

INTERNATIONAL LABOUR OFFICE

INDIAN BRANCH

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Industrial and Labour Developments in March, 1948.

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

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11. Political Situation and Administrative Action.

Pakistan Delegation to International Labour  
Conference: Labour Minister's Statement in  
Pakistan Legislature.

References were made to Pakistan's membership in the International Labour Organisation and the mode of selection of Pakistan's delegates to the forthcoming session of the International Labour Conference in the Pakistan Constituent Assembly (Legislature) on 10 March 1948.

Answering a question by Mr. Nur Ahmed, Mr. J.N. Mandal, Minister for Law and Labour in the Pakistan Government, stated that the Government of Pakistan had not yet drawn up a formal scheme, but all possible measures were being taken for the improvement of labour conditions. He quoted as ~~examples instances~~ Pakistan's enlistment as a member of the International Labour Organisation; the enforcement in Pakistan with effect from 10 February 1948 of the Dock Labourers' Act and the proposal to increase the number of employment exchanges.

Answering another question relating to the enfranchisement of labour, Mr. Mandal said that in framing the new constitution of Pakistan it was for the Assembly to consider the question of enfranchising labour. Referring to the nomination of the Pakistan delegation to the forthcoming session of the International Labour Conference, Mr. Mandal stated that in making the selection, the Government of Pakistan would be guided by the relevant provisions in the constitution of the I.L.O. The constitution provided that non-Government delegates and advisers should be chosen in agreement with the industrial organisations which were most representative of employers or work people. The Government of Pakistan had already invited recommendations from those organisations and were taking action to determine the relative representative character of the organisations concerned.

(~~The~~ 'Dawn', dated 11-3-1948 ).

Third Meeting of Bombay Labour Advisory Board:  
Bombay, 3 to 16 March, 1948.

Steps necessary for implementing the industrial truce in the provincial sphere and for improving the ~~mechanism~~ existing machinery for the reference of industrial disputes to adjudication, arbitration and conciliation were among the subjects discussed at ~~the~~ a series of meetings of the Bombay Provincial Labour Advisory Board which commenced in Bombay on 3 March 1948 under the presidency of Mr. Gulzarilal Nanda, Minister for Labour in the Government of Bombay. Besides ~~and~~ representatives of Government and of Employers the meetings were attended by representatives of the All-India Trade Union Congress, the Indian National Trade Union Congress, and the Indian Federation of Labour.

Mr. Nanda's address: Working of Conciliation and adjudication machinery.-- Addressing the opening meeting of the Board on 3 March 1948, Mr. Nanda said that the meeting of the Board was being held primarily for the purpose of taking counsel together to secure the earliest and the fullest implementation of the resolution on industrial truce accepted at the Industries Conference held at Delhi in December 1947. The establishment of a well-founded industrial equilibrium between the employer and the employee was necessary in order to consolidate and protect India's newly won freedom. These things could only be achieved if joint committees were established at ascending levels to successfully smooth out internal differences and help to bring about a progressive increase in the quality and quantity of both goods and services. Giving an account of the agreement on which the truce was based, Mr. Nanda referred to the steps that had been taken by the Government of Bombay in fulfilment of its obligations in furtherance of the truce. Disputes between employers and employees were being dealt with at present under the Industrial Disputes ~~Act~~ Act of the Central Government and the Bombay Industrial Relations Act. The Conciliators appointed by the Government intervened in disputes in which settlement was not reached by mutual negotiations. For arbitration and the judicial settlement of disputes there were the Industrial Courts and the Labour Courts under the Bombay Industrial Relations Act and several adjudicators under the Industrial Disputes Act. The strength of the existing personnel was as follows: Labour Officers, 8; Conciliators 3; full-time Judges of the Industrial Court, 3; and the Labour Court Judges, ~~are~~ 4. The members of the Industrial Court and the Labour Courts had been invested with powers of a tribunal for purpose of adjudication under the Industrial Disputes Act. 3 District Judges were also functioning as adjudicators. 3 more Labour Officers, 2 more Judges of Labour Courts and 2 full-time adjudicators were shortly ~~to~~ to be appointed. The character and quality of the whole apparatus for the settlement of disputes were also a matter for consideration. Owing to ~~existing~~ excessive dependence on external authority for resolving industrial differences, there had developed a kind of litigious spirit which necessarily created an atmosphere wholly unsuitable for peaceful co-operation.

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Establishment of Works Committees.- In this connection Mr. Nanda regretted that on the voluntary basis provided in the Bombay Industrial Relations Act, the establishment of Works Committees had made no headway. Steps would shortly be taken for the amendment of the Act to enable Government to make the formation of Works Committees obligatory on the part of employers. The Act would also be amended to include provision ~~of~~ for the constitution of Wage Boards for different industries and a Provincial Labour Board to deal with questions of common interest to various industries. The Government was also preparing a labour welfare code for the province.

Recommendations.- The Board concluded its series of meetings on 16 March 1948 after adopting a number of resolutions relating inter alia to the implementation of the terms of the industrial truce, the reconstitution of the Board, the need for setting up Works Committees and Production Committees, the question of standardising conditions and amenities in industrial establishments, the need for stamping out acts of violence, decasualisation of textile workers, extension of the scope ~~of~~ of the Bombay Industrial Relations Act and speeding up of conciliation proceedings.

Steps to implement industrial truce.- The resolution on the implementation of the terms of the industrial truce requested the Government of Bombay to undertake appropriate and suitable action in the provincial sphere to implement the terms of the resolution and to achieve industrial peace; in particular, the Board welcomed the proposed legislation about the Wage Board machinery as desirable action in the provincial sphere and trusted that this new machinery would help to reduce the burden of work before the Industrial Court. By the same resolution the Board further requested the Government of Bombay to bring to the notice of the Government of India the imperative need of creating without delay the necessary machinery to implement the terms of the resolution on an all-India level and to lay down general principles concerning the determination of fair wages, fair remuneration on capital, conditions of labour and such other factors requiring all-India uniformity in decisions and action; and to set up appropriate machinery for (i) investigating violations of industrial peace on the part of all parties concerned and advising Government on measures necessary to prevent and check such violations; (ii) studying the causation of strikes and lock-outs and for taking timely steps for the avoidance and prevention of such occurrences; and (iii) dealing with ~~unfair~~ unfair labour practices whether on the part of employers or workers.

Decasualisation of textile labour.- The resolution on this subject urged Government to appoint an administrative committee with the Commissioner of Labour as Chairman and two or three representatives each of labour and employers as members, to work out preliminary arrangements and introduce "decasualisation" in practice on a voluntary basis in the textile industry. In making this recommendation, the Board considered the scheme for "decasualisation" of ~~the~~ textile labour in Bombay as reported on by its committee on employment and production. The main objects of the scheme

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are to secure rationalisation in recruitment, increased efficiency and production, curtailment in the waiting period of unemployed workers, and the elimination of bribery, corruption and favouritism by the setting up of employment exchanges. These exchanges would maintain ~~registers~~ registers of all seeking employment in textile mills and of badlis.

Speeding of conciliation and arbitration proceedings.- The Board also discussed the report of the Labour Administration Committee on the extension of the Bombay Industrial Relations Act to the textile processing industry, transport, engineering, oil and chemical and other industries. On the question of speeding up conciliation, arbitration and adjudication, the Board recommended the division of disputes for purposes of partial settlement in conciliation proceedings, provided both parties to the dispute agreed to such a division. Approval was also given to the suggested time limit for completing various stages in conciliation under the Bombay Industrial Relations Act. The Board further considered suggestions made for improving existing laws and machinery in respect of conciliation, arbitration and adjudication. It recommended that in suitable cases, conciliation proceedings should be eliminated or its period reduced where arbitration could be restored to. ~~Government would~~ Government would introduce legislation for this purpose, enabling a representative union which believed in arbitration as a necessary step before a strike to refer any dispute to the Industrial Court or Labour Court without first going ~~through~~ through conciliation proceedings. As regards summary procedure for industrial tribunals, especially Labour Courts, and restrictions on the appearance of lawyers, the Government promised to examine more carefully the suggestions that were advanced before effecting changes in the existing laws.

(The housing of industrial labour in Bombay province was among the other subjects considered by the Board. The proceedings of the Board on this subject are summarised at pages of this report in paragraph 92.).

(People's Raj, dated 15-3-1948;  
The Times of India, 3,4,17 and 18-3-1948).

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Government of India's Labour Policy:  
Emphasis on Tripartite Collaboration  
on I.L.O. Model: Labour Minister's  
Press Conference.

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The Government of India's labour policy and programme of labour legislation were outlined by Mr. Jagjivan Ram, Minister for Labour, at a press conference in New Delhi on 18 March 1948. Elucidating the main features of the Government's labour policy, the Minister claimed that the Preparatory Asian Regional Conference of the I.L.O. had shown clearly that in the field of labour reform India was certainly taking the lead in Asia and emphasised that in carrying through its programme of reforms the Government of India ~~firm~~ *firm*ed its faith on the tripartite machinery with which the I.L.O. had made the world familiar.

Tripartite machinery to ensure industrial truce.— Pointing out that the aftermath of the war had brought a spate of industrial disputes in all industrialised countries, Mr. Jagjivan Ram stated that India was no exception. In 1945 the total number of working days lost on account of industrial disputes was roughly 4,050,000; ~~and~~ in 1947 up to November as many as 15,300,000 working days had been lost on account of industrial disputes, and India was today faced with all-round shortages of essential commodities—food, clothing, etc. In these circumstances more production was the primary need and industrial disputes would only accentuate the evil. Some means had, therefore, to be found to overcome the desperate situation created by the prevailing industrial discontent. The industrial truce resolution adopted by the Industries Conference, December 1947 had been accepted by the representatives of both employers and workers and the Government now proposed to set up tripartite machinery at various levels—central, Regional and Unit Committees—charged with the duty of giving effect to the various clauses of the truce resolution. The International Labour Organisation had already made people familiar with the setting up and use of tripartite machinery and experience had also shown that tripartite machinery of the kind contemplated was the best machinery for promoting harmony and all-round reasonableness.

Programme of Labour reforms.— The Ministry of Labour did not, however, propose to rest content with the purely negative policy of resolving industrial conflict. It also proposed to embark on a positive programme of labour legislation which, the Labour Minister claimed, represented a great advance on what had been attempted not only in India but in Asia. In fact, in many respects, the programme of labour legislation would bring India within measurable distance of the achievements of Western countries which were industrialised very much earlier. The following are the main features of this programme as outlined by the Labour Minister.

Employment service.- Recruitment of labour through middlemen and haphazard methods of employment resulting in an almost total absence of records relating to the workmen were the two curses of the organisation of the supply of labour in India. To overcome these evils Government had set up an Employment Service, consisting of a net-work of employment exchanges, where records of recruits were maintained. The success of the Employment Service depended entirely on its efficiency and the support which it received from the employers. In building up this Service, every effort had been made to adopt the up-to-date technique of the most advanced industrial countries, the United States and the United Kingdom. The duty of the Employment Service was to get the right man for the job. In order to achieve this objective, the Employment Service had to undertake (a) standardisation of occupational terms, (b) technical and vocational training of workers, (c) registration and maintenance of card indices. All this was technical work requiring skill and experience and the Government had enlisted for this work the assistance of outside experts and was now engaged in training its own men.

Agricultural labour: I.L.O. assistance requested.- A very legitimate criticism of the labour policy of the Government of India has been that it confined its attention entirely to the industrial worker, ignoring the rapidly growing landless rural population, which worked for others as agricultural labourers and also as cottage workers. These categories clearly came within the scope of labour legislation, and this had been accepted by the I.L.O. The first pre-requisite of any attempt to improve the conditions of agricultural labour, however, was to collect the necessary information and a questionnaire was being prepared which the Government hoped to finalise shortly. The Government had also brought pressure on the I.L.O. to undertake a special study of the conditions of agricultural labour. It was understood that specially qualified research officers of the I.L.O. would be sent out to the India for this purpose. The Minimum Wage Act which had recently been placed on the statute book (vide pages 24-26 of the report of this Office for February 1948) provided for the regulation of wages in ~~agriculture~~ agriculture.

Plantation labour.- Connected with agricultural labour was plantation labour. Here, too, the conditions had been unsatisfactory since a long time. ~~The Government was again scheduled to meet on 31 March 1948 and~~ The Government had set up an Industrial Committee on Plantations and as a result of the first meeting, there was an immediate increase in wages in Bengal and Assam. The Committee was again scheduled to meet on 31 March 1948 and at this meeting it was proposed to work out the details of the proposed legislation for plantations.

Statutory regulation of wages: value of tripartite collaboration.- In the sphere of wages, the Government of India had given up the old doctrine of laissez faire and enacted the Minimum Wages Act which marked its first approach to the problem of wage regulation. This was not, however, its only approach and the Government was of the opinion that in labour matters cooperation was better than compulsion.



Before compelling employers to pay a minimum wage, it was felt that some attempt should be made to induce them to agree to a wage which would be accepted as reasonable by both parties and the Government. Here, too, the tripartite machinery had been most valuable and the Government hoped that the setting up of Industrial Committees on a tripartite basis would promote greater justice in the matter of wages than even the Minimum Wages Act.

Social security: Reference to I.L.O. Preparatory Asian Regional Conference.- In the field of social security the Government's most important move was the Employee's State Insurance Bill—a limited measure applying only to factory workers. But unfavourable inferences regarding this measure should not be drawn from its limited scope. Health Insurance required machinery and in the present state of health services in India, that machinery was entirely lacking. The Bill was in effect, a pilot measure intended to test what could be done, and in justification of the Government's cautious policy the Labour Minister pointed out that at the recent Asian Conference the experts of the I.L.O. had given a clear warning that in Asia the immediate realisation of social security was quite impracticable and that the only hope was to proceed towards this goal in gradual stages. Referring in this connection to unemployment insurance or unemployment assistance the Minister pointed out that in a country with a population of over 300 millions, where the bulk of the population was in rural areas and mostly under-employed, unemployment insurance or assistance would be a gigantic task. Besides, unemployment insurance was quite impracticable without a fully organised and efficient system of employment exchanges. Under the existing conditions of recruitment, unemployment insurance was ~~unrealisable~~ unrealisable. For this reason, it was important that the steps which were being taken in regard to recruitment should be accelerated.

Miscellaneous labour welfare measures.- Other steps contemplated by the Government were the revision of the Factories ~~Act~~ Act and the revision of the Mines Act, both of which would make these measures, in keeping with similar measures in more highly developed industrial countries. Canteens, holidays with pay, pithead baths in mines etc., had been provided. Welfare schemes had been promoted in special industries, ~~such as~~ coal and mica. For colliery workers, a modern housing scheme had already been put into operation.

Emphasis on tripartite collaboration: Tribute to I.L.O.- The rate of progress had not pleased everybody and the Labour Ministry realised that there was no room for complacency. But if there was one fact that was prominently brought out by the Preparatory Asian Conference of the I.L.O. recently held in India, it was, Mr. Jagjivan Ram claimed, that in labour matters India was certainly taking the lead in Asia. The prevailing industrial unrest in India, reflected to a large extent the prevailing conflict in ideologies. Without being wedded to any particular ideology the Government was prepared to secure the betterment of the worker by every possible means, but it must be without creating chaos and confusion in the country. The Government, therefore, was

pinning its faith on the tripartite machinery in India and the tripartite machinery of the I.L.O. to achieve its objectives. India's record in the matter of labour reforms was not bad even when judged by international standards and India could claim to be the first country in Asia to make use of the tripartite machinery for the betterment of labour conditions.

(The Statesman, 19-3-1948 ).  
Press Note dated 18-3-1948, issued by  
Press Information Bureau, Government  
of India).

Government of India's Labour Policy criticised  
in Constituent ~~or Assembly~~ Assembly of  
India (Legislative).

\* Cut motions were moved, criticising the labour policy of the Government, in the Constituent Assembly of India (Legislative) on 5 March 1948, when demands for grants were discussed by the House. \*

Mr. B. Shiva Rao, moving cut motion to discuss the "implementing of labour policy and legislation", complained that at present the majority of India's industrial establishments were not inspected even once, certainly not more than once, a year. The Labour Minister should consider the establishment of a central training institute to train factory workers. In spite of legislation, there was "scandalous misuse of child labour". One of the greatest difficulties in implementing legislation was the ignorance of workers of their rights and to meet this the Government should prepare bulletins explaining the contents of the various measures. Stressing the importance of a programme of housing, Mr. Shiva Rao said that unless the Government went ahead with a big all-round housing programme, he personally saw nothing but disaster ahead.

~~Max asked~~ Prof. Shibbanlal Saxena moved a cut to discuss the labour policy of the Government with special reference to the manner in which industrial truce was being observed. He asked what steps were being taken to provide alternative employment for those retrenched from the different Government Departments. Faced with the threat of a general strike, the Government yielded to the demand of the Railwaymen's Federation that there should be no retrenchment which showed that the Government would listen only to those who would create trouble and not to others.

Mr. Lakshmi Narain Sahu, who moved another cut motion, said that nothing was being done to implement labour legislation. Factory-owners were always creating difficulties. The Government should seek the help of a non-official organisation in implementing its legislation.

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Mr. Gokulbhai Bhatt pleaded for allocation of more funds to the Ministry of Labour and for the establishment of a central institute of labour welfare.

Mr. Jagjivan Ram, the Labour Minister, replying to the various points raised, explained the steps that were being taken by the Government to implement the Industrial Truce and disclosed a plan to build one million houses in ten years. The Government had taken up the question of implementing the Industrial Truce Resolution with the provincial Governments and workers' organisations, and proposed to set up a number of regional and central committees which would study questions relating to fair return on capital, fair wages and sharing of surplus profits. The Government was also actively considering the question whether a central institution for training factory inspectors and others could be established. As regards child labour, Mr. Jagjivan Ram said that enforcement of the measure prohibiting child labour was the responsibility of provincial Governments. The Central Government had already ~~undertaken~~ requested the Bihar Government to undertake necessary measures in the mica mines and mica factories where child labour was very prevalent. The question of issuing periodical bulletins on various labour measures in force was under consideration. As regards retrenchment, it was obvious that the Government could not afford to continue in employment all those appointed during the war. Nor could it provide alternative employment to all of them in Government service itself. The reason why the Railway Board agreed to non-retrenchment of railway employees was that observance of working hours on the railways, as in the case of other workers, required a large number of additional staff. It was not due to pressure. Appealing both to capital and labour to realise their responsibilities, Mr. Jagjivan Ram emphasised that the Government's policy would be in pursuit of the objective of ameliorating the condition of the common man and raising his standard of life.

All cut motions were withdrawn.

(The Statesman, 6-3-1948).

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Labour Advisory Board appointed to advise  
Government of West Bengal.

The Government of West Bengal has constituted a Provincial Labour Advisory Board, consisting of representatives of Government, employers and employees. The Minister of Labour has been appointed ex officio Chairman of the Board, which consists of fifteen members and includes representatives of the Bengal Chamber of Commerce, the Bengal National Chamber of Commerce, The Indian Chamber of Commerce, the Marwari Chamber of Commerce, the Bengal Millowners' Association, the Indian National Trade Union Congress (Bengal Branch) and the All-India Trade Union Congress (Bengal Branch).

The Board will be an advisory body and its function will be to advise Government on all matters relating to labour in West Bengal.

(Resolution No. 745 Lab. dated 10-3-1948.  
The Calcutta Gazette, dated 18-3-1948,  
Part I, pages, 334-335 ).

Conference of Labour Ministers to be held in April:  
"Industrial Truce Resolution" to be discussed.

A conference of the Labour Ministers of the provinces of the Indian Dominion will be held in the middle of April in New Delhi under the presidentship of Mr. Jagjivan Ram, Minister for Labour, Government of India. The conference, it is understood, will discuss how to implement the 'Industrial truce resolution' passed by the Industries Conference in New Delhi in December. It will also decide on broad outlines of policy to be followed by provinces in this respect.

The conference will be followed by a tripartite conference of representative of the Government, employers and ~~the~~ labour. The Prime Minister is expected to preside over the conference.

(The Statesman, 7-3-1948).

13. Conventions and Recommendations.

India - March 1948.

Pakistan Dock Labourers Regulations, 1948,  
gazetted.

Reference was made at page 2 of the report of this Office for February 1948, to the decision of the Pakistan Government to enforce the Indian Dock Labourers Act, 1934, in the Dominion of Pakistan as ~~if~~ from 10 February 1948. Necessary regulations under the Act, called the Pakistan Dock Labourers Regulations, 1948, have now been gazetted.

(The Gazette of Pakistan, dated 5-3-1948,  
Part I, Sec.1, pages, 84-96 ).

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CHAPTER 2. INTERNATIONAL ORGANISATIONS AND  
NATIONAL NON-PROFESSIONAL ORGANISATIONS  
INDIA - MARCH 1948.

22. Regional Institutions.

Improving Rice Production in South East Asia:  
International Rice Conference, Baguio, March,  
1948.

An International Rice Conference convened by the United Nations Food and Agricultural Organisation met at Baguio in the Philippines between 1 and 14 March 1948. India was represented at the Conference by Mr. S.Y. Krishnaswamy, Joint Secretary, Ministry of Agriculture.

Regional coordination of agricultural programmes.- Reviewing the work of the Conference, Mr. Harold A. Vogel, Secretary General of the F.A.O., stated at a Press Conference on 13 March 1948, that the Conference found certain areas of South-East Asia, such as Siam, Burma and the Philippines, suitable for the mechanization of farming, and the delegations resolved to recommend to their respective Governments the utilization of limited technical facilities, especially the control of water supply, fertilization, plant, breeding and irrigation, for improving rice production. In other words, ~~the~~ he explained, science would be brought into practice on a co-operative basis by encouraging member Governments to develop agricultural programmes based on co-ordinated scientific facilities available to all of them. Mr. Vogel added that the Conference had made a good start in the systematic planning of rice programmes as well as in a rice conservation campaign. He said the FAO was considering the Philippines Government offer of suitable land in Mindanao for agricultural experimental stations, without cost to the United Nations agency.

(The Hindustan Times, 1-3-1948;  
The Statesman, dated 15-3-1948).

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CHAPTER 3. PROFESSIONAL ORGANISATIONS.

INDIA - MARCH 1948.

31. Workers' Trade Union Movements.

Meeting of Executive Committee of Indian National Trade Union Congress, Bombay, 6 and 7 March 1948: Demand for Effective Association of Labour in Management.

The Executive Committee of the Indian National Trade Union Congress meeting in Bombay on 6 and 7 March 1948 expressed the view that quick recognition of the workers' status as full partners in the administration and control of industry was needed to enlist their enthusiastic co-operation in the production drive and to develop a higher sense of responsibility in them. The Committee also urged the Government to amend the Industrial Disputes Act with a view to preventing retrenchment of workers during the pendency of arbitration proceedings, and recommended to the Government of India the names of persons who might be nominated to represent Indian labour on the I.L.O. Committees on Chemical Industries.

Implementing industrial truce resolution: need to raise status of workers.- While welcoming the resolution concerning industrial truce adopted by the Industries Conference held last December, the Committee regretted that no visible progress had been made in giving concrete shape to the unanimous recommendations of the Conference. Declaring that immediate steps should be taken to raise the status of the working classes, the Committee urged the Government to take immediate steps to provide houses for workers, establish machinery for assuring speedy justice through conciliation, arbitration or adjudication, and to effectively associate labour with management through works committees and production Committees.

Defective working of Industrial Disputes Act.- The Committee urged the Government ~~to~~ to remove the defects existing in the Industrial Disputes Act by amending certain clauses as the employers had started a new offensive by effecting retrenchment while a tribunal was sitting or by not implementing the award given by the tribunal. The Committee requested the Government to amend clauses 29 and 33 of the Act in such a way as to remove the existing defect by defining retrenchment as violation of the ~~terms of the award~~

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'status quo' and providing for stringent measures for non-implementation, partial implementation or delay in implementation of an award given by a tribunal.

Workers in collieries.- While congratulating the Government on implementing the recommendations of the Board of Conciliation appointed for the coal industry (vide pages 21-24 of the report of this Office for May 1947) the Committee drew the Government's attention to the fact that ~~the~~ wages of workers employed in the coal industry, particularly of skilled workers were unsatisfactory and urged the Government to appoint a tribunal or a conciliation board to review the wages of those workers to bring them in level with the other workers in the same industry.

Request to Railway Board.- The Committee requested the Railway Board that in matters of removing anomalies and redressing the grievances arising out of the implementation of the Pay Commission's recommendations, in certain railways, all recognised unions should be given opportunities to represent the workers' case.

Nominations for I.L.O. Committee on Chemical Industry.- The Committee nominated Dr. Sureshchandra Banerji (Bengal) and Mr. Somnath P. Dave of the Ahmedabad Textile Labour Association, to represent Indian Labour on the I.L.O. Committee on chemical industries at its meeting ~~in~~ in Paris next month.

Appeal to working class to desist from direct action.- Finally, the Committee denounced the action of certain trade union leaders who had initiated strike campaigns in Bombay, Calcutta, Cawnpore and Malabar as "concerted plans calculated to weaken our economic position, undermine our strength and security and generally prepare the country for a violent upheaval aimed at destroying our free democratic institutions" and warned the working class against supporting such moves.

(The Bombay Chronicle, 9-5-1948).

Meeting of General Council of All-India Trade Union Congress: Planned Production and Distribution urged.

The General Council of the All-India Trade Union Congress at a meeting held in Calcutta on 27 February 1948, adopted a statement on "industrial truce" emphasizing that industrial peace and increased national production could be achieved only as a result of an enlightened and progressive labour and social policy. In the absence of such a policy it would not be proper to put the blame for industrial unrest on labour.



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The Statement printed out that if the people ~~was~~ of India were to be fed, housed and clothed, industry and agriculture had to be built up on a big scale, and production and distribution had to be planned and organised. But most of the industries, banks, insurance companies and other occupations were at present owned and controlled by a small class of persons who conducted them in order to make profits, and not primarily with the object of supplying the needs of the community. Factories were shut down or opened and large numbers of workers hired or thrown out of employment to suit the profit-motive of the employers without regard to the interest of the community. Under such conditions it would be unjust to hold the workers responsible for production and its ups and downs. The statement continued that the anxiety to eliminate strikes altogether and ensure complete industrial peace in a competitive society could only remain a pious wish. So long as the competitive system of private industry for profit remained one could endeavour only to minimise strikes, and this could be achieved to some extent only if firm and effective measures were taken to restrict profits, dividends and rents, to reduce, regulate and stabilise prices and organise equitable distribution by rationing all essential commodities.

The statement emphasised that the present policy of the Government which was against control, was detrimental to industrial peace. In effect, the present policy of the Government appeared to be to control only one commodity, namely, human labour, and to decontrol everything else. Industrial peace could not be achieved by such a policy. According to the statement it was unfair and misleading that labour organisations and their leaders should be criticised by the Government and employers for alleged breach of the terms contained in the industrial truce resolution. The resolution clearly imposed certain conditions to be fulfilled before labour was expected ~~him~~ to give effect to the operative part of the resolution. It was highly improper to put one sided blame on labour. One of the necessary conditions to be fulfilled was the speedy nationalisation of the basic industries, banks, etc., which would give a feeling to the workers that production was for the public good and not primarily for private profits.

(The Statesman, dated 29-3-1948).

All-India Port and Dock Workers' Federation formed.

A conference of representatives of 10 unions of port and dock workers with a total membership of over 30,000, held recently in Calcutta, decided to form an all-India organisation of port and dock workers under the name "All-India Port and Dock Workers' Federation".

(The Hindustan Times, 4-3-1948).

Socialist Party to set up New All-India Labour Organisation.

At a conference held at Nasik on 22 March 1948, trade union members of the Socialist Party of India decided to set up a new All-India labour organisation to be ~~known~~ known as the Indian Labour Congress. The object of the Congress is "to promote economic, social and political interests of the Indian working class, guide and co-ordinate the activities of the affiliated organisations, and to safeguard and promote the interests and rights of the workers". The meeting appointed an ad hoc committee to complete the work of affiliation of trade unions in various industries to the new Indian Labour Congress within three months.

Mr. Asoka Mehta addressing the conference said that the Labour Congress would also work for the establishment of a democratic socialist State in India, and in that direction it would employ all legitimate, peaceful and democratic methods. A party spokesman claimed that the Socialist Party had nearly 500,000 workers represented on it through the labour unions functioning under the Socialist Party's aegis. These included railways, transport, textiles, Government servants, iron and steel, and shipping.

(Copies of the text of the resolution setting up the new Labour Organisation have been asked for and will be forwarded to Geneva on receipt ).

(The Statesman, dated 23-3-1948 ).

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53. Employers' Professional Organisations.

India - March 1948.

State responsible for Welfare of Workers:  
Chairman's address at meeting of Employers'  
Federation of South India.

Addressing the annual general meeting of the Employers' Federation of South India, Mr. N. Barlow, chairman of the Federation, said that the Government could secure by legislation desirable social standards in the field of public health, medical treatment and education, rather than leaving them to employers' welfare organisations, either voluntary or compulsory. Reiterating the Federation's objection to the proposal that compulsory welfare funds should be set up, Mr. Barlow stressed that before the proposal was given further consideration the different duties of a welfare organisation and of a trade union should be clearly and exactly defined. There was a growing tendency to regard employers of labour as persons of privilege and in consideration of this, it was held that employers must undertake all those social duties which were properly the function of the State such as housing, education and health services. Such services would represent a burden on the cost of an industrial product which would put it right out of the reach of the average consumer and defeat the aim of an early industrialised India. In no way could this be illustrated better than by the example of housing. It was impossible to construct a house to-day of reasonable standards that would not become to-morrow's slum for a sum less than 4,000 rupees, excluding cost of land, provision of water, lighting and drainage services. No industry could afford to incur such expense by itself. The Government could begin by enforcing elementary standards of public health in all congested areas and making landlords carry out alterations and repairs to dwellings which at present are unfit for use. Referring to the new Factories Bill (vide pages 50-53 of the report of this Office for February 1948) Mr. Barlow said that the Bill contained many matters open to criticism, but chief among them were clauses providing for the employment of welfare officers and the inclusion of allowances in the term "ordinary rate of pay for purposes of overtime". It was not clear whether the welfare officers were to be subordinate to the Government or the management. The Federation felt that there could be no justification for a double dearness allowance for overtime work.

Housing for Labour.- As regards housing of industrial labour, the Federation was of the opinion that housing was a State responsibility, but it also believed that many employers would be prepared to go some way to help in the provision of better housing for their workers and proposed that employers should pay a monthly charge for each house allowed to one of their employees. This pre-supposed that the employer was not the owner of the house. Mr. Barlow said he was confident that he ~~was~~ echoed the opinion of the majority of

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employers when he said that it was not the business of the employer of labour to own the houses in which his workers lived.

Courts of Enquiry can prevent industrial disputes.— Referring to the increased number of trade disputes during 1947, Mr. Barlow said that the majority of such disputes had been referred to industrial tribunals. It was apparent that such reference had encouraged strikes and exaggerated strike demands. The reason for this could be found in the element of uncertainty which entered into adjudications and made them a kind of gamble. Different adjudicators had different ideas on the same subject. The fact that there were in India few fixed principles applicable to the settlement of industrial disputes had often encouraged most unreasonable demands being put forward by the so-called leaders in hope that some would be ~~awarded~~ awarded in their favour. While resistance of the demands led to a strike, the conceding of even a portion of the demands tended to the imposition of impossible conditions.

The only remedy was that the Government should make greater use of the Court of Enquiry procedure provided for by the Act to find out the merits of each particular case before action was taken. Though in most cases, it would mean a strike or continuance of a strike, provided the Government were firm in rejecting exaggerated demands, Mr. Barlow was sure that the activities of leaders out to boost their own power would be considerably restricted and labour would realise that genuine demands would catch the sympathetic ear of the employers. The demand for strike pay was one of the disquieting features of the industrial situation and it was becoming a matter of course and though the demand was not frequently acceded to in Madras, it had been in Bombay and Bengal. Accordingly to Mr. Barlow the remedy for this lay in the amendment of the Industrial Disputes Act. The same could be said of bonus. Mr. Barlow recalled in this connection the suggestions he had put forward for a revision of the Industrial Disputes Act so as to provide for the establishment of a permanent Industrial Court to secure uniformity in dealing with the demands of labour and for the right of appeal to the High Court.

During 1947 there had been a spate of labour legislation. Ranking high amongst them was the Factories Amendment Act. In 1946 the Federation had criticised it on many grounds, one of which was that generally labour in India had not been educated to the stage where they could take proper advantage of the recuperative value of a holiday spell. During 1947, the Act was so interpreted as to enable employers to grant holidays with pay either at one stretch of ten days or in more than one spell if the worker so desired it and this had made the Act more palatable both to workers and employers. A draft of the new Factories Act recently published, however, stated that the holidays with pay must be taken either in one or two periods; this would be unwelcome to the vast majority of South Indian workers and ~~may~~ <sup>would</sup> lead to an increase in casual leave applications. It was difficult to understand why the Government should insist on a provision of this nature. As regards the Minimum Wages Act (vide pages of this report) the Federation thought that the measure was

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commendable in so far as it sought to deal with employments where wages were abnormally low, but that permanent Wage Boards should be set up instead of ad hoc advisory committees and that no exemption should be afforded to undertakings owned by the Government. The further progress of the measure would be watched with interest. In conclusion, Mr. Barlow said that the Government should frame a labour ~~pk~~ policy.

Mr. D.V. Bulloch was elected chairman of the Federation for the year 1948-49.

(The Hindu, dated 28-3-1948).

Annual General Meeting of Bengal Chamber of  
Commerce: Report of Congress Economic  
Programme Committee criticised.

Presiding over the annual general meeting of the Bengal Chamber of Commerce held at Calcutta on 27 February, 1948, Sir Hugh Cumberbatch said that the policy recommended by the Economic Programme Committee of the All-India Congress Committee (vide pages 27-31 of the report of this Office for February 1948), if adopted by the Government, would result in serious financial embarrassment, reduction in industrial output and immediate discouragement of India's economic and industrial development. According to him, the Committee's report enunciated aims which might be very sound and praiseworthy, but the methods it propounded to achieve these aims were quite unsound. Unless the Government of India defined its policy in very different terms to those of the Committee, production and industry ~~was~~ would tend to shrivel fast, and not flourish, whereas the universal crying need was to produce more wealth so that it might be distributed. Sir Hugh pleaded for retention of the managing agency system, which, he said, was of the greatest value to the country. He emphasised that nationalization of industries, particularly those already in existence, could never be justified unless two conditions were satisfied. One was that private enterprise had proved to be incapable of producing the results which nationalization aimed at, and the other was that nationalized industry could equal with private enterprise, as a source of revenue to the nation and at the same or less cost to the consumer.

Modifications of Industrial Disputes Act urged.— Sir Hugh urged the Government to take speedy action in implementing its labour policy and control with determination any unreasonable or violent action by labour. Discipline had already deteriorated to such an extent that unless it was promptly and firmly arrested it might prove a long and tedious job to regain full control. One of the main methods of harassment to which the business community had been subjected, was the abuse of the Industrial Disputes Act. They had

no quarrel with the aims and objects of the Act, nor had they ever had any intention of suggesting its withdrawal, but experience showed more and more clearly that modifications to it were essential.

Bengal Finance Minister's Address.— Mr. H.R. Sarkar, the Finance Minister of West Bengal, in his address assured the Chamber that the policy of the Government was not to impede the pressing needs of production by any big upsetting factor involved in the process of sudden nationalisation. If there was a large measure of State regulation in the larger interests of the country in the near future, this should not be construed as any unjustifiable encroachment on private enterprise. It would be prudent to recognise that socialisation was the ultimate goal, not only of the Government of India, but almost everywhere in the world. But the process would be gradual so that it might not suddenly uproot any existing interests. Mr. Sarkar regretted that labour, of late, had in many cases become a convenient tool in the hands of fomenters of discord whose interest was always to fish in troubled waters. The Government considered this tendency to be a serious menace to the cause of progress. It was, however, no longer possible to treat labour in the same old fashion as in the past. In order that labour might be enabled to plead its just demands effectively, it would be the policy of the Government to encourage trade unions organised on sound lines so that labour could have a fair deal.

(The Statesman, dated 1-3-1948).

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CHAPTER 4. ECONOMIC QUESTIONS.

INDIA - MARCH 1948.

41. Industrial and Mining Production.

Centre to control Development of Power  
Alcohol Industry: Bill introduced in  
Constituent Assembly of India (Legislative).

The Indian Power Alcohol Bill, 1948, which provides for the development of the power alcohol industry under the control of the Central Government, was introduced in the Constituent Assembly of India (Legislative) on 1 March 1948.

The Statement of Objects and Reasons, attached to the Bill, points out that the development of the power alcohol industry is of national importance both from the point of view of using the molasses, ~~wt~~ which would otherwise be wasted, and of creating in the country the nucleus of an industry, which would be of importance in times of emergency. The utilisation of power alcohol would also reduce the price of sugar and reduce India's dependence on petrol. It would, however, not be possible for most of the provinces producing molasses, to absorb their total production of power alcohol within their own limits. It is, therefore, necessary to adopt measures to utilise their surpluses in other provinces in which production would not be sufficient to meet their requirements.

The panel for the development of sugar, power alcohol and food yeast industries, which was set up by the Government of India, had recommended that admixture of power alcohol with petrol, should be made compulsory for the whole country and enforced ~~for~~ in such areas as were notified from time to time.

"The Industries Conference held in December, 1947, had also unanimously passed a resolution in support of the proposed legislation".

The Bill was passed by the Constituent Assembly of India (Legislative) on 23 March 1948.

(The Gazette of India, dated 6-3-1948,  
Part V, pages 198-200 ).  
(The Hindustan Times, 24-3-1948 ).



First All-India Plastic Manufacturers' Conference,  
New Delhi, 5-3-1948.

Inaugurating the first ~~All-India~~ All-India Plastic Manufacturers' Conference in New Delhi on 4 March 1948, Dr. Syama Prasad Mookherjee, Minister for Industry and Supply, said that the plastic industry in India was largely dependent on imported materials and consequently development was being retarded. The industry should try to develop and utilize indigenous raw materials as far as possible. For this, a considerable amount of experiment and research would be necessary, and the industry must also be willing to strike out new lines to satisfy the home market, which was continually expanding. The fact that leading manufacturers in the line had come to form an association and call the first conference amply showed not only India's consciousness of the importance of this new industry but also her determination to put it on a sound basis. Dr. Mookherjee said that the Government was giving attention to the problem of ensuring an adequate supply of raw materials to the plastic industry. The question of production of synthetic phenol from benzene, and that of installation of a urea and formaldehyde plant at Sindri were under consideration. Some success had already been obtained in the ordnance factories ~~for~~ the production of industrial nitro-cellulose with possibility for utilization in celluloid plastic. The Government was also considering a proposal to appoint a plastic adviser, who would render technical advice to the industry, and Dr. Mookherjee hoped that the industry would take full advantage of the services of the plastic adviser and also consider how it could help the Government in setting up a ~~new~~ satisfactory organisation for the purpose. He suggested that the industry should sponsor definite schemes of research in universities so that the day-to-day problems of the industry can be solved.

Mr. L.N. Birla, President of the Conference, said that before the industry was able to stand on its feet it would be necessary to continue the existing protection given by import restrictions. If the Indian industry was to build itself up to a size which would be comparable with the growth of the industry elsewhere constant sympathy and help from the Government would be needed. The Government could to the fullest extent, help the industry at the present by means of orders for their own requirements of radio, telephone and electrical stores, etc.

Import advisory body set up.- Following the Conference, the All-India Plastic Manufacturers' Association, at its annual meeting held on 6 March 1948, decided to set up an advisory committee for examining and recommending applications for import licences for plastics raw materials ~~was set up~~, so that an adequate supply of raw materials could be ensured.



కామగ్రామి

Economic Affairs Sub-Committee appointed in  
Hyderabad State.

The Government of Hyderabad State has constituted on a permanent basis an Economic Affairs Sub-Committee of the Council of Ministers consisting of the Prime Minister, the Deputy Prime Minister, the Finance Minister, the Commerce and Industries Minister and the Minister for Planning. The Sub-Committee will, among other things, consider schemes for the economic improvement of the State.

(The Hindu, dated, 4-3-1948).

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42. Production and Export of Agricultural Products.

India - March 1948.

Steps to extend cultivation: C.P. and Berar  
Cultivation of Fallow Land Ordinance,  
1948.

The Governor of the Central Provinces and Berar made and promulgated on 27 February 1948 the Central Provinces and Berar Cultivation of Fallow Land Ordinance, 1948, empowering the provincial Government to compel substantial holders of land to cultivate either themselves or through a lessee a prescribed percentage of their fallow land in addition to the net-cropped area of the agricultural year 1947-48. The Ordinance applies only to such holders of land as have got agricultural land exceeding 49 acres, and allow their land to lie fallow. Provision has been made to grant exemption in suitable cases. If a holder of land expresses his inability to cultivate the prescribed percentage of fallow land during the ensuing agricultural year either himself or through a lessee, he will be free to inform the Government accordingly which will thereupon arrange to lease out the prescribed area of fallow land on easy terms to any lessee for a period not exceeding five years, the lease money being payable to the original holder of land.

Under the provisions of the Ordinance every holder of occupied land in excess of 49 acres but less than 100 acres shall, in the agricultural year 1948-49, be liable to cultivate either himself or through a lessee in addition to the area cultivated by him in the agricultural year 1947-48, 10 per cent of the fallow land recorded in his name in the annual papers of 1947-48. Every holder of 100 (or more of occupied land shall, in the agricultural year 1948-49, be liable to cultivate either himself or through a lessee in addition to the area cultivated by him in the agricultural year 1947-48, 20 per cent of the fallow land recorded in his name in the annual papers of 1947-48.

The Ordinance further provides that the provincial Government shall grant a subsidy at the rate of 2 rupees per every acre of fallow land brought under cultivation with an approved crop during the agricultural year 1948-49.

(C.P. and Berar Ordinance No. VI of 1948:  
The Central Provinces and Berar Gazette  
Extraordinary, dated 27-2-1948, pp. 117-119).

Improvement in India's Food Position:  
Agricultural Planning Commission to be  
set up.

Replying to a debate on the food situation in the country, Mr. Jairamdas Daulatram, Minister for Food, announced in the Constituent Assembly of India (Legislative) on 16 March 1948, that the Government of India proposed to set up an agricultural planning commission which would devise scientific and practicable short-term and long-term plans, to be executed within a limited period. Emphasising that food and agricultural problems in India had till now been handled piecemeal, he urged that the Centre be given more funds and more power to deal with food production and agriculture, which was one of the fundamental needs of man and therefore of the nation. It must be dealt with in a fundamental manner, and only the Centre could do that. Pleading for more expenditure on schemes for development of agriculture and food production, the Food Minister pointed out that as against America which spent 80 rupees per head and Canada 20 rupees and the United Kingdom 2 rupees per head on agriculture, <sup>India spent only one anna per head.</sup> the Indian budget on agriculture was only 0.75 per cent of the total budget as against the U.S.A's 3.3 per cent and Canada's 1.6 per cent of the Federal budget. Without increasing this expenditure, he did not think much progress would be made.

Referring to the food situation in India, the Minister gave detailed figures to show that the position of food imports and internal surpluses had improved, with the result that while maintaining the old reserve of 540,000 tons of foodgrains, allocations to deficit provinces had been increased. The agreement with Australia had brought in 700,000 tons for the first half of 1948 and from Burma and Siam 400,000 tons were expected.

(The Statesman, 17-3-1948).

57th Meeting of Indian Central Cotton Committee:  
Area under Cotton to be stepped up by Four Million  
Acres in 1948-1949.

The Indian Central Cotton Committee, at its 57th meeting held in Bombay on 19 March 1948, recommended to the Central Government to step up cotton production in India by at least four million acres in 1948-49. It also urged the Central Government to recommend to all provincial Governments to see that all possible measures were taken to increase the yield of cotton per acre and to incur such expenditure as might be necessary on well projects, supply of manures and fertilisers at subsidised rates. Sardar Bahadur L.P. Datar Singh, Vice-Chairman of the Indian Council of Agricultural Research, presided over the meeting.

Other main recommendations of the Committee included one on the need for making arrangements for distribution of pure seeds by various administrations in the country, and another on the desirability of re-imposing floor prices for different varieties of cotton.

The Committee also approved a number of new schemes and sanctioned the extension of several existing schemes. They included one for breeding long staple American cotton as a winter crop in central districts and sea island varieties on the West Coast of Madras Province and another for the improvement of certain types of cotton in Madras Province.

Finally, the Committee decided to send an expedition of cotton experts to tour Egypt, the United States of America and South America in May, 1949, to collect samples of certain long staple varieties of cotton for trial in India.

(The Times of India, 20-3-1948).

Big Land Reclamation Scheme in Central Provinces.

On 16 March 1948 Pandit Ravi Shankar Shukla, Premier of the Central Provinces and Berar inaugurated at Khurai the provincial Government's tractor scheme which aims to bring under wheat cultivation about 400,000 acres of land at present infested by destructive weeds. The function, which is part of the Central Provinces Government's "Grow More Food" campaign was attended by many thousands of farmers from all over the district. Among the officials present were Mr. R.K. Patil, Minister for Agriculture, Mr. B.R. Sen, Agricultural Secretary to the Government of India, and Mr. H.C. Sethi, Agricultural Commissioner.

(The Times of India, 20-3-1948).

43. Foreign Trade and Exchanges.

India - March 1948.

Trade with Pakistan to be subjected to Customs Duties:  
Government of India Notification.

By a notification dated 27 February 1948 the Government of India has declared the Dominion of Pakistan to be foreign territory, with effect from 1 March 1948, for the purposes of the Indian Tariff Act, 1934, and directed that on and from that date a duty of customs at the rate prescribed by or under the above Act or any other law for the time being in force in respect of any article when imported into or exported from a port in the Provinces of India, shall be leviable on any such article when imported by land into, or exported by land from, the Provinces of India from or to the Dominion of Pakistan.

(No.24-T(1)/48 dated 27-2-1948,  
The Gazette of India Extraordinary,  
dated 27-2-1948, page 549 ).

44. Prices and Cost of Living.

India - March 1948.

Controls extended for another year in Pakistan:  
Legislature adopts Resolution.

The Pakistan Constituent Assembly (Legislature), on 10 March 1948, passed a resolution moved by Mr. I.I. Chundrigar, Minister for Works, Industries and Commerce in Pakistan, extending for another year from 1 April 1948 the Pakistan Central Government's control over the production, supply and distribution of the following essential commodities: cotton; wool and textiles; paper, including newsprint; food-stuffs; ~~and~~ Petroleum and petroleum products; spare parts of machinery; coal; iron and steel; and mica.

The resolution was severely criticised by all sections of the House. Members from both the League benches and the Congress Opposition referred to the "rampant corruption", "black marketing" and the "sufferings of the poor". The leader of the Opposition, Mr. S.C. Chattopadhaya, said that controls had led to bribery and corruption while another Congress member from East Bengal complained that controls ~~were~~ were merely another name for bribery, corruption and nepotism. Mr. B.L. Serajul Islam (East Bengal) maintained that those who were highly placed got all the supplies, while the poor suffered, and Mr. Abdullah Ali Mahmud (East Bengal) referred to the popular feeling against controls.

Controls not to be retained indefinitely: Commerce Minister's assurance.- Mr. Chundrigar, in his reply assured the House that the Pakistan Government was most anxious not to continue the controls a day longer than was necessary. He added that the Government proposed to convene a conference of representatives of provinces and of non-officials in Karachi to re-examine the position in regard to each commodity.

( 'Dawn', dated 11-3-1948 ).

Power to impose Controls extended for another Year: Central Legislative adopts Government resolution.

The Constituent Assembly of India (Legislative), on 25 February 1948, passed a resolution moved by Dr. B.R. Ambedkar, the Law Minister, extending for another year from 1 April 1948 the Central Government's power to ~~impose~~ impose control, on commodities, requisition land, etc. The essential commodities specified included foodstuffs, cotton and woollen textiles, paper, petroleum and petroleum products, parts of mechanically propelled vehicles, coal, iron, steel and mica.

Criticising the resolution, Mr. K. Santanam said that many of the articles had been decontrolled and it was a sound principle that ~~legislative~~ the Government should take only such legislative powers as were absolutely necessary for a particular purpose. Mr. N.G. Ranga said that two years ago, he had suggested that a scientific study should be made of the working of these controls in order to see whether their continuance would be necessary, whether they were working satisfactorily, in what way their working should be improved and so on, but no effort had so far been made in that direction. It was necessary to order an enquiry so that it would be possible for the Government to see how soon an end could be put to all controls.

Mr. Alladi Krishnaswami Aiyar, supporting the resolution, said that the object of the resolution, as he understood it, was not to commit the Government to any definite policy of control, but merely to clothe them and the Dominion Parliament with the power, if circumstances and necessities of the situation demanded, to exercise controls. These two points ought to be distinct, namely, the necessity of controls and the wisdom of the Dominion Parliament being invested with the power under the existing constitution to exercise controls if circumstances warranted it.

No change in Government's policy.— Dr. S.P. Mookherjee, Minister for Industry and Supply, replying to the debate, assured the House that there was no deviation in the Government's policy of gradual decontrol and that it was anxious to implement it as soon as possible. Dr. Mookherjee pointed out how in respect of cotton textiles and other commodities, the policy of decontrol was being pushed ~~ahead~~ ahead. In regard to steel, the matter was being further examined in consultation with the producer and consumer interests. Dr. Mookherjee emphasised that what the Government was ~~asking~~ asking for now was that the powers which the Government of India enjoyed to enforce control if necessary, should remain vested in the Government of India for one year more and nothing beyond that.

45. Economic Development and Control.

India - March 1948.

Burma sets up Sugar Control Board: Sugar Control Order, 1948.

The Sugar Control Order, 1948, issued by the President of Burma, in exercise of the powers conferred by the Essential Supplies and Services Act 1947, provides for the regulation and control of the production and distribution of sugar in Burma by a Sugar Control Board to be set up under the provisions of the Order. The Board will be presided over by the Minister for Agriculture and Forests in Burma and ~~with~~ will include in addition to 5 other officials 3 non-official members.

Functions.- The Order lays down that it shall be the duty of the Board to regulate and control the production and distribution of sugar in such manner as it may think fit including the establishment and acquisition of sugar factories. In discharging its ~~own~~ functions the Board is required to act on business principles with due regard to the interests of the general public; and to be guided by such instructions as to policy as may be given to it by the Government.

Finance.- The Sugar Control Board is required by the Order to maintain a 'Sugar Fund' and to credit thereto (a) all moneys received by the Board under the Order or otherwise; and (b) all moneys received from the Government to enable the Board to exercise its powers and functions. The Sugar Fund is to be applied by the Board for (a) defraying the expenses of establishing and managing sugar factories; (b) defraying the expenses of purchasing, manufacturing, transporting, handling, storing and marketing of sugar; (c) making payments to the Government ~~either~~ either by way of interest or by way of return of principal in respect of any moneys advanced by the Government to the Board; and (d) defraying such other expenditures as the Board may consider necessary with the approval of the Government. All the net profits of the Board it is provided are to accrue to the Government.

(The Burma Gazette, Part I, dated  
28-2-1948, pages 258-259 ).



Permanent Planning Commission to be appointed:  
Government's Industrial Policy to be announced  
soon.

Replying to the debate in the Constituent Assembly of India (Legislative) on 5 March 1948 when token cut motions were moved to discuss the Government of India's industrial policy, Dr. Syama Prasad Mookerjee, Minister for Industry and Supply, regretted that it had so far not been possible to announce the Government's industrial policy. Giving a few broad outlines of the Government's policy Dr. Mookerjee said that it was proposed to divide industries into three categories. Firstly, industries which would be totally State-owned and State managed. The second category would relate to industries which would subsequently become State-owned but the existing units would not be disturbed. Thirdly, there would be industries regulated by the State—provincially, Centrally or locally. These would include industries on the development of which the future prosperity of India depended.

In this sphere also it would be open to the State to start any particular industry if it was considered desirable. The remaining sphere would be left for private enterprise.

Economic development, included other things than mere industrial expansion—such as development of agriculture, food, etc. A permanent planning commission was to be appointed with a view to co-ordinating all activities of economic development. It was proposed to set up an organisation, in the near future, of representatives of all industries so that they could keep the Central Government informed of ~~the~~ their needs and put up joint demands. The provinces would also be kept fully informed of the decisions taken by the Centre from time to time especially in regard to allocations, etc. It was also proposed to set up a Central Advisory Board on which there would be representatives of the industries, provincial and State Governments, labour and consumers.

Dr. Mookerjee admitted that there was a need for building up a technical and commercial service consisting of men to run State-owned industries and said that the Government would explore this problem.

All the cut motions were subsequently withdrawn.

(The Statesman, dated 6-3-1948).

46. Wages.India - March 1948.Wages of Agricultural and Non-Factory Labour  
in Bombay Province during 1944-45: Sharp  
rise in Rural Areas.

Statistics of agricultural and mofussil non-factory wages compiled by the Directorate of Labour Information, Bombay, on the basis of monthly returns from representative talukas in each district in the Province show that as compared with the previous year the rates of wages in 1944-45 recorded a substantial increase.

Agricultural labour.- The weighted average rate of wages for agricultural labour in the urban areas increased by 4 annas 11 pies or 55 per cent over that of 1943-44; that in rural areas increased by 5 annas 4 pies or 70 per cent. The highest rise was recorded in the rural areas of the Northern Division, being 6 annas 10 pies.

Unskilled labour.- The weighted average rate of wages ~~from~~ for unskilled labour in the urban areas increased by 4 annas 11 pies or 45 per cent over that of 1943-44; that in rural areas increased by 5 annas 6 pies or 70 per cent. The highest rise was again recorded in the rural areas of the Northern Division, being ~~XXXXXXX~~ 7 annas 4 pies.

Skilled labour.- The weighted average rate of wages for skilled labour in the urban areas increased by 5 annas 4 pies or 22 per cent over that of 1943-44; that in rural areas increased by 6 annas 10 pies or 37 per cent. The highest rise was again recorded in the rural areas of the Northern Division, being 9 annas 9 pies.

The following table shows the weighted average rates of wages for the whole Province for field labour, unskilled labour and skilled labour during 1944 as compared with the corresponding figures for 1943 and 1913:-

Category of Labour.	1913	1943	1944	Percentage increase of (b) over (a)
		(a)	(b)	
	Rs.a. p.	Rs.a.p.	Rs.a.p.	
<u>Urban Areas--</u>				
Field labour.....	0 4 9	0 9 0	0 13 11	55
Unskilled labour...	0 5 9	0 11 4	1 0 5	43
Skilled labour.....	0 12 6	1 8 5	1 13 9	22
<u>Rural Areas--</u>				
Field Labour.....	0 4 0	0 7 8	0 13 0	70
Unskilled Labour...	0 4 6	0 7 10	0 13 4	70
Skilled Labour.....	0 10 9	1 2 8	1 9 6	37

Wages of Textile Workers: Standardisation  
Committee appointed by Government of Bombay.

A Resolution dated 18 February 1948 issued by the Government of Bombay states that numerous demands for fixing the minimum wage and for standardisation of wages have been and are being made by workers employed in the cotton textile industry at different places in the Province and ~~some~~ that some of these have been referred to the Industrial Court for arbitration under the Bombay Industrial Relations Act, 1947 (vide pages 13-14 of the report of this Office for June 1947). The Government however considers it necessary to appoint a committee to study and advise on the problems and matters involved and has, accordingly appointed a standardisation committee with Mr. Purushottam Kanji as chairman, and Mr. R.R. Bhhle and Mr. Nandulal M. Mehta as members, for the cotton textile industry in the whole Province. The terms of reference to the Committee are: (i) to investigate and consider all questions pertaining to minimum wage, standardisation of wages and connected matters which may be referred to it by the Industrial Court; (ii) to examine the working of any scheme of standardisation of wages which has been brought into force by an award of the Industrial Court and to make a report on it when requested by Government or the Industrial Court to do so.

(Resolution No. 2334/46, dated  
18-2-1948. The Bombay Government  
Gazette, dated 26-2-1948, Part I,  
page 886 ).

Fixation of Minimum Pay for Skilled Railway Employees:  
Tribunal to be appointed to classify Railwaymen.

Reference was made at pages 26-27 of the report of this Office for September 1947 to the acceptance by the Railway authorities ~~to~~ the All-India Railwaymen's Federation's demand that the workshop and artisan staff should be placed on a par with the lowest ~~and~~ clerical cadre on the scale of 55 rupees to 130 rupees for the purpose of implementing the recommendations of the Central Pay Commission. A communiqué issued by the Railway Board points out that the decision could not be followed ~~up~~ expeditiously owing to certain difficulties experienced in the classification of trades as "skilled" and "semi-skilled". To overcome these difficulties a tribunal is being appointed consisting of one representative each of the All-India Railwaymen's Federation and the Railway Board with a neutral Chairman to determine the classification of workers according to their skill. The decisions of this tribunal on matters referred to it are to be accepted without question, both by the Federation and the Railway Board.

The Federation have nominated Mr. Khedgikar, Vice-President, as their representative. The Ministry of Railways will be represented by Mr. K. Ramachandran. The appointment of the neutral chairman has not yet been finalised. The Government has in this connection suggested a panel of four names which is under consideration by the Federation. Immediately after assembly, the tribunal will go round on a tour for a period of about six weeks. The Ministry of Railways will, thereafter, endeavour, without delay, to make payment to workmen on the prescribed scales in accordance with the decisions arrived at by the tribunal.

(The ~~Statesman~~ Hindu, 21-3-1948).

Minimum Wages Act, 1948: Statutory Minimum  
Rates of Wages to be fixed in a Number of  
Employments.

The Minimum Wages Bill, 1948 (vide pages 22-26 of the report of this Office for February 1948) received the assent of the Governor General of India on 15 March 1948 and has been gazetted as the Minimum Wages Act, 1948 (Act No. XI of 1948).

The Act requires the appropriate Government, Central or provincial as the case may be, to fix the minimum rates of wages payable to employees employed in a number of employments listed in two schedules appended to the Act, within three years from the commencement of the Act in the case of employment in agriculture, and within two years in the case of all other employments. The appropriate Government is further required to review at such intervals as it may think fit, the interval not to ~~exceeding five~~ exceed five years in any case, the minimum rates of wages so fixed and revise the minimum rates, if necessary.

The following are the employments in which minimum rates of wages are required to be fixed under the provisions of the Act: employment in any woollen carpet making or shawl weaving establishments; employment in any rice mill, flour mill or dal mill; employment in any tobacco (including bidi making) manufactory; employment in any plantation, growing cinchona, rubber, tea or coffee; employment in any oil mill; employment under any local authority; employment on road construction or in building operations; employment in stone breaking or stone crushing; employment in any lac manufactory; employment in any mica works; employment in public motor transport; employment in tanneries and leather manufactory; and employment in agriculture.

The Act also outlines the procedure to be followed in fixing minimum rates of ~~wage~~ wages in respect of any scheduled employment, and empowers provincial Governments, by notification in the official Gazette, to add to the Schedules any employment in respect of which the provincial Government is of opinion that minimum rates of wages should be fixed under the Act.

(The Gazette of India, Extraordinary,  
 Part IV, dated 15-3-1948, pages 37-47).

47. Reconstruction Plans.

India - March 1948.

Burma: Reconstitution of Economic Planning Board.

The Economic Planning Board Order, 1948, issued by the Government of Burma on 13 February 1948 in supersession of an earlier Economic Planning Board Order 1947 issued in October 1947 (vide page 60 of the report of this Office for October 1947), reconstitutes the Board with the Prime Minister of Burma as President of the Board, and provides further that any Minister or, if he so directs, the Secretary to Government in charge of the Ministry may attend any meeting of the Board and participate in its discussions as a full member when any subject or subjects under his administrative control is being considered by the Board.

(The Burma Gazette, Part I, dated  
21-2-1948, page 245 ).

~~NOT~~

All-India Congress Committee approves Economic Programme's Committee's Report.

The report of the Economic Programme Committee of the All-India Congress Committee, to which reference was made at pages 27-31 of the report of this Office for February 1948, was generally approved of by the All-India Congress Committee at a meeting held at New Delhi on 21-22 February 1948. It is understood that the report will be placed before the All-India Congress Committee at its next meeting for detailed consideration.

(Congress Bulletin No.7, issued by the  
Office of the All-India Congress  
Committee ).

Economic Affairs Ministry created in Pakistan.

The Government of Pakistan has created a new Ministry of Economic Affairs, with effect from March 1, 1948. The Hon'ble Mr. Ghulam Mohammad, Finance Minister, will be in temporary charge of the Ministry.

(No. 57/CF/48, dated 2-3-1948;  
The Gazette of Pakistan, dated 5-3-1948,  
Part 1-Sec.1, Page 82).

48. Public Finance.  
India - March 1948.

Pakistan: Budget for 1948-49: Substantial  
concessions to New Industrial  
Enterprises.

Pakistan's first budget presented by Mr. Ghulam Mohammad, Finance Minister, in the Pakistan Constituent Assembly (Legislature) on 28 February 1948 shows a deficit of 101.1 million rupees for the financial year 1948-49, which, however, the Minister proposes to wipe out by the levy of new taxes which are expected to yield 101.6 million rupees thus converting the original deficit to a surplus of 500,000 rupees. The budget figures for 1948-49 are:

<u>Gross revenue</u>	Rupees (in millions).
Principal heads of revenue	312.0
Railways and Posts and Telegraphs	368.9
Other heads	114.8
	795.7
 <u>Gross expenditure</u>	
Defence services	371.1
Railways and Posts and Telegraphs	371.5
Other expenditure	154.2
	896.8
Deficit	101.1
New Taxes (Budget proposals)	101.6
Surplus	0.5

The more important among the new taxes proposed by the Finance Minister to cover the budget deficit are a Central Sales Tax expected to yield 37.5 million rupees, an export duty on cotton expected to yield 20 million rupees, ad valorem export duties on the export of hides, skins and cotton seed, a general stepping up of a number of import and excise duties and an increase in the rates for postcards, postal packets and ~~air~~ airmail letters.

Review of economic conditions in Pakistan. - Briefly reviewing economic conditions in Pakistan, the Finance Minister stated that as a result of British policy which had in the past treated the whole of India as a political and an economic unit, the areas which comprised Pakistan had remained predominantly agricultural and industrially backward. There were no jute mills in Pakistan although over 70 per cent of the total jute crop of the sub-continent was grown there. There were very few cotton mills, in spite of the fact that Pakistan produced and supplied large quantities of cotton to mills both in India and abroad. The same applied



to many other raw materials such as hides and skins, tobacco, etc. This lack of industrial development, a legacy of the past, meant not merely that for a period of time, Pakistan would have to depend on India and other countries for most of its essential requirements but also that it would take time to build up a sound and healthy financial structure.

~~XXXXXX~~ Formidable as the lack of industrial development was by itself the situation had been rendered more difficult by the manner in which partition had taken place. Quite apart from the patent inequities of the Bounday Award, which had materially affected Pakistan's economy, the process of partition had resulted, the Finance Minister complained, in India remaining in full possession of the privileges, facilities and institutions vital to the economic and financial well-being of a nation, while Pakistan had to build up everything almost from scratch, and that too with its limited resources. Again the expectations, that the transference of power to the two Dominion\$ would be carried out smoothly and peacefully had been belied, and the absorption of the millions of Muslim refugees from India presented serious difficulties in an economy which was mainly agricultural. The overall trading, business and economic conditions had been so seriously dislocated that it now depended largely on the initiative, power of recuperation ~~of~~ and adaptability of the people of Pakistan, how quickly and effectively it might be possible to repair the damage ~~done~~ done and to reconstruct the fabric of Pakistan's economic life.

Budgetary position.- Turning next to the financial and budgetary position of Pakistan, the Finance Minister stated that the gross revenue in the current year (i.e. 1947-48) was estimated at 427.9 million rupees while expenditure was estimated at 662.0 ~~rupees~~ million rupees leaving a deficit of 234.1 million rupees. As far 1948-49, the gross revenue was estimated at 795.7 million rupees and expenditure was placed at 896.8 million rupees leaving a deficit of 101.1 million rupees.

The biggest item on the expenditure side was Defence services which were expected to cost 371.1 million rupees in 1948-49. The Minister admitted that the expenditure on defence was higher than would normally be justified for a young state like Pakistan. On the other hand, the dangers surrounding Pakistan made it essential for her to maintain an effective defence force and they were, therefore, reluctantly constrained to spend on the Armed Forces money some of which under better conditions should have been available for the social, industrial and economic development of the country. The Civil expenditure during 1948-49 was estimated<sup>at</sup> 154.2 million rupees, and included provision for 500,000 rupees for schemes connected with the educational and economic uplift of the Scheduled Castes, who, the Finance Minister claimed, were Pakistan's ~~special~~ special concern; and for another sum of 1,000,000 rupees for educational schemes and the promotion of cottage industries in the tribal areas.

Rehabilitation of refugees: proposal to set up Rehabilitation Finance Corporation.- The problem of absorbing about 6 million people in the economic life of Western Pakistan was gigantic one and the Pakistan Government proposed to set up a Refugee Rehabilitation Finance Corporation with an authorised capital of 30 million rupees, which could be increased later as and when necessary. The Government would invest a sum of 10 million rupees to start with towards the capital of the Corporation. The details of the scheme were being worked out and the Finance Minister requested the House to appoint a small committee to associate itself with the formulation of this scheme.

Inevitability of large borrowing programme.- But a final solution of the refugee problem and the satisfactory absorption of the refugees in the economic life of Pakistan depended ultimately on the rehabilitation of the country's agriculture, industry and trade. Pakistan's agriculture was at present suffering from a shortage of agricultural implements and livestock, and capital and essential consumer goods, were urgently needed. The transport system had been badly dislocated and damaged and had to be reinstated as soon as possible, particularly road transport. There was an acute shortage of housing, which called for fresh construction. The fulfilment of these requirements must necessarily involve expenditure of huge sums of money, and it seemed to the Finance Minister inevitable that Pakistan should enter into a borrowing programme of some magnitude.

State Bank of Pakistan to be set up.- At the time of partition it was agreed that the Reserve Bank of India should continue to manage Pakistan's currency and banking for a specified period. Arrangements were now in hand to take over the functions of currency management and central banking from the Reserve Bank of India in due course. It was proposed to set up for this purpose a bank to be known as the State Bank of Pakistan as soon as negotiations with the Government of India and the Reserve Bank of India were completed. The Bank would have a total paid up capital of 30 million rupees of which 51 per cent would be taken by the State and 49 per cent would be open to public subscription.

Development plans.- Turning to plans for development, the Finance Minister was in the happy position of being able to strike a note of optimism. Pakistan's future lay in tapping its vast natural resources which were simply awaiting to be harnessed. The standard of living of the masses must be raised by securing a balanced development in the field of agriculture and industry. It was the Government's firm resolve to fight poverty and rescue people from sub-human conditions.

The development of industry offered vast possibilities both in view of Pakistan's natural resources, as also the existence of a large and ready demand for consumer goods. Schemes of development, however, required substantial capital, vast quantities of capital goods and adequate technical skill. For these, Pakistan had to go for assistance to the outside world, and before so approaching any foreign market, Pakistan should satisfy both itself and the outside world that it was doing all that was possible to stabilise its financial system and to cut out all avenues of waste or

unnecessary expenditure.

In order to formulate a programme for the balanced development of the country, the Government had already set up a Development Board and a Planning Advisory Board. These bodies had started work and the provincial Governments had been asked to review the development schemes in the light of changed conditions and send their reports to the Development Board so that a comprehensive, co-ordinated and phased programme of development could be chalked out. A high priority had been assigned to an adequate geological and mineral survey of Pakistan, and during 1948-49 it was proposed to lend 100 million rupees to the provinces for productive and remunerative schemes.

Proposal to set up Industrial Finance Corporation.- But it was not on the activities of the Government alone that the advancement of Pakistan in the sphere of industrial development depended. Private enterprise must also naturally play its big and rightful part. In the matter of industrial policy, the Government of Pakistan proposed to follow a middle course, whereby a few industries which were considered essential to safety of the State would be completely nationalised, others would be left to private enterprise, some being jointly run by the public and the State. In the sphere of private enterprise the employment of foreign capital would in some cases be subject to necessary safeguards designed to secure participation of Pakistan nationals both in the capital structure and in the management. The Government hoped shortly to declare its policy in the matter. The Government also proposed in this connection to set up an Industrial Finance Corporation to assist industry.

Concessions to industry.- Pakistan was at present mainly an agricultural country, and in rapid industrial development lay its chief hope of increased prosperity and a higher standard of living for the people. High rates of direct taxation, the Finance Minister feared, might act as a deterrent to industrial enterprise, particularly to new ~~industries~~ industries. He, therefore, proposed that new industrial undertakings using ~~power-driven~~ power-driven machinery and employing more than 50 men in Pakistan should, during the first five years, be exempt from all direct taxation on so much of their profits as did not exceed 5 per cent of the capital employed. He also proposed to extend by five years the period at present prescribed for the grant of the special initial depreciation of 15 per cent on new buildings, and to allow special initial depreciation of 20 per cent on machinery and plant which was brought into use for the first time in Pakistan, even if it had been previously used elsewhere. Reference has already been made above to the other taxation proposals of the Finance Minister.

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Budget of the Government of India for 1948-49:  
Substantial Tax Reliefs for Industry.

The Budget of the Government of India for 1948-49 was presented in the Constituent Assembly of India (Legislative) on 28-2-1948 by Mr. Shanmukham Chetty, Finance Minister in the Government of India. Reduction in the burden of the Business Profits Tax and of super-tax, imposition of new or higher export and excise duties, provision for the relief and rehabilitation of ~~refugees~~ refugees, and for Central development schemes and the continuance of grants to provinces for their reconstruction plans are the main features of the budget. The revised estimates for the current financial year (15-8-1947-31-3-1948) show a deficit of 65.2 million rupees and the budget for 1948-49 a deficit of 268.5 million rupees which is reduced to 223.5 million rupees by drawing upon the railway surplus to the extent of 4.5 million rupees. Relief from and readjustment of taxes, amounting to 64.6 million rupees, raises the deficit again to 288.1 million rupees. The final deficit, however, is reduced to 10.9 million rupees by crediting to revenue advance payments of Corporation Tax amounting to 100 million rupees and by a number of new taxation proposals.

(Continued next page)

The following is a summary of the Budget estimates:

	<u>Revenue</u>	
	Revised (15-8-1947-31-3-1948)	<u>Budget (1948-49)</u>
	(In million of rupees)	
Customs	545.0	817.5 )
Central Excise Duties	207.2	— 5.8* )
		340.0 )
Corporation Tax	404.5	131.0* )
		395.0 )
Taxes on Income	745.7	103.0* )
		905.0 )
Salt	9.0	— 39.2* )
Opium	6.8	— )
Interest	4.6	14.0
Civil Administration	72.8	11.7
Currency and Mint	12.5	51.2
Civil Works	4.7	94.0
Other sources of revenue	51.1	8.1
Contribution from posts and Telegraphs	21.4	43.6
		5.8 )
		4.0* )
Contribution from Railways	-	45.0
Deduct-share of income- tax revenue payable to provinces.	—297.4	— 378.7 )
		19.6* )
<b>Total revenue</b>	<u>1787.7</u>	<u>2562.8</u>

\*Budget proposals.

	<u>Expenditure</u>	
Direct demands on revenue	54.5	89.8
Irrigation	0.8	1.3
Debt services	192.4	411.6
Civil Administration	237.5	345.6
Currency and Mint	11.4	22.0
Civil Works	62.8	72.1
Pensions	15.7	27.0
Miscellaneous—		
Expenditure on refugees	148.9	100.4
Subsidy on foodgrains	201.6	199.1
Other expenditure	23.6	32.8
Grants to provinces	18.5	29.6
Extraordinary items	18.9	31.6
Defence service(net)	866.3	1210.8
<b>Total expenditure</b>	<u>1852.9</u>	<u>2573.7</u>
<b>Net Deficit</b>	<u>65.2</u>	<u>10.9</u>

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Introducing the Budget Mr. Shanmukham Chetty stressed the magnitude of the rehabilitation problem, the food position which continued to cause anxiety and the rising trend of prices, which he termed the most unwholesome feature in India's economic situation. Referring to the emergency during recent times, of a substantial adverse balance in India's external payments, Mr. Chetty said that the most important lesson drawn from study of the external financial position was that as long as food imports continued, India would have an adverse balance of payments. In 1947-48 the amount expected to be spent on the import of foodgrains was 1100 million rupees.

Financial settlement with Pakistan.- Giving an account of the financial settlement with Pakistan, Mr. Chetty said that on a rough estimate the outstanding debt of the undivided Central Government on 14 August 1947, was likely to be of the order of 33,000 million rupees. Total assets on that date were estimated at 28,000 million rupees, leaving a net excess of liabilities over assets of about 5,000 million rupees. The arrangement with Pakistan laid down that for all assets located in her territory she would take a debt equal to their book value. An exception was made in the case of strategic railways, the book value of which for the purposes of settlement was written down from a little over 320 million rupees to 145 million rupees. In addition, it was agreed that Pakistan would take over a debt equal to the amount of the cash balance of 750 million rupees allocated to her out of the cash balances of the undivided Government and 17 1/2 per cent of the net excess of the Central Government's liabilities over its assets, already stated as 5,000 million rupees. Pakistan's debt would, however, be reduced by the liability she took over in regard to Postal Savings Bank, Postal Cash and National Savings Certificates outstanding in her area, pensions of the undivided Government paid in Pakistan and the liability for pensions earned by officers who opted for service in that Dominion. Pakistan's share would take the form of an inter-State debt to India, and on a very rough estimate this debt was likely to be of the order of 3,000 million rupees and the rate of interest about 3 per cent. Pakistan's total debt would be repaid in Indian rupees in 50 annual equated instalments for principal and interest, the repayment commencing in 1952.

Financial position in 1947-48.- Reviewing the financial position in 1947-48 Mr. Chetty said that the estimated deficit for the current year of ~~estimated deficit~~ 245.9 million rupees would be reduced to 65.2 million rupees. Revenue receipts for the period August 15, 1947 to March 31, 1948 were estimated at 1787.7 million rupees, against 172.8 million rupees in the interim Budget, (vide pages 30-33 of the report of this Office for November 1947). Expenditure was now estimated at 1852.9 million rupees, a reduction of 121 million rupees from the original estimate. On the expenditure side, there was a saving of 61.1 million rupees on Defence. The current year's Defence budget had included a substantial provision for new schemes and for the acquisition of land, but owing to changes in plans on strategic and other considerations and the preoccupation with the operations in Kashmir it was expected that a saving of 57.5 million rupees was likely to be affected.

A saving of 59.9 million rupees in civil expenditure was mainly due to reduced expenditure on the relief and rehabilitation of refugees. It was expected that the expenditure this year might not amount to more than 148.9 million rupees against 220 million rupees provided in the November Budget. He also expected a saving of 23.6 million rupees in the provision of 225.2 million ~~tax~~ rupees for subsidies on imported foodgrains. Interest charges were expected to show a saving of ~~12 million rupees~~ 12.9 million rupees.

Estimates for 1948-49.- At the existing level of taxation the total revenue for 1948-49 was estimated at 2305.2 million rupees and the expenditure charged to revenue at 2573.7 million rupees. Analysing the estimated expenditure Mr. Chetty stated that the net expenditure on Defence services was estimated at 1210.8 million rupees and on the Civil Departments at 1362.9 million rupees. The estimate for Defence services was exclusive of expenditure of a capital nature amounting to 149.9 million rupees to be incurred on the acquisition of new Naval vessels, aircraft and connected equipment for the expansion of the Navy and the Air Forces.

Civil estimates.- Referring to the provision included in civil estimates for certain special items like the expenditure on refugees and the subsidy for food, Mr. Chetty said that expenditure on the relief and rehabilitation of refugees was estimated at 100.4 million rupees (1948-49). The expenditure would be largely on relief and rehabilitation as the evacuation of refugees had now been nearly completed. In addition to direct relief and grants for rehabilitation, a comprehensive scheme for granting advances to the refugees to enable them to settle down in various walks of life had also been drawn up. A Rehabilitation Finance Administration to which Government would advance 100 million rupees was also being set up. He hoped that the facilities provided by the Industrial Finance Corporation would also be available for the assistance of industries which had to be ~~transferred~~ transferred to India on account of the communal disturbances. In addition to the provision of 100.4 million rupees in the revenue Budget, a sum of 100 million rupees had been included in the capital Budget for the Rehabilitation Finance Administration and 50 million rupees for loans and advances for rehabilitation, including loans to provinces for this purpose. The expenditure on food subsidies, including the bonus to provinces on the internal procurement of grain under the new food policy announced ~~was~~ recently was estimated at 199.1 million rupees *The estimate also* included a total provision of 107.5 million rupees under various heads for expenditure upon development schemes and resettlement.

Of the total expenditure of 1362.9 million rupees provided in the Budget for 1948-49, 298.5 million rupees were accounted for by the expenditure on refugees and the payment of subsidies and bonus for foodgrains, leaving 1063.4 million rupees for normal expenditure. This included 89.8 million rupees for tax collection, 438.6 million rupees for obligatory expenditure on payment of interest and pensions and provision for debt redemption, 51.5 million rupees for Planning and Resettlement, 22 million rupees for expenditure



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on the Mints and the Nasik Press, 29.5 million rupees for grants-in-aid to provincial Governments and 209.3 million rupees for expenditure in the nation-building sphere such as Education, Medical, Public Health, Broadcasting, Aviation and the conduct of scientific surveys and institutions in which the Central Government supplemented the work of the provincial Governments and provided valuable technical assistance and research. The balance of 242.7 million rupees represented the provision for ordinary administration, Civil Works, etc., and this constituted only 18 per cent of the total civil expenditure. In addition to 209.3 million rupees in the nation-building sphere, provision had been made in the capital Budget for a grant of 300 million rupees to provincial Governments for development and 340 million rupees for loans.

Assistance to provinces for development plans.- Referring to the development schemes of provincial Governments, Mr. Chetty said that the Government had decided that so far ~~the~~ as the Centre was concerned there should be no reduction in the extent of assistance promised by it to the provinces when the provinces were asked to draw up their plans for development. The provinces ~~were~~ were informed in 1945 that they could draw up their plans of post-war development on the assumption that in the five years beginning with 1947-48 they could expect assistance by way of grants of the order of 2500 million rupees. After allowing for the expenditure incurred up to the partition and for the areas now in Pakistan and reallocating the balance to the provinces in the Indian Dominion the outstanding balance of the assistance from Centre to the provinces at the end of the current year, on approximately the same scale as was ~~promised~~ promised by the then Government of India in 1945, was estimated roughly as between 1700 million rupees and 1800 million rupees. While agreeing to ~~the~~ continue to assist provinces the Central Government had emphasised that in future the grants from the Centre up to the maximum agreed to would be contingent on the provinces spending from their own resources at least an equal amount and that the whole scheme of assistance would be subject to readjustment if in the new constitution there was any substantial transfer of resources from the Centre to the units. The budget for 1948-49 accordingly included as already stated above provision for 300 million rupees for grants to provinces and 340 million rupees as loans.

Central schemes.- For Central schemes of development including resettlement a provision of 107.5 million rupees had been made in the revenue budget and 255 million rupees in the capital budget. Among the important development ~~schemes~~ schemes for which provision had been made, Mr. Chetty mentioned the expansion of the Forest Research Institute, Dehra Dun, the development of the valuable forests in the Andamans, the preliminary work on the Kosi, Sone Valley, Ghandak and Assam Valley projects, all of which formed part of the large-scale schemes of river development, the reorganisation of the Central Waterways Navigation and Irrigation Research Stations, the ~~scheme~~ setting up of a Tractor Testing Station, the establishment of a Central Agricultural College, the expansion of the Indian Agricultural Research Institute, the loan of 20 million rupees to the Damodar Valley Corporation and the



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investment of 10 million rupees in the Industrial Finance Corporation. In addition to provision for expenditure on the individual schemes, the budget also provided for an expenditure ~~of over~~ of over 20 million rupees for buildings for development schemes, 67.5 million rupees for construction and improvement of National Highways, ~~and 65 million~~ 65 million rupees for the Fertilizer Factory under construction at Sindri, 40 million rupees for the expansion of civil aviation and 700,000 rupees for the expansion of broadcasting facilities.

Reliefs in taxation.- Referring to the widespread criticism that the level of taxation in the 1947-48 Budget had seriously affected the incentive for saving and investment, Mr. Chetty said that after considering the question he was convinced that there was a considerable measure of justification in that criticism. The paramount need for India was to stimulate production and any fiscal or administrative measure which restricted or curtailed the expansion of industry would, he felt, stunt India's development. While industry should be called upon to pay its just contribution to the common exchequer, the burden placed upon it must be such as to allow ~~business~~ business to expand. At the same time the aim of any ~~tax~~ tax policy should be to secure that, while the level of taxation was reasonably high so that the wealthier sections of the community were placed under an equitable contribution for the common needs of the State, a genuine margin was left for savings which would flow back into investment and thereby add to the productive wealth of the community, which the State itself could subsequently tap. It was also necessary to adjust the taxation policy in such a manner as to provide a real incentive to the ploughing back of profits into fresh business. In making his proposals in the field of direct taxation, Mr. Chetty said he had kept these considerations prominently in his mind.

Business profits tax and super tax reduced.- Mr. Chetty said he had come to the conclusion that there was no justification for the withdrawal of the Business Profits Tax. He, however, proposed to reduce the burden of this tax considerably. The abatement allowed at present was 100,000 rupees or 6 per cent of the capital employed, whichever was larger. The rate of the tax was 16-2/3 per cent. He proposed that the abatement should be 200,000 rupees or 6 per cent of the capital employed, whichever was larger, and that the rate of the tax should be reduced to 10 per cent. The net result of this proposal would be a gross loss of 20 million rupees. Ten million rupees of this loss would however, be recovered by the increase in income-tax receipts and the net result would therefore be a loss of 10 million rupees.

His second proposal was to reduce the existing rate of super-tax. Last year the limit of income at which the maximum rate of 10 1/2 ~~percent~~ annas is attracted was reduced, in the case of earned income, from 500,000 rupees to 150,000 rupees and, in the case of unearned income, from 350,000 rupees to 120,000 rupees. The effect of this was to take away from any person with an income of over 120,000 rupees nearly the whole of the income beyond this amount. This hardly left any incentive to save and Mr. Chetty had no doubt that such severe taxation at this level would seriously

hamper the growth of savings and retard industrial development. He had accordingly raised the limit at which the maximum rate of tax will be attracted to 350,000 rupees for both earned and unearned income. He had also rearranged the ~~rates~~ rate of the tax within the slabs and the rates as they now stood seemed to him to fulfil the double purpose of keeping the level of taxation sufficiently high while leaving at the same time a margin for saving. The changes in super-tax were estimated to cost 10 million rupees. It was also proposed to reduce the tax on the undistributed profits of companies by one anna. The effect of this would be that on distributed profits the present rate of 5 annas would remain, while the tax on undistributed profits would be at the rate of 4 annas. The cost of this concession was estimated at 20 million rupees. Mr. Chetty also proposed to reduce the income-tax on companies with an income of 25,000 rupees and below to half the usual rates. Among the dangers to be avoided in the rapid industrialisation of India was the one of concentrating too many businesses in the hands of large companies, and every encouragement should ~~be~~ be given to the growth of smaller companies. The loss of revenue from this proposal was estimated at 1,200,000 rupees. It was also proposed that donations to approved institutions and charities should be exempted from taxation so long as they did not exceed 5 per cent of the net taxable income in the case of companies and 10 per cent in the case of individuals, subject to a maximum of 250,000 rupees in both cases. As regards the Corporation Tax, the Finance Minister suggested that the rate of the tax be raised from 2 annas to 3 annas and a rebate of one ~~anna~~ anna allowed to the companies which declare and distribute their dividends in India. The effect of ~~this~~ this proposal would be that companies in India would pay the present rate of Corporation Tax at 2 annas while foreign companies having business in India would have to pay a Corporation Tax of 3 annas on their profits earned in India. This change was expected to bring an additional revenue of 20 million rupees.

Turning to the reliefs in the ~~field~~ field of indirect taxation, Mr. Chetty said the export duty on cloth would be converted into an ad valorem duty of 25 per cent. Handloom cloth would be exempted from this duty while the duty on export of cotton yarn would be withdrawn. It was also proposed to withdraw the present excise duty on betelnuts.

New and additional taxes.- Mr. Chetty said that in framing his new taxation proposals to cover the prospective deficit of 2881 million rupees, he had turned as much as possible to the field of export duties, which did not involve any additional burden on the people, and to such of the excises as did not affect the poorer classes. His first proposal was to levy an export duty of 80 rupees per ton on oilseeds and 200 rupees per ton on vegetable oils. The yield from this duty was estimated at 25 million rupees. His next proposal was to levy an export duty of 20 rupees per ton on manganese to yield 8,000,000 rupees. The duty on motor cars would be raised from 45 per cent to 50 per cent, with a preference of 7 1/2 per cent in favour of the United Kingdom. The yield from this increase was estimated at 5,000,000 rupees. The import duty on cigars, cigarettes and manufactured tobacco

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would also be slightly raised following the changes in the excise duty. The increase in revenue from this change was estimated at 1,200,000 rupees.

In the field of Central excises his main proposal was to levy an excise duty on cigarettes amounting to roughly 25 per cent on the ex-factory prices. The ~~estimated~~ ~~estimated~~ estimated yield from this change was 70 million rupees. Simultaneously the duty on certain categories of unmanufactured tobacco would be raised from 9 annas per lb. to 12 annas per lb. in some cases and 5 annas per lb. to 4 annas per lb. in others in order to secure that there was no diversion from the consumption of cigarettes of the cheaper varieties. This increase was estimated to yield 20 million rupees.

The excise duty on ~~the~~ tea would be raised from 2 annas per lb. to 4 annas per lb. to bring it to the same level as the export duty. The additional revenue from this increase was estimated at 18 million rupees. The duty on coffee would be similarly raised to 4 annas per lb. to yield 3,000,000 rupees. The duty on vegetable products would be raised by 50 per cent to 7 rupees 8 annas per cwt. to yield 4,000,000 rupees. The duty on tyres would also be raised by 50 per cent. The ~~an~~ additional revenue was estimated at 4,000,000 rupees. The Finance Minister's other proposals included enhancement of the excise duty on matches and minor changes in the postal and telephone rates.

Future prospects.- Concluding, Mr. Chetty said that on the estimates as they finally emerged the total revenue next year would stand at ~~2563.7~~ 2562.8 million rupees and the expenditure at 2573.7 million rupees leaving an uncovered deficit of 10.9 million rupees. He, however, warned the House that this could not by any means be regarded as the normal figure of revenue and expenditure for the subsequent years. Although he had not been able to present a balanced or a surplus budget, the size of the deficit next year which he proposed to leave uncovered was very small in relation to the total expenditure. It might be considered an index of the efforts that were being made to close the ~~an~~ era of war-time deficits and bridge the gap between revenue and expenditure. While presenting the Interim Budget he had said that the financial position of India was intrinsically sound and that the country was not living beyond its means or heading towards bankruptcy. Mr. Chetty felt that the Budget now presented by him fully supported that view.

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United Provinces to impose Sales Tax:  
Government publishes Bill.

The Government of the United Provinces gazetted on 26 February 1948, the text of the United Provinces Sales Tax Bill, 1948, which it proposes to introduce in the provincial legislative assembly. Under the Bill, every dealer whose turnover exceeds 12,000 rupees a year, is required to pay a sales tax. In the case of the sale of foodgrains, milk, electrical energy, gur (crude sugar) and sugar the tax is to be levied at the rate of 1 pie per rupee. In the case of other goods at 3 pies per rupee.

The Statement of Objects and Reasons, appended to the Bill, says that the Government has started an extensive programme for the economic and cultural development of the province, and the provincial expenditure has considerably increased. Income from Excise, on the other hand, is likely to shrink gradually due to prohibition. It is necessary, therefore, to augment the revenues of the province by additional taxation. A tax on the sale of goods has already been exploited by other provinces and experience has shown ~~that~~ this imposes a negligible burden on the consumer.

(United Provinces Gazette Extraordinary,  
dated 26-2-1948, pages 1-8 ).

CHAPTER 5. WORKING CONDITIONS.

INDIA - MARCH 1948.

51. Hours of Work.

Burma: First Report of the Labour Legislation  
Committee: The Factories Act.\*

The Labour Legislation Committee set up by the Government of Burma, in its first report submitted on 22 October 1947 (vide page 13 of the report of this Office for December 1947), has proposed the enactment in Burma, in due time, of an entirely new Factories Bill which it has drafted on the lines of the new Indian Factories Bill (vide pages 2-4 of the report of this Office for December 1947). The enactment of the new Bill ~~is~~, however, is likely to take considerable time while some amendments in the existing factory legislation are urgently needed, particularly in the matter of maximum hours of employment. The Committee, has, therefore, with the concurrence of the Government dealt with the Factories Act in two ways. In Appendix I to its report it has outlined a new Factories Bill on the lines of the Indian Bill, with variations to suit Burmese conditions, which the Committee hopes the Government will consider in due time. In Appendix II, it has suggested amendments of the ~~is~~ existing Factories Act, which it hopes will be enacted by the Government as soon as possible after they have been made public, and after reasonable time has been given for the receipt and consideration of objections from interested parties. The amendments to the existing Act proposed by the Committee in Appendix II of its Report have already been given effect to by the Burma Factories (Amendment) Act, 1948, the provisions of which are summarised at page 26 of the report of this Office for January 1948.

Need for Revision of Factories Act.- No substantial amendments or addition can be said to have been made in the Factories Act in Burma since 1935 although it is common knowledge, the Committee declares, that in the intervening 12 years great changes have come about not only in industry itself but also in the whole complex of thought and expression on this subject. In many countries fresh legislation has been enacted during this period; many discussions and conferences of the International Labour Organisation have thrown new light, on the subject, and the joint efforts of employers' and workers' organisations in many countries, among which

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\* Government of Burma Industry and Labour Department:  
First Report of the Labour Legislation Committee, The  
Factories Act. Superintendent, Government Printing and  
Stationery, Rangoon, Burma, 1947.

special mention may be made of England and India, have set up new standards of working conditions and safety legislation which have left the existing Burma Factories Act far ~~from~~ behind. The Committee is, therefore, of the opinion that the time is ripe for considerable changes in the Act.

Differences between existing Factories Act and the new Act proposed by the Committee.- The more important among the changes introduced by the Committee in the new Factories Bill which it has drafted are noticed below.

Extension of scope of Factories Act.- In chapter I of the Bill dealing with definitions and the scope of the Bill, the upper age of an "adolescent" is raised from 17 as in the present Act to 18, and new definitions of the terms 'prime mover' and 'transmission machinery' are included. The definition of a 'factory' is changed from premises employing 20 or more persons and using power, to those employing 10 or more persons with the use of power, and 20 or more without. This will of course greatly extend the scope of the Act, adding possibly as many as 1,000 new establishments to those already included. The distinction between non-seasonal and seasonal factories is dropped and Clause 4 of the Bill authorises the application of the provisions of the Act by notification in the Official Gazette, to "any place where a manufacturing process is carried on, whether with or without the use of power". Under the present Act such notification can only be made in the case of places employing between 10 and 20 persons and using power. Provision is included for the ~~the~~ formal registration of factories and adequate arrangements for the disposal of industrial trade waste and effluents. The present Factories Act gives Government power to exempt any factory from the provisions of the Act during a public emergency, but the Committee is of the opinion that special legislation, if required, can be enacted during a public emergency. This provision has, therefore, been dropped in the new Factories Bill framed by the Committee.

Health and safety provisions.- The chapters relating to health and safety are considerably expanded. In addition to requiring factories and compounds to be kept clean generally, Clause 15 of the Bill prescribes methods of effecting cleanliness in various parts of the factory. The removal of dust and fumes is more fully dealt with in Clause 18, and under Clause 19, 500 cubic feet of air space is allowed for each worker as against 360 cubic feet allowed at present. Lighting requirements are fully explained in Clause 20 and provision is included for the supply of cool drinking water in factories and the construction of only approved sanitary types of latrines in factories employing over 250 workers.

As regards the fencing of machinery, Inspectors are relieved of the heavy responsibility placed on them by the present Act. The onus is now placed on the occupier and manager to fence or otherwise make safe all dangerous parts of machinery. Provisions for the safe working of hoists and lifts, cranes, revolving wheels and vessels and pressure plants are more fully dealt with than in the present Act.

Welfare.- The present Act does not contain any reference to—(a) accommodation for workers' clothing, (b) sitting facilities for workers, who are obliged to work in a standing position, and (c) canteens. Provisions on these subjects are included in clauses 45, 46 and 48 of respectively of the Bill and Committee recommends that the establishment of canteens in factories employing more than 300 workers may be made compulsory.

The Committee is of the opinion that it should be made compulsory for factories employing more than 100 workers to provide shelters in factories and has made provision for this in Clause 49.

Similarly, the Committee considers that a stage has been reached when the provision of creches or rooms for children should be made compulsory in factories employing more than 50 women workers. This has been provided for in Clause 50 of the Bill.

Medical aid: industry to bear cost of medical aid to workers.- The present Act gives the Government powers, to make rules requiring the maintenance of first-aid appliances. A rule framed under these powers has made it compulsory to provide first-aid outfits in engineering works and saw mills employing not less than 50 workers and in other factories employing not less than 250 workers. The Committee is of the view that first-aid outfits should be maintained in all factories. It further considers that factories employing more than 300 workers should maintain a dispensary. These provisions are included in Clause 47 of the Bill.

The cost of medical treatment, the Committee feels, is beyond the means of the average worker in Burma. While not intending to absolve the State of its duties in the matter, the Committee feels that, both in the national as well as in its own interest, industry should help to bear the cost of the medical needs of workers.

If these dispensaries are to perform their functions properly, they should be under expert control. The Committee, however, leaves it to Government to prescribe, from time to time, the medical and nursing supervision that must be provided at these dispensaries.

Housing.- Representatives of workers on the Committee suggested the inclusion of a clause in the Bill to make it compulsory for employers to provide housing for workers. ~~The workers' representatives gave their support to the proposal and the Government~~ The employers' and Government representatives, however, felt that housing accommodation was the responsibility of the State and that it was a matter primarily for Government and the local authorities to deal with. From the administrative point of view, the Director of Labour felt that it would be very difficult for Inspectors to decide which types of houses were adequate and he was of the opinion that this was a matter which should be regulated under a Housing Act. The Chairman's view was that the Factories Act should contain enabling powers under which Government may later, in consultation with the employers' and employees' representatives and local authorities, lay down standards for housing for workers, specify the proportion of workers for



whom housing should be provided, and fix the proportion in which the cost of such housing schemes should be borne by employers, the Government and Local Authorities. ~~Edwards~~ Despite these differences of opinion, however, the Committee is unanimous that the housing question is one which needs immediate attention of the Government, irrespective of whether the provision of housing accommodation is regulated under the Factories Act or a special Housing Act or by some other means.

Welfare Committees.- The existing Factories Act in Burma does not contain any provision regarding the formation of Welfare Committees in factories. The Committee recommends that in the initial stages the formation of such Committees should be confined to bigger factories, say, those employing more than 250 workers, and that their formation should be optional and subject to the concurrence of the workers.

Extension of Act to building operations, docks, work warehouses, etc.- There are no regulations at present in force in Burma to control conditions of work in--(a) building operations and work of engineering construction; and (b) docks, ~~wharves~~ wharves, quays, ships (in docks or harbours) and warehouses. A clause in the Bill empowers the Government to extend the provisions of the Bill to building operations and works of engineering construction and a number of provisions in the Bill have been specifically extended, by Clause 58, to the ~~establishments~~ establishments mentioned above.

Restrictions on working hours of adults.- On the question of the maximum weekly and daily hours of work of adults in factories, the Committee failed to reach agreement. From the very commencement of the enquiry, workers' representatives pressed for a 44-hour week and 8-hour day. The Committee proceeded to ascertain the effect of these proposals upon the principal industries and found that in the all important rice-milling industry, where the millers ~~were~~ were, in most cases, already working only 48 hours per week, milling costs would rise by only 15 per cent and the price of milled rice by only 1 to 2 Rupees per 100 baskets, a negligible increase at present prices. In the sawmilling industry the proposed reduction was estimated to raise the cost of milling by only 12 1/2 per cent or by 10 rupees per converted ton against the average selling price of 500 rupees per ton of teak. In the case of the oilfields, the Burma Oil Company, the principal operators, had already fixed the normal working week as low as 45 1/2 hours.

The employers' representative on the Committee, however, considered that a 48-hour week and a 9-hour day would achieve all that workpeople's representatives were pleading for and would give the workers reasonable leisure. Further reduction he felt, would reduce output and increase costs, and would seriously handicap the country both in internal rehabilitation and in the ~~recapture~~ re-capture of its all-important export trade, particularly in rice and timber.



The Chairman and the Government representatives took the view that the result of the Committee's enquiries tended to show that the effect of the proposals on costs would not be so drastic as appeared at first sight, particularly in the extremely important rice industry. There was ground for hope that such restrictions on working hours would lead to more efficient organisation and use of labour, which would tend to lessen any decrease in output, and they also felt that the change would make for peace in industry and remove some of the most potent causes of the strikes and unrest which had paralysed the industries of the country at almost immeasurable cost, during the previous 18 months. They therefore supported the reduction of normal maximum weekly hours to 44. On the question of daily hours, however, the Director of Labour felt that the maximum should remain at 9 hours, in order to leave an opportunity for employers and workers, if they so desired, to arrange for a full holiday on Saturdays rather than a half ~~working~~ holiday.

As agreement could not be reached on this matter, disagreement was recorded as follows:-

	Recommendations of		
	Government Represent-atives.	Employers' Represent-atives.	Chairman and Work-people's Represent-atives.
Weekly hours....	44	48	44
Daily hours.....	9	9	8

Other important changes introduced by the Committee under this head are reduction of the maximum period of continuous working from 6 hours to 5; of the maximum permissible ~~span~~ spreadover of daily hours from 13 to 10; the stepping up of the rate of pay for overtime to twice the ordinary rate; and provision for payment at double rate for work done on a ~~xxx~~ 'recognised general holiday'.

Holidays with pay.- On this subject, again, the Committee could not reach a unanimous ~~decision~~ decision. The main difficulty was the large number of public and religious holidays which have become normal by custom. The more advanced employers in Burma ~~already~~ allow paid leave on 17 public or religious holidays.

The workers' representatives proposed that 21 days consecutive, 15 public or religious holidays (the actual dates of each holidays to be negotiated between the parties) and a holiday on May-Day, all with full pay, should be allowed and enforced under the Act.

The employers' representative on the other hand was unable to agree to this. The needs of production made it in his view impossible to grant paid leave to factory workers on the scale enjoyed by clerical workers and Government staffs, and he said that employers generally could not go beyond the present allowance of 17 days which in fact was only given by the largest and most progressive firms. He was prepared to ~~give~~ agree to the principle of granting a

period of continuous holiday provided it was made clear in the Act that such holiday would be granted within the limit of the holidays given at present and not in addition to them.

The Chairman and Government representatives wished to see the principle of continuous holidays established, but were not prepared to go beyond the proposals in the Indian Bill. They regarded other holidays as being outside the scope of the Act.

The new Bill framed by the Committee, therefore, merely follows the Indian Factories Act and provides for an annual holiday with pay of ten consecutive days in the case of adults and adolescents, and 14 consecutive days in the case of children.

Raising of age of admission to employment and reduction of working hours of children.- The Committee considers that a child under 13 is too immature and should not be permitted to work in a factory and has accordingly raised the minimum age of children for employment in factories from 12 years to 13 years.

Section 54 of the existing Act permits a child to work in a factory for 5 hours daily, provided they do not spread over more than 7½ hours. The Committee considers these hours to be too long and has accordingly provided in Clause 87 of the Bill for 4 hours of work spread over not more than 5 hours.

Inspection.- Adequate inspection, the Committee realises is an essential part of any scheme of factory legislation and without it such legislation is likely to fail in its object. The greatest stress is laid upon this in all publications on the subject issued by the International Labour Organisation and other authorities, and also upon the importance of ensuring that the Inspectors are ~~xxx~~ fully trained for their arduous and exacting duties. This must necessarily take time, and even if an immediate start is made, it is ~~made~~ obvious that an efficient factories inspectorate cannot be fully in being for many months. The Committee therefore, urges in the strongest terms that immediate attention should be given in Burma to this urgent and pressing problem.

Minute of Dissent by Mr. D.C. Robertson.- In a Minute of Dissent appended to the Report, Mr. D.C. Robertson, member of the Labour Legislation Committee representing employers' interests, reiterates the opposition of the employers to the proposal to reduce the maximum weekly hours of work to 44. It is the contention of the employers, according to Mr. Robertson, that Burma cannot afford such a reduction especially at the present time, when she is engaged upon a vast reconstruction and rehabilitation programme, the main object of which is to increase output and re-establish herself in the markets of the world, where competition in the matter of prices is keen. There can be no doubt whatsoever that a reduction in working hours means increased costs ~~and/or~~ and/or decreased output. It has been claimed that a reduction in hours would produce the incentive for harder work, which would result in increased output, or at least equal output for the shorter hours, but the experience of employers in Burma to date, according to Mr. Robertson, is that labour is doing less work

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than it did in the same number of hours pre-war, and there is no evidence to encourage the belief that shorter hours will increase output; in fact the reverse is almost certain to be the case. Again, in many factories it is the machine which governs the output, and in such cases a reduction in hours is bound to mean reduced output.

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(Note:- A copy each of the Report was forwarded to Montreal and Geneva with this Office Minute No. P.1/351/48 dated 25 February, 1948).

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52. Welfare and Workers' Leisure.

India - March 1948.

Cheap Food Concession for Railway Employees:  
Committee to enquire into working of Grainshops.

The Government of India has set up a non-official enquiry committee, with Mr. Mohan Lal Saksena as chairman, to enquire into the working of railway grainshops.

The Committee will determine:

(1) Whether the existing scheme of supplying food grains and other commodities to railway employees at concession rates is fair and equitable as regards categories of staff admitted to the concession, range of commodities, quantities supplied and the rates charged, and whether the organisation is efficient and economical as regards procurement, stocking and distribution, and otherwise capable of giving the most satisfactory results;

(2) whether the overhead charges are reasonable;

(3) whether the existing methods of accounting, inspection and control are adequate;

(4) whether the losses that are being incurred are reasonable in the circumstances;

(5) whether the present system requires to be modified or altered in any respect; and

(6) whether the present system may be wholly or partially replaced by any other system while retaining all those benefits of the existing scheme to which the workers are reasonably entitled and keeping the cost within the limits which the Railways can afford.

The Committee has been asked to submit its report by 15 May 1948.

(The Hindustan Times, 29-2-1948).

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Orissa Factories (Canteens) Rules, 1948.

The Government of Orissa has gazetted this month the Orissa Factories (Canteens) Rules, 1948, framed under the provisions of section 33-A of the Factories Act, 1934. The rules require the occupier of every notified factory wherein more than 250 workers are ordinarily employed to provide and maintain for the use of the workers a suitable canteen. The rules further provide for separate dining accommodation for men and women workers in factories where women are employed, and prescribe the way in which canteens managing committees consisting of representatives of workers and of the employer ~~shall~~ shall be constituted.

Reference was made to the publication of the draft of these rules at page 9 of the report of this Office for November 1947.

(The Orissa Gazette, Part III,  
dated 26-3-1948, pages 155-156).

59. General.

India - March 1948.

Conditions of Work in Handloom Industry  
in Madras: Recommendations of Court of  
Enquiry.

Dr. B.V. Narayanaswami Naidu who was appointed in May 1947 by the Provincial Government as a Court of Enquiry under the Industrial Disputes Act to enquire into the conditions of labour in the handloom industry in Madras province has, in his report, recommended that the provisions of the Non-Power Factories Act, the Employment of Children Act, the Payment of Wages Act, the Madras Maternity Benefit Act and the Workmen's Compensation Act should be applied to the handloom industry. In order to reduce the price of handloom goods and thus secure a better market, Dr. Naidu has suggested the elimination of ~~middle~~ middlemen and the revision of dyeing charges. An increased supply of yarn is also recommended to ensure employment to the weavers for 24 days in a month. To eliminate indebtedness Dr. Naidu has suggested that every Weavers' Co-operative Production and Safe Society should open a credit department which must be able to finance the indebted weavers to liquidate their debts to the outsiders. The Society should function as a multi-purpose society catering to all the material needs of the weaving community. As there is an unqualified desire on the part of the weavers to become members of co-operative societies, the weavers' co-operative movement should be extended to embrace the entire community of weavers. ~~and~~ Finally the report has recommended a bonus of three months' wages to be paid to all workers in all the handloom factories in the Province, for the year 1946-47, and the institution of a system of provident fund under which workers and employers should contribute equally at the rate of one anna in the rupee of the wages paid.

(Madras Government Press Note dated  
5-2-1948;  
The Hindu, dated 6-2-1948 ).

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CHAPTER 6. GENERAL RIGHTS OF WORKERS.  
INDIA - MARCH 1948.

62. Right of Association.

India - March 1948.

Trade Unions in Assam to submit Monthly Returns:  
Proposed New Regulation.

The Government of Assam published on 24 March 1948, the draft of a regulation which it proposes to make under the provisions of the Indian Trade Unions Act, 1926, requiring trade unions in Assam to forward to the Registrar of Trade Unions, Assam, by the first week of the succeeding month a monthly report showing their membership and financial position during the preceding month.

The draft will be taken into consideration <sup>on</sup> /or after 15 June 1948.

(The Assam Gazette, Part II,  
dated 24-3-1948, page 241 ).

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64. Wage Protection,  
India - March 1948.

Draft Amendment to C.P. and Berar Payment of  
Wages (Non-Federal Railways) Rules: Scope to  
be extended to Contract Labour.

In ~~exercise~~ exercise of the powers conferred by the Payment of the Wages Act, the Government of the Central Provinces and Berar has published the draft of certain amendments it proposes to make in the Central Provinces ~~and~~ Payment of Wages (Non-Federal Railways) Rules, 1939, and the Berar Payment of Wages (Non-Federal Railways) Rules, 1939. The draft amendments seek to extend the scope of the Payment of Wages Act to labour for railway work employed by contractors.

The draft is to be taken into consideration on or after 5 June 1948.

(No. 221-244-XXVI dated 1-3-1948, C.P. and Berar Gazette, dated 5-5-1948, Part III, pages 158-159 ).

International Regulation of Labour Clauses in  
Public Contracts: East India Committee of  
Employers Federation opposes proposal.

With reference to a Government of India enquiry into points included in the agenda of the International Labour Conference to be held at San Francisco in June, 1948, the Employers Federation of India invited comments from the East India Committee of the Federation on a proposal that the Labour Conference should adopt ~~some~~ world-wide regulations regarding labour clauses in public contracts.

The East India Committee recorded its opposition to the proposal which it thought would be unnecessary and cumbersome, besides involving contractors in trouble and expense, and might give rise to serious difficulties, in as much as contractors could not ensure that their sub-contractors and suppliers had complied with the regulations. It did not think the lack of such rules in present organised conditions would be ~~not~~ felt and no contractor could expect to pay less than the usual rates for the services of his employees.

(Report of the Committee of the Bengal Chamber of Commerce for the year 1947 ).



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66. Strike and Lockout Rights.

India - March 1948.

Dismissals or Retrenchment of Workers during  
pending of Adjudication Proceedings: Discussion  
between Government of West Bengal and  
Employers.

The question of employers' rights in the matter of dismissals or retrenchment of workers during the pending of adjudication proceedings is stated to have figured prominently in the discussions of a Tripartite Labour Conference convened by the Government of West Bengal to discuss (1) maintenance of the status quo in industrial relations; (2) stay in strikes and intimidation of the management; (3) go slow tactics; and (4) proposals for amendments of the Industrial Disputes Act. The first sitting of the Conference was held on 9 December 1947 and the second on 6 January 1948. The representatives of the Chambers of Commerce in Calcutta and the Bengal Millowners' Association opposed the Government's view that employers should agree not to exercise their privilege in such circumstances, except on grounds of misconduct, which if it amounted to a criminal offence was for reference to a court, other cases being for settlement by Government or a Tribunal. ~~Not~~ No agreement in regard to this point was reached and it is understood that consultations are proceeding between the Chambers and other industrial bodies who stand to be affected by what they are inclined to regard as interference with a principle of good order and the long recognised rights of employers.

(Report of the Committee of the Bengal  
Chamber of Commerce, for the year 1947).

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C.P. Government's Labour Policy criticised:  
Provincial Trade Union Congress organises  
1 Day's Protest Strike.

The provincial Trade Union Congress in Central Provinces and Berar organised a token strike of one day on 16 March 1948 as a protest against the Government's labour policy. Mr. R.S. Ruikar, member of the Working Committee of the C.P. and Berar Trade Union Congress and President of the C.P. Textile Workers' Federation and Mining Workers' Union, in a Press interview said that the Government had failed to settle various labour problems through the machinery of adjudication and conciliation. He accused the Government for suppressing civil liberties by promulgation of Section 144 Cr.P.C. in Nagpur and other important industrial centres in the province.

Government's attitude: certain employment declared "essential services".- Maintaining that the Trade Union Congress had called for the strike for political ends and that its plea that it was in protest of the Government's labour policy could not bear examination, the Government, on 12 March 1948, declared, in exercise of the powers conferred by the Central Provinces and Berar Public Safety Act, 1948, employment under textile mills, motor transport services, power houses and electric supply concerns, printing presses and municipal committees, including conservancy and water works services ~~take~~ to be essential for the ~~purpose~~ purpose of public safety and maintenance of the life of the community.

Strike observed.- In spite of the Government's warning the general strike was observed on 16 March 1948.

(No. 257-XXVI dated 12-3-1948, the C.P. and Berar Gazette Extraordinary, dated 12-3-1948, page 359;

The Hindu, dated 1-3-1948;

The Hindustan Times, dated 16-3-1948 ).

Iron and Steel Industry declared Public Utility Service in Bihar.

By a notification dated 13 March 1948, the Governor of Bihar has declared the 'Iron and Steel' industry in Bihar to be a public utility service for the purposes of the Industrial Disputes Act, 1947. The notification is to be in force for a period of six months from the date of publication.

(Notification, No. 824-XL(5)-24/48-L;  
The Bihar Gazette Extraordinary,  
dated 15-3-1948 ).

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67. Conciliation and Arbitration.

India - March 1948.

Compulsory Constitution of Works Committees in  
Establishments with 100 Employees or More :  
Madras Government's Order.

In exercise of the powers conferred by section 3 of the Industrial Disputes Act, 1947, the Governor of ~~the~~ Madras has promulgated an order requiring every employer in respect of an industrial establishment, in which 100 or more workmen are employed, to constitute a Works Committee in accordance with the provisions of the Act and in the manner laid down by the Madras Industrial Disputes Rules (vide page 62 of the report of this Office for February 1948).

(G.O.No. 817, Development, dated 20-2-1948.  
The Fort St. George Gazette, dated 2-3-1948,  
Part I, page 162 ).

Shorter Hours, Periodic Rest and Leave Concessions  
for Railwaymen: Adjudicator's Award published\*.

Reference was made at pages 74-75 of the report of this Office for April 1946 to the dispute between the All-India Railwaymen's Federation and the Railway Board and to the appointment of Mr. Justice Rajadhyaksha as adjudicator. The matters in dispute related to hours of work, periodic rest, leave reserves and leave rules for daily rated and inferior staff. The award of the adjudicator submitted to the Government of India in May 1947, was released for

\* Adjudication by the Hon'ble Mr. Justice G.S. Rajadhyaksha, I.C.S. (Bombay High Court) in the Trade Dispute between the Nine Indian Government Railway Administrations and their Respective workmen: Vol.1-Report: Published by the Manager of Publications, Delhi, India: Printed by the Manager Government of India Press, New Delhi, India, 1947: Price Rs.3 as, 6 or 5 sh. 6d.

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publication early this month. Supporting reduced hours of work for Railway servants, Mr. Justice Rajadhyaksha has recommended in his adjudication award proposals which will entail the engagement of about 79,000 more men by the Indian Railways and an additional recurring expenditure of 65 million rupees per annum. He has also favoured a weekly rest of at least a full night and a full day for all 'continuous' and 'intermittent' workers and a fortnightly rest of 24 hours for other staff. His other recommendations liberalise the existing leave rules for inferior and daily-rated staff and suggest the provision of satisfactory leave reserves.

The Report emphasises that all categories of Railway workers including loco and traffic running staff such as engine crew, guards and brakemen should be brought within the scope of the Hours of Employment Regulations and should be reclassified. These Regulations, which apply to Railwaymen other than those who are governed by the Factories Act or the Mines Act, implement the I.L.O. Conventions of 1919 and 1921. They provide a 60-hour week, rest periods and overtime allowances for 'continuous' workers and an 84-hour week with no statutory rest for essentially 'intermittent' workers. Owing to the nature of their work, certain classes are excluded from the benefits conferred by the Regulations.

Reclassification of workers.- The adjudicator has suggested the classification of Railway servants into 'intensive', 'continuous', 'essentially intermittent' and 'excluded' categories instead of the present ~~three~~ three categories. The intensive class will include section controllers, staff employed in line-clear work, yard staff, signallers on heavy circuits and wireless operators. Any railway servant employed continuously without a respite of at least six hours will be included in the 'continuous' class. Such of the staff whose work includes periods of inaction aggregating six hours or more will be classified as 'essentially intermittent'. The 'excluded' categories are to be limited to supervisory staff, health and medical services, persons employed in a confidential capacity, saloon attendants etc. In the matter of classification, the Report has stressed that the Chief Labour Commissioner should be the final authority to whom appeals ~~should~~ should lie over the decisions of the Administrations. It is also recommended that the Chief Labour Commissioner's organisation should be strengthened and that each Railway Administration should have a separate organisation to supervise the application of the Regulations.

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Hours of Work: statutory limits for different categories of workers.- The Report lays down that 'intensive' workers should be employed on four shifts of 6 hours each, 'continuous' workers three shifts of ~~8~~ 8 hours each and 'essentially intermittent' staff on two shifts of 12 hours each. The statutory limits suggested are 45 hours per week for 'intensive' staff, 54 hours per week for 'continuous' workers and 75 hours per week for 'essentially intermittent' workers. No limit is prescribed for the 'excluded' class but the Report cautions that "this should not absolve the administrations of the responsibility on humanitarian grounds, of seeing that unreasonable conditions are not imposed". It is suggested that the hours of work in respect of running staff should be calculated from their signing on to signing off.

Periodic and weekly rest.- As regards the grant of periodic rest a rest period of at least 30 consecutive hours in a week, which will automatically include a full night and a full day, is recommended for all 'intensive' and 'continuous' workers. A 24-hour period including a full night is suggested as weekly rest for 'essentially intermittent' workers. For 'excluded' inferior staff, a period of 48 consecutive hours in a month or 24 consecutive hours in a fortnight is recommended as the minimum rest. The Report has suggested the employment of special staff by the Railways for the provision of this relief.

Under the present rules, a weekly rest of 24 consecutive hours is prescribed for 'continuous' workers. According to the Report, this entails great hardship on certain staff such as Assistant Station Masters who are obliged to work once or twice a week for 12 hours at the stretch (popularly known as a long 'on') and to have only a short 'off' - e.g. from 4 p.m. to 12 p.m. or 12 noon to 8 p.m. The Report says that "the administrations have generally been able to provide 24 consecutive hours' rest to 'continuous' staff employed in a continuous process in the shape of long 'on' and short 'offs', otherwise called 'double duty'. This is a clumsy device which robs the concession of its grace and value". This system is said to be very unpopular with the staff and the Adjudicator discourages it as "repugnant to any common-sense conception of weekly rest". It is pointed out that for some time this evil was eliminated at certain stations where the work was heavy by the appointment of relieving staff known as "Geneva A.S.Ms."

As regards running staff, the Report has recommended that their duty should not exceed 10 hours at a stretch. Periodic rests for them should consist of four periods of not less than 22 hours each in a month. Such rest should always include a night in bed and be given at headquarters. As far as possible they should have such rest once in every ten days. It is further suggested that the Railway Board should issue instructions against continual night duty by running staff for more than six nights consecutively and against keeping the running staff away from headquarters from more than three or four days at a stretch.

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Leave Rules and reserves.- The Report suggests that in respect of railway servants who will be classified as Class IV, in accordance with the Pay Commission's recommendations, (vide pages 45-50 of the report of this Office for May 1947) leave on full pay should be allowed to be accumulated upto four months in the case of those with over 20 years service, upto three months in the case of those with 10 to 20 years of service and two months in the case of others. Twenty days leave on half pay should be admissible per year to staff with over 20 years service and 15 days for other staff. Casual leave should be admissible upto 15 days in a year. In the case of workshop staff, 15 days paid holidays should be allowed in lieu of casual leave. These recommendations are designed to narrow down the gap between Class III and Class IV services in the matter of leave rules. The leave concessions admissible to persons in Class IV services after 20 years of service will be the same as those in Class III services.

Among the methods and principles suggested for the general guidance of administrations with a view to placing leave reserves on a satisfactory basis are the following:- For categories of staff for whom suitable substitutes are readily available, a lump-sum grant should be placed at the disposal of the District Officer with power to appoint substitutes wherever necessary within that amount. For categories for whom it is not possible to find substitutes, adequate leave reserve based on the leave usually taken by the staff should be provided. In other cases a reserve should be provided on the basis of the minimum leave requirements. For exceptionally unhealthy areas, a suitable addition varying from 3 to 5 per cent of the working strength should be made to the reserve. For purposes other than leave, a specified reserve calculated on the basis of an estimate of the actual requirements, ~~shall~~ should be provided except in the case of categories for whom substitutes are available.

Government considering award.- The ~~Government~~ award is under consideration by the Government of India.

(Unofficial Note dated 10-3-1948,  
issued by the Press Information Bureau  
of the Government of India ).

(A copy each of the Report of the Adjudicator was forwarded to Montreal and Geneva with this Office Minute ~~D.1/499~~ No. D.1/499/48 dated 27 March 1948 ).

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Industrial Disputes (Bombay) Rules, 1947, amended:  
Provision for settling disputes as to interpretation  
of Awards.

By a notification dated 2 March 1948 the Government of Bombay has amended the Industrial Disputes (Bombay) Rules, 1947 (vide page 4 of the report of this Office for September 1947), by inserting a new rule, viz., No. 20-A, providing for settling disputes relating to the interpretation of an award. Under the new rule if any question arises as to the interpretation of any award made by a Tribunal, the provincial Government may make a reference to the Tribunal for a decision on such question and the Tribunal may decide the matter after hearing the parties.

(Notification No. 575/46, dated 2 March 1948;  
The Bombay Government Gazette; Part I, dated  
11-3-1948, page 1149 ).

Specific time limit for Conciliation Proceedings:  
Bombay Government Order under Industrial Relations  
Act, 1946.

An Order dated 3 March 1948 issued by the Government of Bombay in exercise of the powers conferred on it by section 62 of the Bombay Industrial Relations Act, 1946, fixed definite time limits for each stage of the conciliation proceedings provided for under Chapter X of the Act. The order stipulates that the Conciliator should hold conciliation proceedings within ten days from the date on which the dispute is entered in the register maintained for this purpose, that the report of the Conciliator on the dispute should be submitted within 2 days from the last day on which the conciliation proceedings are held and that the report should be published as provided for in section 58(4) of the Bombay Industrial Relations Act within seven days of the submission of the report.

(Order No. 1237/46, dated 3 March 1948;  
The Bombay Government Gazette, Part I,  
dated 11-3-1948, page 1150 ).

Draft Amendment to Industrial Disputes (Bombay)  
Rules, 1947: Provision for the setting up of  
Works Committees.

A draft amendment to the Industrial Disputes (Bombay) Rules, 1947, seeks to insert in the Rules a new, entitled 'Part III-A Works Committees'. The proposed draft Rules provide that in respect of the constitution and functions of and the filling of vacancies in Works Committees, and the procedure to be followed by such Committees in the discharge of their duties, the rules applicable in Bombay shall be the

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same as appear in Part V of the Industrial Disputes (Central) Rules, 1947. Breach of these Rules is punishable with a fine up to 50 rupees.

(No. 575/46, dated 10 March 1948;  
The Bombay Government Gazette Extraordinary,  
Part I, dated 13-3-1948, page 1214 ).

Pakistan: Central Government sets up Industrial Tribunal.

By a notification dated 9 March 1948 the Central Government of Pakistan has set up an Industrial Tribunal consisting of Mr. Muhammad Wasim, Bar-at-law, Advocate-General of Pakistan, for the adjudication of industrial disputes in accordance with the provisions of the Industrial Disputes Act, 1947.

(The Gazette of Pakistan Extrarodinary,  
dated 9 March 1948, page 119 ).

Assam: Notification relating to Formation of Works Committees in Industrial Establishments.

The Governor of Assam, by a notification dated 12 March 1948, has ~~announced~~ declared all industrial establishments in Assam in which 100 or more workmen are employed to be liable to form works committees under section 3 of the Industrial Disputes Act, 1947.

(No. G.G.N. 316/47/16; The Assam Gazette,  
dated 17-3-1948, page 215 ).

Speedy Settlement of Industrial Disputes:  
U.P. Government's Order constituting  
Conciliation Boards and Industrial Courts.

In exercise of the powers conferred by sections 3 and 8 of the United Provinces Industrial Disputes Act, 1947 (vide page 53 of the report of this Office for January 1948) the Government of the United Provinces has promulgated an Order providing for the ~~constitution~~ Constitution of Conciliation Boards and Industrial Courts.

Conciliation Boards.— Under the Order the Government may by notification in the official gazette appoint conciliation officers for such area or areas or for such industry or industries as it may specify in that behalf. The Government may, also, constitute such number of Conciliation Boards as it may deem necessary, consisting of three members of whom one, who shall be the Chairman, shall be the Conciliation Officer for the area, one shall be a representative of employers and one shall be representative of workmen from panels of ~~or~~ representatives of employers and workmen to be appointed by the provincial Government. No business may be transacted at any meeting of any Board unless all the three members are present.



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Reference for inquiry into disputes.- Any employee or registered Trade Union of employers or workmen or, where no registered Trade Union of workmen exists in any particular concern or industry, the representatives not more than five in number of the workmen in such concern or industry duly elected in this behalf by a majority of the workmen at a meeting held for the purpose, may by application in writing, move the Board to inquire into any industrial dispute. The application shall clearly state the industrial dispute or disputes which are to be the subject of such inquiry. The provincial Government may also, by order in writing, refer to the Board for inquiry any matter in respect of which an industrial dispute has arisen or is likely to arise.

Settlement procedure.- The Board shall, within ten days from the receipt of the application or Government order commence an inquiry into the dispute or matter and shall endeavour to bring about a settlement of the same. If the Board either of its own motion or on application made to it, is of the opinion that any question involved in any such dispute or matter affects or is likely to affect more than one undertaking in the same industry or business situated within its jurisdiction it shall implead every such undertaking or, where there is a registered trade union covering a majority of such undertakings, such trade union in the inquiry. If the question involved affects or is likely to affect also undertakings in the same industry or business situated elsewhere in the Province, the Board shall refer such question for inquiry and settlement to a Board having jurisdiction throughout the Province. The Board before which a dispute has been preferred shall conclude its inquiry within 10 days. In cases where the Board is successful in bringing about an amicable settlement between the parties on or all or any of the questions at issue, it shall prepare a memorandum correctly stating the terms of the settlement which shall then be signed by all the members of the Board. Where no amicable settlement can be reached on one or more issues the Board, if all the members thereof agree or if they do not so agree the majority of the members agreeing or if no two members agree, the Chairman alone, shall record an award and the reasons for such award, on the issues on which the parties were unable to reach an amicable settlement. The memorandum and the award shall be completed not later than twelve days from the commencement of the inquiry (excluding gazetted holidays) and one copy of each, duly authenticated by the Chairman shall be supplied immediately to the parties to the inquiry and one copy shall be displayed at a conspicuous place on the premises where the Board last held the inquiry.

No legal practitioner shall be allowed to represent or appear for any party in any proceedings before any Board. The parties, may, however, in their discretion be represented before a Board, in the case of an employer either by the employer himself or by any person employed by him in the undertaking or industry to which the industrial dispute relates, or by an official of a registered trade union of employers, and in the case of workmen, by the workmen not more than five in number, duly nominated in this behalf by a majority of workmen in the undertaking or industry to which the dispute relates at a meeting held for the ~~xxx~~ purpose or by an official of a registered trade union of workmen. The Order makes it

obligatory on the part of employers to allow meetings of workers on the premises for the purpose of electing their representatives and further, to permit workmen not more than five in number at any time, to be absent for such period as may be necessary for prosecuting or conducting an inquiry or appeal. If leave with pay is due to such workmen the absence shall be treated as leave with pay. If no leave with pay is due the absence shall be treated as leave without pay.

Industrial Courts.— Under the provisions of the Order the Government may constitute, by notification in the official gazette, such number of industrial courts, as it may deem necessary, and shall specify the area or areas in which each court will exercise jurisdiction. Each Court shall consist of a President assisted by such equal number of assessors, as the President may determine, representing employers and employees. The assessors shall be appointed by the President from the panel to be constituted by the Government by notification in the official gazette from time to time. The assessors shall only advise and assist the President and except as provided in this order shall not exercise any other powers.

Appeals.— With seven days (excluding gazetted holidays) of the date of an award of a Board, any party feeling aggrieved, may appeal against the award to the Court having jurisdiction. The Court shall then, within ten days (excluding gazetted holidays) from its being filed, hear the appeal and shall within a further period of ten days (excluding gazetted holidays) record its findings and forward the same immediately to the Government.

In any inquiry under the provisions of the Order the Board or the Court shall not be bound to follow any rules or law of evidence. Any party to any appeal may be represented by a legal practitioner, only with the express written consent of the ~~Board~~ Court.

Dismissal of Workers.— The Order prohibits the discharge or dismissal of a worker by an employer during the continuance of the inquiry or appeal, save with the written permission of the Court or the Board before which the inquiry or appeal may for the time being be pending.

Settlement terms.— Where a settlement has been reached and memorandum has also been prepared or where no settlement has been reached but an award has been made and no appeal has been filed, both the employer and the workmen concerned shall observe the terms and conditions of employment specified in such memorandum or the award, as the case may be, for six months next following in the first instance, and thereafter until such time as either party determines the whole or any part of such settlement or award by 21 days' notice given to the other party in writing.

68. Labour Courts.

India - March 1948.

Bombay: Labour Courts (Practice and Procedure)  
Rules, 1947.

In exercise of the powers conferred by section 85 of the Bombay Industrial Relations Act, 1947, the Industrial Court, Bombay, has framed the "Labour Courts (Practice and Procedure) Rules, 1947" for regulating the practice and procedure of the Labour Courts set up under the Act. The text of these Rules is published at pages 520-537 of the Labour Gazette, December 1947, published by the Directorate of Labour Information, Government of Bombay.

(Labour Gazette, December 1947 ).

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CHAPTER 7. EMPLOYMENT AND UNEMPLOYMENT.

INDIA - MARCH 1948.

71. Organisation of the Labour Market.

Move to eradicate Forced Labour: Non-Official  
Bill introduced in Constituent Assembly of India  
(Legislative).

On 26 February 1948, Mr. Sidhwa introduced in the Constituent Assembly of India (Legislative) the 'Prevention of Free or Forced or Compulsory Labour Bill' seeking to make the exaction of forced or compulsory labour a punishable offence. The Bill defines free labour as labour secured "without providing remuneration in cash at the prevailing market rates in the locality for that kind of labour". ~~Forced~~ <sup>Forced</sup> ~~and~~ compulsory labour is defined as any "work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily".

The Statement of Objects and Reasons, appended to the Bill, points out that as early as 1930 the International Labour Conference ~~had~~ adopted a Convention for the ~~abolition~~ abolition of forced or compulsory labour.

(The Gazette of India, dated 6-3-1948,  
Part V, pages 184-185 ).

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Over 60,000 Government Employees retrenched  
since Termination of War.

Mr. R.K. Shanmukham Chetty, Finance Minister, Government of India, said in the Constituent Assembly of India (Legislative) on 1 March 1948, in reply to Mr. R.K. Sidhwa, that considerable reduction in the staff recruited in connection with purely war-time activities had already been effected by the Government, and that the Economy Committee, which had been recently constituted had been requested to scrutinise the matter further and to make suitable recommendations. The number of people retrenched since the termination of the war, was as follows: Ministry of Finance—18 gazetted officers and 152 non-gazetted; Military Accounts Committee—67 gazetted and 9,935 non-gazetted; Ministry of Industry and Supply—1,361 gazetted and 27,510 non-gazetted; Ministry of Labour—358 gazetted and 29,140 non-gazetted; Ministry of Commerce—21 gazetted and 167 non-gazetted.

(The Hindu, dated 2-3-1948).

Forced Labour in Agency Tracts: Madras  
Government asks for Information.

The existence of forced free labour in certain Agency areas of East Godavari and Vizagapatam districts was alleged during question time in the Madras Legislative Assembly on 25 February 1948. Mr. V. Raghavaiya asked whether free forced labour was in vogue in the Agency areas, enforced by the ~~Madras of the~~ Muttadars of the ~~area~~ Yellavaram and Chodavaram taluks of East Godavari District and Madugole Estate of Vizagapatam District and if so, what the nature of exaction was and what steps had been taken to stop this evil.

Mr. B. Gopala Reddi, Minister for Finance, stated in reply that the Government was not aware of free forced labour being exacted by Muttadars in Chodavaram and Yellavaram taluks in East Godavari District. As regards Madugole Estate in Vizagapatam District, the Agent to Government recently reported in another connection that there was a general feeling that Muttadars were exacting free labour. The Government had no information regarding the nature of exaction of labour. As regards the steps to be taken, the Government were awaiting the further report in the matter from the Agent.

(The Hindu, dated 26-2-1948).

72. Vocational Guidance and Training.

India - March 1948.

Pakistan: Central Government to set up  
Council of Technical Education.

By a resolution dated 15 February 1948 the Government of Pakistan announced its decision to set up immediately a Council of Technical Education for Pakistan, composed of 13 members, 7 non-official and 6 official, with the following functions: (i) to advise the Government of Pakistan on matters relating to the advancement of technical education at all stages; (ii) to survey the existing facilities for technical education in Pakistan, especially in the higher stages, and ways and means of making up the deficiencies resulting from the partition of India in as short a time as possible; (iii) to prepare a comprehensive scheme suited to the economic needs of the country and the peculiar genius of the people for the reorganisation and development on modern lines of technical education in Pakistan; and (iv) to draw up a 5-year scheme for the training at home and abroad of scholars, in technical subjects, and to suggest ways and means of implementing that scheme. The Council will have as its chairman an eminent person from Industry or Commerce appointed by the Pakistan Ministry of the Interior, Information, ~~and~~ Broadcasting and Education and will include one representative each of Labour, and of Commerce and Industry. The tenure of office of the non-official members, including the Chairman, will be three years.

The resolution announcing the Government's decision to set up the Council stated that as a consequence of the partition of India, the number of first-grade technical institutions which had come to Pakistan was very small and bore little relation to its present or future economic needs. It was now widely realized that for the speedy execution of any plan of industrial development a considerable ~~was~~ reorganisation and extension of the existing facilities for technical education was a paramount necessity. It was however, plain that in modern conditions technical education could not be effectively and economically organised on a provincial basis. The Central Government while recognising the autonomy of Provinces and States in the field of education, had to take supreme charge of the planning, co-ordination and control of technical education through a composite body of official and non-official members representing all the interests concerned. Hence the Government's decision to set up the Council of Technical Education for Pakistan.

(No.F.-100-6/47 Edn.II; The Gazette of Pakistan,  
Part I-Section 1, dated 20-2-1948, page 60 ).

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First Meeting of Madras Advisory Board for  
Technical Education: Education Minister's  
Address.

Reference was made at page 53 of the report of this Office for August 1947 to the appointment of an Advisory Board for Technical Education in Madras. The first meeting of the Board was held recently in Madras under the presidency of the Provincial Minister for Education.

Functions of the Board.- In his presidential address, the Minister stated that the functions of the Board ~~would~~ would be to advise the Government on all matters of technical and technological education of all types on a properly co-ordinated basis and to examine the technical and technological education of the province in all its aspects and make recommendations with a view to reorganise it on a basis that would make it more useful, efficient and up to date.

The subjects immediately before the Board were mainly two, viz., the number and types of technical personnel ~~and~~ required in the Province and also the number of personnel now under training in the technical institutions in the Province. The total estimated requirements of post-war developments of industries, roads, irrigation and hydro-electric power were over 2,500 graduate engineers within the next five years. The development of agriculture and forestry ~~would~~ similarly require an increased number of graduates. In addition to the needs of the Public Works Department, and of Industries, there were certain other needs such as for licentiates in Mechanical Engineering, Public Health, etc., which also had to be met. An Advisory Board appointed during the Adviser's Government had, among others, recommended the opening of 3 more engineering colleges, one more college for Agriculture, 6 more Polytechnics and 15 regional industrial schools. It had also suggested that there ~~should~~ be an Apprenticeship Act enabling Government to make it obligatory on the part of employers to admit apprentices under a regulated scheme. In pursuance of these recommendations, the Government had started 4 new Engineering Colleges, 1 new Agricultural College and 6 new Polytechnics. Some of the war technician training centres were also to be converted into industrial schools. As regards an Apprenticeship Act the Government had already drafted a Bill copies of which had been circulated to members of the Board and the Minister invited the Board's views on the subject.

(Madras Information, 15-2-1948).

CHAPTER 8. SOCIAL SECURITY.

INDIA - MARCH 1948.

81. Social Insurance.

Workmen's Compensation Act, 1923: Working in the United Provinces during 1946.

The following is a brief review of the working of the Workmen's Compensation Act during 1946 in the United Provinces based on a report on the subject published in the Labour Bulletin issued by the Labour Department of the province.

Decline in total number of accidents.- The total number of accidents in the year under review as reported under the Factories Act, 1934, was 4595 (5519)\*. The total number of accidents declined by 924 as compared with the previous year despite an increase in the number of factories from 969 to 971 due partly to the reduction in the average number of workers employed in the factories from 276,468 to 257,140, the adoption of safety first devices to a greater extent, increased vigilance on the part of the Factory Inspectorate and the reduction of working hours to 8 per day in registered factories which reduced industrial fatigue and susceptibility to accidents.

Cases disposed by Workmen's Compensation Commissioners.- During the year 387(225) cases were disposed of by Workmen's Compensation Commissioners. Out of the total number of 387(225) cases disposed of, 8 were dismissed, with 3 withdrawn and 5 were refunded, while in one case no compensation was deposited. The actual disbursement of compensation was therefore made in 370 cases only. Of these, 367(111) related to men, 2(1) to women and 1(nil) to a minor. Information relating to the 369 cases in which compensation was given by employers after reference to the Workmen's Compensation Commissioners is tabulated below.

Type of case	No. of accidents	Amount of Compensation paid (Rupees)	Amount per case (Rupees)
Death	233	251,936	1,081
Permanent Disablement	122	67,820	556
Temporary Disablement	14	4,549	325

An interesting fact revealed by the figures relating to cases in which compensation was paid after reference to the Workmen's Compensation Commissioners, the steady increase in the number of such cases from 112 in 1938 to 369 in 1946. The main reasons for this according to the report are: (1) increase in the number of factories and factory-employment;

\* Figures in brackets relate to 1945.



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(2) a clearer realisation on the part of the workers of their rights under the Act; (3) proportionately higher increase in employments in Government concerns, covered by the Act, which are more prompt in paying compensation; and (4) better reporting.

Figures relating to the frequency distribution by wage groups of accidents in which compensation was paid on intervention by Commissioners, also reveal an increase in the modal wage-group chiefly due to the increased nominal wages of the ~~wak~~ workers on account of the grant of the war time dearness allowance. Thus the wage group with the largest number of cases in 1946 was the group with monthly earnings of 27 rupees and over but below 30 rupees, while in 1938 and 1939 the largest number of cases concerned workers falling in the lowest wage category viz., those earning 10 rupees or less per month.

Cases settled directly by employers.— Besides the 369 cases in which compensation was paid through the Commissioners there were 2370 cases, consisting of 161 cases of permanent disablement and 2209 cases of temporary disablement in which compensation was paid directly by the employers without a reference to the Workmen's Compensation Commissioners. A comparison of the table given below with that already given above will reveal that the amount of compensation per case for the same category of accident, paid directly by the employers has been much lower than the amount paid after reference to the Commissioners.

Type of case	No. of accidents	Amount of compensation paid. (Rupees)	Amount per case. (Rupees)
Death	-	-	-
Permanet disablement	161	46,175	287
Temporary disablement	2209	22,770	10

Occupational diseases.— For the first time a case of occupational disease from the Printing Office (Letter Printing Litho Press and Workshop) under the Director, Geodetic Branch Dehra Dun was reported in 1946. This single case, however, the report emphasised does not show the actual state of affairs of occupational diseases in the factories. There must have been many more such cases the report adds which have remained unnoticed or unreported. So long as workmen's compensation continues to be a liability of employers alone, and not a branch of a unified social security scheme as envisaged in the proposed Workmen's State Insurance Bill, and so long as there is no medical Inspectorate for factories, evasion of the Act in regard to accidents in general and occupational morbidity in particular is likely to continue according to the report.

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85. Benefits Organised or Paid, by Employers.

India - March 1948.

The West Bengal Maternity Benefit (Tea Estates) Bill,  
1948.

The Government of West Bengal has published this month the West Bengal Maternity Benefit (Tea Estates) Bill, 1948, which it proposes to enact with a view to regulate the employment of women in tea factories and plantations for certain periods before and after child-birth and to provide for the payment to them of maternity benefit according to a prescribed scale. The Bill when enacted will extend to the whole of West Bengal and is to come into force on such date as the provincial Government may, by notification in the Official Gazette, direct.

Prohibition of employment of women before and after childbirth.- The Bill prohibits the employment of, or work by, women in tea factory or plantations during the six weeks immediately following childbirth.

Maternity benefit for 12 weeks.- The Bill further grants to every woman worker in a tea factory or plantation satisfying the prescribed conditions the right to secure from her employer maternity benefit at the rate of 5 rupees 4 annas a week for total period of twelve weeks ~~xxxxxx~~ - the six weeks preceding and the six weeks following childbirth. The conditions prescribed are a minimum of 150 days' employment in the factory or plantation of the employer from whom maternity benefit is claimed, in the twelve months immediately preceding the expected day of delivery, willingness to undergo medical examination for the purpose of determination of the expected day of delivery and acceptance of ~~free~~ free ante-natal and post-natal treatment when such treatment is available in any approved hospital or clinic or is provided by a medical practitioner employed by the employer.

Provision for ante- and post-natal care.- The Bill further provides that every employer shall arrange that the services of a medical practitioner and a nurse approved in this behalf by the prescribed medical authority are always available in his factory or plantation for the purpose of giving free ante-natal and post-natal treatment or advice to the women of his factory or ~~plantation~~ plantation.

The Statement of Objects and Reasons appended to the Bill points out that the system of paying maternity benefits in one form or ~~or~~ other is in ~~vogue~~ vogue in the majority of the plantations. Some sort of legislative compulsion is however, considered necessary to regularise the system and to extend it to those plantations in which it does not at present exist. The Bill is designed to secure this object.

(The Calcutta Gazette Extraordinary, 16-3-1948, pages 289-294).

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87. Public Health.

India - March 1948.

Central Advisory Board of Health set up in  
Pakistan.

By a resolution dated 19 February 1948 the Government of Pakistan has set up a central advisory board called the 'Pakistan Central Advisory Board of Health' with the following functions: (a) to act as a Central Information Bureau on all public health matters affecting Pakistan and as a clearing house for such information; (b) to advise on any matters referred to it by the Central or by the provincial Governments; and (c) to make suggestions to the Government on any matters affecting public health in Pakistan to which, the Board considers that Government's attention should be drawn. The functions of the board will be purely advisory.

For the present, the Board is to consist of the Minister in charge of Health in the Government of Pakistan who will be its chairman, and the provincial Ministers in charge of Public Health.

The resolution emphasises that the need for periodical consultation in the framing of common policies and for the inter-change of information, is greater than ever before and that neither the Government of Pakistan nor the provincial Governments can adequately fulfil their responsibilities in the sphere of public health without taking counsel with one another from time to time. The Central Advisory Board of Health now set up is expected to meet this need for ~~periodical~~ periodical consultations in the framing of common policies and for the interchange of relevant information.

(No.F.17-1/48-PH, dated 19-2-1948,  
The Gazette of Pakistan, Part I,  
Section 1, dated 27-2-1948, page 70).

CHAPTER 9. LIVING STANDARDS.  
INDIA - MARCH 1948.

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92. Housing.  
India - March 1948.

Bombay Building (Control on Erection) Bill, 1948,  
gazetted.

The Government of Bombay gazetted this month the Bombay Building (Control on Erection) Bill, 1948, designed to provide for control of the construction of buildings in the Province. The provisions of the Bill extend to: Bombay City, the Bombay Suburban District, the Thana Taluka of the Thana District, the Kalyan Municipal Borough, the Ahmedabad Municipal Borough, and the Ahmedabad Cantonment.

The Statement of Objects and Reasons, appended to the Bill, points out that considerable difficulty is being experienced at present in providing housing accommodation in the industrial cities and towns of the Province. Essential building materials like bricks, steel etc., are not easily available for essential construction works. It is accordingly proposed to control the construction of buildings so that all non-essential works can be immediately stopped and the materials, which would have otherwise been utilised on them, made available for essential works. By such control, the statement adds, not only will the progress of essential works be made easier and quicker but black marketing in the controlled building materials will be considerably minimised as only those structures will be permitted which are considered essential and for which controlled building materials can be released.

(The Bombay Government Gazette, Part V,  
dated 2-3-1948, pages 152-157 ).

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Bombay Government's Industrial Housing Scheme:  
Labour Minister reviews progress.

Addressing a meeting of the Bombay Provincial Labour Advisory Board on 4 March 1948, Mr. Gulzarilal Nanda, the provincial Labour Minister reviewed the progress made by the Government in its industrial housing scheme.

The Government's programme envisages the construction of 125,000 tenements in a period of five years, of which 15,000 will be put up by Government and the rest will be in the shape of independent or assisted construction through employers, local bodies, co-operative societies and private enterprise (vide pages 59-61 of the report of this Office for June 1947). The scheme was approved by the Housing Advisory Committee on 10 June 1947, and actual work of construction commenced June 27. Construction by Government of 1,660 tenements — 1,272 in Bombay, 164 in Ahmedabad and 224 in Sholapur — at a cost of about 6.4 million rupees was expected to be completed by June 1948. According to the number of rooms per tenement the new houses were distributed as follows:- Three-room tenements ~~544~~ 364; two-room tenements 1,200; one-room tenements (for single persons) 96. The accommodation comprises 3588 rooms and will provide living space for about 8,000 persons.

Plans had already been made for building 1,671 tenements during the year 1948-49, of which 686 would be in Bombay, 586 in Sholapur, 314 in Hubli and 85 in Ahmedabad. These projects would cost 7.9 million rupees. Arrangements were being considered for the addition of another 2,000 tenements during the same period, which, on completion would bring up the total ~~of~~ to 3,672 as the coming year's contribution on behalf of Government to the solution of the housing problem in the province.

The Government had also taken over from the military, during the course of the year, several groups of hutments capable of being transformed into 4,000 tenements. Three hundred tenements had already been made fit for occupation and another 287 were under conversion. In the case of these 587 tenements, the cost of acquisition and conversion would amount to 860,000 rupees.

Mr. Nanda said that the target of 2,125,000 houses fixed for the next five years was based on the expectation that the employers and the local bodies would themselves take up construction, on a large scale. As far as the local bodies and the employers were concerned, this hope had not materialised so far even to a small extent. The Government had made provision for ~~the same~~ an amount of 40 million rupees in the space of five years as a part of its reconstruction programme. But the housing programme depended, in part, on the payment of a subvention by the Central Government and the yield of a proposed levy on industry. No help had been forthcoming from either source so far. Mr. Nanda added that if, in the meanwhile, the employers did nothing on their own account to discharge their responsibility in the matter of

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providing houses, the housing activity in the province could not but proceed on a limited scale.

(The Times of India, 5-3-1948).

CA

Cooperative Housing Societies in Madras:  
Progress of Scheme.

Reference was made at page 45 of the report of this Office for July 1947 to the Madras Government's co-operative housing scheme. The following information about the progress of the scheme is taken from an official note issued by the ~~Government~~ Government during the latter half of February 1948.

Number of co-operative societies registered.- In pursuance of Government orders, ~~Collectors~~ Collectors constituted Housing Committees for the selection of suitable sites for the introduction of co-operative housing schemes in 75 Municipalities and 198 Panchayats. Reports in respect of 55 Municipalities and 151 Panchayats were received for organising co-operative housing schemes. Of these, 30 cases were dropped either on the recommendation of the Housing Committees themselves or after local investigation by the officers of the Co-operative Department. So far, 17 housing societies under the scheme had been registered and ~~15~~ 15 housing societies had been permitted to be registered. These societies would commence working in the course of a month or so. In the remaining cases, the organisation of ~~the~~ housing schemes was pending with the district officers of the Co-operative Department.

Constitution and Function of societies.- The societies formed under the housing schemes are classified into four heads: (i) Co-operative Townships which acquire land, construct houses and also provide civic amenities to the inhabitants of the township; (ii) Co-operative House Construction Societies, ~~which~~ which construct houses and rent them out to members under the hire-purchase system; (iii) Co-operative House Building Societies which undertake the construction of houses on behalf of their members as agents; and (iv) Ordinary Building Societies which advance long-term loans for the construction of houses by the members on sites owned by them.

Co-operative townships.- The first co-operative township to be registered in the Province was the Katpadi Co-operative Township in North Arcot District. It proposes to acquire about 800 acres of land, divide it into house-sites of different classes after setting apart the land required for common purposes. The township has collected a share capital of 686,000 rupees and the Government has sanctioned the appointment of a special Lands Acquisition Officer for acquiring the lands of the townships.

Construction societies.- So far, five Co-operative House Construction Societies have been registered at the following places: Madras, Tanjore, Trichinopoly, Madura and Palamcottah. The Madras Society has acquired 131 acres of land and proposes to construct 352 houses of three classes. The construction of these houses are expected to begin shortly. Land acquisition proposals of the other societies are under consideration and the Government has appointed a special Acquisition Officer to expedite acquisition proposals.

Building societies.- Co-operative House-building Societies have been registered in West Godavari District, Chittoor District and at Bellary exclusively for Government servants.

Ordinary buildings societies have been registered in Vizagapatam, Kistna, Guntur, North Arcot, South Arcot and Salem districts.

(The Hindu, dated 21-3-1948).

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

INDIA - MARCH 1948.

111. Agriculture.

Meeting of Congress Agrarian Reforms  
Committee.

Reference was made at page 64 of the report of this Office for January 1948 to the appointment of an Agrarian ~~Reforms~~ Reforms Committee by the President of the Indian National Congress. A meeting of the Committee was held in New Delhi on 24-25 February 1948. Inaugurating the proceedings of the Committee, Dr. Rajendra Prasad said that while examining the proposals of different provincial Governments on zamindari abolition, he felt the necessity of such a Committee which would examine the conditions of small holdings, sub-tenants and landless agricultural labourers, the technique and organisation of production in agriculture, and would present in its report a full picture of the agrarian economy which would increase production and improve the lot of the agriculturists. Such a report would provide the basis of a reasonable uniformity in the agrarian economy which would fill the place of the zamindari system.

The Committee, after discussing the fundamental problems of the agrarian economy of the country in the light of local circumstances, decided to frame and circulate a questionnaire on the problems of agricultural economy and the condition of Indian peasants which should be dealt with by legislative action either by the provincial or Central Governments after the abolition of zamindaris and in the light of the Congress Economic Programme Committee's report (vide pages 27-31 of the report of this Office for February 1948).

Mr. J.C. Kumarappa was elected Chairman of the Committee. The Committee is expected to submit its report to the Congress President some time in July, 1948.

(Copies of the questionnaire framed by the Committee were forwarded to Geneva with this Office Minute No. A1/463/48, dated 18 March 1948).

(The Hindustan Times, 26-3-1948).



113. Navigation.  
India - March 1948.

India: Dock Workers (Regulation of Employment)  
Act, 1948.

The Dock Workers (Regulation of Employment) Act Bill, 1948, received the assent of the Governor-General of India on 4 March 1948 and has now been published as the Dock Workers (Regulation of Employment) Act, 1948 (India Act No. IX of 1948).

The provisions of the Act have already been summarised at pages 1-2 of the report of this Office for December 1947.

(The Bombay Government Gazette, dated 25-3-1948, Part IV, pages 226-228 ).

(Note:- The copy of the issue of the Gazette of India in which the above Act has been published has not yet received in this Office ).

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114. Officials.  
India - March 1948.

All-India Central Government Employees'  
Conference: No Retrenchment without  
Alternative Employment demanded.

A Conference of Central Government employees was held at New Delhi on 21-22 March 1948 under the chairmanship of Prof. K.T. Shah. The Conference was attended by over 3,000 Government employees, and delegates came from Bombay, Calcutta, Allahabad, Kirkee, Dehra Dun and other places.

Inaugurating the Conference, Mr. Ananthasayanam Ayyangar said that the policy of the Government was to re-adjust its personnel from surplus to deficit departments. He assured them that it would not mean a wholesale unemployment for the temporary staff. Mr. Ayyangar did not approve of Government employees organising like Trade Unions as they formed the very back-bone of the administrative machinery.

Government's obligation towards temporary staff.- In his presidential address Prof. K.T. Shah urged the Government to provide alternative employment to the large number of the temporary employees who ~~participated~~ joined the services during the last war. Saying that the Government had moral and economic obligation to the temporary employees, he warned the Government that large-scale unemployment was fraught with dangerous political consequences. There was enormous scope in India to develop industrial projects and expand social services and public utilities to ensure every young man of the country with employment suited to his taste and training. Criticising the minimum salary provision of the Pay Commission, Prof. Shah said the minimum monthly salary should be 100 rupees and not 65 rupees. Finally, Prof. Shah advised Government employees to organise themselves on trade union lines for, he thought, a centralized organisation would facilitate solution of their day to day grievances.

Resolutions: Non-retrenchment of temporary employees demanded.- The Conference adopted resolutions demanding non-retrenchment of temporary employees, recognition of their unions and ~~recognition of their~~ various other facilities. The resolution on retrenchment urged the Government to suspend the idea of "retrenchment of any temporary employee of the Government unless a suitable alternative employment is provided for the same" and avoid "recruitment of new staff, untrained and inexperienced, however well qualified academically, until such time as the existing temporary personnel have been absorbed and employed in permanent service".

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The Conference demanded recognition of different unions and associations of Government employees which would afford an "easy means of communications between the employer and the employees" and suggested the establishment of a permanent machinery of representatives of both the Government and the employees to "carry out all agreed measures of economy, retrenchment or re-employment and maintain cordial relations between the Government and the employees". The Conference criticised the Pay Commission's recommendation as "unscientific" and suggested revision of the report on the basis of the "economic condition of the country".

(The Statesman, dated 21-3-1948).  
and 22-3-1948).

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115. Working Conditions of Intellectual Workers  
and Liberal Professions.

India - March 1948.

Working Conditions of Newspaper Employees  
in Central Provinces: Committee of Enquiry  
appointed.

The Government of the Central Provinces and Berar has appointed a Committee of Enquiry, under the chairmanship of Mr. J.R. Mudholkar, District and Sessions Judge, to examine and report on certain questions relating to the general working of the newspaper industry in the province.

Terms of reference.- The terms of reference of the Committee will be to examine the general working of the newspaper industry in the province, with special reference to the general conditions of work affecting the editorial and other staff of newspapers in the province and of the local correspondents of newspapers published outside the province, their emoluments including dearness allowance, leave, provident fund, pensionary benefits, etc.

The Committee has been asked to submit its report by 8 May 1948.

(C.P. and Berar-Gazette Extraordinary,  
dated 27-5-1948, page 527 ).

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117. Shopworkers.  
India - March 1948.

Report of the Bombay Shops Committee\*:  
Amendment and Extension of Shops Act  
recommended.

Reference was made at page 25 of the Report of this Office for June 1946 to a Resolution of the Government of Bombay appointing Mr. R.R. Bakhale "to make an inquiry into the working of the Bombay Shops and Establishments Act, to study any difficulties that may have been experienced in the administration of the Act and to make recommendations, if necessary, for improving the administrative and the substantive provisions of the Act, having regard to the needs and interests of all sections of the population affected by the law". Consequent on Mr. Bakhale falling ill, the Bombay Government by another Resolution dated 5 June 1947, appointed a Committee with Mr. Shantilal Harjivan Shah, M.L.C., as Chairman, Messrs. R.R. Bakhale and Chimanlal C. Shah as members, and Mr. V.P. Keni, Deputy Director of Labour (Administration) as Secretary, to do the work originally assigned to Mr. Bakhale. The Committee's report which has now been published claims that the Act has succeeded in a substantial measure in improving the conditions of employment in the distributive trade and other establishments covered by it, and recommends a number of material and substantive changes in the Act considerably liberalising and extending its provisions.

I. Working of Bombay Shops and Establishments Act.

The Bombay Shops and Establishments Act, 1939, came into force on 2 November 1939 and was, in the first instance, applied in November 1940 to eight areas mentioned in the Act itself. The Act was subsequently extended to other areas and on 15 March 1947, the total number of areas to which the Act had been made applicable was 40. However, out of the 40 areas to which the Act had been applied, only 23 reported the appointment of inspectors and the total number of inspectors was 59, of whom 5 were part-time and mostly unqualified, 4 full-time but unqualified, 1 doubtful as regards both and the remaining 49 were whole time and qualified. Of the latter, Bombay City claimed 25, Ahmedabad City 7, Poona City 3, Bandra 3, Surat 2, Godhra 2 and the remaining seven areas 1 each.

\* Report of the Committee appointed to enquire into the working of the Shops and Establishments Act, 1939: Bombay. Printed at the Government Central Press; obtainable from the Superintendent, Government Printing and Stationery, Bombay, 1948. Price—Annas 4 or 5d.

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Detailed statistical and other information on the observance or ~~otherwise~~ otherwise, by establishments, of the different provisions of the Act is, however, available for Bombay City alone. This information is summarised below:

Opening and Closing hours.- In Bombay City the percentage of shops opening before 7 a.m. was reduced from 40 to 22.8 and of restaurants from 85 to 79.5 within a period of five years ending 1940-41; but that of grocers' shops and commercial establishments increased from 40.8 to 49.7 and from 9.3 to 11.6 respectively within a period of two or less than two years ending 1942. The shops, commercial establishments and restaurants opening at or after 7 a.m. increased from 58 per cent to 76.9 per cent, 83.4 per cent to 87.5 per cent and 15 per cent to 20.2 per cent respectively. The percentage of all the establishments closing before or at 10 p.m. rose from 66.31 per cent to 99 per cent for shops, from ~~66~~ 70 per cent to 96.7 per cent for grocers' shops, from 74.7 per cent to 97.5 per cent for commercial establishments and from 27.39 per cent to 44.45 per cent for restaurants. A large percentage (55.55) of the restaurants still continued to remain open after 10 p.m., and 47.23 per cent of them remained open after 11 p.m.

General reduction in working hours.- The number of ~~employees~~ employees in shops in 1935-36 and 1940-41 and that in commercial establishments in 1940 and 1940-41, working less than 8 hours a day, rose from 2.52 per cent to 11.49 per cent and from 63.5 per cent to 85.6 per cent respectively; but that in grocers' shops in 1940 and 1942 was reduced from 5.75 per cent to 4.4 per cent. In less than a year's time, the number of commercial establishments working more than 8 hours a day was reduced from 29.8 per cent to 14.5 per cent. The percentage of employees in shops working between 8 to 10 hours a day rose from 17.31 to 80.61 in five years; that working in grocers' shops rose from 9.1 to 92.6 ~~per~~ in less than two years; and that working in restaurants from 8 to 89.2. Though the percentage of employees working more than 10 hours a day is substantially reduced everywhere, it was still 7 and 10.8 in shops and restaurants in 1940-41, and 3 in grocers' shops in 1942. The average number of daily working hours came down from 12.25 (in 1935-36) to 9.17 (in 1940-41) in shops, from 13 (in 1940) to 9.4 (in 1942) in grocers' shops, from 7.7 (in 1940) to 7.5 (in 1940-41) in commercial establishments and from 13.14 (in 1935-36) to 9.1 (1940-41) in restaurants.

Rest interval.- The number of restaurants having no rest interval rose from 3.5 per cent in 1935-36 to 8.52 per cent in 1940-41; and that of employees with no rest interval came down from 15.1 per cent (1940) to 5.96 per cent (1940-41) in shops, from 18.7 per cent (1940) to 0.6 per cent (~~1940-41~~) ~~in grocers' shops~~ (in 1942) in grocers' shops, and from 7.7 per cent (1940) to 5.1 per cent (1940-41) in commercial establishments. The percentage of employees with less than an hour's interval was reduced from 47.3 (1940) to 12.32 (1940-41) in shops and from 40.95 (1940) to 1.5 (1942) in commercial establishments. The employees getting rest interval of an hour and more were 81.72 per cent in 1940-41 as against 34.43 per cent in 1940 in shops, 97 per cent in 1942 as against 33.63 per cent in 1940 in grocers' shops and 85.7 per cent in 1940-41 as against

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60.2 per cent in 1935-36 in restaurants. In the commercial establishments in 1940, 41.2 per cent employees had fixed intervals, 41.1 per cent had intervals at varying hours but not varying in duration and 6.8 per cent had intervals varying both in hours and duration. In 1940-41, 54.7 per cent of their employees came to have an interval of less than an hour and 42.1 per cent of an hour and more.

Spreadover of working time.- Nearly 60 per cent of the employees in shops had in 1940-41 a spread-over of less than 12 hours, 32.6 per cent between 12 and 14 hours and 6.6 per cent more than 14 hours. The spread-over of 12 to 14 hours was in respect of the shops which closed for 3 hours or so in the middle. In the grocers' shops, the number of employees having a spread-over of less than 12 hours rose from 21 per cent in 1940-41 to 80.2 per cent in 1942, that with a spread-over of between 12 and 14 and more than 14 hours was reduced, during the same period, from 71 per cent to 12 per cent and from 7 per cent to 0.9 per cent. In the commercial establishments, the spread-over of less than 12 hours operated in 1940-41 in the case of 85.9 per cent of the employees and that of between 12 and 14 hours was limited to only 12.4 per cent. Among the restaurants, 60.9 per cent of the employees had in 1940-41 a spread-over of between 12 to 14 hours and 39.1 per cent more than 14 hours.

Weekly rest day.- In 1935-36 the bulk of the shops (including restaurants) in Bombay City had no regular rest day in the week or the month. In 1940, 60.7 per cent shops, 75.35 per cent grocers' shops, 44.7 per cent commercial establishments and 86.6 per cent employees in restaurants had no holiday. In 1940-41, the percentage of employees in the same categories of establishments having no holiday stood respectively at 7.84, 11.3 (which was reduced to 0.9 in 1942), 2.4 and 15.22. In the commercial establishments, 38.68 per cent establishments as against 9.3 per cent in 1940 and 97.6 per cent employees got in 1940-41 a weekly half holiday. The percentage of establishments giving a weekly holiday rose from 19.6 (1940) to 43.73 (1940-41) in shops, from 8.8 (1940) to 67.9 (1942) in grocers' shops and from 25.3 (1940) to 61.32 (1940-41) in commercial establishments. In the latter case, however, the establishments did not close but gave their employees a weekly holiday by turns. A similar arrangement existed in 1940-41 in the case of 56.28 per cent shops and 57.1 per cent grocers' shops whose number was reduced to 32.1 per cent in 1942. The percentage of employees given a weekly holiday was 89.8 (1940-41) in shops, 59.2 (1940-41) and 91.1 (1942) in grocers' shops and 84.78 in restaurants.

These figures, the report states, show clearly that the progress in improving conditions of employment in shops, commercial establishments etc., in Bombay City, has been remarkable and substantial and that the Act has served a useful purpose in improving the conditions of employment of the employees covered by the Act. It is true that the progress has not been even or uniform everywhere and that a lee-way has to be made up in certain categories of establishments, particularly the restaurants. It is also true that a few pre-Act conditions of employment which were more liberal than those in the Act were tightened up in the post-Act period. But on the whole, there has been progress every where and it has been rapid and substantial.

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Difficulties in administration.- Most local authorities experienced difficulties in working the Act. The more important among these mentioned by the report are the uniform closing hour for different categories of shops which has caused hardships and inconvenience to the public, apart from the shop owners; the difficulties in detecting irregularities caused by the ~~many~~ maintenance of registers in non-regional languages; (not a few of them were kept in more than one form—one was shown to the inspectors and ~~another~~ another was produced in courts); the excessively low fines imposed by courts on convicted persons and the consequent failure of the punishments to have any deterrent effect; and the lack of provision for enhanced fines for second and subsequent offences.

Agency of administration.- The legal responsibility for administering the Act rests with the local authorities but these complain that they have not been empowered to raise monies by special taxation for carrying out the duties imposed upon them by the Act. The Bombay Municipal Corporation has worked the Act with commendable thoroughness and efficiency, but, in the opinion of the Committee, the other local authorities have neither taken nor worked the Act seriously. They have taken it to be an imposition and have not been satisfied with the subsidies they have received from the Government towards the cost of administering the Act.

Wholesome effects of Act.- Summing up the general effects of the Act the Committee records the opinion that the Act has succeeded in a substantial measure in improving the conditions of employment in the distributive trade and other establishments covered by it. It has led, not in a few areas, to the organisation of both employers and employees. The organisation of employers has resulted, particularly in large towns, in achieving unanimity in observing certain provisions of the Act such as weekly holidays and in preventing unfair competition; and that of employees has led, among other things, to the demand for widening the scope of the Act and more rights and privileges. The Act has succeeded in eliminating to a large extent child labour from hotels and restaurants.

## II. Amendment and Extension of the Act.

As regards second part of ~~the~~ its terms of reference, viz., "to make recommendations, if necessary, for improving the administrative and the substantive provisions of the Act, having regard to the needs and interests of all sections of the population affected by the law", the Committee's recommendations fall into three categories: (1) additions to the Act; (2) major or material amendments to the Act; and (3) ~~minor~~ minor, verbal or consequential amendments to the Act. In order, however, that the full extent and scope of its recommendations may be fully understood, the Committee has prepared a new Bombay Shops and Establishments Bill incorporating its recommendations into the existing provisions of the Act and consolidating them. The following are the main material and substantive changes introduced by the Committee in the draft of the new Act it has prepared:-



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(1) The scope of the Act is extended by including in its operation ~~in~~ residential hotels and clubs and by widening the definitions of the terms "commercial establishments" and "shop".

(2) The Act is made applicable to all local areas with a population of 25,000 and more.

(3) The total exemptions from the provisions of the Act are severely curtailed and partial exemptions provided.

(4) Registration of establishments is provided for.

(5) The opening and closing hours of establishments are fixed.

(6) Weekly (in addition to the existing provision for daily) hours for shops, and daily ~~weekly~~ <sup>weekly</sup> (instead of the existing provision for monthly) hours for commercial establishments are ~~fix~~ fixed.

(7) A substantial reduction in the normal working hours in all establishments except the commercial establishments is effected. Even if overtime periods are slightly increased in the case of shops and commercial establishments and are introduced anew for only ten days in a year in the case of residential hotels, restaurants and eating houses, a considerable overall reduction is effected in the total number of working hours in all establishments except the commercial establishments.

(8) Normal spread-over periods are reduced with only a few exceptions which are limited to brief periods and very few occasions.

(9) Compulsory weekly closure of shops and commercial establishments is provided.

(10) Provision for identity cards for employees in residential hotels, restaurants and eating houses is made.

(11) Women are prohibited from work before 7-0 a.m. and after 7-0 p.m.

(12) The age limit of a child is raised from 12 to 14.

(13) 14 days' leave with pay with freedom to accumulate upto 28 days is provided.

(14) Provisions relating to cleanliness, ventilation, lighting and precautions against fire are made.

(15) Minimum penalties for offences and higher penalties for repetition of certain offences are prescribed.

(16) Provisions relating to maintenance of registers and other records and submitting them for inspection are improved.

(17) The rate of pay for overtime is raised from one and quarter times to one and half times the ordinary rate of wages in shops, commercial establishments, theatres or other places of public amusement or entertainment and to twice the ordinary rate in residential hotels, restaurants and eating houses.

(18) Double employment on holidays or when an employee is on leave is prohibited.

(19) Dismissal without notice, barring dismissal for bad conduct, is prohibited.

(20) The Factories Act is amended so that the employees in clerical establishments of factories may be governed ~~act~~ by it.

(21) Submission of annual reports on the working of the Act is prescribed.

On making the above recommendations, the Committee, the report claims, took into account not only the development of the shops and establishments legislation in different provinces in India since 1939, but also, in a general way, the trend of international public opinion as reflected in the conventions and recommendations of the International Labour Conferences held under the auspices of the International Labour Organisation.

(Note:- A copy each of the report was forwarded to Montreal and Geneva with this Office Minute D.1/455/48 dated 17 March 1948 ).

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Madras: Shops Act to come into force on  
1 April, 1948.

The Madras Shops and Establishments Act, 1947, to which reference was made at pages 81-82 of the report of this Office for February 1948, is to come into ~~force~~ force on 1 April 1948 in the City of Madras, in all the municipalities in the province constituted under the Madras District Municipalities Act, and in all the major panchayats in the province.

(G.O. Ms. No.1323, Development, 17-3-1948;  
The Fort St. George Gazette, Part I,  
dated 23-3-1948, page 229 ).

8.

List of the more important publications received in this Office  
during March 1948

Professional Organisations

Report of the Committee of the Bengal Chamber of Commerce, for the year 1947. Calcutta: Printed at the Bharat Printing Works. 1948. pp. vi + 139.

Economic Questions

- (1) Annual Market Review, 1946. Fremchand Roychand and Son, Ltd., Bombay.
- (2) Report on an Enquiry into the Cost and Standard of Living of Plantation Workers in Assam and Bengal, by S.R. Deshpande, Director, Labour Bureau. 1947.
- (3) Report on an Enquiry into the Family Budgets of Industrial Workers in Sialkot City, by S.R. Deshpande, Director, Cost of Living Index Scheme. Published by the Manager of Publications, Delhi. Price Re.0-12-0 or 1s. pp. ix + 66.
- (4) A History of Indian Railways, Constructed and in Progress. Corrected up to 31st March, 1945. Manager of Publications, Delhi. 1947. pp. vii + 328.
- (5) Report of the Court of Enquiry into Labour Conditions in the Handloom Industry by Dr. B.V. Narayanaswami Naidu. Printed by the Superintendent, Government Press, Madras. 1948. Price Re.1-2-0. pp. iv + 62.

General Rights of Workers

- (1) The Bombay Industrial Relations Act, by Prabhudas B. Fatwari. / Bharati Sahitya Sangh Ltd., 405, Kalbadevi Road, Bombay 2. 1948. Price Rs.14/-. pp.337-623. Vol. II.
- (2) The Jaipur Trade Unions Act, 1947, Act No. XXX of 1947. Government Press, Jaipur. pp.17.
- (3) Adjudication by the Hon'ble Mr. Justice G.S. Rajadhyaksha, I.C.S. in the Trade Dispute between the Nine Indian Government Railways Administrations and their Respective Workmen. Vol. I-Report. Published by the Manager of Publications, Delhi. 1947. Price Rs.3-6 or 5s.6d. pp. viii + 168.

Social Security

Standards of Medical Care for Tea Plantations in India, A Report by E. Lloyd Jones, M.D., Deputy Director-General of Health Services (Social Insurance), Government of India, Ministry of Labour. 1947. pp.93.

Living Standards

General Educational Tables for Orissa, 1946-47. Superintendent, Orissa Government Press, Cuttack, 1947. pp.41.

Problems Peculiar to Certain Occupations or Categories of Occupations

Report of the Committee appointed to enquire into the working of the Shops and Establishments Act, 1939 (Government of Bombay). Bombay: Printed Superintendent, Government Printing and Stationery. Price Annas 4 or 5s. 1948. pp.58.