March 1948). The Board will now consist of the Minister in charge of the Department of Labour as chairman, six representatives of the employers, six representatives of workers and six representatives of Government. The Board will be an Advisory Body and its functions will be to advise Government on all the matters relating to labour in the Province.

(The Calcutta Gazette, Part I, dated  
17 February 1949, page 288 ).

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United Provinces: Tripartite Board set up  
to interpret Government Orders on Labour  
Enquiry Committee's Report.

In view of difficulties being experienced in regard to the correct interpretation and implementation of the provisions of Government orders accepting certain recommendations of the United Provinces Labour Enquiry Committee (vide paragraph 46, pages 38 and 37-38 of the report of this Office for December 1948 and February 1949 respectively), the provincial Government has set up a tripartite Board to decide, on reference made to it, all questions arising in connection with interpretation and implementation of the provisions of these orders.

The Board consists of the Labour Commissioner, United Provinces, as chairman and two assessors, representing respectively the employers and employees.

If the majority of the members of the board agree the decision of the majority and if members disagree inter se the decision of Labour Commissioner shall prevail. Decision so given shall be final and binding on parties.

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(Government Gazette of the United Provinces,  
Extraordinary, dated 18 March 1949,  
pages 1-2 ).

Chapter 2. International Organisations and National Non-professional Organisations.

24. National Non-Professional Organisations.

India - March 1949.

All-Pakistan Women's Conference, Karachi, 22-24 February 1949: Decision to set up All-Pakistan Women's Association: Demand for setting up Women's and Children's Bureau.

The All-Pakistan Women's Conference, held at Karachi from 22 to 24 February 1949 was inaugurated by Begum Liaquat Ali Khan. The meeting decided to form a Women's Association on a national and non-political basis for co-ordinating efforts and policies for the cultural development, social uplift and educational progress of women of Pakistan. The conference passed, among others, a resolution calling upon the Central and provincial Governments to set up Women and Children's bureaux. The functions of the bureaux would be to collect statistics about all the women working in different categories and to look after the welfare of women. Other resolutions related to provision of free and compulsory primary education, establishment of maternity and child welfare centres and prohibition of begging by children.

(Dawn, dated 22, 23 and 24-3-1949).

CHAPTER 3. PROFESSIONAL ORGANISATIONS.

INDIA - MARCH 1949.

31. Workers' Trade Union Movements.

Central Kisan Organisation set up: Decision at Meeting of Representatives of Peasants' Organisations.

A central kisan organisation, with Mr. Rammanohar Lohia as president, was formed at a conference of representatives of kisan organisations held in Patna under the auspices of the Socialist Party during the second week of March 1949. According to the draft manifesto the aims of the central kisan organisation would be: (a) to integrate the landless labourers and poor kisans into one strong organisation which might serve as a fitting instrument for the emancipation of the poor and the exploited classes; (b) to uplift the kisans and mazdoors through constructive activities and educational efforts to enable them to occupy their rightful place as worthy citizens of a free and civilised society; and (c) the establishment of a kisan mazdoor raj in collaboration with the progressive forces in the country.

A meeting of a committee of the organisation will be held in May 1949 to discuss organisational problems.

( 'Janata', dated 13-3-1949 ).

33. Employers' Professional Organisations.

India - March 1949.

Annual General Meeting of Federation of Indian  
Chambers of Commerce: Demand for uniform  
Principles for Adjudication and Arbitration  
in Labour Disputes.

The 22nd annual general meeting of the Federation of Indian Chambers of Commerce and was held at New Delhi on 3 and 4 March 1949. Mr. Lalji Mehrotra, President of the Federation, presided. The Federation passed a number of resolutions relating, among others, to the food situation, industrial production, export and import policy, taxation policy and general economic situation. The resolution on industrial production, inter alia, suggested that the adjudication and arbitration machinery for industrial disputes should be improved and uniform principles laid down.

Presidential address: use of foreign capital on suitable terms.- Mr. Lalji Mehrotra, in the course of his presidential address, stressed the need for a thorough examination of the present tax structure and its incidence on ~~the~~ both the agricultural and industrial interests, with special reference to its effects on trade, industry, employment, standard of living and capital formation. He drew attention to the great need today for vigilance on the part of the Government in dealing with the Communist activities, and said that the industrial community could also play its part by encouraging the development of sound trade union movement in the country, meeting its legitimate demands and keeping the labour force generally well contented. Referring to the question of foreign capital to develop new industries in India, Mr. Mehrotra said that it was not impossible to devise means of economic collaboration with other countries, both on Government and private levels, on terms which, while securing to India the full benefit of their resources, might avoid the harm which this sort of collaboration might involve to those who were not politically free.

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Nationalisation of Reserve Bank criticised.- Criticising the nationalisation of the Reserve Bank, he stated that the mercantile community had all along held the view that the nationalisation of the Reserve Bank, at the moment, was uncalled for and not justified by any possible good that might be expected to result from it. One failed to understand why the Government should, for mere ideological reasons, take upon itself this unnecessary burden when its hands were already full with many pressing problems. He also referred to the apprehension experienced by the commercial community at the proposed amendments to Article 24 of the Draft Constitution by which owners of property acquired hereafter might not in every case expect just and fair compensation. The commercial community was of opinion that no property should be acquired for public purpose without a just and fair return being guaranteed.

Mr. Mehrotra expressed disappointment that the request of the commercial community for representation on Central and provincial legislatures had been turned down.

India's economic situation: increasing wages and falling production.- Reviewing the economic conditions in India, Mr. Mehrotra stated that while industrial production which attained a peak-level during war-time was almost continually declining, the wage level continued to rise. Between the years 1946 and 1947, the wages, not only money wages but real wages of textile workers in Bombay, had on an average, risen by about 12 per cent. The rise had been much higher in coal-mining, namely, nearly 35 per cent. Increase in wages accentuated the inflationary spiral and, in turn, was to some extent offset by an increase in the cost of living. It would have been some consolation, had the rise in wages been followed by an appreciable rise in the productive capacity of labour. On the contrary, however, the productivity of labour in almost all the industries had registered an alarming decline. Compared to the figures of 1939, the productivity of a textile worker in 1946 was 85.2 per cent in yarn and 75.6 per cent in textiles. The position in coal industry was even worse, where monthly production per worker fell to 68 per cent. The decline was accentuated by a process in which while the number of workers had increased, the total output had been on the whole falling. In cotton spinning and weaving industries, while the number of workers rose between the years 1939 and 1946 from 488,554 to 630,609, the production fell from 216 lbs. and 702 yards per worker to 184 lbs. and 531 yards. Similarly, in the coal industry, while the number of workers rose from 201,989 to 323,992 the monthly production per worker ~~also~~ declined from 10.18 tons to 6.87 tons. Those who led the labour movement must realise that social benefits and higher wages had to be paid for by higher production.

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Decline in stock market: need for revision of tax structure.- The great increase in the cost of production and the fears about the Government's nationalisation policy had created a state of demoralisation in the stock market ~~from~~ in India from which it had not yet been able to recover. Even Government securities had not escaped its effect. Recently the presidents of the stock exchanges in Bombay, Calcutta and Madras had estimated that about 10,000 million rupees have been wiped out in a little over two years. The main brunt of the loss had fallen on the common man, small and middling investors who constituted an important class separate from the capitalists and industrialists. The market structure had been essentially weakened by adverse factors affecting both the supply of investment funds as well as the effective demand for securities. The reason for this was two-fold: the margin of saving had disappeared and there was not left much money which could be made available for investment; secondly, whatever little could otherwise be available was scared away by the state of uncertainty created by factors national and international.

Dealing with measures necessary to remedy the situation, Mr. Mehrotra referred to the various steps the Government had undertaken to encourage new industries and said that these had failed to encourage fresh investments inasmuch as they did not in any way help those engaged in existing undertakings to obtain any relief from direct taxation which alone could provide material for new investments. He reiterated the Federation's suggestion for the setting up of an ad hoc committee to thoroughly examine the tax structure and to suggest modifications to suit the needs of a planned economy.

Industrial relations: growth in labour legislation.- Speaking on industrial relations he said that the industrial community had for sometime been feeling that the volume of labour legislation had been growing in inverse proportion to the state of immaturity of India's industrial development, and had to some extent been acting as a damper to domestic capital. The tempo had to be restrained and adjusted to the gradual growth of Indian industries. One of the many disquieting features of recent labour legislation in India had been the introduction of penal clauses making the organisers and the directors of companies liable for acts in which they might have had no direct hand. To what extent this might have the effect of scaring away people who possessed pioneering skill and experience in the field of industry had already been brought to the notice of the Government by several commercial organisations. The Government should avoid taking measures which might further reduce the available experience and skill, which Indian industries did not have in super-abundance at the moment. In this connection he referred to profit-sharing and emphasised two aspects of the subject. In the first place, the idea behind profit-sharing could only be, to guarantee to the workers a portion of the fruits of their labour, and this should, in no way, be allowed to be confused with the proprietary right of the undertaking with all that it meant. Secondly, if this additional form of remuneration was to achieve its purpose, viz., to induce greater production, its payment

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had necessarily to be linked with production. He was ~~confident~~ confident that the employers would welcome such demands as, while not constituting an unbearable burden on industries - helped to inculcate a greater sense of responsibility in the workers.

Food situation.- Referring to the food situation in the country, Mr. Mehrotra emphasised the importance of short term projects which would yield immediate results. Simultaneously, with efforts to secure higher yield from the existing lands attention must be given to the cultivation of such food crops as possessed comparatively higher nutritive value.

Import and export policy.- Many indigenous industries had been adversely affected by unrestricted import of goods similar to those produced by them. It was necessary to re-examine the import policy and its adjustment to the requirements of these industries. In this connection, he welcomed the proposal which was reported to be under the consideration of the Government, to set up a commission to examine the whole question of the fiscal policy. The question was last examined over twenty-seven years ago. The tariff policy had since then developed piecemeal and in a haphazard fashion. With India's changed political status, it was but proper that her fiscal policy should be correlated to her plans for economic development.

While ~~the~~ imports had to be restricted in the light of the foregoing observations, an export drive was necessary to obtain much needed foreign exchange. As a result of the partition India had become an importing country. There were, nevertheless, quite a few things left, specially in the field of minerals, the export of which, without in any way hampering the growth of industrial developments, could be encouraged. Special attention should also be given to the development of the export of many of small industrial products.

Transport situation.- In conclusion, Mr. Mehrotra referred to the transport situation and said that he did not share the optimism expressed by the Transport Minister that the situation had been gradually improving. He suggested that the Railway Board should study dislocation of normal mechanism of demand and supply resulting in huge price differentials between one centre and another, increase in the cost of production and general price level and locking up of working capital in the form of finished goods which could be speedily transported.

Pandit Nehru's address.- Addressing the session Pandit Nehru reiterated the Government's industrial policy and said that the Government's mind was quite clear about it and its policy was guided not by theoretical considerations but by the consideration that certain basic industries should be under the control of the State, partly because it would be dangerous for these industries to be controlled by private interests. In regard to other industries, they could be under private control, but probably here again if the State planned their development, that planning itself would involve a certain measure of control by the State. For the rest, Government had said it would not touch them for at least ~~xx~~ ten years.

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It might be more. It did not necessarily follow that it would touch them after the ten year period. To be perfectly frank, this was not because of love of those who controlled these industries, but because the Government's resources were limited. It had therefore been decided that in view of the need for rapid industrialisation, Government would use its resources to start new industries rather than merely to transfer the ownership of existing industries to the State. It was a question of utilising its resources to the best advantage and proceeding ahead in consultation with the various interests including the industrialists, so that the Government could get the best value for its money.

Referring to the apprehension of the businessmen and industrialists about nationalisation, Pandit Nehru said that there might be some truth in their complaints but it did not redound to their credit to recount to one and all that they were frightened. They were entitled to ask the Government for help but it was bad if they gave the impression of frailty and feebleness.

There were various approaches to the economic problem - such as Capitalism and communism, but it did not follow that India would have to follow either of these. There might be many intermediate ways. Capitalism, since the Industrial Revolution, had solved the problem of distribution also as well as it had solved the problem of production. India had to solve the problems of food, clothing, housing, etc., no matter what system she adopted - communism, capitalism or anything else. Ultimately the problems of the age were not going to be solved by argument or by war, but by the fact as to which method succeeded in tackling the problems of the common man, whatever method it might be. That method need not necessarily be an extreme method belonging to either of these rival ideologies. It might be something in between. Most countries in the world to-day had attempted to find other ways and adopted socialism. It might be that in India too some such method would have to be adopted and adapted to Indian conditions. The Prime Minister emphasised that for one did not care what particular "ism" helped him to solve the problems, and added that if the business communities' demands came in the way of the good of the masses, the demands would be completely ignored.

Finally, Pandit Nehru referred to the food situation and said it was the basic problem facing the country. It was one of the issues on which it could be ~~xxx~~ rightly ~~said~~ said the Government had failed in dealing with the situation. Perhaps the ease with which the Government could get foodstuffs from abroad had prevented it from facing the problem appropriately. But it should think in terms of not getting any food at all from outside after a stated period of one or two years or less. He was quite convinced that essentially and basically the food problem was not a difficult problem. The shortage was about ten per cent of the total food consumed in the country. In the next two years by making adjustments in their diet and by increasing the growth of more food, this deficit must be made good.

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Resolutions.- The meeting passed 9 resolutions, the more important among which are noticed below:-

Food.- The resolution on this subject, moved by Sir Shri Ram, urged upon the Government that, side by side with large-scale irrigation projects and reclamation of waste lands, other suitable measures like distribution of improved or at least sound and undiseased seeds, extensive sinking of wells in suitable areas, conservation of manures, intensive cultivation and cultivation on co-operative basis, which might make the use of modern implements possible, might be undertaken to make India more self-sufficient in the matter of food. It also urged that more attention should be paid for growing such crops as would yield more food value per unit of cultivated land.

Use of normal trade channels.- The resolution on this subject, moved by Mr. Bhawanji A. Khimji, stated that various Governments had in the course of exercise of powers conferred on them by various control measures, been gradually eliminating normal trade channels from their age-old work of distribution. It requested the Central, provincial and State Governments to see that the existing trade channels were disturbed as little as possible and were fully utilised. If the working of certain controls called for some change in the form of the machinery for distribution, fullest efforts should be made to absorb and integrate the existing units in the same.

Industry.- This resolution, which was moved by Sir Shri Ram, suggested the following measures to remove a number of handicaps under which industrial undertakings were working and to increase production:- (a) There were a number of industries, developed during the wartime, which were now facing a keen competition from foreign imports. Their cases were no doubt being enquired into by the Tariff Board. While the Federation appreciated the way the Tariff Board was working, it felt that some industries required more immediate consideration than it was possible for the Tariff Board to give. Government should, therefore, institute a suitable machinery whereby the requirements of such industries in respect of raw materials, capital goods, protection against foreign competition, etc., might be readily assessed and action taken to render necessary aid. (b) Government should take immediate steps to ensure supplies of essential raw materials for industries both from Pakistan and other foreign countries. (c) All restrictions on the exports of manufactured articles, which were not justified either for reasons of home requirements or earning had currency for which destination control might be necessary, should be removed. (d) Improvement of relations between industry and labour was of utmost importance for maintaining and increasing production. The Federation, therefore, suggested that the adjudication and arbitration machinery should be improved and uniform principles laid down for dealing with cases referred for adjudication or arbitration. The Federation further suggested that the tempo of labour legislation should be kept more in harmony with the state of industrial

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development and that the penal clauses applicable to employers in the various recent labour legislations should be withdrawn. And (e) It was a common weakness of the industries in India that the overall employment of labour was disproportionately large and, therefore, added to the cost of production and reduced the competitive capacity of Indian industry. Government should therefore encourage and support rationalisation of labour.

Import policy.- This resolution, moved by Mr. A.K. Bhattacharyya, urged that by a scheme of regulated imports or otherwise, Government should ensure that import licences were confined only to the extent of the deficiency of local production.

Development of export trade.- The resolution on this subject, moved by Mr. K.D. Jalan, suggested the following steps to improve India's export trade:- (a) An organised export drive for exploring the prospects and possibilities of increased markets for the surplus products of the country; (b) Sending of trade missions at expert level, particularly to markets vacated by enemy countries in World War II, as also to countries in which the markets were in a comparatively underdeveloped stage; (c) A factual survey of the resources in commodities and articles produced or manufactured in the country with a view to the formulation of targets for export potentialities. Steps might simultaneously be taken to increase yield and output of raw materials so as to make available large surpluses for export purposes. Further, exports in future should also be organised in a manner as to result in increased processing activities within the country so that, as far as possible, such exports would be in the form of finished or semi-finished articles; and (d) The setting up of a Trade Research Institution on the lines of the British Export Trade Research Organisation and of Export Credits and Guarantees so as to minimise financial risk inherent in the search for new markets in undeveloped countries.

Taxation.- This resolution, moved by Mr. M.A. Master, was of the opinion that the present taxation policy of Government was unbalanced, unscientific and not related to the facts of the economic situation in the country. The taxation policy, pursued recently by the various provincial Governments, had revealed alarming tendencies in that there was not only no co-ordination of the policies pursued by the various provincial Governments, but in certain respects, they encroached upon the powers of the Central Government and militated against the objectives and policies of the Central Government. The new set-up, ushered in by the independence of India, also made it imperative to readjust the powers of taxation between the Central and provincial Governments. The Federation, therefore requested Government to undertake a thorough enquiry into the whole tax structure of the country, with particular reference to the objective of achieving rapid industrial and economic progress. The tax structure of India should be so planned as to provide the maximum incentive for fresh savings, to accumulate adequate reserves for the maintenance of the plant and

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machinery in an up-to-date condition and for the expansion of the existing scale of productive activity and to ensure effective competitive capacity for Indian industries.

General economic situation.- The resolution on the general economic situation in the country was moved by Mr. C.D. Birla. It stated that there was a growing realisation on the part of Government of the gravity of the prevailing economic situation and that the Government's approach to these problems was becoming increasingly realistic. The resolution urged the Government to take the following steps in this regard:- (1) creation of favourable conditions for the revival of business confidence; (2) adjustment of taxation at such a level as would encourage savings, create incentives for productive investment and arrest dis-savings; (3) removal of all impediments to increased production by way of improvement in transport facilities, assured supplies of raw materials and better labour and capital relationship; (4) increase in the productivity of labour in relation to their wages and introduction of rationalisation; (5) balancing of the budgets of the Central and provincial Governments with a view to narrowing down the wide gap between the Governmental expenditure and income which should be effected by curtailment of all unproductive expenditure to the minimum and judicious economies in administration; (6) increase in the production of food so as to provide better nourishment to the people and avoid the huge drain of foreign exchange; and (7) revision of the Government's import policy with a view to safeguarding the indigenous industries from the competition of cheap foreign goods, conserving the country's foreign exchange resources and utilising the same for imports of capital goods and such essential consumer goods as were either not produced in the country at all or were produced in inadequate quantities.

Compensation in the event of compulsory acquisition of property.- The resolution on this subject, moved by Mr. A.D. Shroff, expressed apprehension over the manner in which, compensation was to be determined in cases of acquisition of movable and immovable property, including any interest in commercial and industrial undertakings, under the Draft Constitution of India. The resolution urged that whenever any property or interest was to be acquired, the consideration to be paid should be determined by a court of law as hitherto and that payment whether in one lump sum or, in instalments, should be either in cash or in bonds which were freely negotiable.

Office-bearers for 1949-50.- The following office-bearers were elected for 1949-50:- President, Mr. K.D. Jalan; Vice-President, Mr. Tulsidas Kilachand and Treasurer, Mr. O.N. Sen.

(Summarised from the texts of Mr. Lalji Nehrotra's speech and resolutions submitted to the meeting received in this Office;  
The Hindustan Times, dated 5-3-1949 ).

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CHAPTER 4. ECONOMIC QUESTIONS.

INDIA - MARCH 1949.

41. Industrial and Mining Production.

Increase in Industrial <sup>Production</sup> ~~Problems~~ expected  
during 1949-50: Minister's Statement in  
Legislature.

On 9 March 1949, Dr. Syama Prasad Mookerjee, Minister for Industry and Supply, moving demands for grants for ~~the~~ his Ministry during 1949-50, stated in the Constituent Assembly of India (Legislative) that there were signs of improvement in industrial production during the next year. On a percentage basis the increase would be about 12 to 16 per cent over 1948. Referring to the industrial policy <sup>announced</sup> by the Government in 1948, Dr. Mookerjee said <sup>that</sup> the Government did not <sup>have</sup> any fetish about particular abstract theories or 'isms', but it was anxious to place before the country a programme which, it thought, was a balanced one, fair and equitable to all ~~concerned~~ concerned. While it should give incentive to industrialists, it would also hold out hope and a message of good cheer to labour and others who were connected with industry in India. The Government had decided that it would encourage private enterprise to develop some of the industries which it thought should receive separate attention.

Answering the question as to what the Government had done to implement the promises made during the Budget debate last year in regard to industrial development, Dr. Mookerjee stated that <sup>two</sup> schemes, one for the establishment of a telephone factory and another for the establishment of a penicillin sulphadiazole factory had been sanctioned. The Government has under active consideration plans for the establishment of one or two factories for the manufacture of <sup>100,000</sup> tons of steel. Heavy electrical machinery, radio equipment, synthetic oil from coal, tractors and machine tools had been selected for primary consideration and it was hoped to take preliminary decisions in the course of the year for implementing the plans. These schemes would cost somewhere between 2,000 million rupees and 3,000 million rupees. In addition to these, the Government has two or three other big undertakings which it had already taken on hand. The first and foremost <sup>was</sup> the fertilizer manufacturing factory at Sindri, which when completed was expected to produce 355,000 tons of fertilizers annually. After the factory went into production, it was

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hoped that the Government would be able to sell fertilizers at 200 rupees per ton which was 100 rupees less than the price of imported fertilizers. India at present was spending over 50 million rupees on fertilizer imports. The Government had decided to establish a cement factory also at Sindri, capable of producing 255,000 tons of cement per year.

Referring to the aircraft factory at Bangalore, Dr. Mookerjee ~~said~~ said that the general progress made during 1948 had been satisfactory. A new designing section, completely managed by Indians, had been started. Several foreign experts had visited the factory. It was the Government's intention to secure the services of a dozen consultants. A German expert had been invited to come over to Bangalore for a limited period. The factory was already working on a type of aircraft required mainly for the Defence Ministry and would be able to go into production in the next month or two. The work on two other designs also was expected to be completed in a year and a half.

As regards private enterprise, Dr. Mookerjee stated that during 1948 the Government had endeavoured to establish a much closer contact between industrialists and the Government of India. The Government had tried to fix up targets of production and would see, by the process of mutual help, whether the targets could be kept up. A Cabinet committee had been set up under the chairmanship of the Finance Minister to discuss and evolve a common policy of economic development affecting various Ministries. The Industrial Finance Corporation, so far had helped about 12 different industries in different parts of India. The total financial assistance which the Corporation had already sanctioned amounts to 25 million rupees.

Dr. Mookerjee asserted that the textile control generally had been a success, production had increased and there had been larger and better distribution of cloth in all provinces of India. As regards the supply of cotton, India's production was 2,800,000 bales. This year the Government expected a yield of not more than 2,300,000 bales. India had, therefore, to import cotton from Egypt and East Africa. He thought the year would close with a deficit of 700,000 bales of cotton, which would have to be taken out of surplus stocks. Dr. Mookerjee announced that with the approval of the provinces, the Government proposed to bring before the next session of the Constituent Assembly a provision for amending the Constitution and making cotton a Centrally reserved commodity. Meanwhile, the Government had suggested to the provinces that they should pass cotton licensing orders on a uniform model.

Referring to cottage industries as well as small and medium sized industries, Dr. Mookerjee said that the Government did not wish concentration of large scale industries in any part. Proper adjustment of large scale and small and medium sized industries was necessary. The All-India Cottage Industries Board (vide paragraph 116, pages 99-102) had formulated a programme of action which,

if implemented in the provinces and Centre, could contribute in the solution of the economic problem facing India today. Dr. Mookerjee said that in pursuance of the agreement with the United States Government regarding the disposal of American surplus stores in India, a sum of 50 million rupees was expected to be realized which the American Government would spend in India. Out of this 20 million rupees had already been realized which was kept in suspense. The question of how this amount was to be spent would be decided in consultation with the United States Government. His view was that the whole of this amount should be spent for the development of cottage industries.

The House passed the demands for grants.

(The Statesman, dated 10-3-1949).

Manufacture of Heavy Electrical Equipment in India: Scheme sanctioned.

For implementation of India's extensive power development schemes, both hydro-electric and thermal, it is estimated that machinery capable of producing 1.5 million k.w. between the years 1951 and 1955 and costing 500 million rupees will be required. The Government of India has decided to set up a factory in India for the manufacture of heavy electrical equipment and with an annual capacity of 300,000 k.w.

The factory is expected to go into full production in about five years' time. As an initial step, project reports are being ~~sent~~ called for. The scheme for the preparation by two foreign firms of project reports, to be ready in about six months, was approved by the Standing Finance Committee, at a meeting held under the chairmanship of Dr. John Matthai, Minister for Finance, Government of India, on 12 March 1949.

(The Hindustan Times, dated 14-3-1949).

Pakistan: Pakistan Industrial Finance Corporation Act, 1949 (No. I of 1949).

The Pakistan Industrial Finance Corporation Bill, 1948 (vide paragraph 41, page 19 of the report of this Office for December 1948), as passed by the Pakistan Constituent Assembly (Legislature), received the assent of the Governor-General on 28 February 1949 and has been gazetted as the Pakistan Industrial Finance Corporation Act, 1949 (Act No. I of 1949).

(The Gazette of Pakistan, Extraordinary, dated 1 March 1949, pages 157-153 ).

Pakistan: Development of Industries (Federal Control) Bill, 1949: passed by Legislature.

On 11 March 1949 the Pakistan Constituent Assembly (Legislature) passed the Development of Industries (Federal Control) Bill, 1949, which provides for the development under Federal Control of certain industries specified in the Schedule to the Bill. The following industries are noted in the Schedule. Arms and munitions of war; cement and cement products; edible oil hydrogenated, or otherwise; electrical communications and broadcasting equipment; electricity; electrical equipment, appliances and goods; glass and ceramics; heavy chemicals; iron and steel; machine-tools, precision-tools, gauges and workshop equipment; manufactures of heavy engineering industry; minerals including salt and coal; non-ferrous metals and alloy manufactures; paper, cardboard and pulp; petroleum and mineral oils; pharmaceuticals, drugs and light chemicals; power and industrial alcohol; preserved and prepared foods; products of carbonisation industry; rubber manufactures; scientific and mathematical instruments; sea fish and its products; ships, barges, riverboats and lighters; sugar; tanned leather and leather goods; textiles; ~~and~~ and tobacco.

The Statement of Objects and Reasons, appended to the bill, points out that with the creation of Pakistan and the coming into existence of a national Government, it is considered necessary, in the interest of proper and balanced development of industries, that the Central Government should assume responsibility for the development of the more important industries in Pakistan.

(The Gazette of Pakistan, Extraordinary,  
dated 1 March 1949; pages 158-160;  
'Dawn', dated 11-3-1949 ).

42. Production and Export of Agricultural Products.

India - March 1949.

India to be self-sufficient in Food in 3 Years:  
Minister's Assurance in Assembly.

On 19 March 1949, the Constituent Assembly of India (Legislative) approved Budget demands to the Food and Agriculture Ministry after an announcement by the Food and Agriculture Minister, Mr. Jairamdas Daulatram, that the Government of India was determined to achieve self-sufficiency in food within three years. The Government's plan, which had the approval of the provincial Governments, was that, barring unforeseen calamities and the need for a Central reserve, no foodgrains should be imported after 1951. Proposals for both intensive and extensive cultivation and also for improved procurement in the provinces were mentioned by the Minister to meet the present overall shortage of 10 per cent. Cultivation was to be intensified in areas already served by perennial irrigation ~~then~~ through improved seeds, organic manure and artificial fertilizers as a part of a concentrated campaign to grow more food. By reclaiming nearly 800,000 acres of cultivable waste land, sinking tube-wells and diverting some of the land now under "surplus crops", it was intended to extend cultivation to produce larger quantities of foodgrains.

In placing before the House the "revised food policy of the Government", Mr. Jairamdas said that India ~~has~~ must be independent of food imports by the earliest possible date. A reasonably early date had now been fixed. The Government had reconsidered the whole scheme of the Grow More Food campaign and had replaced it by a programme of intensive cultivation of that part of food acreage. For the present, ~~which had perennial or assured water supply,~~ subsidized aid in the shape of improved seeds, organic manure, compost, fertilizers and minor irrigation works ~~would be concentrated on selected regions in this part of our cultivated land.~~ Apart from this programme for increasing production of rice, wheat and other cereals so as to achieve self-sufficiency by the end of 1951, the Government had also decided to encourage the development and use of such high-yielding non-cereal food crops as bananas, papaya, sweet potatoes and tapioca. To secure the co-operation of the agriculturists, it was intended, apart from other steps that had to be taken, to organize farmers' unions under the leadership of progressive cultivators in each area.

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Mr. Jairamdas further announced that meetings of officers of the Centre and of the provinces and States would be held every month to ensure that production plans were being rapidly proceeded with and also to provide an opportunity ~~and~~ for the fullest inter-provincial co-ordination. There would be besides a six-monthly review of the progress made in terms of a six-monthly phased programme.

(The Statesman, dated 20-3-1949).

43. Foreign Trade and Exchanges.

India - March 1949.

India's Foreign Trade: Imports exceed Exports.

According to a Press note issued by the Government of India, Indian exports in the nine-month period up to December 1948, were valued at 3134.1 million rupees and her re-exports at 6040 million rupees. Imports during the period totalled 3558.3 million rupees. Principal commodities among exports were jute yarns and manufactures and raw and waste jute, cotton yarns and manufactures, cotton raw and waste oils, mainly vegetable non-essential, hides and skins, gums, resins and lac, tobacco and seeds. Important articles of import included machinery of all kinds, grain, pulse and flour, cotton raw and waste, oils mainly mineral, metals, vehicles, chemicals, drugs and medicines, dyes and colours, cutlery, hardware, implements and instruments.

The value of exports to the United Kingdom alone during the period, was 704 million rupees. The United Kingdom was, therefore, India's best customer. Next was the United States of America which absorbed Indian exports to the value of 537.4 million rupees. Pakistan, third largest customer, took from India goods worth 363.5 million rupees. Australia accounted for 154.9 million rupees while the Argentine Republic, where India's exports have been increasing, stood fifth with 111.4 million rupees. Imports to India during the period under review increased from all important countries. Important declines were, however, registered by the United States of America, Iran and Switzerland.

The United Kingdom was the best supplier to India, her share in India's total imports being 1021.5 million rupees, ~~was~~ an increase of 137.0 million rupees over the corresponding figure for 1947. The United States of America, second best source of supply, accounted for 769.3 million rupees and Egypt for 197.0 million rupees.

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India: Meeting of Import Advisory Council,  
New Delhi, 26 February 1949: Liberal Import  
Policy to check Inflation.

A meeting of the Import Advisory Council (vide paragraph 43, page 14 of the report of this Office for October 1948) was held at New Delhi on 26 February 1949. Mr. K.C. Neogy, Minister for Commerce, Government of India, presided.

Mr. Neogy's address: Import policy reviewed.- Addressing the Council, Mr. Neogy stated that inflationary conditions in India required a larger supply of goods to be made available so as to reduce scarcity. Restrictive import policies and the large unspent balance of foreign exchange at the end of June last year had shown that a measure of austerity not warranted by the limitations of India's foreign exchange balance had been imposed on consumers.

Explaining the results of the recent changes in import policy and the foreign exchange position as it existed today, Mr. Neogy said that imports of capital goods and machinery had increased from 40 million rupees per month in 1947 to 55 million rupees per month in 1948. These goods now constituted 15 per cent of India's total import trade; industrial goods comprising raw materials and semi manufactures, 40 per cent; essential consumer goods (including foodstuffs), 37 per cent of dollar imports and 44 per cent of the total import trade. Imports of what might be termed luxuries or semi-luxuries were negligible, being only 2 per cent of the total imports.

Referring to import control, Mr. Neogy said that import trade control was first instituted about eight years ago for the conservation of dollar and hard currency resources as well as of limited shipping tonnage during the period of the war. On the close of the war, it was thought that the controls could be gradually removed. In fact, the economic conditions then prevailing demanded as large an import as possible of plant and machinery for the replacement and maintenance of the industrial units. The consumer demand, long pent up, was also large, particularly because of the inflationary conditions then prevailing. To meet these demands, and as a step towards the ultimate removal of control, the then Government liberalized its import policy during 1946. The system of open general licences was extended to a large number of commodities imported from sterling as well as other countries so that the total value of licences issued during the twelve months ended March 1947 was nearly 10,000 million rupees. The result of these imports was a heavy call on India's foreign exchange reserves which comprised mainly the war-time accumulations of her sterling balances.

Early in 1947, it was realized that such generous imports could no longer be allowed and that the country would soon be called upon to limit the imports to what it could pay for from current earnings of export proceeds, plus the transfers from the sterling balances as fixed by mutual agreement with the United Kingdom Government. From July 1947, import trade control, thus entered on a new phase, being linked closely with foreign exchange control and the balance of payments problem. Since then the main objective of import trade control has been conservation of foreign exchange resources. For the first half year ended December 1947, India's foreign exchange was multilaterally convertible and licences were issued during that period without closely discriminating between the sources of supply. From January 1948, however, the discriminatory form of control had had to be reintroduced, the control being more rigorous against dollar and hard currency imports. Throughout the period of twelve months, ending June 1948, many of the luxury and semi-luxury articles and even a number of essential consumer goods were either given no import facilities or severely restricted. Licences were, however, issued liberally for plant and machinery and some of the industrial goods; but a number of industrial raw materials were also on the restricted list.

An important development in recent months had been the fall in India's exports to dollar and hard currency countries and consequent reduction in hard currency earnings. In spite of this, the food grain position during the year had made it necessary to import increased quantities from abroad. Even when every effort was made to obtain food grain supplies from soft currency countries, increased imports from dollar and hard currency areas would be necessary. Efforts were being made to facilitate larger exports to hard currency countries. As a precautionary measure, it had been decided to curtail other imports still further from dollar and hard currency countries. As regards the soft currency countries, no material changes were being made in the import licensing policy.

Liberalization of imports to check inflation.- While these restrictive policies helped in maintaining the balance of payments with dollar and hard currency countries, the position that developed by June 1948 was that India had a large surplus balance in her current account with soft currency areas. Meantime, the prices of various articles were also mounting up. It was against this background that the policy of restricted import came to be revised. The main objects of the liberalization of control after July 1948, were to make further use of India's foreign exchange balance in soft currencies and to increase supplies of consumer goods so as to counteract inflation. The measures taken to liberalize imports were to issue open general licenses for the more essential consumer goods and industrial raw materials, and to permit imports, in limited quantities, of certain luxury and semi-luxury goods. The liberalization could be made only in respect of imports from soft currency countries as well as from Sweden, Switzerland and Japan.

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In conclusion, Mr. Neogy emphasized that import restrictions were not the appropriate method of affording protection to industry. If India were to restrict imports to protect her industries it would be open to other countries to retaliate and restrict exports from India. This danger was fully realized by India's representatives at international conferences. All such measures and counter-measures led to a general shrinkage of international trade. Besides, it had been India's experience during her recent trade negotiations with various countries, that they were unwilling to supply essential goods to India unless she was prepared to take some of the less essential and even luxury imports from these countries. So long as India's industrial and general economy had to depend on foreign trade and on the export of her surpluses to other countries, it would not be appropriate or safe to seek to shut out or impose quantitative restrictions on imports with a view to protecting Indian industries. Indian industries must ultimately be able to thrive the open field of competition both in price and quality.

(The Hindustan Times, 27-2-1949).

India: Imports from Hard Currency Areas:  
Greater Restrictions to be imposed.

Greater restrictions will be placed on imports from dollar and hard currency countries under the revised import licensing policy for the period January-June 1949, according to a Press note issued by the Ministry of Commerce on 26 February 1949. Only minor adjustments have, however, been made in the import licensing policy for soft currency areas, the main lines of policy being the same as those during July-December 1948 (vide paragraph 43, page 15 of the report of this Office for July 1948).

As in July-December 1948, the continents of North, Central and South America (with the exception of ~~Brazil~~ Brazil, Peru, Chile and Uruguay) and the Philippine Islands are dollar areas; Belgium and Belgian colonies, Portugal and Portuguese colonies, excluding Portuguese possessions in India and Bizonia are hard currency countries; and all other countries, except the Union of South Africa, Peru, Japan and Switzerland, are soft currency countries. ~~The policy regarding imports from Japan will be announced later.~~ Sweden has been brought into the category of soft-currency countries, whereas Switzerland for the time being will be a hard currency country. The policy regarding imports from Japan will be announced later.

(The Statesman, dated 27-2-1949;  
The Gazette of India, Extraordinary, 22-2-1949).

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India: Free Exports to Pakistan:  
Licensing Policy revised.

According to a Press note, the Government of India has decided that while it may be necessary to have quantitative restrictions on the total volume of exports of different commodities from India to Pakistan on account of the needs of internal consumption in India, the interest of both the Dominions will be best served by free exports, limited, wherever necessary, to a specific period of time in ~~with~~ which every genuine trader will have a free and equal opportunity to participate.

In accordance with the new policy the Government of India has decided that the following additional items should, for the present, be allowed to be exported without any export licences being required: mustard oil, matches, hurricane lamps, salt, silk and art silk manufactures (other than yarn), woollen manufactures, aluminium ware, sewing machines (indigenous), brass utensils and art brassware, torch cells and cases, pressure lamps, soaps, machine tools (indigenous), tea chests (indigenous), cotton and rubberized belting (indigenous), twist drills and reamers (indigenous), canvas shoes, rickshaws, cycle rickshaws (indigenous), electric lamps and electric ceiling fans.

Many of the commodities mentioned in the list are not in such abundant supply in India itself that unlimited exports can be permitted. The Government considers however that it is undesirable to impose a definite time limit to the period for which exports will be allowed to go freely without ascertaining what the actual monthly offtake is. It has been decided, therefore, that no definite time limit should be set at the beginning for allowing free exports, but when the quota nears completion, an announcement would be made indicating the last date for free exports. As a rule, the period of such notice would not be less than a fortnight.

(The Statesman, dated 7 and 9-3-1949).

46. Wages.

India - March 1949.

Bombay: Wage Trends in the Food, Drink and Tobacco Industry during the Period 1939-1947.

The wage trends in the food, drink and tobacco industry in the Bombay province during the period 1939-1947 are reviewed in a note published in the October 1948 issue of the Labour Gazette. The following is a summary of the note.

Average per capita annual earnings.- The average per capita annual earnings for the food, drink and tobacco industry in Bombay province during 1947 were 832.84 rupees as compared with 309.49 rupees in 1939 - a rise of 169.10 per cent.

Among the various groups of the industry Tobacco establishments recorded an all time high increase of 302.15 per cent - from an annual per capita earnings of 181.05 rupees in 1939 to 728.09 rupees in 1947, while 'bakeries' the lowest - 118.45 per cent. The rise in earnings in four other groups ranged between 135 and 194 per cent. The following table shows the average per capita annual earnings for the Food, Drink and Tobacco industry in Bombay Province during 1939 and 1947:-

Group	Average per Capita Annual Earnings.		Percentage Increase
	1939	1947	
	Rs.	Rs.	
Bakeries-----	251.76	549.96	118.45
Coffee-----	308.28	842.12	173.17
Dairy Produce-----	286.00	830.13	190.26
Flour Mills-----	377.02	887.26	135.33
Tobacco-----	181.05	728.09	302.15
Miscellaneous-----	333.76	981.82	194.17
Average per Capita Annual earnings.--	309.49	832.84	169.10

47. Reconstruction Plans.

India - March 1949.

Conference of Power Engineers, New Delhi,  
21-26 February 1949: Setting up of Central  
Electricity Authority recommended.

A conference of power engineers from provinces and States was held at New Delhi from 21 to 26 February 1949. Mr. N.V. Gadgil, Minister for Works, Mines and Power, Government of India presided. The conference made a general survey of various power development projects undertaken by the Governments, the progress so far made and the difficulties encountered in their execution, with particular reference to the requirements of manpower, plants, machinery steel, foreign exchange, transport and technical personnel required for their implementation.

Power development schemes.- The conference reviewed some 78 power projects, some of which are either under execution or under consideration. The aggregate generating capacity of the schemes on which construction work had actually commenced amount to 1,324,125 kw. Besides this, certain public utility power stations have in hand extensions to diesel generating capacity totalling 36,000 kw. approximately. It is hoped that these schemes would be completed and would have commenced operation in the first quinquennial period. Apart from these schemes, projects aggregating to a total generating capacity of 1,716,250 kw. are under active consideration on which construction work is expected to commence in the course of the next five years.

W.S.P.

According to present indications, the installed generating capacity of India is expected to be augmented as follows: present total capacity: 1,422,000 kw., capacity expected at the end of 1953: 2,800,000 kw., and capacity expected at the end of 1958: 4,516,000 kw. It is estimated that the average annual increase in the installed generating capacity will be 20 per cent of the 1948 figures.

Mr. Gadgil's address.- Addressing the conference on 21 February, Mr. N.V. Gadgil, Minister for Works, Mines and Power, said that the aggregate cost of the power equipment that would be needed in the country during the next ten years, even on the basis of the rate of progress during the war year, would be about 3,000 million rupees. Illustrating with figures the existing maladjustment in India's power development, Mr. Gadgil asked the conference to make an over-all realistic assessment of the major power projects all over

India and to guard against maladjustment between production of power and its planned utilisation.

Referring to rural electrification, Mr. Gadgil said that it was largely a problem of the economic and social reconstruction of the villages, but he felt that power engineers could contribute to a solution of the problem by devising cheap electrical equipment suited to the needs of the villages.

Urging engineers to keep India's entire needs uppermost in their minds, the Minister hoped that the Provincial Electricity Boards, as required by the provisions of the Electricity Supply Act (vide paragraph 45, page 35 of the report of this Office for September 1948) would be established in order to promote a system of co-ordination development of power.

Observing that the one outstanding result of talks on the subject in the last four or five years had made everyone in India, including the guardians of the exchequer "power-minded", Mr. Gadgil suggested that the conference should now concentrate on specific schemes which should be executed with efficiency and economy by means of periodic review of progress.

Resolutions: Proposal for electricity boards.- The conference recommended on the constitution of a Central electricity authority and provincial electricity boards as provided for in the Electricity(Supply)Act, 1948. These bodies, it was suggested, would be in the best interests of the rapid and economical development of wide areas in the country. The resolution on this subject said: "The provincial boards could promptly and effectively deal with various technical, commercial and administrative problems arising out of co-ordinated building, operating and loading of a large power system."

Rural electrification.- The conference discussed in detail measures for rural electrification of India. It was pointed out that rural electrification was essential not only for increasing the earning capacity of an agricultural worker in a village and thus reducing the gulf separating the standards of life in the urban and non-urban areas, but also for arresting the tendency for the flow of populations to the cities. Certain amount of pioneering work had already been done by the Government of Madras, the United Province, Mysore and Travancore in the sphere of rural electrification. The representative from Mysore, answering the argument that rural electrification was likely to prove uneconomic, said that the total capital spent by Mysore on rural electrification so far was 7.6 million rupees and their annual revenue from it was nearly 2.6 million rupees. In India there were some 559,746 villages with a population of roughly 250 million. The statistical summary compiled by the Central Electricity Commission for the year 1947 showed that electricity was available only to 1,293 villages or 0.25 per cent of the total. The conference agreed that it was impossible to envisage the electrification of all the villages for a very

long time and that the target during the next 25 years should aim at electrifying 20 per cent of the total number of villages.

Shortage of technical personnel.- By a resolution the conference viewed with concern the present serious shortage of technical power for the power supply industry. Among other things, it suggested that existing polytechnic and under-graduate technological and university engineering colleges and research institutions should be augmented and strengthened with equipment and staff where necessary. A standing advisory committee was appointed to go further into this question.

Other resolutions.- Among other resolutions adopted was one urging that electricity used for industrial and agricultural production should be exempt from all forms of direct taxation, and another recommending expeditious electrification of railways.

(The Statesman, 22, 25 and 28-2-1949;  
National Herald, 21 and 22-2.1949 ).

48. Public Finance.

India - March 1949.

United Provinces: The United Provinces Agricultural  
Income-Tax Act, 1949 (No. III of 1949).

The United Provinces Agricultural Income-tax Bill, 1948 (vide paragraph 48, page 26 of the report of this Office for October 1948) as passed by the Legislature, received the assent of the Governor-General on 2 February 1949, and has been gazetted as the United Provinces Agricultural Income-Tax Act, 1949 (No. III of 1949).

(Government Gazette of the United Provinces,  
Extraordinary, dated 23 February 1949,  
pages 1-28 ).

52. Welfare and Workers' Leisure.

India - March 1949.

United Provinces: Appointment of Welfare Officers in Factories; Draft Factories Welfare Officers' (Conditions of Service) Rules, 1949 published.

The United Provinces Government published on 22 February 1949 the draft of the Factories Welfare Officers' (Conditions of Service) Rules, 1949, proposed to be framed under section 49 of the Factories Act, 1948.

The draft rules provide that with effect from such date as the provincial Government, by notification in the official Gazette may specify, every factory employing 500 or more workers per day shall employ a welfare officer.

Duties of welfare officers.- The duties of a welfare officer among others, shall be to: (a) promote harmonious relations and act as liaison officer between the workers and the management; (b) explain the point of view of each side to the other, not forgetting that their most important function is to represent the Management to the workers and vice versa; (c) have the grievances and complaints of workers with regard to their working conditions redressed as expeditiously as possible; (d) bring the breaches of Standing Orders to the notice of the highest authority on the spot; (e) study the feelings of the workers by friendly contact with them (inside and outside the precincts of the establishment) and bring the cases of discontent likely to result in dispute or strained relations to the notice of the management with a view to averting labour troubles; (f) encourage the formation of joint production committees, works committees, co-operatives and safety first committees and or welfare committees ~~and to assist the management in the~~ maintenance of good discipline, and in the promotion of all measures designed to improve the lot of workers; (g) organise and supervise labour welfare work, and to see that statutory requirements with regard to working conditions are enforced, and to improve such conditions ~~are~~ above the minimum requirements; and (h) exercise a restraining influence over workers in going on illegal strikes and over managements in declaring illegal lock-outs.

The rules further prescribe the qualifications, grade and other conditions of service of welfare officers. The draft rules will be taken into consideration after 31 May, 1949.

(Government Gazette of the United Provinces, Part II-A, dated 5 March 1949, pages 97-99 ).

59. General.India - March 1949.Labour Conditions in the Paper Mill Industry  
in India.

An enquiry into the conditions of labour in the paper mill industry was conducted by the Labour Investigation Committee in 1944-1945 and a report published. The enquiry covered 15 mills employing about 15,000 workers. With a view to bringing up-to-date the data collected by the Committee, the Labour Bureau, Government of India, issued questionnaires to the various paper mills covered by the Committee. A note based on the replies received is published in the January 1949 issue of the Indian Labour Gazette. The following is a summary of the note:-

Number of workess.- Statistics of employment in respect of the paper mills in the various provinces are available in the annual reports on the working of the Factories Act. These statistics for the years 1939, and 1944 to 1947, shown below. As information for the Punjab is not available for 1946 and 1947, the figure for 1945 has been used in estimating the total for these years.

Provinces	1939	1944	1945	1946	1947
Bengal -----	6,268	8,853	8,998	9,272	9,424
United Provinces.	1,398	2,341	2,321	2,565	2,034
Bombay -----	954	1,947	1,862	1,927	1,875
Bihar -----	1,377	1,565	1,525	1,587	1,459
Orissa -----	501	1,305	1,768	1,370	1,323
<del>Assam</del>	-	-	-	-	-
Madras -----	-	551	675	739	696
Central Provinces and Berar -----	-	50	51	22	-
Punjab -----	995	1,077	1,076	Not available.	-
<b>Total.</b>	<b>11,553</b>	<b>17,689</b>	<b>18276</b>	<b>18,358*</b>	<b>17,887</b>

\* Includes the 1945 figure for the Punjab.

Contract labour formed 10.6 per cent of the total employment. A majority of such workers were employed in the units at Titagarh, Rankinarah and Raniganj in Bengal. Contract Labour was employed in these mills mainly for petty construction works, removal of ash from the boiler house, unloading raw materials and coal, cleaning sludges; etc. One unit in Bengal reported that payments to contractors' labour are made under the supervision of the labour officer or his assistant. At Poona, Dalmianagar and Brajrajnagar also the conditions of work and wage payment to these workers were controlled by the management, but no such direct control was exercised in the other mills.

Recruitment.- In the Titagarh Paper Mills, recruitment is made by its labour officer by reference to the waiting list strictly in the order of registration. Permanent vacancies are generally filled in from amongst badli workers. Unskilled labour for the mill at Naihati is recruited through sardars and skilled labour by advertisement. The mill at Dalmianagar has a recruitment board and most of the labour is recruited locally, although it was reported that outside labour formed about 25 per cent. There is no special organisation for the recruitment of labour in mills in the Bombay province and labour is recruited locally at the gates or from among the relatives of the workers. The Deccan Paper Mills at Poona reported that labour was also recruited from the criminal tribes settlement at Mundhwa as per agreement with the Government. In Orissa, unskilled labour is recruited locally at the factory gates. Skilled labour is ~~usually~~ mainly recruited either by advertisement in papers or through the Government Employment exchange. In Saharanpur and Jagadhri, recruitment is made both locally and from outside. In the former, for example, the number of local workers was 275 in January, 1948 as against 341 recruited from outside. In Mysore, 90 per cent of the labour was local and about 10 per cent came from surrounding areas.

Apprenticeship and training.- In the Titagarh Paper Mills, training is given to trade apprentices, pupil supervisors and paper-making trainees. Trade apprentices are recruited from among the sons of the mill employees who have received at least elementary education. Apprentices for training as pupil supervisors are required to be matriculates who have received a course of training at an approved technical training centre. In the mills at Raniganj and Naihati also there were similar schemes for training apprentices as machine assistants, chemical plant supervisors, etc. These four mills had, in January 1948, 189 apprentices undergoing training. In the Punjab, apprentices are entertained as press boys in the machine house, boiler house, finishing house and workshop on an initial salary of 40 rupees per month with yearly increments. The mill had 29 apprentices in January 1948. In Mysore, apprentices work as substitutes in temporary vacancies and, after they have gained sufficient skill in operations, are made permanent when vacancies arise. In Orissa, there are no fixed rules regarding apprenticeship, but in January 1948, 65 persons were undergoing training as apprentices. There is no system of apprenticeship in the mill at Saharanpur. Five persons were, however, reported to be undergoing training as fitters in this mill. The mills in Bombay and Bihar have no apprenticeship schemes.

Conditions of work.- In accordance with the provisions of the Industrial Employment (Standing Orders) Act, 1947, most of the big mills have framed standing orders. The Mysore Paper Mill had also framed standing orders under the Mysore Labour Act. The bulk of the labour force is classified as permanent. The mills in Bengal, however, have on their rolls a considerable number of substitute workers. In the other centres, workers other than the permanent workers are mostly classified as temporary. Statistics regarding the length of service of the workers were received from all mills except two. Of the total, 16.6 per cent of the workers had less than a year's service, 51.6 per cent had 1 to 5 years' service, 15.8 per cent had 5 to 10 years' service and the rest over ten years' service.

Details regarding the leave rules in the other factories are not available except in the case of Mysore. In Mysore, the daily rated staff were entitled to leave for two weeks for every completed year's service, which can be accumulated up to a total of six weeks in all. In addition, they were given two holidays with full pay on festival days every year. The monthly rated staff were entitled to one month's leave with pay which could be accumulated up to 3 months. Casual leave not exceeding 7 days in a year was also given to the monthly rated staff at the employer's discretion. Monthly rated employees drawing 30 rupees or more per month and having 7 years' service were allowed six months' furlough leave on half pay for every seven years of service.

Hours of work and absenteeism.- All the mills excepting those in Bombay ran 3 shifts of 8 hours each in the continuous process departments. A rest interval of half-an-hour was given to the shift workers at Titagarh, Kankinarah, Ahmedabad, Bhadravati and Saharanpur. In the other centres no rest was allowed. General shifts of 8 hours' duration were also worked in all these mills in the day time, while night shifts were also worked at Ahmedabad and Poona. The rest intervals in these cases varied from 1 to 3 hours in the various mills.

Monthly statistics of absenteeism furnished by some of the units showed very large variations not merely from province to province but in the different centres in the same province. The highest percentage of absenteeism was reported in a unit in the Bombay Province.

Wages and earnings.- Recently a number of awards of adjudicators in connection with industrial disputes and collective agreements in the various paper mills have resulted in increases in the basic wages and allowances of the workers in the industry. The position at present in regard to the minimum basic wages paid for adult male workers and the allowances which paid more or less regularly during each wage period in the various important centres of the paper mill industry were as follows:-

Centre	Basic Wage	Dearness allowance	Other payments and concessions.
Titaghar and Kankinarah.	30 rupees per month.	30 rupees per month	2 rupees per month (if housing is not provided).
Naihati.	30 rupees per month	30 rupees per month	-
Raniganj.	1 rupee per day	15 per cent of wages	11 rupees 3 annas (food) plus 6 rupees per month (for full attendance).
Brajrajnagar.	12 Annas per day	4 Annas per day	12 annas per day plus 2 rupees per month (for full attendance).
Dalmianagar.	21 rupees per month	20 rupees per month	4 rupees per month (if housing is not provided).
Ahmedabad.	9 annas and six pies per day.	25 rupees per month	-
Jagadhri.	40 rupees per month or 1 rupee and 8 annas per day.	-	-
Mysore.	7 annas per day.	12 rupees per month.	-

Annual bonuses were paid in four of the mills in Raniganj, Dalmianagar, Gujrat and Mysore.

Housing.- The Titaghar Paper Mills Company reported that about 10 per cent of the workers were housed free of rent. The mill at Naihati provided free quarters to about 450 workers. At Raniganj, there were 219 quarters which accommodate 26 per cent of the workers besides a large barrack for the watch and ward staff. No rent was charged for any of these quarters. In Bihar, the mill at Dalmianagar provided housing accommodation to about 600 workers out of a total of 1500 employed. In the province of Bombay, the mills at Ahmedabad and Poona provided some housing accommodation to their workers. No change was, however, reported by these mills in the housing situation since the enquiries of the Labour Investigation Committee. Other mills in the province had no housing schemes. The Labour Investigation Committee had reported that the mill at Brajrajnagar had provided 352 family quarters and 108 bachelors' quarters while another 10 per cent of the workers had been housed in temporary

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quarters. It was reported that the mill had since constructed 198 additional family quarters and 50 more were under construction. The quarters were of an improved design and furnished with electricity, water pipes and latrines. The mill in the Punjab was providing quarters to about 75 per cent of its workers in 1944. Many more quarters were now reported to be under construction in spite of the difficulties regarding the availability of building material. The percentage of workers housed by the Mysore Paper Mill increased from 40 in 1944 to about 50 in 1948. Due to a fire in 1945, most of the huts erected by the workers were destroyed and the workers were homeless. The management had thereafter constructed about 160 well-ventilated huts and had provided accommodation to the workers at nominal rents. No accommodation was provided by the mill at Saharanpur.

**Welfare.**- Rest shelters were provided in Dalmianagar, Ahmedabad, Vikroli, Poona, Brajrajnagar, Bhadravati, Jagadhri and Saharanpur. Canteens were provided in the mills in Bengal, Orissa, Bihar, Punjab, United Provinces, and Mysore. The mills in the Bombay province with the exception of the mill at Poona had not provided canteens.

The Titaghar Paper Mills had in force a provident fund, a pension fund as well as a scheme of gratuity. There was a well-equipped dispensary to provide free medical aid to the workers and cases requiring hospital treatment were sent to the local hospitals to which a donation was made by the Company annually to meet the expenses. There was a co-operative credit society and bank with an authorised capital of 100,000 rupees. Provident funds existed in the mills at Naihati and Rani-ganj also; the latter had in addition a pension fund as well as a gratuity scheme. The mill at Naihati maintained a welfare fund to be utilized in cases of sickness of workers, education of their children etc. Medical facilities were available in both the mills and provision was made for free hospital treatment. The mill at Dalmianagar had a provident fund to which contributions were made by 67 workers. The school maintained by the mill has recently been raised to the status of a High School. An X-ray section had been opened in the existing hospital and the indoor ward has been expanded considerably since the enquiries of the Labour Investigation Committee. A co-operative store, a dairy and a canteen have been opened for the benefit of the workers.

There was very little welfare activity in the paper mills in the Bombay province excepting in Poona where a provident fund has recently been introduced and pensions and gratuities are also in force. In Orissa, the dispensary maintained by the mill has since been developed into a full fledged hospital with 12 beds. An X-ray plant has also been set up. The secondary school has been raised to the status of a high school. A primary school was also run. A club and a cinema house, a co-operative bank and a dairy have also been started. There was however, no system of provident fund in this mill. In the Punjab the mill has started a provident fund scheme with effect from April 1948. Practically, the whole of the mill staff had now joined the scheme. The mill maintained a regular welfare fund making halfyearly contributions for

giving monetary relief in deserving cases. The mill had also provided a club, a free hospital, a library, schools and playgrounds for the benefit of the workers. The Mysore paper mill maintained a provident fund on the basis of compulsory contributions from all employees getting more than 12 annas per day. The membership of the fund is now 500 as against 300 in 1944. Those who are not members of the fund are paid retirement bonus at the rate of half a month's salary or wages for ~~xx~~ each year of service subject to a maximum of 15 months' wages. The mill has also provided a hospital with the necessary staff. There was not much of welfare activity in the mill at Saharanpur.

Industrial relations.- The workers employed in paper mills in Bengal have now organised themselves and there were no fewer than five trade unions of paper mill workers in ~~ka~~ this province. The mills in the Bombay Province, being of a smaller size, ~~there was~~ no organised trade union. In Orissa, there was a small union in existence but it had not been recognised. There was, however, certain unions in Dalmianagar, Jagadhri and Bhadravati which had been recognised by the managements. Most of these unions came into existence either in 1947 or in 1948.

There have been a number of industrial disputes in the industry during recent years relating mainly to demands for higher wages. Some of these disputes have resulted in strikes and lockouts. The number of man-days lost due to strikes and lock-out is shown below:-

Year	No. of disputes	Man-days lost.
1946 -----	12	14,389
1947 -----	4	117,130
1948 (January-October)-----	6	3,613

These statistics do not include disputes in Indian States and those in the Punjab as details are not available. Taking into consideration certain details which are available regarding work-stoppages in the Punjab and in Mysore it is estimated that in 1947 the loss to the paper mill industry was about 150,000 of man-days. The number of man-days lost came down considerably in 1948 and the year was comparatively peaceful. Works committees have been set up in most of the big mills. Where such committees have not been set up, the labour officers and welfare officers were reported to be dealing with the grievances of the workers.

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In general, labour conditions in the paper mills industry, ~~improvements~~ have improved since 1944. In particular, mention might be made of the all-round wage increases, the framing of standing orders, the setting up of works committees, the growth in trade unionism, etc. The proportion of workers housed has definitely increased since 1944, in Bihar, Orissa and Mysore in particular. Medical facilities have also been considerably improved in the various centres.

(Indian Labour Gazette, dated  
January 1949 ).

India: The Repealing and Amending Bill, 1949.

The Government of India published on 5 March 1949 the Repealing and Amending Bill, 1949 which seeks to remove from the Statute book certain Acts and Ordinances, which have either ceased to have effect or ceased to be in force, and to correct errors in certain Acts.

The following are some of the amendments proposed to be made to certain enactments affecting labour.

1) The Indian Merchant Shipping Act, 1923.— References to British India load line certificates in sections 224, ~~224B~~ 224G, 224K and 224X are proposed to be altered in to references to Indian load line certificates.

2) The Employment of Children Act, 1938.— The reference to fifteenth year in section 3C of this Act is proposed to be altered to the "fourteenth year" in view of section 119 of the Factories Act, 1948, but making the language of section 3C as general as possible.

3) The Coal Mines Provident Fund and Bonus Schemes Act, 1948, the Mines and Minerals (Regulation and Development) Act, 1948.— An amendment is proposed to be made to the extent clauses in these Acts to make them uniform.

4) The Factories Act, 1948.— An amendment to the extent clause to make it uniform and certain amendments to correct minor and verbal inaccuracies are proposed to be made.

(The Gazette of India, Part V, dated 5 March,  
1949, pages 104-109 ).

Chapter 6. General Rights of Workers.

64. Wage Protection.

India - March 1949.

Pakistan: Payment of Wages (Mines) Rules,  
1949: Draft published.

In exercise of the powers conferred by section 26, read with section 24, of the Payment of Wages Act, 1936 the Government of Pakistan gazetted on 25 February 1949 the draft of the Pakistan Payment of Wages (Mines) Rules, 1949. The rules apply in respect of the payment of wages to persons employed in any mine (including coal mines, salt mines, salt quarries and oilfields) to which the Act has or may hereafter be extended, by an employer or by a contractor engaged by an employer, and are similar to the draft Payment of Wages (Coal Mines) Rules, 1948 of the Government of India (vide paragraph 64, page 67 of the report of this Office for September 1948).

The draft will be taken into consideration after 29 May 1949.

(The Gazette of Pakistan, Part I-Section 1, dated 25 February 1949, pages 86-90 ).

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66. Strike and Lockout Rights.

India - March 1949.

United Provinces: Hosiery Industry declared  
Public Utility Service under United Provinces  
Industrial Disputes Act.

By a notification dated 9 March 1949, the United Provinces Government has declared hosiery industry and every undertaking connected with the manufacture or distribution of hosiery to be a public utility service for the purposes of the United Provinces Industrial Disputes Act, 1947 for a further period of six months from 9 March 1949.

(Government Gazette of the United Provinces,  
Extraordinary, dated 9 March 1949, page 1 )

67. Conciliation and Arbitration.

India - March 1949.

India: Dispute between Assam Oil Company Limited and Workmen: Industrial Tribunal's Award.

The Government of India published on 11 February 1949 the award of the Industrial Tribunal, Calcutta, in the industrial dispute between Assam Oil Company Limited and its workmen including those employed in the Kerosene Tinning factory at Tinsukia (vide paragraph 67 page 71 of the report of this Office for September 1948). The more important points of the award are summarised below:-

Minimum basic wage and dearness allowance.- The existing basic wage of an unskilled worker amounts to 12 annas a day for workers in A Grade and 14 annas a day for workers in B Grade. The Tribunal has raised the minimum basic wage of A grade worker to 1 rupee 2 annas and 6 pies rising to 1 rupee 5 annas at the end of 3 years, and B grade worker to 1 rupee 3 annas rising to 1 rupee 8 annas at the end of 5 years. Increased wages for semi-skilled and skilled workmen, improvers and artisans, apprentices and youths other than apprentices have also been fixed.

The clerical staff has been classified into 4 grades viz., grade I with a minimum rate of pay of 60 rupees rising up to 130 rupees with annual increments of 5 rupees up to 100 rupees and biennial increments of 5 rupees thereafter, grade II starting from 110 rupees and rising to 160 rupees with an annual increments of 10 rupees, grade III with an initial salary of 175 rupees rising to 205 rupees with annual increments of 10 rupees and grade IV with a minimum rate of pay of 210 rupees rising to 255 rupees in 4 years.

The rates of dearness allowance awarded by the Tribunal are as follows:- ~~xxxxxxxxxxxxxxxx~~

All workers who will be in receipt of Basic pay of:  
(a) 1 rupee 2 annas 6 pies to 1 rupee 14 annas per day will get 1 rupee 7 annas 6 pies per day or 38 rupees 3 annas per month. (b) 2 rupees to 3 rupees 12 annas per day or 50 rupees to 100 rupees per month will get 1 rupee 8 annas 6 pies per day or 39 rupees 13 annas per month. (c) 4 rupees to 4 rupees 14 annas per day or above 100 rupees and up to 150 rupees per month will get 1 rupee 10 annas per day or 42 rupees 4 annas per month.

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(d) Above 150 rupees per month will get 45 rupees 8 annas per month.

Bonus.- The Tribunal has directed that the Company should pay one month's basic wages as bonus for 1947 to all monthly rated workers who are in receipt of basic wages below 300 rupees and to all daily rated workers at the rate of 26 days basic wages and have worked for 55 per cent of the working days at least. The future payment of bonus to depend upon the future financial position of the Company.

Hours of work.- The Tribunal has ~~issued~~ ordered that ~~the hours of work~~ of workers who have to work for 45 or 45-1/2 hours should be reduced to 44 hours with a spread-over of 48 hours. In the case of other workers there will be no change.

Leave.- The Tribunal has directed that the Company should grant leave and holidays as follows: Privilege leave (inclusive of statutory holidays under Factories Act): Monthly rated workers - 30 days, Daily rated workers - 15 days; Casual leave: 7 days to monthly rated workers; Festival holidays: 11 days.

Other points covered by the award relate to reinstatement of victimised or dismissed workers, democratic management of the provident fund, etc.

By an order dated 23 February 1949 the Government of India has directed that the award shall be ~~binding~~ binding for a period of one year from 8 January 1949.

(The Gazette of India, Extraordinary, dated 11 February 1949, pages 101-138; The Gazette of India, Part I, Section 1, dated 5 March 1949, page 286 ).

Madras: Industrial Disputes (Madras Amendment)  
Bill, 1949.

The Government of Madras published on 8 March 1949 the Industrial Disputes (Madras Amendment) Bill 1949 to amend the Industrial Disputes Act, 1947, in its application to the province of Madras for certain purposes.

The Statement of Objects and Reasons appended to the Bill, points out that the Madras High Court recently held in one case that section 10 of the Industrial Disputes Act, 1947, does not empower the Government to refer to an Industrial Tribunal constituted under that Act, all possible disputes that might arise in future, or the parties to an industrial dispute to file applications to the Tribunal without a reference from the Government (vide pages 76-77 of the report of this Office for September 1948). Similar objection may be taken in respect of some of the other references already made. It is therefore considered necessary to validate all proceedings taken, awards made, and all other acts and things done in respect of any such reference. It is also considered necessary that where the Government have constituted an Industrial Tribunal for the adjudication of disputes in any specified industry or industries, the parties to a dispute in any such industry should have the right to refer the dispute to that Tribunal without the intervention of the Government. Accordingly clause 3 of the Bill seeks to insert a sub-section 2A to section 10 of the Industrial Disputes Act, 1947. The proposed sub-section 2A reads as follows:- "(2-A) Notwithstanding anything contained in sub-sections (1) and (2), where a Tribunal has been constituted under the Act for the adjudication of disputes in any specified industry or industries and a dispute exists or is apprehended in any such industry, the employer or a majority of the workmen concerned may refer the dispute to that Tribunal".

Another important change introduced by the Bill is that the schedule to the Industrial Disputes Act, 1947 specifying the industries which may be declared to be public utility services, is to be omitted. The Statement of Objects and Reasons states that under section 2(n)(vi) of the Act, the Government's power to notify any industry as a public utility service is restricted to the industries specified in the Schedule to the Act. It is considered necessary that this restriction should be removed.

(The Fort St. George Gazette; Part IV-A, dated 8 March 1949, pages 161-163 ).

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United Provinces: Settlement of industrial  
Disputes: Labour Officers appointed Conciliation  
Officers.

By a notification dated 24 February 1949 and in exercise of the powers conferred by section 4 of the Industrial Disputes Act, 1947, the Government of the United Provinces, has appointed all labour officers in the United Provinces to be conciliation officers under the Act, charged with the duty of mediating in and promoting the settlement of industrial disputes for all the industries in the United Provinces.

(The Government Gazette of the United  
Provinces, Part I, dated 5 March, 1949,  
page 167 ).

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68. Labour Courts.

India - March 1949.

Industrial Tribunals can Order Reinstatement  
of Dismissed Workers: Federal Court's Ruling.

The Industrial Tribunal set up under the provisions of the Industrial Disputes Act 1947, is entitled to investigate and settle trade disputes in the sphere of private-owned industries and has jurisdiction to order re-instatement of dismissed workers.

This decision was given by the Federal Court which delivered judgment in several appeals filed by various business firms of Bombay and Calcutta, challenging the jurisdiction of the Industrial Tribunal (vide paragraph 68, page 78 of the report of this Office for February 1948).

Delivering judgement in the leading appeal, namely, the Western India Automobile Association (appellants) vs. the Industrial Tribunal, Bombay, and others (respondents) the Federal Court decided the following two main points raised by the appellants: (1) whether the dispute with regard to reinstatement of certain dismissed workers can be referred to the Tribunal and whether it can order the reinstatement of such dismissed workers, and (2) whether the Industrial Dispute Act has application to cases of private employers or is limited only to cases where either the Central or ~~State~~ the provincial Government or a local authority is the employer.

As regards the first point, the Federal Court's decision was in the affirmative. The Court set aside as "unsound" the appellant's contention that "the reinstatement of the discharged workmen was not an industrial dispute because if the unions represented the discharged employees, they were not workmen within the definition of that work in the Industrial Dispute Act".

As regards the second point the Federal Court upheld that the Industrial Disputes Act of 1947 was not limited to Government-controlled industries; private industries also came under its provisions. In this connection the Federal Court observed: "In the Act of 1947 an elaborate and effective machinery for bringing about industrial peace has been devised. It is in our opinion not possible to argue that this elaborate machinery was devised for the benefit of industries run by Government and local authorities only and that the Trade Disputes Act, 1929 was repeated in order to exclude from its ambit industries run by private persons".

The appeal was dismissed with costs. This judgment applied to the other appeals as the questions involved were identical.

(The Hindustan Times, dated 1-4-1949).

CHAPTER 7. EMPLOYMENT AND UNEMPLOYMENT.

INDIA - MARCH 1949.

71. Organisation of the Labour Market.

India: Employment Exchanges: Working during January 1949.

Employment situation.- During January 1949, a slight improvement in the general employment situation was also reported from Bihar, Bombay, East Punjab and Madras. It has been decided by the Central Government to reserve about 10,000 vacancies in the railways for refugees from Pakistan, ~~10,000 vacancies~~ (approximately 3,000 posts in Class III service and 7,000 in Class IV service). This was expected to lead to the absorption of a large number of refugees in employment. On the other hand, some iron and steel concerns in West Bengal retrenched staff, some were contemplating to do so in the near future, while others were unable to work to their maximum capacity owing to the shortage of raw materials, machine tools, and other factors arising out of transport difficulties. In ~~Howrah~~ Howrah, the situation was further aggravated by a strike threats in a number of factories and lockout in a jute mill involving over 10,000 workers.

The all-India shortage of skilled technicians continued to exist. Shortage of accountants, stenographers and trained teachers was also reported by almost all exchanges. Shortage of tractor drivers was reported from Jalgaon and Muzaffarpur. On the other hand there were surpluses of clerks, semi-skilled technicians and unskilled labourers in almost all exchanges.

Registrations and placings.- The total number of registrations for employment assistance effected at employment exchanges and district employment offices and the total number of persons placed during the month are shown below:-

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	January 1949	December 1948	January 1948
Total number of registrations (including re-registrations)-	89,158	84,916	61,702
Total number of persons placed in employment -----	24,327	24,164	16,571

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Of those placed in employment 2462 were ex-Servicemen personnel and 6355 were refugees. Of the total number of placings effected, 736 were in posts carrying a basic pay of 101 rupees or more. Quite a few candidates were placed in jobs carrying basic salaries of 250 rupees to 1900 rupees per month. With the exception of Madras, West Bengal and the Central Provinces and Berar, all regions recorded an increase in placings. The highest increase in placings was recorded in the United Provinces region.

Placings by wage groups.- Figures relating to placings during January 1949, analysed according to wage groups were as follows:-

<u>Wage groups: basic monthly pay</u>	<u>Number of placings</u>
Above 101 rupees -----	736
61 to 100 rupees -----	5,361
36 to 60 rupees -----	12,513
21 to 35 rupees -----	6,656
20 rupees and below -----	1,061

Employment exchanges in Indian States.- Returns received from employment exchanges in Indian States showed that up to end of January 1949, 93,272 applicants had been registered, of whom 19,491 had been found employment. This information does not, however, illustrate completely the work performed by all States exchanges, as up-to-date information was not received from many of them. These figures are in addition to the all-India figures quoted above.

Employment of displaced persons.- 18,920 displaced persons were registered during the month as against 19,032 during December 1948. The number of those placed in employment, mostly in the province of East Punjab, was 6,355. It was reported that many refugees did not wish for employment but needed loans and facilities for starting petty business of their own.

Technical and vocational training.- During January 1949, there were 82 technical training centres and 107 vocational training centres functioning, with 5,141 and 2,862 ex-Servicemen trainees respectively under training. In the former group, 974 trainees passed the trade tests, bringing the total of passed out trainees to 9,672. In the latter group, 159 trainees passed out, bringing the total to 1,776. 7,735 male refugees were undergoing training at the training centres in Bihar, Bombay, the Central Provinces and Berar, Delhi and Ajmer-Merwara, East Punjab, United Provinces and West Bengal. 274 refugee girls and women ~~were~~ were undergoing training at the New Delhi Centre run by the Ministry of Labour. 9 trainees passed the prescribed trade test, bringing the total of passed out trainees to 45. 295 disabled ex-Servicemen were undergoing training in the three special training centres. 256 trainees passed the prescribed trade tests, bringing the total passed out to 1,242. An amount of 10,000 rupees

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was distributed to 60 disabled trainees who had successfully completed the training course, for purchase of tools and equipment. 28 more firms (4 in Delhi and Ajmer-Merwara, 10 in East Punjab, 4 in Madras, 8 in United Provinces and 2 in West Bengal) agreed to participate in the apprenticeship training scheme, while 5 firms (1 in Bihar and 4 in Bombay) withdrew from the scheme. The total number of apprenticeship training centres was thus 264 and 765 ex-Servicemen and 1,706 refugees were under training at these centres.

The number of ex-Servicemen selected and posted for technical training during January 1949 and to date is shown below:-

Administrative Region.	Technical Training		Vocational Training	
	During the month.	Cumulative to date.	During the month.	Cumulative to date.
Assam -----	10	346	19	244
Bihar -----	29	3,438*	19	1,266*
Bombay-----	184	4,538	28	2,364
Central Provinces and Berar -----	14	1,855	7	855
Delhi and Ajmer-Merwara-----	38	1,678	8	709
East Punjab**-----	28	474	13	183
Madras-----	1299	26,682	666	8,191
Orissa§-----	-	42	-	50
United Provinces-----	3	7,086	315	9,134
West Bengal-----	28	2,945	31	1,165
<b>Total-----</b>	<b>1633</b>	<b>49,084</b>	<b>1,106</b>	<b>24,161</b>

\* Includes trainees appropriated to Orissa region selected and posted upto 50-9-48, separate figures for which are not available.

\*\* Cumulative figures are for the period beginning with 15th August, 1947.

§ Cumulative figures are for the period beginning with 1st October, 1948. Figures relate to December, 1948.

Future of employment exchanges.- The question of the future of the employment exchanges and training schemes was discussed at the Seventh Session of the Provincial and State Labour Ministers' Conference held in New Delhi on 17 and 18 January 1949 (vide paragraph 11, pages 1-3 of the report of this Office for January 1949). The consensus of opinion was that (i) both the employment exchanges and the training schemes should be made permanent; (ii) while the provinces were willing to take over the actual administration of exchanges and training centres after July 1950, they were not in a position to do so unless the Government of India bore the recurring expenditure in the same proportion as at present and (iii) if in view of (ii) above,

it was not possible for the Government of India to agree to the handing over of the exchanges and the training centres to the provinces, status quo should be maintained even after July, 1950.

(Review of the Work done by the Directorate General of Resettlement and Employment during the month of January 1949, issued by the Government of India ).

73. Migration and Colonisation.

India - March 1949.

India: The Indian Emigration (Amendment)  
Act, 1949 (Act III of 1949 ).

The Indian Emigration (Amendment) Bill, 1949 (vide page 89 of the report of this Office for February 1949), as passed by the Constituent Assembly of India (Legislative), received the assent of the Governor-General of India on 16 February 1949 and has been gazetted as the Indian Emigration (Amendment) Act, 1949 (Act III of 1949).

(The Gazette of India, Part IV, dated 16 February, 1949, page 47 ).

CHAPTER 8. SOCIAL SECURITY.

INDIA - MARCH 1949.

81. Social Insurance.

Working of the Workmen's Compensation Act  
in Bombay during 1946.

Number of accidents.- According to the annual report on the working of the Workmen's Compensation Act, 1923, in Bombay Province for the year 1946, the year was exceptionally free from any serious accidents. No Trade Union, except the Textile Labour Association, Ahmedabad, took any active interest in handling claims under the Act. The Association maintains a separate compensation branch to attend to all matters relating to claims and assists in all cases of accidents irrespective of whether the injured person is a member or not, or whether he is engaged in the Textile Industry or some other occupation.

Fatal accidents.- Besides 91 reports of fatal accidents under investigation at the beginning of the year, 223 reports were received during 1946. Of the total of 314 reports, 35 did not come within the purview of the Act, in 102 cases voluntary deposits were received while in 14 cases; these were received after issue of necessary notices. Of the 45 cases in which liability was denied applications were received from dependants in 41 cases, 32 of which were successful and 7 were dismissed. In 2 cases, no dependants could be traced while in 4, although forms were supplied to the dependants, no claims were received. Investigations were not completed in 102 cases at the end of the year.

Cases before Commissioners.- ~~Notwithstanding~~ The year opened with 422 cases (both applications and agreements) pending from the previous year and 1,703 were received during the year. Of these 2,125 cases, 1,744 were disposed of during the year and 381 were pending at the end of the year as against 2,020 and 420 respectively in the year 1945. Of the 1,744 cases that were disposed of during the year, 281 related to fatal accidents, 1,453 to non-fatal accidents of which 1,394 resulted in permanent disablement and 59 in temporary disablement and the remaining 10 were miscellaneous.

Amount of compensation paid.- The total compensation paid in respect of all these cases was 1,102,709 rupees as against 1,459,445 rupees in 1945.

Industrial Diseases.- No case of any industrial disease came up for decision before any of the Commissioners during the year.

(Labour Gazette, dated October, 1948 ).

United Provinces: Workmen's Compensation Act,  
1923: Addition to schedule.

In exercise of the powers conferred by sub-section (3) of section 2 of the Workmen's Compensation Act, 1923, the Government of the United Provinces has made the following addition to schedule II of the Workmen's Compensation Act which gives a list of persons who are included in the definition of workmen under the Act.

"(xxviii) employed in an occupation involving the loading or unloading of any mechanically propelled vehicle, or the handling or transport of goods which have been loaded into any such vehicle.

(Notification No. 5510(L)/XVIII-454(1)-47,  
dated 24 February, 1949;  
The Government Gazette of the United Provinces,  
Part I-A, dated 5 March 1949, page 98 ).

CHAPTER 9. LIVING STANDARDS.

INDIA - MARCH 1949.

92. Housing.

Manufacture of Pre-Fabricated Houses:  
Government of India's scheme.

The Government of India has entered into an agreement with a British firm for the setting up of a pre-fabricated house manufacturing factory in Delhi. The firm, which will provide technical assistance to the Government for establishment of the factory, will receive a royalty for the use of its patents.

Production target has been fixed at 100 houses per week. To begin with, only one type of house will be produced, covering an area of 500 square feet. Each such house will cost about 2,500 rupees. More factories are likely to be set up in other parts of India after experience has been gained of the working of the Delhi factory. The factory is expected to begin production by June 1949 and the sale of pre-fabricated houses is likely to begin by September 1949.

The initial cost of the scheme will be borne by a capital grant of 5.0 million rupees and a working capital of 4.8 million rupees. The entire working capital is expected to be recovered each year by the sale of pre-fabricated houses. The capital expenditure is expected to be recouped within ten or 15 years.

The scheme was sanctioned by the Standing Finance Committee at a meeting held in New Delhi on 12 March 1949, under the chairmanship of the Finance Minister, Government of India.

(The Hindustan Times, 14-3-1949).

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CHAPTER 11. PROBLEMS PECULIAR TO CERTAIN  
OCCUPATIONS OR CATEGORIES OF OCCUPATIONS.

INDIA - MARCH 1949.

111. Agriculture.

Bihar: The Bihar State Management of Estates  
and Tenures Bill, 1949.

The Government of Bihar published on 23 February, the Bihar State Management of Estates and Tenures Bill, 1949, which provides for the state management of estates and tenures in the province of Bihar.

The Statement of Objects and Reasons, appended to the Bill, says that for some years post there have been widespread ~~agra~~ agrarian troubles due to landlords' apathy towards the unkeep of irrigational facilities, enhancement of rents, ejection from holdings, etc. It has become necessary for the Government to assure the management of estates and tenures. It is proposed under Government management to make adequate arrangements for safeguarding the cultivators from harassment by zamindars, to save them ~~or~~ from the ruinous financial drain of litigation for the recovery of arrears of rents and to benefit them by providing for irrigation facilities. Provision has also been made for the removal of mortgages from possession and for working out proper schemes for liquidation of debts secured on and claims against the estate or estates taken over for ~~management~~ management. The Bill further seeks to ban sale of the estates taken over through the law courts during the period for which they remain under management. The Bill also applies to trust properties.

After making payment for objects specified in the Bill and reserving a reasonable balance for cost of management, the net surplus will be paid over to the proprietors.

(The Bihar Gazette, Extraordinary, dated  
23 February 1949, pages 5-33 ).

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Agricultural Indebtedness in India:  
Substantial Reduction since 1930  
due to rise in the Price of agricultural  
Produce.

Mr. Jairamdas Daulatram, Minister for Food and Agriculture, Government of India, stated in answer to a question in the Constituent Assembly of India (Legislative), on 8 March 1949, that local inquiries in some provinces pointed to the conclusion that agricultural indebtedness in India, estimated at 9,000 million rupees in 1930, had been substantially reduced. The reason was the unprecedented rise in the price of agricultural produce. In Madras the inquiry for 1939-45 showed that landholders had reduced their indebtedness from 40 to 12 per cent but indebtedness of tenants had increased by 4 per cent, of agricultural labourers by 43 per cent.

(The Statesman, dated 9-3-1949).

Central Provinces: Government Policy  
regarding Loans to Agriculturists to be  
reviewed: Committee appointed.

The Government of the Central Provinces and Berar has appointed the Central Provinces and Berar Taccavi Policy Committee, 1949, to examine and report on the whole question of the existing and future policy of the Government regarding taccavi and allied matters. The Committee consists of 11 members, with Mr. P.K. Deshmukh, Minister for Education, as chairman, and included ~~among~~ among others the ministers for finance and food as members.

Terms of reference.- The committee, inter alia, has been asked to: (a) examine the present taccavi policy of the Government according to which loans under the Agriculturists' Loans Act are intended primarily to relieve distress, or to assist the poorer cultivators in financing their agricultural operations, and to make recommendations for overhauling the policy; and (b) report whether it is desirable to provide a system of individual financing of agriculturists by a bank sponsored by the Government so as to make short term loans available to all credit-worthy agriculturists, at a rate slightly higher than the present rate of taccavi loans if necessary but on a non-joint liability basis for cash loans for cultivation expenses, loans in the form of seeds and manures and loans against produce.

(The Central Provinces and Berar Gazette, Part I,  
dated 4 March 1949, page 108 ).

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Pakistan: Report of Sind Government Hari Enquiry Committees: Creation of Agricultural Development Corporation and collaborative Farming recommended.

The Hari Enquiry Committee, appointed by the Sind Government in March 1947 to examine the grievances of haris (persons engaged in share tenancy) and to recommend measures for improving the standard of living of haris, has submitted its report recently. The report, besides recommending measures relating to haris' tenancy rights and for general rural development, suggests as part of the long-range plan of land utilisation, the starting of a collaborative farming scheme and the establishment of an agricultural development corporation whose objects would be to advise Government on the policy to be adopted in land utilisation under Government management and to implement Government policy in the management and development of the lands allotted to it, and in promoting the welfare of labour employed by the corporation. The main recommendations of the report are summarised below:-

Provision of rural amenities.- The report recommends the formation of hari committees to attend to corporate village activities. As a source of funds towards providing village amenities, community cultivation of crops on restricted areas specially allotted for this purpose is suggested. The sale proceeds of this produce should be allocated to village community funds. Government would be expected to give grants-in-aid to deserving hari committees. Progressive zamindars could also provide at their expense amenities such as housing, schools, dispensaries, etc.

Grievances of haris: objection to granting permanent land tenure rights.- The report attributes most of the grievances of haris to three main causes, viz., the excessive levies made by some zamindars from the hari's share of the produce, the high rates of interest charged by some zamindars and the manipulation of the hari's accounts at the time of settling his debts. Recommendations have been framed with a view to remove these causes.

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\* Government of Sind Report of the Government Hari Enquiry Committee, 1947-48. Price Rupee 1.

As regards batai (division of produce between the cultivator and landholder) practices, the report is against its replacement by a system of cash rents as this would mean that the landholder will lose incentive in the management of his land. The report defines some of the obligations and rights of zamindars in regard to batai cultivation. A hari who supplies his own labour, the labour of his bullocks and the implements of husbandry should, after deduction of the cost of harvesting from the total produce, be entitled to those shares in the produce indicated below: (a) to one half of the produce grown by him on flow irrigated lands, on flood inundation lands and on rain-fed lands; (b) to two-thirds of the produce grown by him on lift-cum-flow irrigated lands where the cost and maintenance of the lifting equipment is borne by him. Deductions in kind from the hari's share of the crops grown by him in the form of levies or perquisites or for any other reason should be prohibited. The hari should be granted the right to grow half an acre of cattle fodder in kharif (summer crop) in all cases and an additional half acre in rabi (winter crop) where feasible. He should be charged a cash rent on the fodder area. Also he should be granted the right to grow free of rent 1/40th acre each season for vegetable cultivation. It should be made illegal for a zamindar to take any free labour (beggar) for his personal gain from the hari. Wage labour should be paid to the hari on the same day that he ~~does~~ does the work.

The report recommends that tenancy agreement specifying the terms with haris should be made compulsory. And it should be made a penal offence for a zamindar to engage a hari without first verifying the amount of the hari's debt to his previous zamindar and paying off the debt.

The report suggests certain regulations governing haris' accounts under which it should be made compulsory to maintain haris' accounts in a prescribed form. It ~~report~~ also prescribes regulations relating to recovery of haris' debts. Not more than 50 per cent of the hari's share of the rice, wheat, jowar and bajri crops, 25 per cent of his share of other foodgrains and pulse crops and 75 per cent of his share of cotton and oilseeds should be taken by the zamindar towards the recovery of a hari's debts. The balance of produce remaining with a hari after a zamindar has taken the maximum permissible proportion provided should be exempted from liability to attachment or sale in execution of a decree.

Either party may terminate a tenancy agreement by giving three months' notice to quit. If on terminating ~~his~~ his tenancy a hari's debts to his zamindar, after recovery of the maximum permissible from the hari's share of produce, exceeds such amount as may be notified by Government from time to time then the excess debt should be written off as a bad debt. A zamindar who initially engages a hari should be obligated either to pay off the hari's debts to his former zamindar before concluding a tenancy agreement or to satisfy himself that these debts have been settled. On the termination

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of his tenancy, whether by eviction or voluntarily, the hari should be granted compensation for all permanent improvements to the land resulting from his labour or enterprise, the proportionate residual value of manures the cost of which has been borne partly or wholly by him, ~~his~~ his share of unharvested crops, and preparation of lands for the ensuing seasonal crop. In case of eviction a hari should be paid special compensation by the zamindar which should be the equivalent of the land revenue assessment paid during the twelve months immediately preceding the due date of eviction. No compensation need be paid, however, it is proved that during the last year of his tenure prior to eviction a hari has either (a) failed to cultivate efficiently and fully; (b) failed to live in a village scheduled by Government; (c) failed to deliver to the occupant the share of the produce prescribed in the regulations; or (d) if he has been convicted of certain offences under the Indian Penal Code.

When the ownership or leasehold of land cultivated by a hari changes hands, then, (a) the hari who is a sitting tenant should be given prior-cultivating rights over other haris; (b) the incoming zamindar should be obligated to take over the outstanding debts of the sitting haris but subject to a maximum of such amounts for any hari as may be notified by Government from time to time; (c) the balance of the outstanding debts of the hari should be written off; and (d) the mortgage of the hari's cattle to the incoming zamindar and the furnishing of collaterals for the hari's debts would be matters for mutual agreement.

Settlement of disputes: hari tribunals suggested.-The report suggests the setting up of hari tribunals to settle disputes between haris and zamindars and prescribes the constitution, powers and duties of such tribunals. It recommends that the chairman should be the Mukhtiarkar (gazetted revenue officer incharge of a taluka) assisted by a panel of advisers being zamindars and haris in equal numbers. For each meeting of the Tribunal the chairman would call two zamindars and two haris whose names are on the panel. No quorum is needed; no pleader is allowed and no stamps need be fixed to applications. ~~The~~ Awards of a Tribunal should be subject to appeal to the Assistant or Deputy Collector with a revision ~~to~~ to the Collector. A civil court should act on such awards as if they were its own decrees.

Tenancy legislation.- The report states that any scheme for granting permanent rights of tenure to haris on holdings defined by metes and bounds should provide for a safeguard to enable Government to exercise the right to adjust the area of the holding of a protected hari. Government should be in possession of the fullest economic information before embarking on any radical changes in the land tenure system. And with this in view, it should undertake surveys to ascertain the productivity of land in three categories representing (a) free-hold family holdings, (b) harp (peasant ~~proprietary~~ proprietary) grants and (c) land cultivated by haris, and to ascertain the revenue accruing to Government per cusec of water-supply on two systems of tenure, namely, (a) on those watercourses where all the land is held by peasant

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Proprietors and (b) on water-courses located on the same canal and preferably in the same neighbourhood where batal cultivation only is practised. The report points out that the majority of the Enquiry Committee was of the view that the grant of permanent rights of tenure to haris should be deferred indefinitely for the following reasons:- (i) the imminent danger of blocking the credit of protected haris with their zamindars without provision being made for an alternative direct source of credit; (ii) the impossibility of devising measures which would ensure that the protected hari would ~~receive~~ receive his rightful share of irrigation water, and the consequential drop in crop production on land cultivated by him, and a corresponding drop in his income; (iii) the disruption of the large measure of goodwill now prevailing between zamindars and their haris without any countervailing material ~~advantages~~ advantages to ~~the~~ the haris; (iv) the majority of haris own cattle in addition to their bullocks. They are able to maintain these cattle mainly in virtue of the grazing facilities afforded by zamindars. On being granted tenure rights to a specific holding defined by metes and bounds their present stock of cattle will in many cases have to be substantially reduced and an important source of income will be restricted; (v) as haris often engage in cultivation in family groups, the granting of tenure rights only to those members of the family who would qualify for the right would soon reveal that family ties are stronger than tenuous cultivating rights. The voluntary relinquishments of their tenure rights by such haris would be a common occurrence leading to a further disruption of agricultural economy; (vi) as potential economic production cannot be obtained without tractor equipment, there is need to guard against parcelling zamindari land into small units which will militate against farm mechanisation; (vii) the area allotted to a protected ~~haris~~ hari under the present primitive methods of agriculture may prove to be excessively large as agriculture becomes more intensified. There is likely to be strong opposition from protected haris to the allotment to them of holdings which will necessitate a reduction in the areas they are accustomed to cultivate; and (viii) if the maximum economic use of the land cannot be achieved by other means then Government may in the course of time be impelled to nationalise the land. The granting of permanent rights of tenure which do not now exist are likely to prejudice the smooth working of reforms to this end. It is, however, suggested that a taluka which is irrigated by a ~~non-perennial~~ non-perennial (rice) canal might be selected for granting permanent tenure rights to haris and that in the light of the experience gained the selected taluka, the grant of right of tenure on other areas could be further examined. It was the opinion of the majority of the Committee that the Government should legislate through a Tenancy Rights Act to take powers to regulate batal practices of cultivation and to grant rights to haris. It could, in essence, be an enabling act. The regulations governing batal practices could take the form of rules under the act. These could be framed, amplified or amended from time to time to suit changing conditions without recourse to the legislature.

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Departmental activities.- The report makes several recommendations on ~~how~~ how various Government departments can help, by their activities, in the raising of the standard of ~~education~~ living of haris pending a general rise in the standard of education of the agricultural masses. These suggestions, inter alia, include the following:-

(i) A permanent board of economic enquiry should be constituted by Government. The function of the board would be to plan and publish scientific investigations into the socio-economic conditions of ~~the~~ different classes of people and in particular economically handicapped. The board should be financed wholly by Government.

(ii) An independent commissioner for rural development should be appointed, to advise the Government in all matters concerned with its land tenure, land utilisation and agricultural labour ~~policy~~ policy.

(iii) Various legislative measures affecting agriculturists which have been enacted by Government should be codified.

Suggestions for long-term measures.- The report states that the Government is to pursue a progressive programme of social and economic development which will conform to modern world trends, it will have need to adopt a new approach to its land policy; and that if agricultural efficiency on privately owned lands falls below that on state managed lands there will be justification for the Government to adopt a modified land tenure system which will best meet the national needs. With this end in view, the Government should consider the advisability of assuming powers to undertake the management of any agricultural land where it can be proved that proper use is not being made of it.

Finally, the report emphasises the need for farm mechanisation and proposes a collaborative farming scheme on Government owned lands to be irrigated by the Lower Sind Barrage Project. The collaborators would be the Government and its share tenants. The scheme would be sponsored and financed by Government and implemented through a statutory Agricultural Development Corporation, composed of an advisory and administrative Council of not more than 25 members, and an executive Board of 3 Directors. The capital requirements of the corporation would approximately be 6.1 million rupees non-recurring and 2.2 million rupees recurring. The estimates of net income to Government would be about 35 rupees per acre on cultivated areas or about 28 rupees per acre on gross areas.

Pakistan: Sind Tenancy Bill, 1949:  
Hereditary Rights of Tenants.

On 9 March 1949, Mr. Mahomed Shah, Minister for Revenue, Government of Sind, introduced in the provincial Legislative Assembly the Sind Tenancy Bill, 1949 to regulate the rights and liabilities of tenants and landlords in the Province of Sind. The main provisions of the Bill are summarised below.

Classes of tenants.- Under the Bill there are to be two classes of tenants only, (a) hereditary tenants and (b) tenants-at-will.

Hereditary tenants.- A tenant shall be deemed to be a hereditary tenant if he has annually cultivated at least four acres of land for the same landlord for a continuous period of not less than three years; and he has cultivated such land personally during the aforesaid period. The names of hereditary tenants shall be entered in a Record of Rights to be maintained in a prescribed manner. When a hereditary tenant dies, the landlord shall continue the tenancy on the same terms and conditions on which such tenant was holding at the time of his death to such one of his lineal adult male heirs as is selected by the landlord.

The right conferred on a hereditary tenant under the Bill shall not be liable to seizure, attachment or sale ~~or~~ by a process of any Court, and it shall not be lawful to mortgage, charge, alienate, assign, lease or sub-let any such rights, either whole or in part. Tenancy rights may be terminated, however, if the land in respect of which tenancy rights are held is acquired or requisitioned by Government for a public purpose, and if such tenant (a) voluntarily surrenders the tenancy; (b) abandons the tenancy; (c) has used such land for a purpose other than agriculture without the permission of the landlord; (d) has mortgaged, charged, alienated, assigned, leased or sub-let; (e) fails to cultivate the land personally or to cultivate solely for the same landlord; (f) fails, without sufficient cause, to cultivate the land in the manner or to the extent customary in the locality in which the land is situated; (g) has done any act which is destructive or permanently injurious to the land; (h) fails to pay the share of produce to the landlord; and ~~if he~~ (i) <sup>is</sup> convicted of theft, ~~robbery, extortion, kidnapping, or any offence involving dishonesty or fraud, or any offence involving criminal misappropriation or criminal breach of trust or cheating in respect of the property of his landlord, etc.~~ criminal misappropriation or criminal breach of trust or cheating in respect of the property of his landlord, etc.

A landlord may terminate the tenancy of a hereditary tenant by giving him one year's notice in writing, stating therein the reasons for such termination, if the landlord,

to be set up

in good faith, requires the land for cultivating it personally or for any non-agricultural purpose. A tenant on whom a notice is served may make an application against the landlord to the Tribunal under the provisions of the Bill within a period of two months from the date of receipt of the notice. If a tenant is evicted it shall be obligatory on the landlord to provide the tenant with similar land, if available, in his holding or, failing such land, compensation equal to one year's assessment paid in the previous year in respect of the land from which the tenant is evicted. A hereditary tenant, who has made an improvement with the permission of the landlord on the land held by him as such tenant before the notice to terminate the tenancy is given to him, shall on eviction be entitled to compensation for such improvement.

Tenants-at-will.- A tenant-at-will shall not be liable to be evicted before the end of the cropping season, the dates for which may be prescribed.

Division of produce.- The Bill provides that a tenant of land whether alienated or unalienated, shall be entitled to the following share of produce at the time of batai (division of produce of land between a tenant and a landlord) after deducting from the common heap for payment to harvesters, winnowers and dharwai (a person who weighs or measures the produce at the time of division), namely: (a) to one half on flow-irrigated land, on flood inundation lands; and on rain-fed lands; (b) to two-thirds on those lift-irrigated lands where the cost and maintenance of the lifting equipment is borne by him; and (c) to three-fifths on lift-cum-flow lands, where the cost and maintenance of the lifting equipment is borne by him.

The tenant shall also be entitled to receive three-fourths share of all the straw produced on his land, and the landlord to one fourth share.

The produce of a land from the date of harvest up to the time of batai shall be deemed to be in the joint possession of the tenant and the landlord, and the batai shall be completed in presence of the tenant and the landlord or his agent within thirty days after the produce is ready for sale.

Abolition of levies and forced labour.- Under the Bill, it shall not be lawful for any landlord to levy any abwabs (various kinds of levies, etc.) from any of his tenants. It further, lays down that, notwithstanding any agreement, usage or custom, it shall not be lawful for any landlord to take any free labour commonly known as begar from any of his tenants in any shape or form.

Settlement of disputes: constitution of Hari Tribunals.- The Bill provides for the settlement of disputes between tenants and landlords ~~the~~ <sup>the</sup> appointment of Hari Tribunals for each taluka ~~or~~ <sup>or</sup> mahal. The Tribunal shall consist of five members of whom the mukhtiarkar or mahalkari (revenue officer) shall be the chairman. The Chairman shall be assisted by four members

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of whom two shall be landlords and two shall be tenants. The award of a Tribunal shall be enforceable as a decree of a Civil Court.

The Bill also defines the duties of tenants and landlords.

Statement of Objects and Reasons.- The Statement of Objects and Reasons, appended to the Bill, points out that Sind is a land of share-croppers who are tenants at will, liable to be evicted from the fields they cultivate at any moment at the will of the zamindar. In other provinces of the Indo-Pakistan sub-continent, rights have been granted from time to time to agricultural ~~landless~~ tenants, and during the last two decades a similar demand has been made by leaders of hari organisations in Sind. A Hari Enquiry Committee, appointed by the Government, has made numerous recommendations for giving the hari a bigger share of the produce, freedom from illegal exactions and other rights. The Government has incorporated in the present Bill, such of the recommendations as are practicable. The Government hopes that the provisions in the Bill will lead to a considerable improvement in the standard of living of the hari. The granting of Tenancy rights should give him a feeling of independence and security and these in turn should create in the hari willingness to improve the land he cultivates and obtain the maximum produce therefrom with benefit both to himself and to Pakistan.

Select Committee to report.- The Bill was referred to a Select Committee of the House.

(~~Sind~~ The Sind Government Gazette, Part IV, dated 3 March, -1949, pages 54-69; Dawn, dated 10-3-1949 ).

113. Navigation.

India - March 1949.

India: Dock Workers (Regulation of Employment)  
Amendment Bill, 1949.

The Government of India published on 26 February 1949 the Dock Workers (Regulation of Employment) Amendment Bill 1949, which seeks to amend the Dock Workers (Regulation of Employment) Act, 1948 (vide page 87 of the report of this Office for March 1948) for certain purposes.

The Statement of Objects and Reasons, appended to the Bill, points out that a scheme made by the appropriate Government under the Dock Workers (Regulation of Employment) Act, 1948, may, inter alia, provide "for constituting or prescribing the authority to be responsible for the administration of the scheme". The constituted authority in the discharge of ~~the~~ its functions may have to borrow or raise money and issue debentures, etc., for the purpose of securing any debt or mortgaging or charging any of its property and it is therefore desirable that the authority ~~should~~ should be clothed with a corporate status in certain cases. As the Act does not in express terms confer power to create a Corporation or to give corporate status to any body functioning under it, a specific amendment of the Act is being undertaken for this purpose.

(The Gazette of India, Part V, dated  
26 February, 1949, page 84 ).

114. Officials.

India - March 1949.

Bombay: Increase in Dearness Allowance  
for Low-paid Government Employees.

The Government of Bombay has passed orders increasing by 10 rupees the existing rates of dearness allowance of non-gazetted and married gazetted Government servants, whose pay does not exceed 250 rupees a month. The increased rate is also applicable to whole-time servants of the States merged and integrated with the province.

(People's Raj, dated 3-3-1949 ).

117. Shopworkers.

India - March 1949.

Madras: Madras Shops and Establishments  
Act, 1947: Exemptions.

Reference was made in paragraph 117 page 93 of the report of this Office for November 1948 to the notification issued by the Government of Madras exempting permanently all clerks who are working in factories and are governed by the Factories Act, 1934, from all the provisions of the Madras Shops and Establishments Act, 1947. The Government by a notification dated 5 February 1949 has amended the notification issued in November 1948 by omitting the words "and are governed by the Factories Act, 1934" occurring in the notification.

(Notification No.146; The Fort St. George Gazette, Part I, dated 22 February 1949, page 180).

Madras: Madras Shops and Establishments  
Act, 1947: Exemptions.

The Government of Madras by a notification dated 19 February 1949 has exempted all stalls run by licensees in railway premises in the province from the provisions of section 11(1) of the Madras Shops and Establishments Act, 1947 (section 11(1) of the Act provides for the closing of the shop on one day of the week).

(G.O.Ms.No.822 Development, dated 19 February 1949; The Fort St. George Gazette, Part I, dated 8 March, 1949, page 254 ).

United Provinces: United Provinces Shops and Commercial Establishments Act, 1947: Exemptions

By a notification dated 4 March 1949, the Government of the United Provinces has exempted all shops and commercial establishments from the operations of sections 10 and 11 of the United Provinces Shops and Commercial Establishments Act, 1947, relating to weekly close-days and holidays, subject to the following conditions:-

- (1) The exemption is given for the purpose of loading and unloading of wagons only and for none other.
- (2) Employees required to work on a close day or treasury holiday whether for the whole day or part shall get a full day's holiday in lieu thereof within a week following such day.
- (3) Notice containing the names of employees required for work, the particular days on which they are required, and the compensatory holiday proposed, shall be displaced on the premises at a conspicuous place before work is taken on such day.

(Government Gazette of the United Provinces, Part I, dated 12 March, 1949, page 193 ).

LIST OF THE MORE IMPORTANT PUBLICATIONS RECEIVED  
IN THE NEW DELHI OFFICE DURING MARCH, 1949.

Economic Questions

- ✓ 1) Reviewed of the Trade of India in 1944-45: published by the Office of the Economic Adviser, Government of India: Manager of Publications, Delhi: pp.ix x 255; price Rs.2 annas 12 or 4s.6d.
- ✓ 2) Government of Orissa: Annual Report of the Industries Department, for 1945-46: Superintendent, Orissa Government Press, Cuttack, 1948: pp 31x2; price Re.1-3 or 1s.9d.

Social Security

- ✓ Report of the Committee on Indigenous Systems of Medicines, Vol.I and II: Published by the Ministry of Health, Government of India. (Vol.I - pp vix200 - Report and Recommendations: Vol.II - pp viixiix550 - Appendices).

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