

INTERNATIONAL LABOUR OFFICE  
INDIAN BRANCH

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Industrial and Labour Development in February, 1951.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - FEBRUARY 1951.

11. Political Situation and Administrative Action.

Mr. Tyagi appointed Minister of State for Finance.

Mr. Mahavir Tyagi, a Congress Member of Parliament, has been appointed a Minister of State for Finance. He assumed Office on 16 February 1951.

(The Statesman, 16-2-1951 ).

De Jure Transfer of Chandernagore: Treaty signed between India and France.

On 2 February 1951 French and Indian representatives signed a treaty in Paris recognizing the de jure transfer to India of Chandernagore, former French possession 10 miles north of Calcutta.

The main provisions of the treaty are:

France transfers to India in full sovereignty the territory of the free town of Chandernagore.

French subjects and citizens of the French Union domiciled in Chandernagore will, on the coming into force of the treaty, automatically become Indian citizens. However, persons desiring to retain French nationality will be given six months in which to make a declaration to this effect. Such persons, moreover, will be permitted by the Government of India to transfer their assets and property to any French territory in which they may wish to reside permanently on application to the competent Indian authorities.

The French Government will transfer all State and public-owned property lying in the territory of Chandernagore to the Government of India. The latter will succeed to all the rights and obligations resulting from acts undertaken by the French Government for public purposes concerning the Chandernagore administration. Financial and monetary issues arising out of the transfer are to be examined by a mixed Franco-Indian commission, which has already been set up. Its recommendations are subject to the approval of the two Governments.

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The Government of India will take over civil servants and employees of the free town of Chandernagore and those of the French establishments in India who might have been serving in Chandernagore on 21 May 1950, the date of de facto transfer (vide page 7 of the report of this Office for May 1950). However, such employees or civil servants can exercise, within three months of the coming into force of the treaty, the option to serve their original, i.e., French Administration; and such civil servants and employees whom the Government of India do not desire to retain will be given three months' notice of termination of their services within one month from the date of the coming into force of the treaty, and shall be entitled to be paid fair compensation.

(The Statesman, 3-2-1951 ).

12. Activities of External Services.

India - February 1951.

Attention is invited to pages 75-108 of the ~~report~~ Asian Labour, Vol.II, No.2, January 1951, which contains an article entitled "Housing Problem in India" by Mr. S.P. Saksena of this Office.

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CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.

INDIA - FEBRUARY 1951.

21. United Nations and Specialised Agencies.

Third Session of Indo-Pacific Fisheries Council  
held in Madras from 1st to 16th February  
1951.

The Third Session of the Indo-Pacific Fisheries Council was held in Madras from ~~1st~~ to 16~~th~~ February 1951. Dr. J.D.F. Hardenberg, Chairman of the Council, presided. The session was attended by delegates from Australia, Cambodia, Ceylon, France, India, Indonesia, the Netherlands, Pakistan, the Philippines, Thailand, the United Kingdom, the United States and Vietnam. Observer delegations from other countries and organisations including the F.A.O., SCAP and UNESCO also attended the meeting. The agenda of the session included various technical papers.

Mr. Munshi's inaugural address.- Inaugurating the conference Mr. K.M. Munshi, Minister for Food and Agriculture, Government of India, urged the Council to formulate mutually beneficial programmes area-wise for the development and proper utilization of the aquatic resources in the region. Mr. Munshi said that during the current year 30 fishery schemes, subsidized from the Central exchequer, were in operation in India. In view of the importance of inland fisheries, 23 of the 30 "grow more fish" schemes were sanctioned, loans and subsidies amounting to 2.25 million rupees of a total of 3.07 million rupees. The Government of India was also providing technical assistance to the States.

He said that not even half the marine fish production, which was twice as much as the marketable surplus of fresh water fish, was being used as food in the country. He called for provision of refrigeration and quick transport, and conversion of surplus into processed food acceptable to the taste of the Indian public. Of the total production in India, only about one-third came from inland sources.

The development of inland fisheries did not require any large capital outlay. But one great difficulty in extending piscicultural operations had been the lack of fish seed. The Government of India had made arrangements to produce and transport large quantities of fish seed from the surplus to deficit areas. As a result of these efforts, more than

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70,000 acres of fallow waters had been stocked and converted into productive fisheries during the past four or five years, and additional production from this source in the current year was estimated at nearly 500,000 maunds. (One Maund = approximately 80 lbs.).

Mr. Munshi added that India and China had a long tradition of fish farming and other aspects of the fishing industry. He advised the meeting to examine carefully the empirical methods of the region and try to build the edifice of future development on the broad basis of existing traditional knowledge in this area.

Fisheries research.- Among other matters the Council considered, the question of technical assistance with particular reference to the problem of technical instruction. During the discussion, the Council explored the requirements of technical instruction of various types for fishermen and for Government officials and examined ~~and for~~ the ways and means by which such instruction might be provided. The Council adopted a resolution suggesting that the development of these projects <sup>should</sup> be on the basis of joint projects in respect of which assistance should be obtained from the various technical assistance programmes.

The meeting dealt with various technical aspects of investigation and development in the ~~existing~~ fishing industry. Problems of statistical collection were examined as also various aspects of fish food industry and fish trade as a whole.

(The Statesman, 2-2-1951;  
The Hindu, 16-2-1951).

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24. Non-Governmental Organisations (International  
Regional and National) other than Employers'  
and Workers' Trade Organisations.

India - February 1951.

Meeting of Consultative Committee for Economic  
Development of South and South East Asia, Colombo,  
13 - 20 February 1951.

A conference of the Consultative Committee for Economic Development of South and South East Asia was held at Colombo from 13-20 February 1951. ~~Bank~~ Delegates from the following Commonwealth countries attended the meeting: Australia, Canada, Ceylon, India, New Zealand, Pakistan, and the United Kingdom. Observer delegations from Burma, Cambodia, Indonesia, the Philippines, Thailand, Vietnam and the United States and from the International Bank also participated in the meeting.

The meeting elected Mr. A.G. Ranasinha (Ceylon) as its chairman.

The meeting adopted its report which will be submitted to participating Governments.

An official statement issued after the conclusion of the meeting said that all delegates had re-emphasised their Governments' support for the Colombo Plan, which did not officially begin until July 1951. It noted that while "the necessity for a very substantial amount of external finance is recognized, the countries in the area are proceeding energetically to carry out their own development programmes with the resources at present available".

The statement continued: "During the course of the meeting the Canadian representative stated his Government had decided to contribute \$35 million (Canadian) during the first year of the Colombo Plan provided it was quite clear other participating countries would be making appropriate contributions to ensure the realization of the broad objectives of the plan.

"The U.S. representative said his Government in accepting the invitation to attend the present meeting had announced it welcomed the initiative of the countries participating in the plan; that the plan itself appeared to offer a basis for genuine economic progress; and that the U.S.A. intended to co-ordinate to the extent possible the programmes it had undertaken or might undertake in the area with those under the plan".

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During ~~xxxx~~ its eight-day meeting the conference discussed (1) the progress of the Colombo Plan since the Committee's last meeting in October; (2) the progress of the technical co-operation scheme; (3) the future work of the Committee and the procedure for obtaining financial aid; (4) the role of the International Bank in relation to the Colombo Plan; and (5) participation by the non-Commonwealth countries.

(The Hindustan Times, 21-2-1951 ).

Technical Assistance to India under the Colombo Plan: Australia offers Training Facilities for 50 Students.

According to the special correspondent of the statesman, Australia has proposed awards under the technical co-operation scheme of the Colombo Plan, for training 50 Indian students in technical institutions in Australia at a total cost of about 500,000 rupees to be borne by her Government.

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Thirteen of these scholarships are for post-graduate studies in special subjects, such as civil aviation, hydro-electrical engineering, mining and geology. Applications for these awards have been invited. Thirty candidates have already been selected by the Indian Government for training in wool technology; agronomical research, including mechanical cultivation of wheat, soil physics and plant breeding; animal husbandry, including artificial insemination of farm animals; and entomological research. The selection of trainees for research in engineering, radio physics, tele-communication, geophysics and public health has also been completed. The period of studies for all these candidates will vary from six months to a year.

The Australian Government will meet all the expense of a trainee, including passage money from the embarkation point. The salary of a trainee, if he is a Government employee, will be the liability of the Central or the State Government concerned.

(The Statesman, 16-2-1951 ).

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25. Wage-Earners' Organisations.

India - February 1951.

Working of the Indian Trade Unions Act, 1926  
during 1948-1949.

The following information regarding the working of the Trade Unions Act, 1926, during 1948-1949, is taken from a consolidated summary of provincial reports on the working of the Act as published in the December 1950 issue of the Indian Labour Gazette:

Number of registered trade unions and membership.-  
During the year 1948-49, returns were received from eleven States, formerly known as Provinces. According to the returns there were 3,150 registered trade unions on the registers at the end of March 1949, as against 2,766 unions at the end of March 1948. The following table gives the number of registered trade unions and the membership of the unions submitting returns for the years 1927-1928, 1932-1933 and 1937-1938 to 1948-1949.

Year	Number of registered trade unions.	Number of unions from which returns under the Act were received.	Total membership of the unions shown in Column 3			Average membership per union submitting returns.	Percentage of women members.
			Men	Women	Total		
1	2	3	4	5	6	7	8
1927-28	29	28	99451	1168	100619	3594	1.2
1932-33	170	147	232279	5090	237369	1615	2.1
1937-38	420	343	375409	14703	390112	1137	3.8
1938-39	562	394	388214	10945	399159	1013	2.7
1939-40	667	450	492526	18612	511138	1136	3.6
1940-41	727	483	494415	19417	513832	1064	3.8
1941-42	747	455	556426	17094	573520	1260	3.0
1942-43	693	489	659327	25972	685299	1401	3.8
1943-44	761	563	760101	20866	780967	1387	2.7
1944-45	865	573	853073	36315	889388	1552	4.1
1945-46*	1087	584	825461	38570	864031	1480	4.5
1946-47**	1725	998	1267164	64798	1331962	1335	4.9
1947-48***	2766	1628	1560630	102299	1662929	1021	6.2
1948-49	3150	1848	1831514	119355	1960107c	1061	6.1

Please see footnotes on the next page.

Footnotes of the table on previous page:

- \* Does not include figures for the Punjab.
- \*\* The figures for 1946-47 and 1947-48 relate to the Provinces in the Dominion of India. Figures for previous years are for undivided India. Figures for East Punjab are not available for 1946-47, while for 1947-48 they are incomplete.
- ‡ In case of a few unions in Bombay and Madras classification of membership by sex is not available.

During the year under review there was an increase of about 14 per cent over the number of unions in 1947-48. The number of unions increased in all the States, except in Assam and Madhya Pradesh. Bombay recorded an increase of 112 in the number of unions, West Bengal 106, Madras 84, U.P. 82 and Bihar 77. The number of Central Unions i.e., unions, whose objects are not confined to one State, however, declined from 109 in 1947-48 to 105 in 1948-49.

The total membership of the unions submitting returns increased by 25 per cent during the year under review. Out of the 1,848 trade unions, which submitted returns, 1,813 were workers' organisations whose membership increased from 1,651,807 to 1,951,836 during the year. The remaining 35 unions were employers' associations (registered as trade unions) and their reported membership was 3,722 at the beginning of the year and 8,271 at the end of the year.

The average membership of trade unions showed a decline from 3,594 in 1927-28 to 1,013 in the pre-war year 1938-39; thereafter it rose to 1,552 in 1944-45 but again declined to 1,021 in 1947-48. In 1948-49 it rose to 1,061. There was a gradual increase in the proportion of women members from 1.2 in 1927-28 to 6.2 in 1947-48; in 1948-49, the percentage of women members was 6.1. The number of women members during the year under review was 119,355, as compared to 102,299 in 1947-48.

Regional distribution.- Of the 88 Central Unions, which submitted returns, 37 were in West Bengal, 24 in Bombay, 14 in U.P., 8 in Madras, 2 each in Delhi and Punjab and 1 in Madhya Pradesh. The total membership of these unions was 474,353 at the end of the year as against 396,843 at the beginning of the year. The average membership of the Central Unions at the end of the year was 5,390 as against 4,510 at the beginning of the year. The 1,760 State Unions, which submitted returns showed a total membership of 1,485,754 at the end of the year, as against 1,166,171 at the beginning of the year. The four industrially advanced States, West Bengal, Bombay, Uttar Pradesh and Madras claimed between themselves about 81 per cent of all the State unions submitting returns and 77 per cent of the reported membership.

The average membership of trade unions was the highest in Bombay being 2,505 and the lowest in the Punjab being 358, compared to an over-all average of 844 for all the State Unions submitting returns.

The following table gives the comparative figures of registered trade unions and their membership in different States during 1948-1949:

State	Number of Unions on registers	Number of Unions submitting returns.	Membership of unions submitting returns			
			At the beginning of the year.	At the end of the year	Men	Women
1	2	3	4	5	6	7
Central Unions.	105	88	396843	472036	2317	474353
States Unions-						
Ajmer-Merwara.	16	15	6985	5263	269	5532
Assam .....	71	43	63227	83649	24076	107725
Bihar .....	315	141	122700	151511	16723	148234
Bombay .....	410	295	309487	386121	30270	421128
Coorg .....	1	1	-	320	-	320
Delhi .....	59	48	21862	25098	<del>4602</del> 388	25486
Madhya Pradesh.	88	60	29608	28988	4602	33590
Madras .....	597	296	167439	125662	20017	150180
Orissa .....	72	27	9845	12805	602	13407
Punjab .....	8	8	1021	2811	85	2866
Uttar Pradesh.	359	292	99339	136510	1893	138403
West Bengal..	1049	534	334658	420740	18143	438883
Total..	3150	1848	1563014	1831514	119555	1960107

Industrial classification of trade unions.- A classification of the unions and their membership according to industry shows that among workers' organisations, transport (including Railways and Tramways) accounted for 11 per cent. of the unions and about 28 per cent. of membership. The average membership per union was 2,765 in 'railways and other transport' and 2,346 in tramways as against 2,633 and 2,948 respectively in 1947-48. Textiles accounted for 12 per cent of the unions and 24 per cent of the reported membership and showed an average membership of 2,218 per union as against 1,927 during 1947-48. The seamen's unions showed the highest average membership, namely, 4,612. Out of the 35 employers' associations, which submitted returns 24 belong to the Miscellaneous group, 7 to textiles, 3 to railways and 1 to agriculture. Among workers' organisations also, out of 1,813 unions, which submitted returns, as many as 1,013, i.e., 56 per cent. were in the Miscellaneous group.

Of the total membership shown against 'railways and other transport (excluding ~~Railways~~ Tramways)' about 40 per cent. was accounted for by West Bengal,

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19 per cent. by Bombay, 18 per cent. ~~represented~~ by Uttar Pradesh and 11 per cent. by Madras. About 48 per cent. of the membership of textile unions was reported by Bombay and 28 per cent. ~~of~~ by West Bengal. Of the total women membership in 1948-49, textiles claimed about 37 per cent. and the Miscellaneous group about 56 per cent.

The following table shows the number and membership of trade unions classified according to industries:-

Industry	Number of unions submitting returns.	Membership at the end of the year		
		Men	Women	Total
1	2	3	4	5
Railways (including workshops) and other Transport (Excluding Tramways).....	193	523047	2033	525080
Tramways.....	8	18726	48	18774
Textiles .....	221	429667	45732	476211
Printing Presses.....	71	28335	107	30367
Municipalities.....	76	46429	5264	51693
Seamen .....	11	50735	2	50737
Docks and Port Trusts.....	24	50203	154	50357
Agriculture.....	12	4979	162	5141
Engineering.....	195	77988	969	78971
Miscellaneous.....	1037	601405	66884	672776
Total.....	1848	1831514	119355	1960107*

\* Sex classification in respect of 9,238 members (2,812 in Textiles, 1,925 in Printing Press, 14 in Engineering and 4,487 under Miscellaneous) is not known.

Size of trade unions.- Frequency distribution of registered trade unions which submitted returns, by membership is given in the table below. As in the previous year the modal group was that of a membership of 100 to 299; this group accounted for about 30 per cent of the unions and 5 per cent of the total membership. Unions having a membership of less than 100 formed 25.6 per cent of the total number of unions but they accounted only for 1.3 per cent. of the total membership. Only 1 per cent of the unions had a membership of 20,000 and over. These unions, however, accounted for more than 30 per cent of the total membership.

Membership	Unions which furnished figures of membership		Membership at the end of the year	
	Number	Percentage to total	Number	Percentage to total.
1	2	3	4	5
Below 50 .....	201	10.9	6401	0.3
Between 50 and 99 .....	273	14.7	19391	1.0
Between 100 and 299.....	557	29.9	97934	5.0
Between 300 and 499 .....	194	10.5	72881	3.7
Between 500 and 999 .....	289	15.8	207824	10.6
Between 1000 and 1999.....	171	9.3	235063	12.0
Between 2000 and 4999.....	99	5.4	302464	15.5
Between 5000 and 9999 .....	29	1.6	200108	10.2
Between 10000 and 19999....	17	0.9	224106	11.4
<del>Between 20,000 and over</del>				
20,000 and over.....	18	1.0	593935	30.3
Total.....	1848	100.0	1960107	100.0

Funds of trade unions.- The 1813 workers' unions which submitted returns, had a opening balance of 4,204,725 rupees, an income of 4,311,819 rupees and an expenditure of 3,499,197 rupees. The closing balance at the end of the year stood at 5,017,347 rupees. The 35 employers' unions which submitted returns, had an opening balance of 1,505,958 rupees, an income of 1,571,243 rupees, an expenditure of 2,015,479 rupees. The closing balance was 1,061,726 rupees.

Federations.- At the close of the year under report, there were 19 Federations on the register, as against 17 in the previous year. Returns could be obtained only from 13 out of the 19 Federations and the following table gives some details about these Federations.

State	Number of Federations on registers	Number of Federations submitting returns	Number of member unions		General Funds			
			At the beginning of the year	At the end of the year	Opening balance	Income	Expenditure	Closing balance
1	2	3	4	5	6	7	8	9
					Rs.	Rs.	Rs.	Rs.
Bihar.....	2	1	19	19	345	555	703	195
Bombay....	3	3	27	25	103624	325526	235470	203680
Madhya Pradesh..	4	2	125	135	2710	1369	1324	2755
Madras*...	3	2	49	45	56790	8638	11315	54113
Uttar Pradesh..	1	1	18	18	4401	3421	1068	6754
West Bengal.	6	4	322	315	9183	49310	40646	17847
Total..	19	13	560	557	177055	398817	290526	285344

\* Includes 1 Employers' Federation.

The 13 Federations had a total income of 398,817 rupees and an expenditure of 290,526 rupees. The Textile Labour Association, Ahmedabad, alone accounted for 82 per cent of this income and 79 per cent of the expenditure.

(The Working of the Act during 1947-1948 was ~~examined~~ reviewed at pages 4-7 of the report of this Office for September 1949).

(Indian Labour Gazette, December, 1950).

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Membership of Trade Union Organisations:  
I.N.T.U.C. claim largest membership .

On 22 February 1951, Mr. Jagjivan Ram, Labour Minister in reply to a question in Parliament stated that of the four All-India Trade Union organisations of workers, the Indian National Trade Union Congress claimed the largest membership as on ~~January~~ 31 December 1950.

The INTUC claimed that on 31 December 1950, 1,235 unions were affiliated to it having a membership of 1,514,082. The next was the All-India Trade Union Congress with 729 unions and 706,194 members. The last two, the Hind Mazdoor Sabha and the United Trades Union Congress, had a membership of 688,650 and 372,631 respectively.

The membership was verified by the officers of the Labour Ministry during 1950 from the returns furnished for the year ~~1949~~ 1949 showed that the INTUC had a membership of 918,237, the AITUC 302,538, the Hind Mazdoor Sabha 370,304 and the United Trades Union Congress 120,623.

(The Hindustan Times, 23-2-1951).

Working of the Trade Union Act in Madras  
during 1949-1950.

Number of unions.- According to the report on the working of the Indian Trade Unions Act, 1926, in the province of Madras during the year ending 31 March 1950 there were 613 unions on the register at the beginning of the year. One hundred and sixteen unions were registered under the Act during the year and the registration of 136 unions was cancelled. The total number of unions registered since the commencement of the Act up to 31 March 1950, was 1,074 of which 593 unions were actually on the register at the end of 1949-1950.

One hundred and ninety-one unions out of 593 unions submitted the returns.

Membership.- The total membership of the registered unions at the end of the year was 316,274 as against 201,291 for the previous year.

Agricultural unions.- The number of agricultural unions at the end of the year was three. Only one union submitted the returns for 1949-50. The total number of members of this union at the end of the year was 811.

Assets.- The balance in the General Fund at the end of the year was 385,455 rupees <sup>e</sup> as against 377,919 rupees in the previous year.

Ninety seven unions availed themselves of the concession of free official audit as against 114 in the previous year.

(The report on the working of the Act for the year 1948-1949 was summarised at pages 17-18 of the report of this Office for May 1950).

(The Government of Madras Development  
Department G.O. No.3263 dated 21 August  
1950 ).

CHAPTER 3. ECONOMIC QUESTIONS.

INDIA - FEBRUARY 1951.

31. General Economic Situation.

Movement of Prices and Cost of Living Index during the Year 1950.

The following tables show the movement of wholesale prices during 1950:-

Base: 1939- 100

<del>वस्तु</del>	Food articles	Industrial raw materials	Semi-manufactured articles	Manufactured articles	Miscellaneous	General Index.
1	2	3	4	5	6	7
Weights	31	18	17	30	4	100
1950						
January .....	379.1	486.2	385.5	344.6	614.9	384.7
February .....	395.3	495.3	338.1	346.5	632.3	392.3
March .....	396.2	490.1	333.2	347.4	630.6	392.4
April.....	399.3	483.9	332.7	347.8	620.0	391.3
May.....	401.2	485.9	335.0	348.3	642.4	393.3
June.....	402.8	490.7	335.5	347.6	692.0	395.6
July.....	422.8	505.9	339.6	348.2	708.9	405.2
August.....	426.5	513.1	343.8	349.9	727.3	409.2
September....	430.4	517.0	346.9	350.4	760.8	412.5
October.....	427.3	520.1	346.9	350.4	728.6	411.2
November.....	424.3	522.0	347.9	349.5	744.7	410.9
December .....	423.9	533.8	351.0	350.0	718.0	412.6

(Monthly Abstract of Statistics, December, 1950 ).

32. Public Finance and Fiscal Policy.

India - February 1951.

Central Budget for 1951-1952: New Taxation  
Proposals Announced: Surcharge levied on  
Corporation Tax, Income Tax and Import Duties:  
256.1 Million Rupees Surplus expected.

Mr. C.D. Deshmukh, Finance Minister, Government of India, presented the Budget for the year 1951-1952 in the Indian Parliament on 28 February 1951. At the existing level of taxation, the estimated revenue for the year 1951-52 is put at 3698.9 million rupees and expenditure at 3754.3 million rupees, leaving a deficit of 55.4 million rupees. A number of taxation proposals, expected to yield 311.5 million rupees, are announced, converting the deficit into a surplus of 256.1 million rupees. The new proposals relate to increase in corporation tax, central surcharge on income and super tax, surcharge on import duties, increase in duties on alcohol, imposition of export duties on groundnut and cloth, rationalisation of tobacco excises and ~~tax~~ levy of sales tax in Delhi.

The Finance Bill, to give effect to the financial proposals contained in the Budget was introduced in the Parliament on the same day.

The following are the revised estimates for 1950-51 and the Budget estimates for 1951-52:-

## REVENUE

	(In Millions of Rupees).	
	Revised 1950-51	Budget. 1951-52
Customs .....	1453.1	1412.9 )
Union Excise Duties .....	696.8	x 87.5% )
Corporation Tax .....	389.2	716.3 )
Taxes on Income other than Corporation Tax.....	1278.8	x 131.5% )
Opium .....	30.0	304.8 )
Interest .....	17.9	x 22.5% )
Civil Administration.....	104.6	1265.7 )
Currency and Mint .....	128.7	x 60.0% )
Civil Works .....	14.6	23.5 )
Other Sources of Revenue .....	156.9	16.7 )
		84.2 )
		123.2 )
		15.2 )
		119.1 )
		x 10.0% )
Posts and Telegraphs:-		
Net contribution to general revenues.	30.7	20.0
Railways:-		
Net contribution to general revenues.	67.6	72.6
Deduct - Share of Income-tax revenue payable to States.....	-476.8	-475.3
Total Revenue ....	<u>3872.1</u>	<u>3698.9</u>
		x 311.5%

## EXPENDITURE

Direct demands on revenue.....	133.4	145.8
Irrigation .....	2.2	2.7
Debt Services.....	364.6	373.2
Civil Administration.....	527.5	560.2
Currency and Mint.....	26.5	26.6
Civil Works.....	108.8	133.8
Pensions.....	71.8	73.5
Miscellaneous-		
Expenditure on refugees.....	156.7	98.6
Subsidy on Foodgrains.....	350.7	-253.2
Other Expenditure.....	56.6	- 5.0
Grants to States, etc. ....	157.2	154.3
Extraordinary items.....	15.7	109.7
Defence Services (net).....	1794.7	1800.2
Pre-partition payments.....	46.4	27.5
Total Expenditure....	<u>3792.8</u>	<u>3754.3</u>
Surplus.....	x 79.3	x 256.1

\*Budget proposals.

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Review of economic conditions.- Reviewing the economic conditions in the country in the course of his Budget speech, the Finance Minister, stated that the past year had been one of "considerable anxiety". The strain on the country's economy reflected in the rising level of prices and the threat of inflation was aggravated by severe natural calamities like the earthquake in Assam, floods in certain parts of the country and the failure, for the fifth year in succession, of the north-east monsoon over a large part of Madras. The return to normal conditions in the post-war years all over the world had been violently upset, the Finance Minister said, by the outbreak of hostilities in Korea and the threat, this held, of spreading into a wider conflict.

One of the major preoccupations of Government during the last few years, the Finance Minister said, had been to keep the prices in check. To prevent a rise in prices consequent on devaluation the Government of India had taken steps by way of price cuts in certain essential commodities. This had helped the general price index to come down by 12 points from 393.3 at the end of October 1949 to 381.3 at the end of December 1949. It had however, not, proved possible subsequently to check for long the upward pressure and by June 1951 the index number had risen to 395.6. The outbreak of the Korean War gave a further impetus to the rise in prices and by September the index number stood at 412.5. Since then it had been more or less steady, although January had registered a further slight increase of nearly 2 points.

This increase in prices, the Finance Minister observed, was however not peculiar to India alone but reflected, to a very great extent, the upward movement in prices in other countries which supply our imports. He indicated the various measures which had been taken by Government to check rise in prices as for example, the amending of the Essential Supplies (Temporary Powers) Act, the promulgation of the ordinance to regulate the supply and prices of a number of essential consumer goods, the setting up of the Prices Advisory Board, the enhancement and imposition of export duties to mop up the difference between the Indian price and the soaring world price, and said that "all these measures have had a steady-ing effect on prices in recent months, although, as I said earlier, it has not been possible wholly to arrest an upward trend".

Industrial Production.- The level of industrial production in 1950, the Finance Minister said, had been encouraging except in the jute, cotton textile and sugar industries which had been affected by difficulties in the supply of raw material. The problem of securing an adequate supply of raw materials for these industries had been receiving the constant

attention of Government. In regard to jute and cotton, he said: "Provided the season is normal, by March 1952, we shall have made ~~mark~~ significant strides in the direction of practical self-sufficiency in cotton and jute". Meanwhile, in order to secure an equitable distribution of the still insufficient available supplies of raw jute, a Central Jute Board had been set up and all purchases of raw jute by the mills compulsorily canalised through it.

Food situation.- Referring to the food situation, ~~Shri Deshmukh~~ said that the widespread natural calamities which overtook the country last year had caused a serious deterioration and food imports had to be increased from 1.5 million tons estimated in the 1950-51 budget to a little over 2 million tons. It had also not been possible to build up the small reserve of 200,000 tons contemplated in the budget. Giving the food import programme of 1951, he said that it was proposed to import 4 million tons during the year and efforts were also being made to obtain an additional 2 million tons of wheat from the United States of America. As regards internal production, the Grow More Food plan had been reoriented so as to concentrate efforts in selected areas with an assured water supply. Although Government was doing everything possible to increase internal production and obtain maximum quantity of foodgrains from abroad in the coming year, the food position in the country was not likely to be easy, he added.

State of the capital market.- For the first time since the recession in 1946, the Finance Minister said, the capital market had shown some signs of revival although the developments in the international situation during the latter part of the year arrested this improvement. During the earlier months of the year, the gilt-edged market remained fairly steady and Government took the opportunity of floating a cash-cum-conversion loan of 300 million rupees. The Governments of Bombay, Madras and Madhya Pradesh had also taken advantage of the improved position for floating small loans of their own. Since the middle of 1950, however, prices in the securities market had receded, he said. The equities market had by contrast been steadier but the flow of available capital in the market was still "woefully short" of the requirements of Government for implementing their large development programmes and for meeting the reasonable requirements of industry for expansion.

Balance of Payments position.- While the internal economic situation had been a matter of concern the Finance Minister characterised the balance of payments position as "more heartening". Except for a short period during the second quarter of 1950, when a slight seasonal fall in exports and heavy payments for imports of raw cotton resulted in a small deficit, the overall balance of payments

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position had been favourable to India since the last quarter of 1949. India's exchange receipts during the year ending September 1950 amounted to 6,380 million rupees and her payments to 5,720 million rupees, showing a net surplus of 660 million rupees. For the year ending September 1949, India's receipts were 5,170 million rupees, payments 7,660 million rupees and the deficit 2,490 million rupees. In the 12 months following devaluation, India's exchange earnings had increased by 24 per cent while her payments had dropped by 25 per cent. The precise figures for the period after September 1950 were not yet available but, the Finance Minister said, it was clear from the rise in India's sterling balances, which at the end of January 1951 stood at 8,450 million rupees against 8,070 million rupees at the end of ~~Sept~~ September 1950, that the balance was still moving in India's favour.

The Finance Minister analysing the causes for the improvement in the balance of payments position, said that the Government had taken special measures for promoting exports and devaluation of the rupee had raised the competitive capacity of India's exports in terms of foreign currencies. Recent developments in the international situation and the programme of rearmament and stockpiling by the Western countries had stimulated the demand for commodities. He however sounded a note of warning that it might not be ~~be~~ possible for India to maintain this favourable balance for a long period. Unless supplies of raw jute were available the present level of jute exports might be difficult to maintain. Exports of cotton textiles might also have to be curtailed to meet internal consumption; also the volume and value of the country's imports might appreciably rise in the coming year. "A continued favourable balance of payments ~~might~~ brought about by a sudden and large demand for exports is not itself an unmixed blessing", said Mr. Deshmukh. The impact of the higher prices offered for the export commodities directly affected the internal prices both of these commodities as well as of others and, from the point of view of avoiding inflation, it was necessary to intercept the large difference between the external and internal prices for the benefit of the Exchequer by the levy of export duties. The power to impose and ~~rise~~ export duties recently given by Parliament to the Government together with the power to restrict imports, the Finance Minister said, would be used to minimise the impact of high external prices on the internal economy of the country.

Dollar position.- Speaking of the dollar position, Mr. Deshmukh said that, consequent upon measures taken by the sterling area countries to restrict their dollar purchases to 75 per cent of their imports in 1948 and the devaluation of sterling area currencies in September 1949, there had been a

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marked increase in the gold and dollar reserves in the sterling areas. In 1950 the reserves had nearly doubled and India with a surplus of \$79 million against a deficit of \$69 million during 1949 made a substantial contribution to this increase. Allowing for the change in prices the Central reserves were however still very short of their prewar level and in the rapidly changing pattern of trading conditions it was still necessary to economise in the spending of dollars. The Commonwealth Finance Ministers' Conference held in September 1950, had decided that, while there should be no quantitative limitations on the dollar purchase, each member country should endeavour to secure the maximum economy possible. The dollar position in 1951, the Finance Minister said, was likely to be less favourable than in the previous year largely because of the increased requirements of food from abroad.

The Finance Minister referred to the recent arrangements with the United Kingdom Government about sterling balances under which India would have an annual release of 35 million sterling during the 6 years from 1951 to 1957. Any additional release required for emergent purposes would be subject of special consultation with the Government of United Kingdom.

Indo-Pakistan trade relations.— Referring to Indo-Pakistan trade, the Finance Minister recalled how it had come to a virtual standstill following the non-devaluation of the Pakistani rupee. India's willingness to buy Pakistan goods, if they were available at reasonable prices, he said, was amply demonstrated by the trade agreement of April 1950. According to the latest information available, Pakistan had, under this Agreement supplied to India raw jute worth 144.6 million rupees and utilised the bulk of the sale proceeds in the purchase of jute and cotton manufactures and various other goods. In addition, there were certain other commodities e.g. cotton seed, raw hides and skins, gram, betel-nuts, fresh fruits and vegetables which could move freely between the two countries. The total value of trade in these commodities between April 1950 to September 1950 amounted to 168 million rupees, imports being 107 million rupees and exports 61 million rupees.

The trade agreement negotiated in April 1950 expired in September and, as at that time the question of fixation of the exchange rate of the Pakistan rupee was before the International Monetary Fund, the question of entering into a fresh agreement was held over. Unfortunately the International Monetary Fund postponed a decision on this issue with the result that trade between the two countries again came to a standstill except for trade confined to a few perishable and essential commodities exported and imported freely by the two countries, finance for which was found in the free market. He expressed satisfaction

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at the Indo-Pakistan trade agreement concluded recently (vide pages 53 - 54 of this report).

Financial year 1950-51.- Reviewing the financial ~~year~~ position in 1950-51, the Finance Minister revealed a surplus of 79.3 million rupees as against an estimated surplus of 7.1 million rupees at the beginning of the year. As against the budget estimates of 5385.9 million rupees (revenue) and 3378.8 million rupees (expenditure) the revised estimates were 3872.1 million rupees (revenue) and 3792.8 million rupees (expenditure). The revised estimates showed an increase of 486.2 million rupees in revenue and of 414 million rupees in expenditure.

The increase in revenue was largely accounted for by increase in customs receipts which were estimated at 1453.1 million rupees against the budget estimate of 1065.4 million rupees. Income-tax receipts stood at 1667.5 million rupees and the share of the States at 477.5 million rupees. The contribution from Railways this year would be 67.6 million rupees - 3.9 million rupees more than originally budgeted for.

On the expenditure side, the increase of 414 million rupees was accounted for by Defence Services (114.5 million rupees) and civil estimates (299.5 million rupees). The bulk of the increase in civil expenditure was due to relief of displaced persons from East Pakistan and increased expenditure on food subsidies. Relief of displaced persons accounted for an increase of 76.7 million rupees while subsidies on imported foodgrains accounted for an additional sum of 79.3 million rupees. The expenditure on payment of bonus for procurement of foodgrains was expected to show an increase of 38.4 million rupees while the supply of foodgrains in Delhi State was estimated to result in a loss of 23 million rupees. Among other items causing ~~increasing~~ increase in civil expenditure was an amount of 26.4 million rupees paid for pre-partition claims.

Financial year 1951-52.- The Finance Minister estimated the total revenue for the coming year, at the existing level of taxation, at 5693.9 million rupees and the total expenditure at 5754.3 million rupees leaving a deficit of 55.4 million rupees. The receipts from Customs are placed at 1412.9 million rupees. In connection with Customs revenue, the Minister said: "The revenue under this head depends so much on the availability of foreign exchange and the developments in the international situation, which affect both supplies and shipping, that it is difficult, particularly in the present unsettled conditions, to make a precise estimate of the revenue in the coming year". Receipts from income-tax are placed at 1570.5 million rupees; contributions from the Railways at 72.6 million rupees and from the Posts and Telegraph at 20 million rupees.

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Of the total expenditure of 3754.3 million rupees estimated for 1951-52, Defence Services account for 1800.2 million rupees and civil expenditure for 1954.1 million rupees. A provision of 149.7 million rupees has been made in the Capital Budget for defence purposes. This expenditure will be mostly incurred on works projects for the three services and for the purchase of plant and machinery for the manufacturing establishments. Civil expenditure in 1951-52 is estimated at 1954.1 million rupees compared with the current year's revised estimate of 1998.1 million rupees showing a reduction of 44 million rupees. The actual reduction is however somewhat larger as expenditure on grants to States for the Grow More Food and development schemes, which used to be charged to capital, has been provided in the revenue budget for the next year. This amounts to 83.1 million rupees. The total reduction in the next year's expenditure as compared ~~to~~ to the current year's, is thus 127.1 million rupees. This is accounted for, almost wholly, by the reduction in expenditure on food subsidies and bonus on procurement, which is estimated at 253.2 million rupees against 350.7 million rupees during the current year. Among other factors contributing to the decrease may be mentioned a reduction in expenditure on displaced persons by 38.1 million rupees, a drop of 18.9 million rupees in the provision for pre-partition payments and general economy in civil expenditure. A reduction of 55.3 million rupees in civil expenditure was announced by the Finance Minister in pursuance of the measures for economy in expenditure recently launched by the Government of India. This figure compared with the Economy Committee's proposal of a maximum cut of 45 million rupees.

Capital expenditure.— The revised estimates of capital expenditure for 1950-51 are 830 million rupees against 620 million rupees in the original budget. Loans to the State Governments have increased from 348 million rupees (original estimate) to 670 million rupees. One of the principal reasons for increase in capital expenditure, the Finance Minister said, was that severe pruning had been made in the current year's Budget as part of the policy of ~~the~~ curtailing expenditure to the maximum extent possible. During the year, it was found that the actual requirements for Railways and irrigation schemes proved heavier. An unforeseen payment of 26.2 million rupees had also to be made to Pakistan, in accordance with the partition arrangements, on account of the payment of her subscription for membership of the International Monetary Fund and World Bank. There was also increased expenditure in defence capital outlay. Referring to the increased loans given to the States, the Finance Minister said that these were mainly for expenditure on rehabilitation of displaced persons and for Grow More Food schemes, the first showing an increase of 75 million rupees and the second of 107.5 million rupees.

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For the next year, the Finance Minister said, a total provision of 770 million rupees had been made for capital outlay and 626.2 million rupees for loans to the States. Among the important items included in the capital budget were: Railways (196.2 million rupees); Posts and Telegraphs 54.5 million rupees; Industrial Development projects 105.6 million rupees and Schemes of State Trading 136.8 million rupees; Loans to States include provision for river valley schemes 270 million rupees, rehabilitation 160 million rupees, Grow More Food schemes 80 million rupees.

In a ~~brief~~ brief reference to the Colombo Plan and U.S.A's Point-four aid programme for the economic development of ~~South~~ South-East Asia the Finance Minister observed that finance from abroad, and that on a substantial scale, had to be forthcoming if this problem was to be tackled adequately and hoped that outside assistance on terms acceptable would be available in the near future.

#### Ways and means position

Ways and means position.- Referring to the ways and means position, the Finance Minister said that the current year's budget included 650 million rupees from market borrowings, 280 million rupees from small savings and 100 million rupees from sale of securities in the cash balance investment account. In June 1950, a cash-cum-conversion loan for 300 million rupees had been floated. Sales of securities in the cash balance investment account had amounted to 230 million rupees while net receipts from small savings were placed at 310 million rupees. The total borrowing had, however, still fallen below the estimate by 290 million rupees. This had been mainly due to the fact that the recovery in the capital market had not been as good as was expected and that the promise of increased demand for investment of the earlier period had not been maintained. As regards small savings, there had been a welcome, though slight, improvement in the position. Recently a Treasury Savings Deposits scheme had been introduced the results of which were ~~some~~ encouraging. The mobilisation of small savings was engaging the constant attention of Government. The Finance Minister stressed the need for the development of a wide net work of savings groups and the need for the co-operation of all sections of the community in this effort.

Financial proposals for 1951-52.- Dealing with the financial proposals for the year 1951-52, the Finance Minister explained the considerations he had taken into account in formulating the budget proposals. He had to raise additional resources to leave an adequate balance at the end of the budget year and he had also to cover the deficit to the largest possible extent to avoid generation of inflation. He pointed out that the effect of a budgetary deficit on the economic life of the country was precisely

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the same whether it was a deficit on revenue account or a deficit on ~~the revenue~~ capital account. The effect was in no way altered even if the deficit in a particular year was met from the accumulated balances of the past. Stressing the need for an adequate balance with Government, which he thought should be of the order of ~~₹~~ 500 million rupees, the Finance Minister stated that he had come to the conclusion that something like half the prospective budgetary deficit should be met by raising additional resources, the balance being met from the accumulated cash balances.

Dealing with the distribution of the additional burden in the coming year between taxation and borrowing, the Finance Minister pointed out that he had taken credit for over 1400 million rupees from market borrowing and small savings. In the difficult conditions in the capital market there was little scope for bettering on this estimate. He had therefore no alternative but to turn to the tax-payer ~~participating in the tax~~ to help him out. In laying the tax-payer under further contribution he said that he had made every effort to see that the additional burdens were spread as widely and as equitably as possible.

Changes of Income-tax.- In the field of direct taxation the Finance Minister's first proposal was to raise the rate of Corporation tax from two and half annas to two and three-quarter annas. It had been the usual practice to fix the rate of Company super-tax at the lowest rate of super-tax applicable to an individual and this had been departed from only in 1946 and last year. It was proposed to do something towards re-establishing this conventional parity. The additional revenue from this change was estimated at 22.5 million rupees. The second proposal was to levy a surcharge of 5 per cent on rates of income-tax and super-tax other than Corporation tax, the entire proceeds accruing to the Centre. This meant no more than 8 annas a month to a person with an annual income of 5,000 rupees, 3 rupees a month to one with an income of 12,000 rupees a year and 12 rupees a month for one with an income of 24,000 rupees a year. The yield from the surcharge was estimated at 60 million rupees.

Increase in customs duties.- As regards indirect taxes, the first proposal was to levy an enhanced surcharge of 5 per cent on items of the import tariff which were not subject to specific agreements under the General Agreement on Trade and Tariffs. The yield from this was estimated at 20 million rupees. It was also proposed to raise the surcharge on ale, beer and spirits from 100 per cent to 150 per cent to yield 4 million rupees. The third proposal was to rationalise the import duties on mineral oils other than kerosene and motor spirit.

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The existing duties will be raised alternatively to a maximum of 20 per cent of their value wherever it was higher. The additional yield was estimated at 6 million rupees.

In the field of export duties the Finance Minister proposed two changes. A duty of 80 rupees per ton will be imposed on groundnut kernel, the export prices of which had increased in recent months. He also proposed the levy of a 10 percent ad valorem duty on exports of coarse and medium cloth, mostly made from Indian cotton, the prices of which justified a moderate export duty. He also proposed to make certain readjustments in the concessional assessment of the existing duties on pepper and cotton waste. These changes were together estimated to yield 57.5 million rupees.

Changes in Union excises.- Turning to Union Excises, the Finance Minister stated that the duty on motor spirit and kerosene would be raised by 5 per cent so as to equalise the duties of customs and excise. This will yield 1.5 million rupees. The rationalisation of tobacco excises had been under consideration for some time. The existing system of taxing tobacco on the basis of intended use had been criticised and it had also been cumbersome and difficult to administer. He proposed no major change in the taxation of tobacco used for cigarette manufacture, but other categories of tobacco would, in future, be taxed at a flat rate of 1 rupee a pound for flue-cured and 8 annas a pound for other tobacco. Flue-cured tobacco used for cigarettes will continue to pay the present duty but other tobacco so used would in future pay at the new flat rate. Existing concessions for stalk and tobacco used for agricultural purposes would continue. In addition to the lead duty a manufacture duty at 8 annas a pound on the tobacco content will be levied on snuff and a graded manufacture duty of 9 annas a 1,000 for biris containing more than three-quarters of a pound of tobacco per thousand and 6 annas a 1,000 for biris containing three-quarters of a pound of tobacco or less will also be levied. He also proposed a surcharge of a quarter of an anna per 10 cigarettes, the retail price of which was more than 2 annas per ten, and half an anna per 10 cigarettes, the retail price of which was more than 5 1/2 annas per ten. The changes in the tobacco tariff were estimated to yield a total revenue of 130 million rupees.

The Minister also proposed a levy of a sales tax in Delhi. Sales taxes were levied by the two neighbouring States and a tax-free zone in Delhi raised complaints of diversion of trade, to the detriment of the revenues of these States. The Centre had also been advising the States to exploit the sales tax for augmenting their resources and there was no ~~reasoning~~ reason why it should not be levied in Delhi State.

The tax will be a moderate single point tax and will be levied by applying, with ~~with~~ suitable modifications, the law of one of the Part A States. Details were being worked out and a credit of 10 million rupees had been taken in the budget on this account.

The net effect of the above proposals will be an increase in revenue of 511.5 million rupees, converting the deficit of 55.4 million rupees into a surplus of 256.1 million rupees. This surplus will reduce the overall budget deficit to 534.7 million rupees and leave a closing balance of 430.5 million rupees.

Answering the possible criticism that the entire burden in the coming year had been placed upon the tax-payer and in distributing the burden the direct tax-payer had been lightly let off, Mr. Deshmukh pointed out that it was not possible to raise additional money by borrowing. Apart from the effects of recent political and economic changes on the capital market there was also the effect of recent shifts in income on the market. As regards the distribution of the burden he pointed out that in a relatively poor country like India the scope for raising money by direct taxation was somewhat limited and a fair amount of the tax burden had necessarily to be laid through indirect taxation. In suggesting increases in indirect taxation he had confined them, as far as possible, to either luxury or near-luxury items.

The Finance Minister referred to the frequent criticism that in drawing upon its accumulated balances the Government had added to the inflationary pressure. It was true that in the three and a half years after the partition Government balances had been run down by 1750 million rupees but in that period their net overseas expenditure had been over 4000 million rupees. The balances had not been drawn upon and the money put in circulation inside the country; the running down of the balances had not generated fresh inflation. It may be said that, if Government had raised all the finance they required currently without drawing on their balances, disinflationary trends would have been materially assisted. But this ignored the realities of the situation. "No Government, much less a popular Government", said the Finance Minister "faced with the multitudinous problems with which this Government has been faced by the partition of the country and its aftermath, could have set back and refused to incur expenditure necessary for the security of the country, the relief of displaced persons, the grant of food subsidies to keep prices from rising or the progress of essential schemes vital to the country's welfare and development".

In conclusion, the Finance Minister said ~~that~~ he did not propose to follow the usual custom of attempting a review of the country's financial position. "In the rapidly changing conditions all over the world" he said "he will indeed be a rash man who can hazard a guess as to the future". He had no doubt himself about the inherent strength of the country's financial position and he had every confidence in the ability of the people to sustain and support the Government in whatever measures may be necessary to maintain the country's finances in a sound position.

(Text of the Finance Minister's speech on the Budget, 1951-1952 and the Finance Bill, 1951, received in this Office ).

Railway Budget for 1951-1952: Marked Progress of Indian Railways.

A surplus of 218.5 million rupees in 1951-1952 was forecast by Mr. N. Gopalaswami Ayyangar, Minister for Transport and Railways, presenting the Railway Budget for 1951-52 in Parliament on 22 February 1951. The surplus for the current year is now estimated at 142.4 million rupees against the budget anticipation of 140.1 million rupees. Other important features in the Budget include higher passenger fares for all classes of travel, implementation of the first phase of the scheme for regrouping of Railways by the amalgamation of the Madras and Southern Maharatta Railways, the South Indian Railways and the Mysore Railways to form the new Southern Railway which will be divided into three regions for administrative ~~convenience~~ convenience, and the reconstitution of the Railway Board to bring it under the direct control of the Railway Minister. The following are the revised estimates for 1950-1951 and the budget estimates for 1951-1952.

	Actual 1949-50	Revised estimates 1950-51	Budget estimates 1951-52
	(in million of rupees)		
Gross Traffic Receipts .....	2363.5	2634.0	2795.0
Total Working Expenses.....	<u>1949.1</u>	<u>2105.5</u>	<u>2169.7</u>
A. Net Traffic Receipts.....	414.4	528.5	625.3
B. Net Miscellaneous expenditure.	<u>36.7</u>	<u>60.4</u>	<u>73.1</u>
Net Railway Revenue (A-B).....	377.7	468.1	532.2
Interest charges .....	251.8	-	-
Dividend to General Revenue....	<u>-</u>	<u>325.7</u>	<u>333.7</u>
Net Surplus.....	<u>145.9</u>	<u>142.4</u>	<u>218.5</u>

The anticipated surplus of 218.5 million rupees, is proposed to be distributed as follows:-

Development Fund	100 million rupees
Reserve Fund	<u>118.5 million rupees</u>
	<u>218.5 million rupees.</u>

Review of railway problems: Mr. Ayyangar's speech.- Presenting the Budget Mr. Ayyangar said that in the year 1949-50, Indian railways established records in respect of many aspects of railway administration. Gross earnings touched the highest level. The number of passengers carried was higher than at any time previously, even as compared with the larger railway system of the pre-partition period. In the number of passenger miles, originating tons, ton miles and train miles, railway operation in 1949-50 showed, on comparable figures, results never before attained - results all the more striking when considered in the context of the difficulties under which they were achieved. These upward trends had since been more than maintained during the current year, and the year 1951-52 promised to be a year of steady progress and prosperity. The 1949-50 records would probably be improved upon in 1950-51 and 1951-52 and certain aspects of railway working would climb to new peaks.

Rehabilitation programme.- Mr. Ayyangar said that an extensive rehabilitation programme had been inaugurated this year involving large-scale procurement, both in India and from abroad, of rolling stock machinery and equipment. The locomotive factory at

Chittaranjan had gone into production and the Government-sponsored Tata Engineering and Locomotive Works had also completed arrangements for their going early into production. This was a step forward in the attainment of self-sufficiency in meeting the requirements of the railways for power. The stock of passenger-coaches had also been augmented by fresh acquisition and by an ~~increased~~ increase of productive capacity in ~~existing~~ existing workshops through a process of rationalisation. On the financial front the position was not only sound but comfortably so. Control over expenditure had shown considerable improvement. An undue inflation of the capital at large of the undertaking had been effectively prevented. The surpluses realised would be handsome and the reserve funds were well-stocked.

Zonal regrouping.- Mr. Ayyangar referred to the regrouping of Indian railways into six major zones and stated that the reactions of the State Governments, Chambers of Commerce, the Railway Labour Federations and other interested parties had been obtained to the plan of regrouping worked out by the sub-committee of the Railway Board which was set up for the purpose. The reactions of these bodies were generally in favour of the plan, though some adjustments had been suggested by some of them. It was the intention of the Government to form zones as far possible on the basis of the existing patterns, i.e. either on district basis, or divisional basis, so that the transition might be smooth, entailing the least disturbance to operation and reducing the movement of staff to the minimum. He said that it was proposed to start in the coming year the formation of the Southern Zone by the amalgamation of the M and SM, the SI and the Mysore Railways.

Welfare of railwaymen.- Mr. Ayyangar reiterated that the Government stood committed to a policy to continually improve the status and ameliorating the conditions of railway workers. The recommendations of the Central Pay Commission had been extended to all Railway employees, including those who were in receipt of low scales of salaries on the ex-Indian States Railways. He added that the anomalies resulting from the application of the Central Pay Commission scales had also been examined by the Joint Advisory Committee, the representatives of both railway and labour and the Railway Board, with an independent chairman. The bulk of the recommendations of this Committee had also been implemented at the cost of additional recurring expenditure of 20 million rupees. He stated that the provision for housing labour was being maintained despite financial difficulties and better facilities for medical relief and education had also been given. The total bill for the year on labour welfare was 79.5 million rupees. Mr. Ayyangar said that the relations of labour with the management had generally been cordial and there was a growing consciousness of responsibility

among the great majority of railway workers and this had now found an expression in an improvement in productivity measures by the yard-stick of train miles, vehicle miles, etc., from 69.58 in 1949-50 to 78.1 in 1950-51. He further added that a plan for greater association of labour wherever possible with the administration, had taken a step forward by providing for the association of labour representatives in the formulation of proposals for labour welfare works, including the provision of hospitals, canteens, staff quarters and the like. It was expected that in the coming years, the field of collaboration would be extended further. Referring to the question of enhancement of the rates of dearness allowance which had been raised by railway labour, he explained that this was a matter of general governmental policy and had to be viewed from the ~~standpoint~~ standpoint of the situation in the country as a whole. He appealed to the railwaymen that they should not seek to have themselves treated on a basis of discrimination vis-a-vis other workers and, in view of the general difficult financial position, they should approach this problem with a recognition of the realities of the general economic and financial situation.

He also made a reference to the voluntary offer made by the railway workers a year ago for a monthly deduction in their wages as their contribution to the Railway Savings Provident Funds. The proceeds of this contribution which the workers concerned had agreed to make for a period of two years would be returned to them at the end of the period with interest at 2 per cent.

General economic difficulties.- Mr. Ayyangar referred to the unusual difficulties of an economic character which the country was experiencing. The Government plans on the food front had miscarried as a result of natural calamities which had prejudicially affected food production and of international developments which had interfered with the flow of ~~the~~ imports. Above everything else there had been the continued deterioration in the ways and means position of the Government as a whole. Its bank balance was running low and much success had not attended its efforts to raise capital resources in the market. The different Ministries which had put forward rival claims for capital resources had found more than ordinary difficulty in obtaining the finance necessary even for the minimum development activities. He said that although the Railways had lent impressive support through the earmarked funds balances to the general ways and means position of the Government, he had agreed to a limitation of the Railways' demands for the allocation of Government's capital resources, with a view not to starve or severely curtail the resources that should be made available for development activities in agriculture, industry, other forms

of transport, and in fact all those governmental activities which ensured for security and economic development. At the same time ~~and~~ it was not possible to escape the position that, unless rail transport was restored and developed to the maximum pitch of efficiency, it could not fulfil its role in the maintenance of economic stability, internal security and external defence.

Mr. Ayyangar said that the immediate problem facing the Railways was the magnitude of their rehabilitation requirements. The repairs and replacement of Railways' assets had been neglected from the early thirties when they were caught in the doldrums of depression. The emergence from the trough of depression and the attempt to overtake arrears of maintenance and rehabilitation were rudely interrupted by the war which started in 1939. When the hostilities ended, the Railways were left with major problems which were not susceptible of immediate solution. Long-term plans of post-war rehabilitation and development carefully drawn up were stultified by the effects of partition. While during the last three years, considerable improvement had been registered in spite of tremendous difficulties ~~met~~ ~~we~~ facing the Railways, a good deal of damage still remained to be repaired. The minimum requirements for a period of five years commencing from 1950-51 were 1,250 locomotives, about 60,000 wagons and about 7,500 passenger coaches in terms of four-wheelers for rehabilitation of the Railways' rolling stock.

Passenger fare enhanced.- Mr. Ayyangar stated that the Government could not be content with mere rehabilitation and replacement. The standard had to be raised ~~to~~ every direction so that the Indian Railways might stand comparison with railways elsewhere in the world. A vast country like India could not continue indefinitely a policy of starving expansion. There was the need for construction of new lines to fill gaps and to open unopened country. All these meant a higher level of expenditure both revenue and capital. The Government had therefore decided to enhance passenger fares for all classes of travel with effect from 1 April 1951. The new rates would be: First class - from 24 to 27 pies per mile; Second class - from ~~14~~ 16 pies per mile; Inter class - from 9 to 10.5 pies per mile for mail and express trains, and from 7.5 to 9 pies per mile for passenger trains; Third class - from 5 to 6 pies per mile for mail and express trains and from 4 to 5 pies per mile for passenger trains.

Financial results.- The actual result of working for the year 1949-50 was a surplus of 145.9 million rupees against 110.2 million rupees, anticipated in the revised estimate of that year. As regards the current year, the gross receipts are now expected to

rise up to 2634.0 million rupees, or an improvement of about 310 million rupees, over the Budget estimates. The original estimate of working expenses, viz., 1665.9 million rupees was now likely to rise to 1803.1 million rupees due to several important post-Budget development.

The most important of these were the decision to extend the application of the Central Pay Commission's pay and allowances to the staff of former State Railways which came under the control of the Centre with effect from 1 April 1950, anti-sabotage and other security measures for prevention of accidents and repairs to damages caused by natural calamities which have also led to heavy unforeseen expenditure. Additional provision had also to be made to overtake arrears in repairs and maintenance of rolling stock and track, in view of the rapid deterioration in the international situation.

Similarly, the acceleration of the implementation of the Adjudicator's award and the recommendations of the Joint Advisory Committee, approved by Government, necessitated increased additional expenditure which had been provided in the Budget. An additional provision of 150 million rupees for appropriation to Depreciation Reserve Fund had also been made in the revised estimates of the current year as the appropriation to the Fund should accord with the trend of withdrawals from the Fund, which is of the order of 350 million rupees per annum. As a result of the variations, it was now estimated that the surplus in the current year would stand at 142.4 million rupees against 140.1 million rupees, estimated in the Budget. Out of this surplus, 100 million rupees would be taken to the Development Fund, as originally provided, and 42.4 million rupees to the Revenue Reserve Fund.

Turning to the financial prospects for the Budget year, Mr. Ayyangar said that he did not anticipate any significant variation in the volume of import or export traffic carried by rail. As regards the internal traffic, he stated that, though the major industries were maintaining their current position and the crop position next year was unlikely to be worse than that in the current year, there were trends to indicate that the peak in the earnings in goods traffic had been reached. Receipts from goods traffic had therefore, been ~~put~~ placed at 20 million rupees, or about 1.5 per cent less than the revised estimates of the current year. As regards the passenger traffic, it was expected that the present level would be maintained, particularly as new rolling stock has been put into service and greater amenities were being provided for lower classes of travel.

A slight drop in revenue in parcels traffic was, however, anticipated in the coming year.

Accordingly, the total gross receipts, on the present levels of fares and freight rates, would be of the order of 2604.0 million rupees, which was 30 million rupees less than the revised estimates for the current year.

The estimate of working expenses for 1951-52 had been placed at 1867.5 million rupees, which was 64.4 million rupees more than the revised estimates of the current year. The increase was mainly due to additional expenditure on staff for 38.6 million rupees, on maintenance for 26.6 million rupees and on freight on fuel for ~~15~~ 1.3 million rupees. Including the additional earnings of about 190 million rupees, which were likely to result from the enhancement of the fares, the surplus for the year 1951-52 was estimated at 218.5 million rupees, which was proposed to be distributed between the Development Fund and the Revenue Reserve Fund.

Reserve Funds.- Referring to Reserve Funds, Mr. Ayyangar stated that the three Railway Reserve Funds were well-stocked and the total of the funds balances at the credit of Railways would stand at 1608.8 million rupees at the end of March 1952. The additional revenue resulting from the adjustments of fare structure would go into these earmarked funds and be held to the Railways' credit, for which General Revenues would be paying interest until the latter were in a position to release them for expenditure in future.

The Railways' capital programme in 1951-52 would amount to 665 million rupees. Out of this, 380 million rupees would be required under rolling stock and machinery, 260 million rupees under works, 15 million rupees for investments in the shares of Tata Engineering and Locomotive ~~xxx~~ Co. Ltd., and 5.0 million rupees in road services. The Budget provision in 1951-52 for new acquisitions of rolling stock, including the orders placed abroad was 240 million rupees. The most important engineering project included in the Budget was the Mukerian-Pathankot project, for which a provision of 20 million rupees had been made in the coming year. 30 million rupees would go to passenger ~~amenities~~ amenities and 45.5 million rupees for quarters and staff amenities.

Mr. Ayyangar said that in pursuance of the undertaking given some time ago on the floor of the House, provision had also been made during the Budget year for starting work on the restoration of eight of the lines which were dismantled during the war.

Reconstitution of the Railway Board.- In conclusion Mr. Ayyangar announced that with the retirement from 1 April 1951 of the present Chief Commissioner of Railways, the post of the Chief Commissioner would be retrenched, and the Board would be reconstituted with three functional members and the Financial Commissioner. The Secretary of the Transport Ministry would, as at present, continue to be an ex-officio additional member. One of the functional members would be appointed Chairman of the Board and in that capacity, ex-officio, function as Secretary to the Ministry. He would be responsible for the work of the Board as such and for the intra-Board co-ordination required for this purpose. He would also be in charge of the small secretariat attached to the Board in addition to being a functional member. The Financial Commissioner would retain his special position and function as Secretary to the Ministry in matters financial. The Board would function as a corporate body advising the Minister on all major questions of policy and issuing such executive orders as might be necessary for the administration of the Indian Railways.

(The Statesman, 23-2-1951 ).

34. Economic Planning Control and Development.

India - February 1951.

Planning Commission's Report to be presented by  
end of May: Prime Minister's statement in  
Parliament.

On 19 February 1951, Mr. Nehru, Prime Minister, replying to a question in Parliament, stated that the Planning Commission's report would be presented to ~~the~~ the Government towards the end of May. The report among other things would assess the country's resources and the extent to which they might be developed.

Mr. Nehru said that the Commission had requested the State Governments to prepare plans of development for the two years, 1951-52, and 1952-53, and in broader outline, for the period of five years ending 1955-56. Development plans had recently been received from most of the State Governments and the Central Ministries. These plans were being studied, and the Commission hoped to suggest detailed priorities to the Central Government and the States, and to indicate the levels to which financial resources might be raised during the next few years by the Centre and by the Part A and Part B States towards the implementation of the National Plan. It was expected that the Commission's report would be presented to the Government towards the end of May 1951.

The plan under preparation covered a period of five years, but it was proposed later to extend it to the sixth year, to correspond with the period of the "Colombo Plan". The Commission's report was likely to cover a wide field. It would make an assessment of the country's resources, including financial resources, and the extent to which they may be developed. It would contain the Commission's recommendations on questions of national policy bearing on improvements in public administration, machinery for the execution of plans at the Centre and in the States, public co-operation, reorganization of the system of agriculture, development of cottage and small-scale industries, the future organization of industry, conservation of mineral resources, development of irrigation and power, the system of education and the extension of social services.

It would also present an integrated programme of development in the public sector extending both to the Centre and the States. As regards the private sector, development programmes for individual industries are being worked out in consultation with the representatives of the industries concerned.

A number of industries had been studied and the Commission's proposals for their development were expected to be submitted about the same time as its main report.

(The Statesman, 20-2-1951 ).

#### Madhya Pradesh: State Planning Board set up.

By a resolution published on 19 January 1951, the Government of Madhya Pradesh has set up a State Planning Board to advise it on the broader questions of planning in the State. The Board has of both officials and non-officials as members with the Chief Minister as chairman and the Minister for Industries as the vice-chairman.

Functions of the Board.- The functions of the State Planning Board would be advisory in character. The Board would be the chief consultative body to advise Government on the broader questions of planning, such as the lines on which the long-term and short-term plan of the State is to be drawn up, its contents, the phases in which it should be executed and the role which non-official agencies can play in the execution of its different programmes. The Board may make recommendations, which would be scrutinised by an Inter-departmental Committee on Planning with reference to the available financial resources and submitted to Government for orders. The Janapada Sabhas (local administrative committee) functioning as planning committees, in respect of their areas, would evolve schemes of development for their respective regions, determine the ways and means for implementing the plans with local resources in men and material and voluntary labour, and recommend them for consideration by the State Planning Board.

Explaining the need for a State Planning Board, the resolution states that in response to the directive received from the Planning Commission the State Government has already undertaken the preparation of a Five-year Plan of development in two stages, the first of two years beginning with 1951-52, and the second of three years, and also the formulation of a Fifteen-year Plan beginning with 1951-52, for the development of irrigation and power in the State. Government, however, realise that substantial progress is possible only when the people lend full support and co-operation towards the efforts required for the successful implementation of the plan. It has, therefore, been decided to set up a State Planning Board to associate public opinion in the formulation and implementation of the development schemes. A co-ordinated plan for the development of the entire

State envisages also the formulation of small schemes or projects in relation to the needs and possibilities of small regions within a general pattern. It is, therefore, proposed to enlist the co-operation of Janapada Sabhas by affording them facilities to function ~~kk~~ as Planning Committees for their own areas, and thereby ensuring that the people of local areas take an effective share in outlining their own plans for economic and social development in the light of their needs and local resources.

(The Madhya Pradesh Gazette, Part I, dated 19 January 1951, page 31 ).

Foundation Stone of Central Building Research Institute laid at Roorkee.

On 10 February 1951, Mr. Sri Prakasa, Minister for Natural Resources and Scientific Research laid the foundation stone of the Central Building Research Institute at Roorkee. The Institute is the seventh of a string of 11 national laboratories being established by the Council of Scientific and Industrial Research. It will undertake research on building materials, on engineering and structural aspects of buildings and their foundations and on problems of residential comfort, durability of buildings and speed in construction.

Mr. Sri Prakasa, in the course of his address said that the problem of housing was obviously very important because of some factors that had come into existence during recent times, ~~xxxx~~ such as migrations to urban areas and increase of population in towns. The partition of the country, resulting in unprecedented exodus, had complicated the position further. India was a vast country with most of its population living in rural conditions. It was therefore essential that in every programme that was taken in hand the needs of the people were studied and their means to meet those needs always kept in view. The Institute must give them proper advice as regards their houses so that within their very limited means they might be able to build their cottages in a manner that would be conducive to their physical, mental and moral health, and would enable them to live better and more purposeful lives.

(The Statesman, 11-2-1951 ).

Central Drug Research Institute opened at Lucknow.

On 17 February 1951, Mr. Nehru, Prime Minister, opened the Central Drug Research Institute at Lucknow. The Institute is the eighth link in the chain of 11 national laboratories to be opened by the Council of Scientific and Industrial Research.

Function of the Institute.- Addressing the gathering, Sir Edward Mellanby, Director of the Institute, said that so far as the health of the country was concerned, drugs formed the second line of defence. The first line must always be the public health services, which ensured or ought to ensure effective sanitation and drainage, pure and abundant water supplies, a sufficiency of food of good nutritional quality and a high standard of personal hygiene. When these were assured, drugs, the second line of defence, although still of great importance, were not such a pressing necessity to a community. When the first line of defence was undeveloped, the second line became more imperative. It was clear from the high incidence of infective diseases in India that much remained to be done in developing the public health services and raising the standard of personal hygiene. Until this happened the country would continue to be devastated by epidemics and endemic diseases such as malaria, smallpox, dysentery, cholera, plague, typhoid and typhus fevers.

Sir Edward said that it was an astonishing fact that whereas a large part of the plants, from which official drugs in the pharmacopoea were made, were already grown in this country, yet many of these drugs were imported in large quantities. In some cases, plants and other natural products were exported from India and their purified active principles were then reimported for medical use. From a national angle, this was sheer economic waste, and obviously an effort must be made to replace many of the imported drugs by products produced here. This again was a problem which demanded action rather than discovery, and it would be one of the objects of this institute by giving technical advice, by emphasizing the urgency to encourage the large-scale growth and the processing of plants, and where necessary, of finding new sources of well-known drugs to make India as rapidly as possible self-supporting in those remedies which she could readily produce from her own natural resources.

Another part of the work of the institute would be to submit to scientific tests many of the plant products which tradition had brought into long and extensive use in Indian medicine. There was evidently widespread belief in India that much valuable knowledge was contained in the old indigenous treatment in India that investigation by modern methods would

prove that this was true. Some of these remedies would now be put on their trial. If they were found to be valuable, they would find an established place in modern medical treatment. Where they were useless, they would be discarded and it was hoped that their use and reputation would sink into oblivion as there was no place in modern medical practice for ineffective drugs whose reputation was based only on tradition.

(National Herald, 18-2-1951 ).

Mysore: State Aid to Industries Bill, 1951,  
published: Board of Industries to be set up.

The Government of Mysore State has published the Mysore State Aid to Industries Bill, 1951, <sup>which</sup> ~~in order~~ to provide for State assistance in the establishment and development of industries, and seeks to establish for this purpose a Board of Industries.

The Statement of Objects and Reasons appended to the Bill points out that the question of establishing an Industrial Finance Corporation in the State had been engaging the attention of Government for some time past. The Government of India was requested to extend the provisions of the Industrial Finance Corporation Act, 1948, to the Mysore State so that the industrial concerns requiring large funds for expansion schemes may have the benefit of assistance from the Central Corporation. The Central Act provides for assistance to industrial concerns up to a limit not exceeding 5 million of rupees. The Government of India is taking necessary action to extend the provisions of the Central Act to the State and meanwhile, the Industrial Finance Corporation of India has also agreed to consider the applications for financial assistance from the industries in the Mysore State. For financing industries requiring funds of smaller magnitude up to 1 million of rupees, the Government of India has introduced a Bill in the Parliament for the establishment of the State Finance Corporation, (vide pages 27-28 of the report of this Office for December 1950). The State Finance Corporation when set up will have a share capital not exceeding 20 million of rupees, the issue of share to the public being limited to 25 per cent. The Corporation will be managed by a Board of Directors majority of whom will be nominated by the State Government. The main intention of such a corporation will be to finance medium and small scale industries and consider only cases which are outside the scope of Central Industrial Finance Corporation. After the provisions of the Industrial Finance Corporation ~~is~~ Act are ~~extended~~ extended and a State Finance Corporation is set up, there will still be cases where the State Government may have to directly render assistance, as in the

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case of cottage industries, loans to educated unemployed and industries which may not receive assistance either from the Central Finance Corporation or from the State Finance Corporation. Apart from the granting of loans to such industries, there may be cases where Government may have to encourage industrial expansion by investments in the shares of companies, providing other concessions like supply of ~~xxx~~ electricity at concession rates, grant of sites, etc. With a ~~xx~~ view to regularise such grants or concessions to industries directly by the State Government, it is considered necessary to set up a Board of Industries as envisaged in the Bill so as to advise the State Government in granting financial and other aid and hence the present Bill is brought up for consideration.

Board of Industries.- The Bill provides for the Constitution of a Board of Industries consisting of ten members with five including the chairman nominated by the Government, one to be elected by the Chamber of Commerce and three by the Mysore Legislative Assembly. The Board will assist the Government in dealing with applications for the grant of State aid under the Bill. Such aid may be given to new or nascent industries, industries to be newly introduced into areas where such industries are undeveloped and cottage industries. Aid may be given to old or established industries if special reasons exist. Aid may be given in the form of loans, subsidies, guarantee of cash credit, subscription for shares or debentures, guarantee of a minimum return on part of the capital of a joint-stock company, grant on favourable terms of land, raw material, firewood or water and supply of electric energy at concessional rates.

(The Mysore Gazette, Part IV,  
Section 2-A, dated 16 January, 1951,  
pages 1-12 ).

36. Wages.

India - February 1951.

Application of Minimum Wages Act to Agricultural Labour: Finance Minister Peels Fixation of Minimum wages possible only in very limited fields.

On 23 February 1951, Mr. C.D. Deshmukh, Finance Minister, Government of India, stated in Parliament that it might be possible to fix minimum wages for ~~agricultural~~ agricultural labour only in "very limited fields". Application of the Minimum Wages Act to the various categories of agricultural labour would, in his opinion, "throw a spanner into rural works", under existing conditions.

Protesting against the Finance Minister's statement Mr. R. Venkataraman said that the Finance Minister was giving agricultural labour "a very rude shock". Agricultural labour had hoped that by the target-date of 15 March 1951, minimum wages would be fixed not only for industry but for agriculture, Mr. Venkataraman said.

The Finance Minister, who was speaking during the debate on his Appropriation Bill on supplementary ~~grants~~ grants, said he was not giving Government's decision. The matter was referred to the Planning Commission, of which he was a member, and "it struck us that we had perhaps embarked on a social experiment of a formidable character". The Commission placed the question before the Standing Committee of economists and statisticians and the Standing Committee's report would now be circulated to the State Governments in order to invite their opinion as regards the feasibility of giving effect to the Act in some form or other.

(The Hindustan Times, 24-2-1951).

Uttar Pradesh: Draft Rules published under the Minimum Wages Act, 1948.

In exercise of the powers conferred under section 30 of the Minimum Wages Act, 1948, the Government of the Uttar Pradesh ~~has~~ has published the draft of the Uttar Pradesh Minimum Wages Rules, 1951. The draft, which is on the same lines as the Minimum Wages (Central) Rules, 1950, will be taken into consideration after 1 March 1951.

(The Uttar Pradesh Gazette, Part I-A, dated 10 February 1951, pages 80-82 ).

Madras: Draft Schedule of Minimum Rates of Wages for Employees in Mica Works.

The Government of Madras has published proposals under the Minimum Wages Act 1948 for the fixation of the minimum rates of wages payable to persons working in mica works. The following are the rates:-

I. Mica Mining Section.

<u>Daily-paid temporary employees:-</u>	All inclusive minimum wages.		
	Rs. A. P.		
* -			
Jumper Mazdoors - Machine and hand...	2	0	0
Mine or blasting maistries .....	2	4	0
Mica maistris .....	1	6	0
(i) Muck and mica mazdoors.....	1	6	0
(ii) Removal mazdoors.....	1	2	0
Cutters-			
I Grade .....	1	8	0
II Grade .....	1	4	0
III Grade .....	1	0	0
Surface unskilled mazdoors including hard and waste round cutters.....	1	0	0
Blacksmiths.....	2	4	0
Fitters.....	2	0	0
Engine or compressor driver -			
Certificate holder .....	3	0	0
Non-holder of a certificate.....	2	0	0
 <u>Monthly-paid employees-</u>			
Clerks and Typists .....	45	0	0
Mine or blasting maistries.....	40	0	0
Mica Maistris.....	30	0	0

\* A set of three jumper mazdoors are normally expected to bore a depth of 9 feet in an 8 hour day.

II Mica Factories Section.

<u>Daily-paid temporary employees-</u>	All inclusive minimum wages.		
	Rs. A. P.		
Resorters and dressers-			
I Grade .....	1	6	0
II Grade .....	1	2	0
Maistris.....	1	6	0
Splitters-			
(a) Book form and condensers-Classes 4 and 5.....	0	10	0
			(per lb.)
(b) Book form and condensers-Classes 5 1/2 and 6.	0	12	0
			(per lb.)

Table continued:-

	Rs.	A.	P.
(c) Dust loose, ordinary loose.....	0	6	0
Unskilled labourers.....	1	4	0
<u>Monthly-paid employees-</u>			
Watchmen .....	15	0	0
Office boys.....	18	0	0
Clerks and typists.....	45	0	0

The minimum rates of cost of living allowance to be paid to the monthly-paid employees specified above would be as follows:-

Minimum basic wages.	Minimum cost of living allowance. Rs.
For wages not exceeding Rs. 19 rupees per month mensem....	18
For wages of 20 rupees per mensem.....	19
For wages exceeding 20 rupees per mensem.	22

(The Fort St. George Gazette, Part I, dated 13 February 1951, page 238 ).

Orissa: Minimum Rates of Wages for Persons Employed in Agricultural Operations: Draft Proposal published.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Orissa has published the following draft proposals for the fixing of minimum rates of wages payable to the regular and casual employees employed in agricultural operations:-

Zone	Rates of wages for-								
	Men		Women		Children				
	Rs.	A. P.	Rs.	A. P.	Rs.	A. P.			
Zone I consisting of the Cuttack, Balasore, Puri, Mayurbhanj and Keonjhar districts and Ganjam Plains.	0	12	0	0	8	0	0	7	0
Zone II consisting of the Koraput, Phulbani and Dhenkanal districts and Ganjam Agency.....	0	10	0	0	8	0	0	6	6
Zone III consisting of the Bolangir-Patna, Kalahandi, Sambalpur and Sundergarh districts.....	0	10	0	0	8	0	0	6	6

The rates given are equivalent cash wages for cash or kind wages with perquisites. The proposals also fix<sup>ed</sup> that the normal working hours shall not exceed 10 hours a day, and overtime rate of wages at ~~1 1/4~~ 1 1/4 times the ordinary rate of wages.

(The Orissa Gazette, Extraordinary, dated 15 January 1951, pages 1-2 ).

West Bengal: Draft Schedule of Minimum Rates of Wages for Persons employed in Road Construction and Building Operations, Tobacco Manufactories and Public Motor Transport published.

In exercise of the powers conferred under the Minimum Wages Act, the Government of West Bengal has published draft proposals for the fixation of minimum rates of wages for persons employed in road construction and building operations, tobacco manufactories (including Bidi and Cigarette making), public motor transport, local bodies and cinchona plantations.

Road construction and building operations.- The draft schedule lists the daily rates of wages for workers in road construction and building operations for the various categories in the 15 districts of West Bengal. The maximum and the minimum daily rates fixed under the draft for the various categories are given below:-

Category	Maximum			Minimum		
	Rs.	A.	P.	Rs.	A.	P.
<u>Skilled</u>						
Carpenter .....	4	8	0	2	8	0
Mason .....	4	8	0	2	8	0
Blacksmith .....	4	0	0	2	8	0
Cooly.....	2	12	0	1	8	0
Cooly-female .....	1	8	0	1	8	0
Plumbing Mistry.....	5	0	0	3	0	0
Sury Mistry .....	4	0	0	4	0	0
Painter .....	4	0	0	2	8	0
Fitter .....	4	0	0	3	8	0
Spraymen.....	3	0	0	3	0	0
Gharami (Thatcher).....	3	8	0	2	0	0
Khalasi .....	3	0	0	2	8	0
Serang .....	5	0	0	5	0	0
Bhistry (Watercarrier).....	3	4	0	1	12	0
Stone cutter .....	6	0	0	4	0	0
Santras Mistry.....	3	8	0	3	4	0
Driver .....	5	0	0	4	0	0
<u>Unskilled</u>						
Cooly.....	2	0	0	1	4	0
Cooly-female.....	1	14	0	1	0	0
Carpenter.....	3	8	0	2	8	0
Mason .....	3	0	0	3	0	0
Gharami (Thatcher).....	2	8	0	2	0	0

Table continued:-

Category	Maximum Rs. A. P.	Minimum Rs. A. P.
<u>Unskilled(Continued):-</u>		
Beater woman .....	4 0 0	1 8 0
Tarmen.....	3 8 0	5 8 0
Blacksmith .....	3 8 0	2 4 0

The draft also fixes the working hours per day at eight. Employees may be required up to nine hours in a day, subject to the condition that the total hours may not exceed 48. It also prescribes overtime rate at double the ordinary wage-rate and one day of rest without pay in course of every seven days. The worker is to be paid full minimum wages for the day when he is engaged unless he leaves the work of his own accord. And if work is stopped at any time during the course of work on any day due to inclement weather the worker ~~will~~ would be paid the full day's wage provided he has worked for four hours or more, otherwise half the day's wage will be given.

Tobacco (Cigarette-making) manufactories.- In regard to skilled and semi-skilled workers, the existing rates of basic wage and dearness allowance will continue. As regards unskilled workers, the basic wage has been fixed at 20 rupees per ~~month~~ month and dearness allowance at 30 rupees per month. For clerks, the basic wage has been fixed at 55 rupees and dearness allowance 33 rupees per month. Apprentices are to be paid at two-thirds the normal rates. Changes in dearness allowance, ~~which may be given only if the variation in the cost of living index-~~ will be paid at the following rates:- (i) for daily-paid workers- 1.16 pies for a change of 1 point in cost of living index; (ii) for weekly-paid workers- 7 pies for a change of 1 point in cost of living index; (iii) for monthly-paid workers- 2 annas 6 pies for a change of 1 point in cost of living index; and (iv) for clerks- 2 annas 9 pies for a change of 1 point in cost of living index. Dearness allowance will vary only when there is a change in the cost of living index by 20 points.

The draft also prescribes that the hours of work per day per week and the overtime rate of pay will be the same as under the Factories Act, 1948. Workers will be allowed one unpaid rest day in a week.

Tobacco(bidi-making) manufactories.- The draft fixed the time rate for employees tobacco (bidi-making) manufactories at 28 rupees per monthly paid workers and 1 rupee 1 anna 3 pies per daily paid workers. Different rates of dearness allowance are prescribed for the various districts, the maximum being 26 rupees and the minimum 18 rupees for the monthly-pated workers, and one rupee and 11 annas for

the daily paid. ~~maximum~~ Varying rates are prescribed for workers paid on piece-rate, the maximum and the minimum for 1,000 bidis being 2 rupees 4 annas and 1 rupee 12 annas respectively. The prevailing wage rates in all the districts being calculated on piece-rate basis per 1,000 bidis no worker shall be asked to work on daily-rate basis unless he so desires. Each worker shall be paid full minimum wage for the day when he is engaged unless he leaves work of his own accord. In such cases wages shall be calculated pro rata, i.e., number of hours worked in case of daily-rated worker and number of bidis manufactured in the case of piece-rated worker. Number of hours of work per day normally has been fixed at 8 hours which will not exceed 9 hours on any day or 48 hours a week. Overtime wages will be calculated at double the ordinary rates of wages. Changes in dearness allowance have also been prescribed for the different districts, varying from 0.69 to 1.01 pies for daily rated workers and from 0.90 pies to 1.25 pies for monthly paid workers per point in the cost of living index. One day of rest without pay in a week is also prescribed.

Public Motor transport.- Minimum rates of wages have been fixed zonal wise for the various categories of workers in public motor transport. The following table shows the maximum and minimum total wages (including basic wage and dearness allowance) fixed in the draft:-

Categories of workers.	Maximum			Minimum		
	Daily paid workers			Monthly paid workers.		
	Rs.	A.	P.	Rs.	A.	P.
Cleaners and Assistant Mistries.....	2	1	10	55	0	0
Conductors holding license for more than 5 years.....	5	0	0	78	0	0
Conductors holding license for less than 5 years.....	2	12	0	71	0	0
Drivers holding license for more than 5 years.	4	3	6	110	0	0
Drivers holding license for less than 5 years.	4	0	6	105	0	0

Dearness allowance will vary according to the following rate, provided that it will not be changed unless the cost of living index has changed by 20 points:- For daily-rated workers- 1.15 pies for a change of 1 point in the official cost of living index; For monthly-rated workers- 2 annas for a change of 1 point in the official cost of living index. Working hours are fixed at eight per day, and overtime rate at double the ordinary rate of wages. One paid day of rest in ~~any~~ a week is also prescribed.

Local bodies.- Minimum rates of wages for scavengers and conservancy staff employed in local bodies have been proposed under three main groups in the different districts of the State. The following table shows the maximum and the minimum total wages (including basic wages and dearness and other allowances) proposed to be paid for the three categories of employees:-

	Maximum			Minimum		
	Scavengers			Conservancy staff.		
	Rs.	A.	P.	Rs.	A.	P.
Group 'A' .....	52	8	0	50	0	0
Group 'B' .....	21	0	0	20	0	0
Group 'C' .....	51	0	0	43	0	0

Cinchona Plantations.- According to the West Bengal Government's proposal the scale of pay and conditions of service of skilled and semi-skilled workers and clerks employed in cinchona plantations in the State of West Bengal will be governed by the West Bengal Service (Revision of Pay) Rules and the West Bengal Service Rules. The following will be the ~~max~~ minimum rates of basic wage and dearness allowance payable to the unskilled workers employed in cinchona plantations.

	Daily rate.			Basic wage.			Dearness allowance			Total		
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
Adults -												
(i) Male .....	0	9	3	0	15	6	1	8	0			
(ii) Female.....	0	6	6	0	11	6	1	2	0			
Children-												
Male and female .....	0	4	9	0	7	9	0	12	0			

Note:- Full minimum wage will be paid to the daily-rated worker only when the standard fixed by the supervising staff is reached. In case the standard is not reached the worker will be paid pro-rata.

	Monthly rate.			Basic wage.			Dearness allowance			Total		
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
Adults-												
(i) Male .....	14	0	0	25	0	0	39	0	0			
(ii) Female .....	10	9	0	18	12	0	29	5	0			
Children-												
Male and Female.....	7	11	6	12	8	0	20	3	6			

Changes in dearness allowance per point in the cost of living index have been prescribed for men workers at 0.98 pies for daily-rated employees and 2.11 annas for monthly paid, for women workers at .49 pies for daily rated workers and 1.05 annas for monthly paid, and for children at .49 pies for the daily paid and 1.05 annas for the monthly paid. Hours of work has been fixed at normally at 8 per day (and may not exceed 9 hours in any day) or 48 hours in a week. Overtime rate at double the ordinary rate of wages and one day of rest in a week, which will be without pay *have also been fixed.*

(The Calcutta Gazette, Extraordinary, Part I, dated 10 January 1951, pages 25-33;  
The Calcutta Gazette, Extraordinary, Part I, dated 15 January 1951, Pages 47-51 ).

38. Housing.

India - February 1951.

Prefab Housing Factory Production stopped:  
Minister's announcement in Parliament.

On 21 February 1951, Rajkumari Amrit Kaur, Health Minister, replying to a question in Parliament, stated that the Government housing factory, known as "Prefab Housing Factory", had stopped production of houses for sale. She said that test production was still being carried on with the object of overcoming the technical difficulties in the way of satisfactory production. The expenditure incurred so far on the factory included 5.288 million of rupees capital expenditure and 4.404 million of rupees working expenditure, amounting to 9.692 million of rupees. The capital expenditure ~~including~~ included 279,733 rupees as charges paid to the consultants. The consultants had not given any guarantee regarding the strength ~~of~~ and life of the wall panels to be produced in the factory.

(The Statesman, 22-2-1951).

Finance Body to aid Housing Societies in Bombay:  
Committee to work out Plan.

A seven-member committee to examine the question of setting up a Co-operative Housing Finance Corporation for Bombay State, to meet the growing demand for financial assistance from co-operative societies, was formed at a conference of representatives of banks, insurance companies and co-operative institutions in Bombay held on 1 February 1951.

The conference, which was convened by the State Minister for Finance and Co-operation, Mr. V.L.Mehta, assessed the requirements of finance for co-operative housing in the State and examined the terms on which the finance should be made available to these societies. The conference also reviewed the sources from which the necessary finance could be made available. The consensus of opinion was in favour of establishing an institution for this purpose.

Mr. Mehta ~~said~~ said that up to 31 December 1950, 839 co-operative housing societies had been registered in the State and loans to the extent of 9.665 million of rupees had been sanctioned to 22. The Bombay Provincial Land Mortgage Bank had also advanced loans to housing societies to the tune of 4.575 million of rupees. But 100 million rupees would be needed if the requirements of loans of all the registered ~~societies~~ societies were to be met.

The Registrar of Co-operative Societies, Bombay State, Mr. P.J. Chinmugund was elected chairman of the Committee.

(The Times of India, 3-2-1951 ).

### 39. International Economic Relations.

India - February 1951.

#### Trade Agreement between India and Pakistan signed: Par Value of Pakistani Rupee recognised.

On 26 February 1951, Mr. C.D. Deshmukh, Finance Minister, announced in Parliament that the Governments of India and Pakistan have signed a trade agreement. The agreement will operate from 26 February 1951 to 30 June 1952.

Explaining the main features of the agreement Mr. Deshmukh said that the Government of India had agreed that exchange transactions between India and Pakistan should be permitted on the basis of the par value of the Pakistan rupee as declared by the Pakistan Government. He stated that the radical change in the world economic situation in favour of primary producing countries like Pakistan and the big demand for raw materials stimulated by the Korean war which had pushed up the prices of all commodities to a very high figure are responsible for these altered circumstances.

Under the terms of the agreement India will receive raw jute (1.35 million of bales before the end of June 1952), raw cotton (of which about 100,000 bales are expected to be available from the open market during the current season) and food grains (about 250,000 tons during the current calendar year).

Pakistan will receive from India 600,000 tons of coal before the end of June 1951 and another 1 1/2 million before June 1952 and also certain quantities of steel, textiles and cement.

A list of commodities, placed on the Open General Licence, has been attached - which includes a number of border trade articles. In respect of other commodities, the two Governments have agreed to grant to each other export and import facilities no less favourable than those given to any other country in the sterling or soft currency area.

The net result of the agreement is that it helps the restoration of the fullest possible trade between the two countries and also restore that pattern of trade which existed before devaluation. According to figures available, India-Pakistan trade was in the order of 1,500 million rupees - with an adverse balance against India.

(The Hindustan Times, 27-2-1951).

Indo-Spanish Trade Agreement approved.

According to a Government of India Press Note, the Governments of India and Spain have approved the trade arrangements arrived at as a result of discussions held with the Spanish Trade Mission during its visit to India early in October 1950. The arrangements will continue in force up to September 30 1951.

The Spanish Government has agreed to grant licences for the import of green or black tea from India up to a value of £4,000. The other main Indian goods of interest to Spain are: hides and skins, dyeing and tanning substances, kapok, shellac, manganese ore, chrome ore, carborundum and corindon, linseed, castor seed, nigar seed, cotton waste, essential oils, hemp and sausage casings.

The Spanish authorities have agreed to make quotas of flourspar and lithophone available for export to India. There are a large number of other commodities available in Spain which can be imported into India under the existing import control regulations.

(The Statesman, 17-2-1951 ).

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CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN BRANCHES  
OF THE NATIONAL ECONOMY.

INDIA - FEBRUARY 1951.

41. Agriculture.

The Madhya Pradesh Abolition of Proprietary  
Rights (Estates, Mahals, Alienated Lands) Act,  
1950 (No.I of 1950).

The Central Provinces and Berar Abolition of Proprietary Rights (Estates, Mahals, Alienated Lands) Bill (vide pages 56-59 of the report of this Office for October 1949, as passed by the Madhya Pradesh Legislative Assembly received the assent of the President on 22 January 1951 and has been gazetted as Act No.I of 1950.

A press note issued by the Madhya Pradesh Government on the Act states that a separate Department of Land Reforms has been constituted by the State Government for implementing the provisions of this Act. It is contemplated that the changeover should be by gradual stages, and, therefore, the State Government has decided that vesting of proprietary rights under the Act should take place on some date in March 1951, the date to be duly notified about a fortnight in advance by a Gazette notification.

(The Madhya Pradesh Gazette, Extraordinary,  
dated 26 January 1951, pages 13-65 ).

44. Merchant Marine and Fisheries.

India - February 1951.

Decasualisation of Dock Workers in Bombay:  
Scheme approved by Government.

The draft Bombay Dock Workers (Regulation of Employment) Scheme (vide pages 63-66 of the report of this Office for October 1949) has now been approved and gazetted on 27 January 1951.

(Notification No.S.R.O. 129 dated 27 January 1951; The Gazette of India, Part II-Section 3, dated 27 January 1951, pages 118-128 ).

Decasualisation Scheme for Dock Workers in Calcutta  
Port: Draft published.

In exercise of the powers conferred under section 4 of the Dock Workers (Regulation of Employment) Act, 1948, the Central Government has published the draft of the Calcutta Dock Workers (Regulation of Employment) Scheme, 1951. The scheme, among other things, provides for the setting up of a Calcutta Dock Labour Board with the object of regularising the employment of dock workers in the port of Calcutta and is on the same lines as the Bombay Dock Workers (Regulation of Employment) Scheme, 1951. The draft will be taken into consideration after 15 March 1951.

(The Gazette of India, Part II-Section 3, dated 10 February 1951, pages 198-209).

Development of Fishing Industry: Government to  
Hold voluntary examination for Skippers and  
Second Hands.

A Government of India Press note says that with the object of developing the fishing industry in India, the Government has decided, pending the inclusion of statutory provisions, to introduce a system of voluntary examinations for Skippers and Second Hands of fishing boats. These examinations could be held each month at Bombay and Calcutta at the same time as the Government of India examinations for Masters and Mates are held at these ports.

The syllabuses cover practical navigation, seamanship, signalling and elementary first aid. In addition, the ~~examin~~ candidates will be required to pass the eye-sight test in colour and vision as prescribed for the Masters and Mates examinations. These are of the same standard as the corresponding examinations held in the United Kingdom.

(The Hindu, 21-2-1951 ).

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CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - FEBRUARY 1951.

50. General.

Conditions of Labour in Principal Municipalities  
in India.

The report of the Labour Investigation Committee on labour conditions in certain municipalities in India was published in 1946. Thereafter, in November 1948, the Labour Bureau issued a questionnaire to 15 municipalities and an article based on the replies was published in the September 1949 issue of the Indian Labour Gazette (vide pages 59-64 of the report of this Office for November 1949). In order to bring the information up-to-date the Bureau issued early this year a comprehensive questionnaire to 25 ~~municipal~~ municipalities in India. These included the 15 municipalities to whom the earlier questionnaire was sent by the Labour Bureau. Replies were received from 18 municipalities. An article based on the information contained in these replies is published in the December 1950 issue of the Indian Labour Gazette. The following is a brief summary.

Number of workers.- The table below gives the number of workers employed in the 18 municipalities during the year 1947, 1948 and 1950.

Serial No.	Name of Municipality	No. of workers in January 1947	No. of workers in January 1948	No. of workers in January, 1950				No. of permanent workers
				Men	Women	Children	Total	
1	2	3	4	5	6	7	8	9
1.	Bombay.....	<del>8472</del> -	19313	20745	3122	132	23999	18071
2	Ahmedabad..	6479	8159	5671	1650	18	7339	5316
3	Poona.....	-	-	1477	945	-	2422	1035
4	Madras.....	10044	10772	8338	1708	434	10480	6405
5	Mathurai....	-	-	1202	407	-	1609	1471
6	Bangalore...	-	-	2410	43	-	2453	2000
7	Hyderabad...	-	-	828	1290	-	2118	2098
8	Ajmer.....	1266	1406	1054	4	-	1058	239
9	Delhi.....	3562	3395	3333	636	13	3982	2927
10	New Delhi...	-	-	2228	145	-	2373	1769
11	Ambala.....	-	-	130	74	-	204	130
12	Simla.....	922	954	709	3	-	712	316*

\* In addition 136 workers are quasi-permanent.

Table continued:-

1	2	3	4	5	6	7	8	9
13	Lucknow.....	-	-	1676	708	156	2540	2334
14	Kanpur.....	1933	2029	1637	843	-	2480	2274
15	Patna City..	-	-	893	696	-	1589	1589
16	Calcutta....	17633	17912	16638	1030	318	17986	16877
17	Gauhati.....	251	305	270	66	-	336	336
18	Cuttack.....	751	768	392	275	-	667	422
	Total....	42841	65013	69631	13645	1071	84347	65609

According to the replies received about 78 per cent of the workers employed are permanent, although the proportion of permanent workers to the total varies from municipality to municipality. Generally speaking, permanent workers enjoy greater security of service and are entitled to privilege and sick leave (maternity leave in case of women workers), and to become members of the Provident Funds maintained by the municipalities. Workers are made permanent whenever vacancies are available, according to seniority, merit, etc. The percentage of children employed to the total is only 1.3 and their employment is confined only to 6 municipalities.

In all the municipalities workers are recruited direct. Many of the municipalities maintained waiting lists of candidates and appointments are made from among the applicants in these lists, subject to suitability and physical fitness. Contract labour, it is reported, is employed only by 3 municipalities. In Bombay such labour is required to work according to municipal timings and in accordance with the provisions of the Factories Act. Scavenging removal contracts are given to contractors by the Delhi Municipality for a fixed period in accordance with the terms agreed to by the parties. Occasionally the Lucknow Municipality also employs contract labour for odd jobs, such as overhauls and filters, etc. It is stated that the number of such workers are in the neighbourhood of 100.

Out of 78,092 workers employed in the 14 municipalities, 43,148 workers or about 55 per cent had service of 5 years and over.

Labour Officers and Works Committees.- The municipalities of Bombay, Ahmedabad, Delhi and Hyderabad have appointed Labour Officers to look into the grievances of the workers. Works Committees or Labour Welfare Committees have been constituted only in 5 municipalities, namely, Lucknow, Ahmedabad, Madras, Bombay and Hyderabad.

Wages and earnings.- Since 1948 the basic minimum wages of workers have been increased in the municipalities of Calcutta, Mathurai, Ajmer and ~~Cuttack~~ Cuttack. The increase amounts to 9 rupees per month

in the Calcutta Corporation, 3 rupees per month in the Mathurai Municipality, 4 rupees per month in the Cuttack Municipality and 20 rupees per month in the Ajmer Municipality. Almost all the municipalities have adopted regular monthly scales of pay for their workers. Except the municipalities of Mathurai and Patna City, where women workers get slightly lower ~~higher~~ wage than men workers the remaining pay equal wages to men and women for equal work.

The following table gives figures of minimum monthly basic wages ~~per~~ prevailing in 1948(September) and in 1950(January).

Municipality	Minimum basic wage					
	September 1948			January 1950		
	Rs.	A.	P.	Rs.	A.	P.
Bombay .....	35	0	0	35	0	0
Ahmedabad .....	25	0	0	25	0	0
Poona .....	-			30	0	0
Madras .....	15	0	0	15	0	0
Mathurai.....	12	0	0	15	0	0
Bangalore.....	-			18	0	0*
Hyderabad.....	-			20	0	0
Ajmer .....	10	0	0	30	0	0
Delhi .....	30	0	0	30	0	0
New Delhi .....	-			30	0	0
Ambala .....	16	0	0	16	0	0
Simla .....	15	0	0	15	0	0
Lucknow .....	-			25	0	0
Kanpur .....	25	0	0	25	0	0
Patna City .....	-			18	8	0**
Calcutta .....	16	0	0	25	0	0
Gauhati .....	20	0	0	20	0	0
Cuttack .....	10	0	0	14	0	0

\* An interim relief of Rs.8-8-0 per month is also admissible.

\*\* Women get Rs.16-8-0 per month.

Dearness allowance.- Dearness allowance has been enhanced in six municipalities since 1948. In none of the municipalities it is linked to the cost of living index number. With the exception of a few municipalities, dearness allowance is generally paid according to the rates fixed by the Local Governments concerned. The Gauhati Municipality has no system of paying dearness allowance; but it supplies to its workers free rations, the money value of which comes to 20 rupees per month per head.

In addition to dearness allowance some of the municipalities pay house-rent and/or grain compensation allowance, and some pay an unclean allowance to certain workers employed on unhygienic work. Eight municipalities pay house rent allowance, varying from 1 rupee 8 annas per month in Calcutta to 6 rupees per month in Bombay and 7 rupees per month in Delhi and New Delhi. The municipalities of Calcutta and Ahmedabad grant a food grain concession worth 3 rupees 8 annas and 5 rupees per month per head respectively. The municipalities of Lucknow, Kanpur, Delhi, New Delhi and Simla pay what is known as City or Local Allowance. Unclean allowance at the rate of 5 rupees per month and 2 rupees per month is paid by the municipalities of Bombay and Madras respectively to certain workers.

Overtime.- Overtime is worked in the workshops of the larger municipalities and is paid for in accordance with the provisions of the Factories Act, 1948. In four municipalities, workers not governed by the Factories Act, 1948, are required to work overtime in emergent cases only. While the overtime allowance in three municipalities is 1 1/2 times the ordinary rates of wages, the Simla municipality pays 2 annas per hour of overtime.

Leave and holidays.- The workers in 12 municipalities covered by the present survey are governed by the leave rules applicable to local Government servants. In the Bombay Municipality the workers get earned leave at the rate of 1 day for 11 days of duty performed and are allowed to accumulate such leave up to 80 days. ~~For duty performed~~ In addition to the earned leave, the workers are allowed leave on medical certificate on half pay up to a maximum of 12 months in the entire period of service. Some categories of workers are allowed such leave at the rate of 15 days a year, the total accumulation on this account being permitted to the extent of 30 days only. Workers are also entitled to injury leave varying in extent from 3 to 8 months, according to length of service. In the Calcutta Municipality while skilled workers are entitled to 21 days' leave with full pay after completion of one year's service, the unskilled workers get ~~with full~~ 15 days's leave with pay. In Madras, all workers are entitled to 15 days' ~~leave~~ casual leave and two months' sick leave on half pay in a year on production of medical certificate; in addition they are entitled to injury leave and quarantine leave with pay. The Bangalore Municipality allows 15 days' casual leave and 15 days' privilege leave on full pay in a year. Workers in the Gauhati Municipality get 15 days' privilege leave on full pay and 21 days' sick leave on half pay in a year. In the Patna City Municipality it is stated that three days' absence in each month on the part of sweepers is excused, i.e., 36 days' leave with pay in ~~year~~ a year is allowed.

Maternity leave to women workers to the extent of three to eight weeks is admissible in only 8 municipalities. The municipalities of Calcutta, Patna City, Cuttack and Simla do not grant any regular weekly holiday to their conservancy staff. The remaining municipalities allow either full or half holiday in a week to their conservancy workers.

Housing.- In Bombay the entire Fire Brigade staff, about 50 per cent of the conservancy staff and a considerable number of workers in the essential services have been provided with rent free quarters. The remaining staff, who are entitled to but not provided with housing accommodation, are allowed a house rent allowance of 6 rupees per month. In Ahmedabad the municipal authorities have provided 405 quarters for Harijan employees - 124 each at a rent of 2 rupees per month and 281 each at a rent of 3 rupees per month. A set of 526 quarters has also been built for the workers and the rent charged is 10 rupees per month each. It is stated that some of the workers employed in water works, drainage, pumping stations, etc., have been accommodated free of charge. No house rent allowance is paid. In Poona nine per cent of the Harijan employees have been accommodated in the Harijan Colony, consisting of one-room and two-room tenements. Other get house rent allowance at the rates admissible to Local Government permanent employees. In Madras twenty per cent of the labourers have been housed at a rent varying from 1 rupee 8 annas to 7 rupee 8 annas per month. Most of the workers have built huts of their own on the Corporation or Government land for which they are required to pay a nominal rent of anna 1 to annas 4 per month each. Various amenities such as drainage, sanitation, water-supply, lighting, etc., have been provided at the cost of the Corporation in these areas. All the workers are entitled to receive a house rent allowance of 2 rupees per month. In Mathurai 224 quarters have been allotted to the conservancy staff at a rent of 2 rupees per month each. House rent allowance varying from 3 rupees to 10 rupees per month is paid to all the workers. In Hyderabad about 9.5 per cent of the employees have been accommodated in quarters consisting of a room and a kitchen each. The monthly rent charged for each quarter is 2 rupees per month. All workers are entitled to a house-rent allowance of 5 rupees per month. In Bangalore free quarters consisting of a room and a kitchen have been given to some sweepers. Others are paid a house rent allowance of 2 rupees per month each. In Ajmer seven per cent of the Public Health Department workers have been provided with quarters at a concessional rate of annas 2 to annas 4 per month each. The accommodation provided consists of a room with a verandah and a kitchen. In Delhi about 10 per cent of the workers have been allotted quarters free of rent. Other receive a house rent allowance amounting to 7 rupees per month. Each quarter consists of a room with a verandah and a

spacious courtyard. In New Delhi housing accommodation has been provided to 46 per cent of the staff in this municipality. The rent charged for these quarters is 10 per cent of the pay drawn by the individuals. Those not provided with quarters are paid house rent allowance at rates admissible to Central Government servants. In Ambala no accommodation is provided nor is any house rent allowance paid. In Simla about 39 per cent of the sweepers, about 80 per cent of the labour employed in the Roads and Building Department and some workers of the Electric Department have been provided with rent free quarters. The staff employed in the pumping station and the distribution and drainage departments are provided with free quarters. Sweepers not provided with accommodation are paid an allowance of 2 rupees per month. The mazdoors' and sweepers' quarters generally consist of one room tenements. In Lucknow ~~and~~ five per cent of the conservancy staff and a few others have been provided with rent-free quarters. Those not provided with free quarters do not get any house-rent allowance. In Kanpur some members of the conservancy staff have been provided with quarters consisting of a room and a verandah at a monthly rent of 2 rupees each. In Patna City free quarters have been provided to 33  $\frac{2}{3}$  per cent of the staff. Some of the quarters are newly built and each contains a room and a verandah. In Calcutta sixty-four per cent of the workers receive house rent allowance of 1 rupee 8 annas per month. Of the remaining, 24 per cent have been provided with requisitioned quarters at a concessional rent of 1 rupee per month the rest having been accommodated in Corporation labour camps free of charge. In Cuttack it is stated that 170 families of sweepers have been provided with quarters free of charge. Each quarter consists of a room, two verandahs and a kitchen. In Gauhati all the employees have been provided with free quarters consisting of a room with a verandah.

Welfare work.— Many of the municipalities have not taken any special measures to provide welfare activities for the workers. In ten municipalities, namely, Bombay, Poona, Madras, Mathurai, Cuttack, Calcutta, Kanpur, Lucknow, Delhi and New Delhi, co-operative credit societies are maintained by the workers. The Bombay municipality has a wide network of welfare activities. There are several welfare centres, generally located in the chawls occupied by the labour staff, providing for in-door and out-door games, educational facilities, film shows, etc., for the workers. The cost of the welfare centres is met from the Fine Fund which stood at 543,482 rupees as on 1 January 1950. The Madras Corporation runs a number of night schools for adults' education in the labour areas. Poor children studying in Corporation schools are given free mid-day meals. The Calcutta Corporation also maintains night schools for workers' children. Facilities for adult education have recently been started at Delhi.

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The Corporations of Madras and Bombay have provided creches for the workers' children. It is stated that milk is given free to children.

Canteens are also being maintained in the municipalities of Bombay, Ahmedabad, Madras and Kanpur.

Provident Fund.- Excepting the municipalities of Gauhati, Ambala and Ajmer, which have neither a provident fund nor a gratuity scheme all other municipalities have made some provision for the future of their employees, although the rates of contribution, the conditions of eligibility to membership, right of the employee to the employers' contributions etc., differ in different municipalities. Only the Hyderabad Municipality has reported that the employees are given pension after retirement. In the Bangalore Municipality, gratuity at the rate of one month's pay for every two years of service up to a maximum of 12 months' pay is paid to workers at the time of leaving service or retirement.

Provident Fund schemes exist in 13 municipalities. In the majority of these municipalities only permanent workers are eligible to contribute to the Provident Fund and in some an additional condition of a lower income limit generally of 20 rupees per month is also laid down. The rate of contribution is  $9 \frac{3}{8}$  per cent of pay in ~~the~~ Lucknow and Kanpur,  $8 \frac{1}{3}$  per cent of pay in Poona, Bombay and Ahmedabad, and  $6 \frac{1}{4}$  per cent of pay in Cuttack, Simla, Patna City, Delhi and New Delhi and a minimum of 1 rupee per month in Madras, Mathurai and Calcutta. The employers' contribution is generally equal to the employee's contribution. The Kanpur Municipality contributes only 50 per cent of the employees' contribution. The workers become eligible to a share in the employers' contribution, if they satisfy certain conditions relating to length of service, satisfactory conduct, etc. Kanpur, Madras, Calcutta, Lucknow and Ahmedabad have systems of paying retirement gratuities generally to those who are not eligible to the membership of the provident fund scheme. While ~~in~~ in Madras gratuity is given for those having more than five years' service, in Ahmedabad and Calcutta workers are not entitled to gratuity unless they serve for 15 years. In Madras ~~that~~ workers get invalid bonus at the time of retirement in proportion to their services in the Corporation.

Supply of protective equipment to conservancy staff.- Five municipalities do not supply any protective equipment to the conservancy staff. In the Bombay municipality the motor loaders and unloaders in the conservancy branch, are provided with footwear ~~in the~~ and bandages every year for protecting them from broken glass pieces, etc. Shirts and trousers

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are supplied to the rat catchers. In Calcutta, oil, soap and napkins are supplied as protective equipment to the gully-pit coolies and gully-pit boys of the conservancy section, and sewer cleaning coolies, and brick layers of the engineering branch of the Corporation. Harijan workers in the Refuse Department in the Municipalities of Bangalore, Cuttack, Ahmedabad, Delhi, Bombay, Kanpur, Poona, Mathurai and New Delhi are provided with boots and gloves as a protective measure. In Madras, soap, oil, coarse cloth and leather sandals are supplied wherever necessary to the conservancy staff. Uniforms are supplied to the conservancy staff in the Municipalities of Ahmedabad, Madras, Ajmer, Kanpur, New Delhi, Poona, Calcutta, Cuttack, Simla, Bangalore and Hyderabad either annually or biennially.

Fines Fund.- All the ~~xxxxx~~ municipalities have a system of levying ~~xxxx~~ fines on the conservancy staff in cases of negligence towards their duties. Proceeds of the fines are generally credited to the revenues of the municipalities. However, the Corporations of Bombay and Calcutta maintain a Fine Fund to which the amounts realised are credited. Expenditure on account of welfare activities (relating to the labour staff) is met from this fund.

(Indian Labour Gazette, December 1950).

Himachal Pradesh: The Punjab Trade Employees' Act, 1940 extended to Himachal Pradesh.

By a notification under section 2 of the Part C States (Laws) Act, 1950, the Central Government has extended the Punjab Trade Employees' Act, 1940 to the State of Himachal Pradesh with certain consequential modifications.

(Section 2 of the Part C States (Laws) Act, 1950, empowers the Central Government to extend to any Part C State, other than Coorg and Andaman and Nicobar Islands, an enactment which is in force in Part A States).

(The Gazette of India, Part II-Section 3 dated 27 January 1951, pages 97-105 ).

The Uttar Pradesh Factories Rules, 1950.

*Noted  
1951*

The draft U.P. Factories Rules (vide page 80 of the report of this Office for May 1949) has been approved and gazetted on 3 February 1951.

(Supplement to Government Gazette of the Uttar Pradesh, Part I-A, dated 3 February 1951, pages 1-127 ).

55. Protection of Minors.

India - February 1951.

U.P.: The Employment of Children Act, 1938,  
extended to certain Processes in Glass Bangles  
and Brassware Industries.

*noted  
M.S.*

By a notification dated 23 January 1951, the Government of the Uttar Pradesh has approved the proposal published in July 1950 to extend the Employment of Children Act, 1938 to certain processes in the Glass Bangles and Brassware industries (vide page 41 of the report of this Office for August 1950).

(Notification No.183(LL)/XVIII-265(LL)-49, dated 23 January 1951, Government Gazette of the Uttar Pradesh, Part I-A, dated 3 February 1951, pages 55-56 ).

57. Family Budgets Including Nutrition.

India - February 1951.

Manual Workers' Ration cut to be restored:  
Government of India's announcement.

Reference was made at paragraph 34, pages 21-22 in the report of this Office for January 1951, to the reduction in the over-all daily food ration from twelve to nine ounces in all the States. Heavy manual labour, however, received four ounces more in addition to the basic nine ounces. The Government of India has now announced that with effect from 19 February 1951 the three ounces ration cut in the basic ration of heavy manual workers are to be restored. Heavy manual workers will now receive a 12 ounce basic ration plus the usual four ounces extra.

The announcement says that the position in regard to the members of the family of the heavy manual workers will be reviewed with a view to restoring the cut early in March 1951.

(The Statesman, 14-2-1951 ).

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CHAPTER 6. GENERAL RIGHTS OF WORKERS.

INDIA - FEBRUARY 1951.

61. Civil and Political Rights of Workers.

✓ Bill to amend the Preventive Detention Act passed  
by Parliament.

The Indian Parliament adopted on 19 February 1951 the Preventive Detention (Amendment) Bill. The amending Bill while extending the life of the parent Act by one year, liberalizes some of its provisions. The important provisions are reference of all cases of detenus to advisory boards, whose ~~former~~ recommendations will be mandatory on the Government, and temporary release of detenus on parole.

The Statement of Objects and Reasons appended to the Bill points out that the Preventive Detention Act, 1950 (IV of 1950) is due to expire on 1 April 1951. Government had after very careful examination, come to the conclusion that it is necessary to extend its life, for the present, for a period of one year. This primary reason for the enactment of this legislation was the necessity to protect the country against violent activities organised in secrecy and intended to produce chaos. These activities, though reduced in tempo, have not ceased, and Government considers it essential that the powers conferred by the Preventive Detention Act should be continued. The Act also enables Government to detain persons for reasons connected with the maintenance of essential supplies and services. With the deterioration in the food situation, the need for maintaining such supplies and services has become more pressing than ever.

Opportunity has been taken to liberalise the provisions regarding reference to Advisory Boards. Sections 9 and 12 of the Act which require such reference to be made only in a limited class of cases and provide for review by a judicial officer in the other cases, are sought to be modified so that a reference to Advisory Boards consisting of three persons will be compulsory in all cases of preventive detention. It is further proposed to make it clear that no person will be kept under detention unless upon such reference the Advisory Board reports within ten weeks of his detention that there is sufficient cause ~~is~~ for detention.

Another important amendment which is proposed in the Bill is an express provision enabling Government to release detained persons on parole. A few other ~~may~~ minor amendments of a procedural or formal character are also proposed.

(The Gazette of India, Part II-Section 2, dated 10 February 1951, pages 1-5 ; Parliamentary Bulletin - Part I, dated 19 February 1951 ).

Bihar: Bill to amend the Maintenance of Public Order (Amendment) Act introduced in Assembly.

A Bill to amend the Bihar Maintenance of Public Order Act, 1949, was introduced in the Bihar Legislative Assembly on 19 January 1951. The Bill seeks to amend the Act in the light of the provisions of the Constitution of India regarding fundamental rights and the judicial interpretation thereof.

Among other things, the Bill provides for communication to a person of the grounds of an order restricting his movements and activities in order to give him an opportunity of making any representation against the order. An Advisory Board consisting of High Court Judges, or persons qualified to be High Court Judges, will examine the grounds of the order and other materials relating thereto and the order shall cease to be in force after a certain period, unless the Advisory Board is of opinion that there is sufficient cause ~~is~~ for the making of the order. The Bill also sets up a machinery for awarding fair compensation for property requisitioned for the maintenance of public order. The existing sections 9 and 13 of the Act empower the State Government in general terms to "prohibit, restrict or impose conditions" on the right to hold, or take part in, any public procession, meeting or assembly and on the right to hold or take part in any exercise, movement, evolution or drill of a military nature. These sections are being amended, so as to specify the restrictions and conditions to be imposed on these rights, in order that the provisions therein may amount to "reasonable restrictions" as contemplated by clause (5) of article 19 of the Constitution. The existing sections 10 and 11 of the Act empower the State Government to impose censorship on the press and to control documents printed outside the State for the purpose of security and public safety or the maintenance of public order in the State. These sections are being amended by the Bill empowering the State Government to do so in the interest of the security of the State, thus bringing the provisions within the exception specified in clause (2) of article 19 of the Constitution.

The Bill also omits certain provisions in the Act relating to preventive detention, which were declared ultra vires by the Patna High Court.

(The Bihar Gazette, Part V, dated 24 February 1951, pages 1-14 ).

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64. Wage Protection and Labour Clauses in  
Employment Contracts with the Public  
Authorities.

India - February 1951.

Madras: Payment of Wages Act, 1936:  
Proposal for Extension.

The Government of Madras has published a draft proposal for the extension of the Payment of Wages Act, 1936, under section 1(5) of the Act to the payment of wages of all classes of persons employed in workshops or other establishment in which articles are produced, adapted or manufactured, with a view to their use, transport or sale, which have been or may be declared to be factories under section 85 of the Factories Act, 1948. (Section 85 of the Factories Act, 1948 empowers the State Governments to extend the provisions of the Act to premises where a manufacturing process is carried on, with the aid of power and employing less than ten or without the aid of power and employing less than twenty persons).

The proposal will be taken into consideration after 25 May 1951. ✓

(The Fort St. George Gazette, Part I,  
dated 6 February, 1951, page 206 ).

66. Strike and Lockout Rights.

India - February 1951.

U.P.: Sugar Industry declared Public Utility Service under the Industrial Disputes Act, 1947.

By a notification dated 1 February 1951, under the U.P. Industrial Disputes Act, 1947, the Government of the Uttar Pradesh has declared the sugar industry and every undertaking connected with the manufacture or distribution of sugar to be a public utility service for a period of six months from 10 February 1951.

(The Uttar Pradesh Gazette, Part I,  
dated 10 February 1951, page 124 ).

67. Conciliation and Arbitration.

India - February 1951.

Mysore: Draft Industrial Disputes Rules, 1950.

By a notification dated 11 January 1951, the Government of Mysore has published the draft of the Industrial Disputes (Mysore) Rules, 1950, on the same lines as the Industrial Disputes (Central) Rules, 1947.

(The Mysore Gazette, Part IV, Section 2-B, dated 18 January, 1951, pages 11-28 ).

CHAPTER 8. MANPOWER PROBLEMS.

INDIA - FEBRUARY 1951.

81. Labour Market Organisation.

Employment Exchanges: Working during December, 1950.

Employment situation.- According to the Report on the work of the Directorate of Employment Exchanges during December 1950, the level of placings during the month remained at much the same high level as November, when, placings figures rose by over 7,000. The number of fresh vacancies notified to exchanges fell a little. Even so, well over 41,000 vacancies were notified to the exchanges during December. For the fourth month in succession the total number of registered unemployed dropped. In December it fell by nearly 3,000. A noticeable reduction in the number of unemployed Central and State Government employees also occurred during the same period. At the end of August as many as 17,600 such persons were awaiting employment assistance. This figure had on the last day of the year been reduced to a little over 13,000.

There was no change during December 1950 in the general shortage position reported in earlier months. Unskilled office and other workers ~~are~~ were surplus to requirements all over the country.

Registration and placings.- The total number of registrations for employment and the total number placed in employment during the month are shown below:-

	December 1950	November 1950
Total number of registrations..	115,330	114,139
Total number of placings.....	53,809	34,554

Of those registered, 11,392 were ex-Service personnel, 15,625 ~~also~~ were displaced persons (including 8,501 from East Pakistan) and 3,331 discharged Government employees. Of those placed 2,978 were displaced persons (including 1,456 from East Pakistan), 1,383 were ex-Service personnel and 1,148 discharged Government employees. 20,957 were placed with private employers and 12,852 in Union and State Government Department.

Registrations recorded on overall increase of 1,191 over the previous month. Appreciable increase was recorded in Hyderabad (2,584), Bombay (2,294) and Bihar (1,665). These rises were offset by falls in the Punjab (1,769), Uttar Pradesh (1,220), Madhya Pradesh (884) and Assam (463). All the regions except Uttar Pradesh, Hyderabad and Madras contributed to the overall decrease in placings of 745. Uttar Pradesh had an increase of 325, the increase in the other two regions being negligible.

Placings by wage groups.- Figures relating to placings during December 1950, analysed according to wage group were as follows:-

<u>Wage group: basic monthly pay</u>	<u>Number of placings.</u>
Above 101 rupees.....	651
61 to 100 rupees .....	4,077
30 to 60 rupees .....	25,422
Below 30 rupees .....	3,659

Vacancies notified and submissions.- The number of vacancies notified by employers during December 1950, fell slightly, being 41,664 as compared with 43,078 during the previous month, i.e., a fall of 1,414. Of vacancies notified 17,057 were by Union and State Government establishments and 24,607 by private employers. The former marked a fall of 2,098 while the latter recorded a rise of 684 as compared with the figures for November 1950. Vacancies notified rose in Bombay (1,545), Madras (182) and Bihar (113). On the other hand, there was fall in West Bengal (1,685), Madhya Pradesh (651), Punjab (423), Assam (242), and Uttar Pradesh (109). The number of persons submitted to employers during December 1950 was 79,399 as compared with 83,443 during the previous month. Information received from employers during the month showed that 3,464 applicants had failed to report for interview without offering satisfactory explanation, 1,267 declined offers of appointment because the pay offered was considered inadequate and 1,714 for various other reasons. The number of employers who used the exchanges during December was 5,739 as against 5,879 during November 1950. Of these 56.5 per cent were private employers.

Employment of retrenched Government employees.- 3,351 discharged Government employees were registered in December against 3,800 registered in November 1950. Of these, 2,334 were discharged from Central Government Establishments and 997 from State Government Establishments. The number of discharged Government employees placed in employment during the month was 1,148. Delhi registered 335 and placed 138 and the sub-regional employment exchange, Poona, registered 100 and placed 259. Employment officers reported that a large number of discharged Government employees

were overaged and that the majority of such registrants were clerks who desired employment in Government Departments only. The paucity of such vacancies made it difficult to place them.

Placing of women applicants.- During the month under ~~xxxx~~ report 2,524 women applicants were placed in employment as against 1,927 in the previous month. The majority of placings were in the lower income groups and in unskilled and labour categories. Most exchanges reported a general shortage of trained stenographers, good typists, lady teachers, telephone operators and nurses and a surplus of clerks, inexperienced typists and stenographers, domestic servants, etc. Lack of previous experience and their immobility were generally reported to be the difficulties which exchanges faced in finding employment for women registrants.

Work of mobile exchanges.- The mobile section continued to render effective assistance to applicants residing far from exchanges. Outstanding work was done by the mobile section attached to the Poona exchange. This unit toured for the major portion of the month in connection with vacancies notified by a sugar factory and registered 2,927 candidates of whom 1,532 were placed in employment. The mobile sections of Gorakhpur, Vijayawada and Dhanbad registered 252, 396 and 404 and placed in employment 694, 396 and 329 employment-seekers respectively. The mobile section attached to Muzaffarpur was extensively used for publicising Class IV vacancies with very successful results. The mobile section, Agra, visited the rural areas in connection with some vacancies of jail wardens and police constables; it also toured in the jurisdiction of the district employment exchange Aligarh, to find labourers required for road construction work. The mobile section attached to the exchange at Lansdowne toured in the Bhabar forest area to find labour required by Bhabar forest contractors, and found employment for 245 persons. The mobile section of Ajmer filled 516 vacancies in the Sambhar Lake area.

Work of the Central Inspectorate.- During the month under review, the Central Inspectorate inspected the work of 9 exchanges which included three employment exchanges in Hyderabad State, the sub-regional exchange, Jhansi, three employment information bureaux, Shahdara, Narela, and Najafgarh attached to the regional employment exchange, Delhi and the Central Employment Co-ordination Office. During the month, the second round of Central inspections of sub-regional and regional employment exchanges was completed and the third round was planned. The activity of the Central Inspectorate is next to be directed to the inspection and training of exchanges in Part 'B' States (which have recently come under the administrative control of the Directorate-General) and to the district employment exchanges, and sub-offices

throughout the rest of the country.

Meeting of the Central Employment Advisory Committee.- A meeting of the Central Employment Advisory Committee was held in New Delhi on 11 December 1950. The Committee recommended that steps should be taken to widen the scope of the National Employment Service to cover plantation labour. Also that recruitment to Public Works Department establishments and other public services which had not so far been brought under the sole aegis of the employment exchanges, and the employment of labour required on public construction works, should be canalised through the exchange machinery. The Committee also considered the proposal to introduce legislation for the compulsory notification of vacancies to the employment exchanges. It was generally felt that the time was not ripe for the introduction of such a measure. Consideration of the proposal, therefore, was postponed sine die.

Number of unemployed at the end of December 1950.- The number of persons still seeking employment assistance on the last day of the month was 330,745 which was 2,885 less than the figures for November 1950. Of these 58,091 were displaced persons (including 36,947 from East Pakistan), 34,240 ex-Service personnel and 13,216 discharged Government employees. Among discharged Government employees 9,193 were Union Government and 4,023 were State Government employees.

Special Investigations: a) Railway vacancies reserved for displaced persons.- Reports received from the Employment Exchanges indicate that by the end of December 1950, 7,807 displaced persons had been appointed against the 10,500 Class IV vacancies reserved for them from among the vacancies that arose as a result of the Adjudication Award relating to railways. Of these, 2,330 were appointed in the month of December alone. The last date for the implementation of the Adjudicator's Award was 30 November 1950, but as the major portion of the vacancies had not been filled by that date, it was extended to 31 January 1951 by the Ministry of Railways at the instance of the Directorate-General of Resettlement and Employment. At the request of the Ministry of Rehabilitation, attempts were made by the employment exchanges to give first priority to displaced persons residing in relief camps who were in receipt of doles from the Government.

b) Recruitment of building trade operations and casual labour through employment exchanges.- In many cities and towns it has been customary for operatives in building trades to assemble at fixed places during the early hours of the morning and secure, on the spot, employment through labour contractors and other employers. Such meeting places are generally well-known to those who need casual workers but the system

is "chancy" for both workers and employers. With the establishment of the National Employment Service the venue and operation of such labour markets should, if possible, be shifted in the course of time to the premises of Employment Exchanges. Before that can happen, however, casual workers and the employers who recruit them, must be persuaded of the value of using the employment service. In pursuance of this idea employment officers were instructed some months ago to open, wherever possible, "early-bird sections" at the usual assembly places of building trade operatives, ~~xx~~ to serve this type of worker and employer. Vacancies notified to the exchange are conveyed to the assembled workmen, who are registered and sent to meet the demands. Employers who have been unable to find the men they require on the spot are supplied with ~~the~~ men from the registers of the parent exchange. All concerned are advised to use the local exchange in future.

A study of all-India placing figures, in respect of building labours, since the issue of instructions at the end of 1949 clearly shows that the results have been encouraging and that this class of workman and employer is being increasingly served:

October	1949	.....	6,037
November	"	.....	7,650
December	"	.....	6,999
January	1950	.....	6,454
February	"	.....	8,078
March	"	.....	10,101
April	"	.....	10,471
May	"	.....	11,681
June	"	.....	11,750
July	"	.....	11,499
August	"	.....	12,671

c) Recruitment of workmen for Malampuzha project.-

The Employment Officer, Kozhikode, on learning that a large number of skilled and unskilled persons were required for work on the Malampuzha project, arranged a meeting between the Regional Director and the Executive Engineer to discuss ways and means of supplying manpower through the employment service. As a preliminary step, it was decided to open experimentally a small branch Exchange at the work-site. Simultaneously with the opening of the branch Exchange, steps were taken to locate suitable workmen. This was not easy as the soil to be worked was hard and the remuneration was considered by many workers to be inadequate. All the neighbouring villages were visited, leaders of labour and labour organisations, contractors, local headmen, and other local authorities were contacted. The vacancies were given publicity by all available means. Employment officers maintained throughout very close liaison with the engineers in charge of the various Departments and held periodical meetings with them to discuss mutual difficulties. They also took personal

interest in the welfare of the workmen. Difficulties regarding rations, medical treatment, etc., were attended to and all possible steps taken to remove these difficulties. Labourers coming after office hours were, whenever possible, accommodated in the Branch Employment Office for the night. As a result most of the workers remained at their jobs and thereby helped to remove the criticism, sometimes heard, that applicants submitted by exchanges, who are under no obligation to contractors, are inclined to leave ~~the~~ jobs without justification. As a result of these efforts the exchange was able to meet the ~~required~~ requirements of the engineers and find work for a large number of persons on the project. From 1 March 1950, when the branch office was opened, till the end of October 3,690 persons were found employment. The monthly placing, which was 228 in March 1950 rose to 865 in October.

(Report on the Work of the Directorate of Employment Exchanges during the Month of December 1950, issued by the Government of India ).

Employment Exchanges: Working during January 1951.

Employment situation.- According to the report of the Directorate of Employment Exchanges, during the month of January 1951, the level of placing by employment exchanges rose to another all-time record. Delayed reports, pertaining to submissions made earlier, contributed to this. It was disappointing, however, that for second consecutive month the number of vacancies ~~notified~~ notified by employers fell. Fresh demands for manpower in connection with cold weather projects had apparently tapered off. Even so, the level of employment opportunities was 30 per cent better than it was a year ago.

The number of unemployed discharged Union Government employees fell again for the fifth successive month. It was less than 9,000. This figure was negligible by comparison with the total staff strength of Union Government establishments which, not counting the Railway and Defence Services, was over 575,000, with a fresh average monthly intake of about 7,000. Anxiety over the future of retrenched Government employees appears, the report says therefore to be unnecessary. It is doubtful if any country in the world has so low a percentage of its temporary Government servants unemployed. There is no reason to believe in the existence of disguised unemployment among this class because it is widely known that Union (and some State) Government

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vacancies are compulsorily notified to Exchanges. Ex-employees of Government take advantage of this and keep their registrations "alive".

Disguised unemployment does, however, undoubtedly exist in the sphere of private employment. During January the "Live Register" of exchanges increased by over 14,000 in immediate response to certain bulk vacancies notified in various places. The full measure of such unemployment and under-employment cannot be known until the employment service is considerably expanded and more fully used by employers and employment-seekers.

Shortages of technicians sk and skilled workers continued to be reported by all the exchanges. Draughtsmen, overseers, stenographers, typists, trained teachers, compounders and nurses were widely in demand. Moulders, turners, fitters, automobile mechanics, electricians and experienced accountants were also reported to be in short supply in many regions. A surplus of clerical workers, unskilled-labourers and office workers, semi-skilled and inexperienced technicians, motor drivers and persons fresh from schools and colleges continued to exist in almost all exchange areas.

Registrations and placings.- The total number of registrations for employment and the total number placed in employment during the month are shown below:-

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	January 1951	December 1950
Total Number of registrations.	120,059	115,330
Total number of placings .....	34,651	33,809

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Of these placed 3,954 were displaced persons (including 2,381 from East Pakistan), 1,462 were ex-Service personnel and 1,275 discharged Government employees. 21,860 were placed with private employers and 12,771 in Union and State Government Departments. Placings during the month were again the highest on record and registered an increase of 822 over the previous month. All the Regions except Uttar Pradesh and Madras, showed a rise in placings during the month. The overall decrease in Uttar Pradesh Region amounted to 1,750, while in Madras ~~Regional~~ Region it was 82. Of those registered 10,045 were ex-Service personnel, 16,139 were displaced persons (including ~~10,045~~ 8,595 from East Pakistan) and 4,300 discharged Government employees. All the regions except Bombay, Hyderabad and Uttar Pradesh showed an increase in registrations during the month. The increase was notable in Punjab (3,015), Madhya Pradesh (2,461), Madras (1,401), West Bengal (1,088), and Assam (670).

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Placings by wage groups.- Figures relating to placings during January 1951, analysed according to wage group were as follows:-

<u>Wage group: basic monthly pay</u>	<u>Number of placings.</u>
Above 101 rupees .....	802
61 to 100 rupees .....	3,072
30 to 60 rupees .....	26,892
Below 30 rupees .....	3,865

Vacancies notified and submissions.- The number of vacancies notified by employers during January 1951 fell off a little, being 39,282 as compared with 41,664 during the previous month, i.e., a fall of 2,382. Of the vacancies notified, 14,887 were by the Union and State Government establishments and 24,935 by private employers; a fall of 2,170 and 212 respectively as compared with the figures for December. The fall in notified vacancies was marked in Bombay (1,966) and Uttar Pradesh (1,781). On the other hand, there was an increase in Delhi, Ajmer and Rajasthan (497), Madhya Pradesh (419), Madras (308) and ~~West Bengal~~ West Bengal (637). The number of persons submitted to employers during January 1951 was 80,343 as compared with 79,399 during the previous month. Information received from employers during the month showed that 3,120 applicants had failed to report for interview without offering any satisfactory explanation, 1,230 had declined offers of employment because pay offered was considered inadequate and 1,668 had declined for various other reasons. The number of employers who used the Exchanges during January 1951 was 6,048 as against 5,739 during December 1950. Of these 55.9 per cent were private employers.

Employment of retrenched Government employees.- The employment exchanges registered 4,300 Discharged Government Employees during January 1951, of these 2,797 were ex-Union Government employees and 1,503 ex-State Government employees. The figures of registration of ex-Union and State Government employees relating to the previous month were 3,331 and 1,148 respectively. 922 discharged Union Government employees and 351 discharged State Government employees were re-employed through the employment exchanges during the month.

Placing of women.- During January 1951, 4,577 women were registered and 2,872 placed in employment against the figures of 5,275 and 2,524 relating to December 1950. The general shortage of trained lady teachers, nurses, stenographers and experienced typists continued, while inexperienced clerks, freshers, junior typists, inexperienced stenographers were reported to be in excess of demands.

Work

Employment of highly qualified persons.- During the month under review two persons were placed by the regional employment exchange, Calcutta, in posts carrying salaries of 300 rupees per month and above. The sub-regional employment exchange, Howrah placed a woman applicant as a doctor in a hospital on a salary of 300 rupees per month. Ahmedabad placed a candidate as an ~~enry~~ engineer on a salary of 550 rupees per month, within one month of his registration. The employment exchanges, Poona and Bombay, each placed two candidates in posts carrying a pay of 300 rupees per month and above.

Work of mobile exchanges.- The mobile ~~exchange~~ sections continued to perform useful work in areas distant from employment exchanges. The mobile section attached to the Surat exchange registered 894 persons and placed 787 in employment. The mobile section attached to the Bombay(Parel)exchange toured in the Kolaba district and was also used to locate workmen required for building works. Altogether it registered 378 persons and placed 314 in employment. The mobile section of Almora operated in the hilly and Bhabar Forest areas of the sub-region and registered 638 and placed in employment 591 persons.

Work of the Central Inspectorate.- The Central Inspectorate continued its inspection and training of the smaller exchanges. Particular attention was given, during the month of ~~January~~, to 11 district employment exchanges set up about a year ago in the Bihar region. The staff of these exchanges were given refresher courses in exchange procedure, and the development of exchange work. Special attention was paid to the supply of unskilled labour for legal projects through an "Early Bird Service".

Number of unemployed at the end of January 1951.- The number of persons known to be still seeking employment assistance through the employment service on the last day of the month was 345,159. This was 14,416 more than the figures for December 1950. Of these 60,733 were displaced persons (including 38,938 from East Pakistan), 36,101 ex-Service personnel and 13,265 discharged Union and State Government employees. Among discharged Government employees, 8,986 were Union and 4,279 were State Government employees.

Special investigations: decasualisation of Textile workers at Beawar.- In consonance with the policy of gradual and progressive introduction of schemes for the decasualisation of labour, all over India, the regional director, Delhi, proposed such a scheme at Beawar in the latter part of 1950. The existence of three textile mills and 16 ginning and pressing plants at that place employing about 1,000 workers, suggested a good field for the first experiment. The objective was to mitigate the hardship to

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workers inherent in intermittent or casual employment and to provide a regular supply of efficient and experienced workers to participating industries by pooling both workers and employment opportunities. Such an arrangement saves the employers time in weeding out inexperienced and unsuitable persons and partially frees workers from exploitation by mistries and jobbers. It also enables surplus labour from one mill to be employed wherever vacancies arise in other participating establishments and contributes towards increased production by providing quickly, trained and experienced workers. It also minimises the employment of inexperienced hands either on a regular basis or against casual vacancies when experienced hands are still unemployed. These advantages were explained by the regional director, Delhi at a tripartite meeting of the representatives of millowners and workers held at Beawar. After carefully considering the matter, it was decided to launch this experiment at Beawar with effect from 1 November 1950. For this purpose, a sub-office of the employment exchange, Ajmer, was set up in the heart of the Beawar mill area and the workmen, hitherto borne on the 'badli' Registers of the mills were registered. By the end of January 1951, the exchange had filled about 3,060 vacancies by a succession of placings from the register. Reports received indicate a growing satisfaction of workers and employers with the scheme. The live register of the 'badli' labour is divided into three groups: workers previously borne on the 'badli' registers of the mill, retrenched regular textile workers, plus probationers not included in the 'badli' Registers, and others desirous of entering the industry. Registrants are submitted against notified vacancies in this order of priority. Although this scheme is purely voluntary, the mills at Beawar have undertaken to recruit all their labour through this scheme.

(Report on the Work of the Directorate of Employment Exchanges during the Month of January 1951, issued by the Government of India ).

83. Vocational Training.

India - February 1951.

Labour Ministry's Training Schemes: Progress during December 1950.

Training of Adult-civilians.- According to the review ~~of Review~~ of work done by the Directorate-General of Resettlement and Employment during the month of December 1950, the number of trainees on the rolls of the various training institutes was 8,849 on the 31 December 1950, against the sanctioned capacity of 10,000 seats. Of those on the rolls 6,648 persons were receiving training in technical trades and the rest in vocational trades.

Training of displaced persons.- Under the old training scheme for displaced persons, 26 persons were receiving training in Uttar Pradesh. In addition, 1,943 displaced persons were undergoing training at the end of the month at the training institutes in the various States under the new training scheme for them. One hundred and twenty two additional seats were sanctioned for Displaced persons in West Bengal Region raising the total number of seats sanctioned under the Scheme for Training of Displaced persons from 2,000 to 2,122. Fourteen displaced persons passed the prescribed trade tests, bringing the total number of displaced persons who had successfully completed training at the Labour Ministry's Training Institutes to 9,310.

Training of women.- A total number of 316 women were undergoing training at the end of the month at the three Women's Industrial Training Institutes at New Delhi, Dehra Dun and Madras. In addition, there were 16 women undergoing training at the Industrial Training Institute, Virajpeth (Coorg), and 6 women at Industrial Training Centre, Lucknow/with the men trainees.

Training of instructors and supervisors.- The total number of supervisors and instructors undergoing training in the special and the sixth regular sessions on 31 December 1950 ~~XXXX~~ was 50 and 104 respectively. Out of the persons undergoing training in the sixth regular session, 47 are the nominees of State Governments.

In addition to the categories of trainees mentioned above, 205 primary school teachers were receiving training in woodwork at the industrial training institute, Aundh, under a special arrangement with the Government of Bombay.

(Review of Work done by the Directorate-General of Resettlement and Employment during the Month of December 1950, issued by the Ministry of Labour, Government of India ).

85. Migration and Colonisation.

India - February 1951.

All-Burma Indian Congress urges Immigration  
treaty between India and Burma.

At a meeting of the All-Burma Indian Congress held in Rangoon on 4 February 1951 a resolution urging a permanent immigration treaty between India and Burma was adopted.

The resolution said that in view of the proximity and contiguity of parts of the two countries and the large volume of traffic between them it was desirable that the present temporary arrangements should be replaced by a more permanent procedure based on a treaty of immigration. It also pleaded for extension in the period of registration of foreigners by one year instead of the present period of 60 days which, it said, was seriously inconveniencing Indians.

The Congress set up a five-man committee to devise means to popularize Hindi among Indians.

(The Statesman, 6-2-1951 ).

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Canada to admit 150 Indian Immigrants Annually:  
Agreement signed.

On 26 January 1951 an agreement was signed between India and Canada providing for the admission to Canada for permanent residence of 150 citizens of India every year, commencing from 1 January 1951.

The agreement inter alia, contains the following provisions:-

(i) In the twelve-month period commencing the first day of January 1951, and in each succeeding twelve-month period thereafter, the admission to Canada for permanent resident of 150 citizens of India, including both sexes and all ages, shall be authorized, provided the immigrant complies with the provisions of the Canadian Immigration Act.

(ii) In addition to citizens of India whose entry to Canada for permanent residence is authorized in accordance with paragraph (i) above, a citizen of India who can otherwise comply with the provisions of the Immigration Act may be admitted to Canada for permanent residence if he or she is husband, wife or unmarried child under 21 years of age of any Canadian citizen legally admitted and resident in ~~Canada~~ Canada, and if settlement arrangements are shown to the Canadian authorities to be satisfactory.

~~(iii)~~  
The agreement between the two Governments may be terminated by either Government on giving six months' notice.

(Indian News Chronicle, 28-1-1951).

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86. Demographic Problems.

India - February 1951.

Population Census in India: National Register  
to be compiled.

From 9 February 1951 enumeration work for the population census of India commenced all over the country. Spread over 20 days, the census will have its reference point at sun-rise on 1 March 1951.

Each individual will be asked ~~ka~~ 14 questions in the main. They relate to the name, sex, relationship to the head of the household, literacy and educational standard, nationality, religion, age, marital status, birthplace and mother-tongue of the individual. Enumerators will also record details about the economic status and the principal and subsidiary means of livelihood. Everyone will have to state whether he is self-supporting or dependent. What are his principal and subsidiary means of livelihood and give full details about his occupation or source of income. If one is a self-supporting person, he will have to classify himself as employer, employee or an independent worker. In case he is a dependent, he should state whether he is an earning dependent or non-earning dependent. Displaced persons will be asked to give the date of their arrival in India and the district in Pakistan from which they were displaced.

The economics section which has been introduced in the questionnaire is a new feature of the Indian census which will reflect a true picture of the economic condition of the people. It is also expected to help the Government to plan for the nation as a whole.

The facts ~~thus~~ gleaned from individuals will be recorded simultaneously in what is called the National Register of citizens. Along with it, a new economic classification scheme is included in the tabulation of the census data. It is based on the ~~previous~~ census ~~and~~ classification and the U.N. classification of occupation. It is designed to provide a true and accurate picture of the shape and the structure of India's national economy.

The census is expected to bring out detailed information relating to small territorial units and the Government propose to publish for each district, a district census hand-book based on such information.

Apart from these general questions, each State has been allowed to add one more of its own in its region. Twelve States want to collect data about unemployment. These States include Uttar Pradesh, Bombay, the Punjab, Saurashtra, Patiala and East Punjab States Union, Mysore, Hyderabad, Delhi, Bilaspur, Himachal Pradesh, Kutch and Vindya Pradesh.

Madhya Bharat and Bhopal desire to collect data about previous occupations of the individuals while Orissa, West Bengal and Assam, including Tripura and Manipur, are interested in eliciting information regarding area of lands owned and cultivated by individuals households, area of land in which rent is paid and the area of land owned and rented by indigenous people.

Four States namely, Madras, Coorg, Rajasthan and Ajmer will collect data about the incidence of certain diseases in the region. Bihar, Madhya Pradesh and Travancore-Cochin desire to know data about fertility.

Simultaneously with the population census, a census of small-scale industries will also be taken. This is expected to fill a gap in the statistical data in the country.

The main tables will be published before the end of the year. These will be of three kinds - general population table, economic tables and social and cultural tables. The economic tables will be compiled on the basis of a new economic classification. It will be divided into agricultural and non-agricultural classes and sub-classes and will show how many people are economically active, semi-active and how many are passive and to what groups of occupation they belong.

(The Hindu, 9-2-1951 ).

Chapter 9. Income Security.

92. Legislation.

India - February 1951.

Punjab: Bill to amend Maternity Benefit Act, 1943,  
published.

*Amended*  
The Government of the Punjab published on 17 February 1951 the Punjab Maternity Benefit (Amendment) Bill, inter alia, bringing the definition of the term "factory" in the Act, in line with the definition under the Factories Act, 1948.

The Statement of Objects and Reasons appended to the Bill points out that the Punjab Maternity Benefit Act, 1943, was drafted before partition of India and Pakistan. The Factories Act, 1934, was then in force and labour work was entrusted to the Director of Industries. Since then, the operation of the enactment has to be confined to the Punjab (India) the term 'factory' has to be brought in line with the definition under the Factories Act, 1948, which is more extensive. Government has also set up lately a separate Labour Department, and it is appropriate that any appeals against the decision of Inspectors under the Act, should be decided by the Labour Commissioner. The Bill seeks to introduce amendments on these lines.

(Punjab Government Gazette, Extraordinary,  
dated 17 February 1951, pages 65-68 ).

Orissa: Employees' Insurance Courts Rules, 1951.

*MA*  
The draft Orissa Employees' Insurance Courts Rules, 1950 (vide page 65 of the report of this Office for August 1950) has now been approved and gazetted on 9 February 1951.

(Notification No. 337/Lab. dated 3 February, 1951; The Orissa Gazette, Part III, dated 9 February 1951, pages 277-296 ).

Orissa: Draft Employees' State Insurance  
(Medical Benefit) Rules, 1951.

Noted  
JK

In exercise of the powers conferred under section 96 of the Employees' State Insurance Act, 1948, the Government of Orissa has published the draft of the Orissa Employees' State Insurance (Medical Benefit) Rules, 1951, inter alia, laying down the procedure relating to the provision of medical benefit, allotment of insured persons, scales of medical benefit etc., The draft will be taken into consideration after 28 February 1951.

(The Orissa Gazette, Part III, dated 19 January 1951, pages 165-168 ).

LIST OF THE PRINCIPAL LAWS PROMULGATED DURING  
FEBRUARY 1951.

INDIA - FEBRUARY 1951.

Chapter 4. Problems Peculiar to certain Branches  
of the National Economy

- (a) The U.P. Zamindari Abolition and Land Reforms Act, 1950 (No. I of 1951); Government Gazette of the Uttar Pradesh, Extraordinary, dated 26 January 1951, pp. 1-80.
  - (b) The Madhya Pradesh Abolition of Proprietary Rights (Estates, Mahals, Alienated Lands) Act, 1950, (No. I of 1950); The Madhya Pradesh Gazette, Extraordinary, dated 26 January 1951, pp. 15-65.
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LIST OF THE MORE IMPORTANT PUBLICATIONS RECEIVED  
IN THE NEW DELHI OFFICE DURING FEBRUARY, 1951.

INDIA - FEBRUARY 1951.

International and National Organisations

- (a) Government of Madras, Development Department - India Trade Union Act, 1926 - Report on its Working 1949-1950, pp.45.
- (b) Report of the Bengal Chamber of Commerce Committee for the year 1949, Vol.I, Calcutta, 1950, pp.344.

Economic Questions

- (a) Speech of Hon'ble Sri V.L. Mehta, Finance Minister introducing the Budget Estimates for 1951-52 of Government of Bombay in Legislative Assembly on 22 February 1951, pp.16.
- (b) Government of India Budget (Part A) 1951-52, Finance Minister's speech, pp.26.
- (c) Government of India Budget (Part B) 1951-52, Finance Minister's speech, pp.10.
- (d) Explanatory Memorandum on the Budget of Central Government for 1951-52 (as laid before the Parliament). Printed by Manager, Government of India Press, pp.113.

Problems Peculiar to Certain Branches of National  
Economy

✓ Seamen in India by R.N. Saksona, Ph.D., D.L.H.,  
Principal, D.A.V. College, Dehradun 1951, pp.109  
(sent to Geneva under this Office Minute No.  
D.6/394/51 dated 22 February 1951 ).

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