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INTERNATIONAL LABOUR OFFICE  
INDIAN BRANCHIndustrial and Labour Development in February 1952.N.B.-Each Section of this Report may be taken out separately.

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## CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - FEBRUARY 1952.

### 11. Political Situation and Administrative Action.

#### General Elections in India: Congress secures majority in Centre and in 18 out of 22 States.

The Indian National Congress has won absolute majority in the Centre, supplemented by majorities in 18 out of the 22 States, besides being the largest single party in the other four States, according to the latest general election returns.

The Statesman in an editorial dated 15 February 1952 comments: "It is however noticeable that in West Bengal 63 per cent of the seats have been won with 39 per cent of total votes cast, in Saurashtra 92 per cent with 63 per cent. In the Delhi Assembly about 272,000 votes secured 39 seats for the Congress, 110,000 only two (or possibly three) for the Jan Sangh. Even in Bombay, the Congress won nearly 86 per cent of the seats with the help of less than 50 per cent of voters. This sort of discrepancy familiar to politicians in Britain ..... in future elections might work adversely for the present beneficiaries. A current explanation is the multiplicity of parties and independent candidates, who in some areas yielded 15 or more contestants for one seat. It may be predicted that in future elections the main organisations will try to reduce the number of their rivals and so present the voter with fewer counter-attractions.

"The results show that what counts is organizing ability. Not absolute ability but relative; the Congress machine functioned in the South, but was often surpassed by rival machines securing impetus from local grievances. In this respect the Communists have in general emerged as the most powerful competitors of the Congress. Superior organization, though not the only clue to the results, seemed much more important than some frequently discussed political topics. Zamindari abolition did not save the Congress in Madras, and its jagirdari counterpart has produced a strong opposition in Rajasthan; but U.P. and Bihar have rallied to the governing party. Prohibition is said to have lost votes in Madras but it caused no debacle in Bombay. The peaceful revolution in the former Princely States has not led to any consistent electoral pattern, though results in general favour the Congress.

"From the elections have at last emerged substantial Parliamentary Opposition. This should be particularly useful at Delhi, which has known no such phenomenon since the Congress itself faced the old official bloc. The legislatures of undivided Punjab

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and Bengal and of pre-war Madras included strong anti-Ministerial elements, but these ~~elements~~ tended to be narrowly based. The Oppositions now in prospect seem of a wider character".

The following table shows the latest party position upto the morning of 26 February 1952:

No. of seats	Congress	Socialist	K.M. P.P.	Jan Sangh	Communists and allies.	Scheduled castes and Federation	Krishak Lok Party	Other Parties	Independents	Total
<b>PARLIAMENT:</b>										
House of the People) (489)	353	12	10	3	27	2	-	36	35	478
<b>STATE ASSEMBLIES:</b>										
Assam (108)	76	5	2	-	1	-	-	9	12	105
Bihar (330)	241	23	1	-	-	-	-	53	12	330
Bombay (315)	269	9	-	-	1	1	-	18	17	315
Madhya Pradesh (232)	195	2	8	-	-	-	-	5	<del>221</del>	<del>231</del>
Madras (375)	152	13	35	<del>61</del>	62	<del>152</del>	15	34	63	375
Orissa (140)	68	10	-	-	7	-	-	36	19	140
Punjab (126)	98	-	-	-	6	-	-	16	6	126
Uttar Pradesh (430)	381	16	1	2	-	-	-	8	11	415
West Bengal (238)	151	-	15	9	28	-	-	22	13	238
Hyderabad (175)	93	11	-	-	42	5	-	10	14	175
Madhya Bharat (99)	75	4	-	4	-	-	-	13	3	99
Mysore (99)	72	3	8	-	1	2	-	-	11	97
PEPSU (60)	25	-	1	2	3	1	-	19	9	60
Rajasthan (160)	81	1	1	8	-	-	7	26	35	159
Saurashtra (60)	55	2	-	-	-	-	-	1	2	60
Travancore-Cochin (108)	44	12	-	-	32	-	-	9	11	108
Ajmer (30)	20	-	-	3	-	-	-	3	4	30
Bhopal (30)	25	-	-	1	-	-	-	1	3	30
Coorg (24)	15	-	-	-	-	-	-	-	9	24
Delhi (48)	39	2	-	4	-	-	-	1	2	48
Himachal Pradesh (36)	24	-	3	-	-	1	-	-	8	36
Vindhya Pradesh (60)	40	11	3	2	-	-	-	2	2	60
<b>ELECTORAL COLLEGES:</b>										
Kutch (30)	28	-	-	-	-	-	-	1	1	30
Manipur (30)	10	1	-	-	2	-	-	11	1	25
Tripura (30)	9	-	-	-	12	-	-	3	6	30



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President's Address to Parliament:  
Economic Situation in India better.

Dr. Rajendra Prasad, President of India, inaugurated on 5 February 1952, the last session of the present Parliament. At the outset the President referred to the general elections recently conducted in India under adult franchise under the constitution of India and expressed his appreciation of the efficient manner in which this vast undertaking was organised and carried through, by officials and non-officials acting in close cooperation. Paying a tribute to the scores of million of voters who justified the faith that was reposed in them by voting in a peaceful and ordinary manner, Dr. Prasad said that he was particularly gratified at the keen and intelligent interest that the women displayed in these elections all over the country by exercising their right to vote freely. This was a happy augury for the peaceful and cooperative progress of the Republic, based on the strength and good sense of the people. Dr. Prasad pointed out that in view of the elections the Government had decided to bring forward only urgent and non-controversial matters which could be disposed of in this session of Parliament.

Improvement in Economic Situation.- Referring to the economic condition of the country, Dr. Prasad said that there has been some improvement in the general situation. The wholesale price index fell from 457.5 in April 1951 to 433.1 in December 1951. There has been a substantial increase in production in a number of industries like cotton textiles, jute, steel, coal, salt, sugar, cement, electrical goods, rubber goods, machine tools, small tools and diesel engines. There has been considerable improvement in the supply of cloth for internal consumption. There has also been an increase in foreign trade, but the balance of trade is still unfavourable and there was need for ensuring better adjustment between imports and exports.

New Industries.- Dr. Prasad said that some new industries have been started, such as linoleum, automatic looms, carding machines and aluminium powder. Sources of sulphur have been located and efforts were being made to make India self-sufficient in sulphur. The construction of a machine tools factory and a telephone cables factory has been begun. A penicillin factory was being constructed; meanwhile a penicillin bottling plant had been set up in Bombay. Agreements had been arrived at with some foreign companies for the establishment of oil refineries in India. The fertilizer factory at Sindri had started production and it is hoped that it would be in full production by the middle of this year. This would be of great help to Indian agriculture and was expected to bring about a considerable saving in foreign currency.

The management of the Visakhapatnam shipbuilding yard was being taken over by a new company in which the Government would have the controlling interest. He also referred to the project of building a new port at Kandla in Kutch. This port, which was likely to grow rapidly in importance, will serve the whole of Northern India.

Dr. Prasad welcomed the agreement with the USA for aid amounting to \$50 million for development projects, and expressed his special gratification that these projects were particularly meant to encourage food production and the development of community schemes such as Nilokheri, Faridabad and Etawah. The agreement with the Ford Foundation for rural development was also very welcome.

He welcomed the wide interest shown in the Five-Year Plan and hoped that the people would participate fully in the implementation of the Plan.

Welfare of Labour. - Dr. Prasad stated that progress had been made for the welfare of labour. The Plantations Labour Act and the Minimum Wages Act were being implemented and action was being taken for legal protection against forced labour. A beginning had been made in the implementation of the Employees State Insurance Act. The Agricultural Labour Inquiry was nearing completion and action was being taken in some States for the fixation of minimum wages in agriculture. The Industrial Housing Scheme was being extended to Part B and C States. The Employees Provident Fund Ordinance, which was promulgated last November, was an important measure for providing assistance to the industrial worker in his old age and to the family in the event of premature death of the bread-winner.

He was glad to note that an agreement had been arrived at with railwaymen for the setting up of a permanent negotiating machinery for dealing with disputes. The welfare of the country demanded that the transport system must work efficiently and without interruption or obstruction and that any dispute should be settled by friendly negotiation. There had been a considerable improvement, in the transport situation in the country. The part played by railways in the movement of foodgrains to deficit areas had been very creditable.

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Joint Consultative Board of Industry and  
Labour set up.

Reference was made at page 11 of the report of this Office for July 1951 to the setting up of a Joint Consultative Board of Industry and Labour charged with the task of dealing with various questions relating to rationalisation and retrenchment of industrial labour. The Government of India by a Resolution dated 6 February 1952 has published the names of the members of the Committee and its functions.

The Resolution states that at its meeting held on the 22 and 23 May 1951, the Development Committee on Industries recommended the establishment of a Joint Consultative Board of Industry and Labour for facilitating the implementation of the points of agreement arrived at on 17 February 1951 between the representatives of labour and ~~india~~ of industry on the Development Committee. The Committee recommended that the Joint Board should consist of three representatives of employers and three representatives of workers, with a Chairman elected by the members from outside their own number. The functions of the Board would normally be to promote agreements between industry and labour, and to follow up and assist in their proper implementation. The Board might also be asked to examine general questions, such as the productive efficiency of an industrial unit, association of workers with management, training of retrenched workers in industries and other matters which might fall within the scope of industrial relations in general.

The Government of India has with effect from 18 July 1951 set up a Joint Consultative Board of Industry and Labour for a period of two years for the present consisting of three representatives of industry and three of labour with an independent chairman. The members of the Board include Mr. Gulzarilal Nanda, chairman of the board, Mr. C.A. Innes, Mr. M.R. Masani and Mr. Lakshmipat Singhanian (representing employers) and Mr. Hariharnath Shastri, Mr. S.R. Vasvada and Mr. G.G. Mehta representing labour.

The meetings of the Board will be convened by the Ministry of Labour as often as may be necessary and the Director, Labour Conferences, Ministry of Labour, will be ex-officio Secretary of the Board.

(The Gazette of India, Part I, Section 1,  
16 February 1952, page 44 ).

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CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.

INDIA - FEBRUARY 1952.

25. Wage-Earners' Organisations.

Meeting of General Council of Indian National  
Railway Workers' Federation: Revision of Pay  
Scales urged.

A meeting of the General Council of the Indian National Railway Workers' Federation was held at Madras on 18 and 19 February 1952.

The Council urged the appointment of a new pay commission to revise the scales of pay of railwaymen to cope with the abnormal rise in the cost of living.

The resolution stated that the Central Pay Commission's scales were passed on the assumption that the prices would stabilize at 160 index above the pre-war level. But the prices had no further prospects of coming down with the result that the present pay structure had ceased to be a "living wage".

By another resolution, the Council regretted the hurry with which the regrouping of railways was being pushed through, without taking into consideration the "staff point of view". It ~~was~~ urged that transfers should be stayed until regrouping had taken final shape, that employees be given option of transfer to the zone of their choice and that they be provided with housing accommodation.

The Council suggested that as for industrial workers, provident fund should be utilised for building houses and a deadline of ten years be fixed to provide a house to every employee.

(The Hindustan Times, 20-2-1952 ).

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West Bengal T.U.C. and United Trades Union  
Congress to merge: Resolution adopted at  
joint meeting.

A resolution pleading for the amalgamation of two trade union organisations in West Bengal - the Bengal Provincial Trade Union Congress and the United Trades Union Congress - was adopted at a joint meeting of the working committees of the two bodies held at Calcutta on 21 February 1952 under the presidentship of Mr. Mrinal Kanti Bose.

The meeting recommended to all trade unions affiliated to both these organisations to discuss this question and take their decisions as early as possible.

Meanwhile, both the organisations would set up their committees for co-ordinating joint actions by them and give effect to agreed decisions from time to time.

In this connection it may be mentioned that at present there are four important national trade union federations, namely, the Indian National Trade Union Congress, Hind Mazdoor Sabha, All-India Trade Union Congress and United Trades Union Congress. The merger of the last two will reduce the number of ~~national~~ national federations to three. The All-India Trade Union Congress is generally known to be dominated by the Communists.

(The Hindustan Times, 24-2-1952).

West Bengal Provincial National Trade Union  
Congress Executive replaced by Ad Hoc Committee:  
General Secretary's statement.

On 22 February 1952, Mr. Hariharnath Shastri, General Secretary of the Indian National Trade Union Congress, at a Press Conference in Calcutta stated that the INTUC had decided to replace the present Provincial (State) executive by an ad hoc committee consisting of Mr. Bepin Behari Ganguli, Mr. Dayaram Beri, Dr. Maitreyee Bose, Mr. Ramanand Das and Mr. Kali Mukherji. In this connection it may be mentioned that Dr. S.C. Banerjee and Mr. Deben Sen, President and Secretary of the present executive respectively, have left the Indian National Congress and joined the Kisan Mazdoor Praja Party (K.M.P.P.) - a political party mainly composed of former Congressmen organised by Mr. J.B. Kripalani.

Explaining ~~the~~ the circumstances which led to the appointment of the ad hoc committee, Mr. Shastri said that for some time the Working Committee of the INTUC had been "deeply worried" over the unsatisfactory

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working of the organisation in West Bengal. In course of one year about 125 unions had to be dis-affiliated because some of them became defunct and others were not able to pay their affiliation dues to the central office. In their view the main reason for such deterioration was the constant friction and strained relations among the INTUC workers in the State. These were greatly aggravated after the decision of one section to join the K.M.P.P. The policy of the INTUC, however, was not to take any serious view of this development so long as the members of the said party did not act against the spirit of their Constitution and the objectives of the organisation.

Even after joining the K.M.P.P. one of its important members, Mr. Deben Sen, was appointed to represent the I.N.T.U.C. in two international conferences. The general election did cause some complications. The I.N.T.U.C. was of the view that the Indian National Congress should be given full support in the elections. The K.M.P.P. men in the I.N.T.U.C. did not share that policy and they acted against it\*. Yet ~~was~~ no disciplinary action was taken against them on that ground. The elections, however, were treated ~~that~~ as a temporary phase and it was not desired that any split should take place in the I.N.T.U.C. on that account. Since then, "an entirely new situation has developed. The K.M.P.P. has been drifting towards a policy of political alliance with the Communist Party. Concrete signs of such ~~px~~ policy had recently been evident in some States. In West Bengal too there was a move to run the Calcutta Corporation elections in alliance with the Communists. This new trend had been a matter of deep worry to the I.N.T.U.C. executive. Such a move not only was against the fundamental principles of the I.N.T.U.C. but it was at the same time fraught with grave dangers for the country".

Mr. Shastri said that some weeks back, the I.N.T.U.C. Working Committee took stock of the whole situation and it authorised him as the General Secretary to deal with the situation in the best interests of the organisation. He had detailed talks with the I.N.T.U.C. leaders, attached to the K.M.P.P. group. In an earnest attempt to retain them in the executive of the organisation, he gave them an offer that they might not join the Indian National Congress but that, in view of the new trends in the K.M.P.P., they should leave the party and devote themselves exclusively to trade union work. That proposal did not for the time find favour with them.

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\* Cf. pages 11-13 of the report of this Office for August 1951.

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It was then suggested that for the time being and till such time as it was not possible for them to take a final decision on the proposal, they might continue in the I.N.T.U.C. but without sharing the responsibility of the executive. It had not been possible for them yet to make up their mind as to ~~that~~ that course even.

(The Amrita Bazar Patrika, 23-2-1952).

Mysore: Mysore Labour (Administration) Bill, 1951.

The Government of Mysore published on 2 October 1951 the text of the Mysore Labour (Administration) Bill, 1951 to make provision for the administration of the labour department in the State.

The Statement of Objects and Reasons ~~are~~ attached to the Bill explains that the Mysore Labour Act, 1942, was a general measure dealing with matters connected with labour in Mysore, such as appointment of Commissioner of Labour and Assistant Commissioners of Labour, registration of labour associations, settlement of industrial disputes and settlement of standing orders. Consequent on the extension of Central Labour Laws to Mysore, a number of provisions of the State Act have become inoperative and the few remaining ones require re-enactment. A doubt is expressed whether a Labour Association registered under the Mysore Labour Act, 1942, may be deemed to be trade union under the Indian Trade Unions Act, 1926, by virtue of sections 5 and 6 of the Part B States (Laws) Act, 1951 (Central Act III of 1951). As considerable difficulty and inconvenience will be felt by the Labour Associations if they are required to re-register themselves under the Central Act, it is considered necessary to make it clear that they can continue to function as Trade Unions without re-registration. The object of this Bill is to re-enact with suitable changes the provisions of the Act which have to be continued, to repeal expressly the rest of the Act and to declare that the labour associations ~~shall~~ shall be deemed to be trade unions under the Indian Trade Unions Act, 1926.

(Indian Labour Gazette, Vol. IX, No. 5,  
November 1951, page 380).

U.P.: Working of Indian Trade Unions Act, 1926  
during Year ending 31 March 1950.

Number of Unions.- At the beginning of 1949-50 there were 458 trade unions on the register in Uttar Pradesh. The number of new unions granted registration during the year were 147. Out of the total 605 unions, registrations of 62 unions were cancelled. During the year there were three ~~ma~~ amalgamation affecting ~~the~~ ~~xxxx~~ 12 unions in all. Thus at the end of the year there were 530 registered trade unions including the three new registered unions - formed by amalgamation. Of these, however, only 334 unions and two federations submitted returns. The statistics, therefore, with regard to membership, funds etc., only relate to these 336 unions, (including 2 federations).

The table below gives the progress in registration of unions and membership of registered trade unions for the last 10 years.

Year	No. of trade Unions newly registered	Total No. of Unions on Register at the end of the year	Total No. of registered unions which submitted their annual returns.	Member-ship of Unions which submitted returns	Average membership per union	Percent increase (x) or decrease (-) in membership over the preceding year.
1940-41	10	40	36	13045	368	(x) 14.1
1941-42	5	43	32	17493	407	(-) 3.1
1942-43	7	43	33	23628	716	(x) 35.1
1943-44	23	56	37	36023	974	(x) 52.5
1944-45	11	49	43	56648	1317	(x) 57.3
1945-46	30	81	52	60031	1154	(x) 6.0
1946-47	147	211	121	139115	1150	(x) 131.7
1947-48	172	295	213	227553	1044	(x) 63.6
1948-49	180	458	314*	235155	753	(x) 3.3
1949-50	147	530	334§	218067	653	(-) 7.3

\*Excluding one Federation.  
 § Excluding two Federations.

Number of unions classified according to industries.- The following table shows the number and membership of unions, submitting returns, classified according to industries:-



Group	No. of trade unions in 1949-50	Number of members in 1949-50		
		Male	Female	Total
<b>1. Agricultural and allied activities:</b>				
(a) Plantation.....	1	120	111	231
(b) Gins and Presses..	-	-	-	-
(c) Others .....	7	895	2	897
<b>2. Mining and Quarrying...</b>				
<b>3. Manufacturing:</b>				
(a) Food, Beverage and Tobacco.....	97	61,322	55	61,377
(b) Textile.....	22	35,270	426	35,696
(c) Clothing, Footwear etc.	5	4,810	5	4,815
(d) Wood and Cork.....	2	440	-	440
(e) Paper and paper products.....	4	1,730	-	1,730
(f) Printing, publishing and allied trades.....	15	3,702	1	3,703
(g) Leather and Leather Products (except footwear) - 2	-	1,855	-	1,855
(h) Rubber products.....	-	-	-	-
(i) Chemical and Chemical products.....	6	1,325	15	1,340
(j) Non-metallic mineral products.....	-	-	-	-
(k) Basic metal industries..	2	2,176	-	2,176
(l) Metal products.....	5	995	-	995
(m) Machinery.....	2	400	-	400
(n) Transport Equipments...	1	608	-	608
(o) Others.....	2	266	-	266
<b>4. Construction.....</b>				
<b>5. Electricity, Gas, Water and Sanitary Services.....</b>				
<b>6. Commerce:</b>				
(a) Wholesale and retail trade.....	18	3,696	-	3,696
(b) Banking and Insurance.	7	4,035	1	4,036
(c) Others.....	7	636	-	636
<b>7. Transport, Stores and Communication:</b>				
(a) Railways.....	18	64,334	460	64,794
(b) Tramways.....	-	-	-	-
(c) Motor transport.....	13	3,486	1	3,487
(d) Seamen.....	-	-	-	-
(e) Docks and Ports.....	-	-	-	-
(f) Post and Telegraph...	1	260	-	260
(g) Others.....	3	1,909	5	1,914
<b>8. Services.....</b>				
<b>9. Miscellaneous.....</b>				

The largest number of registered trade unions was in Kanpur i.e., 54. Lucknow and Gorakhpur came next in importance, having 38 and 30 unions respectively. The other districts in order of total number of

trade unions were Agra (28), Allahabad and Deoria (19 each), Moradabad (14), Saharenpur (12), Aligarh and Meerut (11 each), Gonda (9) and Muzaffarnagar (8). The remaining districts had seven or less unions.

The table below gives frequency distribution of the number of unions according to their membership at the end of 1949-50:-

Serial No.	No. of Members	No. of Unions	Percentage over the total No. of unions.	Total Membership	Percentage over total membership of all unions.
1	Below 100	96	28.7	5,139	2.4
2	100 and below 500	145	43.4	36,613	16.8
3	500 and below 1,000	58	17.4	41,648	19.1
4	1000 and below 2,500	23	6.9	31,152	14.3
5	2500 and below 5,000	7	2.1	20,562	9.4
6	5000 and below 10,000	1	.3	6,538	3.0
7	Over 10,000	4	1.2	76,415	35.0
		<u>334</u>	<u>100.0</u>	<u>218,067</u>	<u>100.0</u>

Assets.- The following table gives an idea of the financial position of registered unions:-

Serial No.	General Fund		Cash	
	Amount Groups (In rupees)	No. of Unions	Amount groups (In rupees)	No. of unions
1.	0 .....	100	0 .....	100
2	100 .....	500	100 .....	500
3	500 .....	1000	500 .....	1000
4	1000 .....	2500	1000 .....	2500
5	2500 .....	5000	2500 .....	5000
6	5000 .....	10000	5000 .....	10000
7	Over 10,000		Over 10,000	
		<u>336*</u>		<u>336*</u>

\* Including two Federations.

Sixteen registered unions had a deficit balance during the year under review.

An analysis of the income and expenditure incurred by the unions during the year under review shows that the largest income accrued to registered unions from subscription. The largest amount of expenditure incurred on a single item by the unions was under the head 'Salaries, allowances and expenses of Officers'.

29. International Co-operation.

India - February 1952.

Two Million Dollars for India's Rural Extension Service Plan: Aid by Ford Foundation.

Further U.S. aid of 2 million dollars (about 10 million rupees) in India's development programme is expected in the current year under an agreement reached between the Indian Government and the Ford Foundation. The agreement, which was recently signed by Mr. C.D. Deshmukh, Central Finance Minister and Mr. Paul G. Hoffman, Director of the Foundation, provides for financial assistance from the Foundation in carrying out a rural extension service programme as part of India's five-year development plan.

The Foundation, it is stated in the agreement, believes that the general principles of the intensive rural development programme envisaged in the five-year plan "are sound in ~~ex~~ conception and should result in increased food production and the betterment of village life in India".

To begin with, the Government of India proposes to set up five centres in the States for the training of the key personnel required to initiate and supervise agricultural, social welfare and medical extension services in 15 areas selected in the States for development. It is expected that in the next five years, sufficient trained personnel will pass out from these five training centres to help in such services in at least 15,000 villages. The experience gained from work in these areas will be passed on to other parts, thus building up an integrated multi-purpose extension service organisation throughout India.

The Foundation will also consider granting financial aid to sound extension training programmes at a few selected higher educational institutions and may also provide assistance to the Government of India and the States in evaluating the work under way or planned.

Development centres.- At a Press Conference at New Delhi on 12 February 1952, Dr. Douglas Ensminger, representative of the Foundation, expressed confidence in the success of the Government's village development programme. The first stage of the programme, plans for which were approved by Dr. Ensminger and senior Government officials, is expected to get under way immediately. For this 15 development centres and five training centres are to be opened. Each development centre will include 200 villages to which special staff will be sent to help farmers raise food production and use the accompanying increase in income to raise their living standards. Dr. Ensminger emphasised that the scheme aimed at encouraging the farmers

to help themselves and to suggest solutions to their problems, but not merely to preach to them. Approached in this way, he was sure the farmers would co-operate. This had already been demonstrated in the Etawah scheme.

The development plans envisages the appointment of a few experts, one each for agriculture, education, and sanitation for each development centre. Under them there would be village workers who would try and understand farmers' problems and "get them to help themselves" by using, for example, improved seeds or the latest manures.

The majority of the staff would be Indian with a few experts, usually one for each centre, loaned under the U.S. Technical Aid Agreement. Dr. Ensminger felt that there were sufficient agricultural experts in India; the Americans would help merely with the latest methods of getting people to accept and use new techniques. American experts would also help to evaluate results so that by the end of a year it could be known what practices had been successfully recommended, what percentage of farmers had taken them up and the reasons for others opposing them. This would simplify subsequent stages involving diffusion of the newly acquired "know-how" over the entire country.

Training centres.- The first agricultural extension training centre under the scheme was inaugurated by the Finance Minister, Mr. C.D. Deshmukh, at Anand, in Bombay State, on 31 January 1952.

The other centres will be located in U.P., Madhya Pradesh, West Bengal and Mysore.

To each training centre will be attached at least one extension project covering 100 villages. These extension projects will be located in P.E.P.S.U, Punjab, Bihar, Orissa, Assam, Madhya Bharat, Hyderabad, Himachal Pradesh, Vindhya Pradesh and Bhopal. During the next five years, there will be a rapid multiplication of these extension projects placed in charge of persons trained at the five extension training centres, so that at the end of five years at least 15,000 villages will have been covered.

( A copy of the text of the agreement was forwarded to Geneva under this Office Minute No. dated March 1952 ).

(The Statesman, 23 January and 13 February 1952 ).

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X

U.N. Technical Aid: Resident Representative  
for India to be appointed.

On 14 February 1952 the Government of India and the United Nations signed an agreement at New Delhi authorising the appointment of a U.N. resident technical assistance representative in India.

The representative, who will be initially appointed for one year, will represent the United Nations and its special agencies such as the ILO, the UNESCO, the ICAO and the WHO. He will maintain the closest liaison between the Government of India and the Technical Assistance Board.

His duties will be mainly to assist and advise the Government of India on its requests for assistance with due deference to the relative urgency of the specific projects within the general economic development programme and the resources of technical ~~assistance~~ assistance available with the participating organisations, to ~~advise~~ advise the Technical Assistance Board and to negotiate with the Government of India technical assistance agreements on behalf of the U.N. and its specialised agencies and to assist in ensuring the effective rendering of such assistance.

The U.N. and its specialised agencies will be responsible for the payment of salary and other expenses of the representative.

The Indian Government will provide the representative with an appropriate office and technical and clerical help.

Mr. David Owen, Assistant Secretary-General of the U.N. signed the agreement on behalf of the U.N. and Mr. K.G. Ambagaonkar, Secretary, Finance Ministry, on behalf of ~~the~~ India.

(The Hindu, 15-2-1952 ).

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Chapter 3. Economic Questions.

32. Public Finance and Fiscal Policy.

India - February 1952.

Central Government's Interim Budget for 1952-53  
presented: 187.3 Million Rupees Surplus estimated:  
Substantial Provision for Capital  
Expenditure.

Mr. C.D. Deshmukh, Minister for Finance, Government of India, presented the Central Government's interim Budget for the year 1952-53 to the Parliament on 1 March 1952. The Budget estimates the revenues for 1952-53 at 4249.8 million rupees and expenditure at 4062.5 million rupees, thus providing for a surplus of 187.3 million rupees. No changes in taxation are proposed. Though the budget has been prepared for a full year, demands would be passed by the present Parliament as a vote on account to meet the expenses of administration during the first four months of this year.

The following table shows the budget estimates and revised estimates for 1951-52 and the budget estimates for 1952-53:-

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Please see Table on the next page

REVENUE		(In millions of rupees)	
	Budget 1951-52	Revised 1951-52	Budget 1952-53
Customs .....	1560.4	2320.0	1900.0
Union Excise Duties.....	796.2	843.0	860.0
Corporation Tax .....	327.3	375.5	305.3
Taxes on Income other than Corporation Tax.....	846.9	847.5	686.3
Opium .....	23.5	27.5	22.0
Interest .....	16.7	20.1	25.3
Civil Administration .....	84.2	104.5	89.0
Currency and Mint .....	123.2	113.1	103.9
Civil Works .....	15.2	14.1	15.1
Other sources of Revenue .....	129.4	196.0	63.5
Posts and Telegraphs - Net contribution to general revenues.....	23.3	38.7	11.6
Railways - Net contribution to general revenues.....	72.6	73.4	76.5
Extraordinary Items .....	-	3.3	93.3
<b>Total-Revenue.....</b>	<b>4018.9</b>	<b>4976.7</b>	<b>4249.8</b>

#### EXPENDITURE

Direct Demands on revenue.....	143.5	169.5	157.6
Irrigation .....	2.6	2.6	1.8
Debt Services .....	373.3	373.0	361.6
Civil Administration .....	542.9	566.6	559.8
Currency and Mint .....	26.1	28.1	32.0
Civil Works .....	133.1	132.5	149.6
Pensions .....	73.5	84.9	79.5
Miscellaneous - Expenditure on refuges.....	98.3	138.3	100.9
Subsidy on foodgrains .....	253.2	386.6	250.0
Other Expenditure .....	21.0	54.6	78.8
Grants to States, etc. ....	154.3	180.8	202.8
Extraordinary Items .....	135.9	120.7	108.6
Defence Services (Net) .....	1800.2	1812.4	1979.5
<b>Total-Expenditure .....</b>	<b>3757.9</b>	<b>4050.6</b>	<b>4062.5</b>
Surplus .....	<del>x288x0</del> x261.0	x926.1	x187.3

Mr. Deshmukh's speech: review of economic situation.- Delivering his budget speech, Mr. Deshmukh pointed out that the budget was only an interim one although it had been prepared as usual for a full year. Its main purpose was to place before Parliament an account of the finances of the Central Government for the current year and the prospects for the coming year on the existing basis of revenue and expenditure so that the House may know the general background against which it had to deal with the demands which will be placed before it for a vote on account to meet the expenses of the administration till the new Parliament considers and passes the

budget for the whole year. The budget would be presented again in due course to the new Parliament with such changes as the new Government may consider necessary. Meanwhile, Government proposed to ask the House only for a vote on account to meet the anticipated expenditure during the first four months of the next year and to approve of the continuance of the existing measures of taxation.

Fall in price level.- Reviewing briefly the main economic developments in the country during the year, Mr. Deshmukh said that ~~due to~~ the vagaries of the monsoon had again left the country to face a substantial deficit in the coming year. In other respects however the year's results were, more encouraging. For some months the steady rise in prices, which had been one of the disconcerting features in the country's economy since the commencement of the Korean war, had been halted and from July 1951 onwards there had been a steady downward movement in the price level. This welcome development could be traced as much to the world-wide falling trend of commodity prices as to the general disinflationary effects of the very large revenue surplus realised during the year and the withdrawal of a substantial volume of purchasing power from the public by the sale of imported wheat purchased from the American loan.

Increase in production.- The level of production in the principal industries of the country had also been higher than in the previous year and the larger supplies thus made available for internal consumption have had a steadying effect on prices. Agricultural production also showed some improvement although in the case of foodgrains the increased production secured by the Grow More Food campaign was more than wiped out by the shortages created by adverse seasonal conditions.

Balance of payments.- The balance of payments position during 1951 was not as favourable as in the preceding year. This was due partly to a fall in the demand for the principal exports from India after the first phase of stock piling by the United States and other countries was over and partly to India having had to pay more for her imports, owing to a rise in world prices and increase in freight rates. Mr. Deshmukh did not expect that these conditions would change materially in the coming year. India shall still have to import substantial quantities of foodgrains and essential raw materials and capital and consumer goods, while no appreciable expansion of her principal exports was likely to take place, although, Government would continue to take all possible steps to maintain and develop the country's export markets. Among such steps he mentioned the recent lowering of the export duty on hessian.



Revised estimates 1951-52.- Referring to the Budget for 1951-52, the Finance Minister ~~said~~ recalled that the current year's budget had provided for a revenue surplus of 261.0 million rupees and an overall budget deficit, taking the revenue and capital budgets together, of 518.8 million rupees. He now estimated the revenue surplus for the year at 926.1 million rupees and the overall budget deficit at 37 million rupees. The improvement in the revenue position was mainly due to the extraordinary buoyancy of receipts from Customs which were now estimated to show an improvement of 760 million rupees over the budget. Union Excise duties and income-tax were also expected to show larger yields. Revenue as a whole was now placed at 4980 million rupees against the budget estimate of 4020 million rupees. Of this improvement of 960 million rupees, 300 million rupees will be absorbed by additional expenditure, mainly on the payment of food subsidies and expenditure on displaced persons, leaving 660 million rupees more than the original estimate for assisting the capital budget.

The capital budget was also assisted during the year by the net receipts from the sale proceeds of the wheat purchased from the American loan of 190 million dollars and wheat obtained from certain Commonwealth countries under the Colombo Plan. These together were estimated at 760 million rupees and taken with the increased revenue surplus of 660 million rupees more than balanced, the short-fall of 500 million rupees in public borrowing and the contraction of 300 million rupees in the floating debt during the year, resulting from the liquidation of their investments by some of the States and other authorities. This also made it possible to make increased allocations for some of the capital schemes such as the river valley projects during the year.

Estimates for 1952-53.- Speaking about the estimates for 1952-53, the Finance Minister estimated the revenue for next year at 4250 million rupees and the expenditure at 4062.5 million rupees leaving a revenue surplus of 187.5 million rupees. The actual surplus may be 150 million rupees more than the figure mentioned. The reason for this increase was that of the provision of 250 million rupees taken in the estimates for food subsidies 150 million rupees was not likely to be required as a result of the decision announced recently by the Minister for Food and Agriculture about the abolition of the food subsidies except to a very limited extent<sup>1</sup>.

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1 Cf. pp. 37-39 of this Report.

The drop of 730 million rupees in revenue in the coming year as compared with the current year was mainly due to a reduction of 420 million rupees under Customs and 230 million rupees under income-tax. The fall in Customs revenue was accounted for by the reduction in the export duty on hessian recently announced and also by an estimated fall in the receipts from import duties which had been unusually high this year. The reduction in income-tax reflects the results of the action taken in the current year for the clearance of arrears and also the gradual disappearance of arrear collections of taxes, no longer in force. He had also taken into account the disappearance from the Central budget of the revenue and expenditure of the five Part C States which would have their own separate budgets from next year.

The total expenditure next year was estimated at 4062.5 million rupees, of which 1979.5 million rupees will be on Defence Services and the balance under Civil heads. As a result of the abolition of the food subsidies a saving of 150 million rupees was likely ~~xxx~~ on these estimates. Defence expenditure will be 170 million rupees more than this year, mainly owing to the carryover of certain liabilities for stores on order from the current year.

Capital budget.- Mr. Deshmukh stated that substantial provision had been included in the budget for the coming year for capital and development expenditure and for loans to State Governments to assist them in financing their development schemes. The provision for capital and development expenditure broadly followed the pattern laid down by the Planning Commission in the draft Five-Year Plan. The Plan envisaged the Centre producing a revenue surplus of the order of 260 million rupees in each of the five years covered by it. Although the estimated surplus this year was about 670 million rupees larger than the sum envisaged in the Plan, this improvement was only fortuitous and could not be carried forward to subsequent years. It only helped partially to fill the gap in borrowing during the year and there was no net addition to the resources on this account.

Next year's budget taken as a whole provides for an overall deficit of 560 million rupees, which the increase in the revenue surplus resulting from the abolition of food subsidies would reduce to 410 million rupees. This will be well within the estimated balance of payments deficit for the year and will not therefore add in any way to the inflationary position. At the end of the year he expected that cash balances would be of the order of 1160 million rupees. Included in this figure will be an unspent balance of 400 million rupees received by way of foreign assistance.

Concluding Mr. Deshmukh said that looking ~~of~~ back on the year just drawing to a close he felt that there was justification for sober satisfaction. Although the country's food problem ~~will~~ still remained acute, there had been a notable improvement in other directions. The rise in prices had been halted and there had been a progressive decrease in the price level in recent months. In spite of the difficulties in obtaining some of the essential raw materials, there had been an all-round increase in production. The emergence of a realistic and coordinated plan of development, as a result of the labours of the Planning Commission, had convinced people both in India and outside that "we mean, and have set about in right earnest, to tackle the problem of the proper development of the country's resources. I venture to think that the cumulative effect of the fiscal and financial policy in recent months has definitely been to enhance the credit-worthiness of this country. It will, I hope, pave the way for a larger flow of international assistance and foreign investment to this country, to help us in our planned campaign for developing the latent resources of this country for the raising of the standards of life of our people".

A White Paper on the budget was also presented to the Parliament<sup>1</sup>.

(Text of the Finance Minister's Budget Speech issued by the Press Information Bureau, Government of India ).

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1. Government of India. White Paper on Budget, 1952-53.

Railway Budget for 1952-53 presented:  
250 Million Rupees Surplus Forecast .

The Railway Budget for the year 1952-53 was presented by Mr. N. Gopaldaswamy Ayyangar, Minister of Railways and Transport to the Parliament on 22 February 1952. The Budget forecasts a surplus of about 250 million rupees for the year. No changes in passenger fares are contemplated but the existing coal freight rates are raised by about 30 per cent. The additional revenue on account of this ~~increase~~ increase will be about 60 million rupees, of which 24 million rupees will be borne by the Railways themselves on their own coal consumption. Thus the net burden which will be imposed on industries and consumers will be about 36 million rupees. Freight rate adjustments are also proposed in the case of certain commodities, including sugar, food grains and oilseeds and iron and steel and raw materials for this industry, "with a view to removing the present anomalies". It is estimated that these rate adjustments will bring additional revenue of about 29.0 million rupees in 1952-53. The Budget was presented in the form of a White Paper\*. The following table shows the actuals of 1950-51 revised estimates for 1951-52 and the ~~budget~~ budget for 1952-53:-

	(In millions of rupees)		
	Actuals 1950-51	Revised Estimate 1951-52	Budget Estimate 1952-53
<b>TRAFFIC RECEIPTS</b>			
Gross Traffic Receipts .....	2630.1	2880.6	2984.7
<b>WORKING EXPENSES</b>			
Ordinary Working Expenses .....	1802.3	1957.2	2027.0
Appropriation to Depreciation			
Reserve Fund .....	300.0	300.0	300.0
Payments to Worked Lines .....	2.5	2.2	2.4
<b>TOTAL-WORKING EXPENSES .....</b>	<b>2104.8</b>	<b>2259.4</b>	<b>2329.4</b>
<b>NET TRAFFIC RECEIPTS .....</b>	<b>525.3</b>	<b>621.2</b>	<b>655.3</b>
<b>MISCELLANEOUS TRANSACTIONS</b>			
Receipts .....	2.9	3.3	2.9
Expenditure .....	52.6	70.4	69.5
<b>NET MISCELLANEOUS EXPENDITURE .....</b>	<b>49.7</b>	<b>67.1</b>	<b>66.6</b>
Net Railway Revenues .....	475.6	554.1	588.7
Dividend to General Revenues .....	325.1	333.5	340.0
<b>NET GAIN OR SURPLUS .....</b>	<b>150.5</b>	<b>220.6</b>	<b>248.7</b>

\* Government of India. Ministry of Railways. White Paper on Railways, pp.78.

Progress of Indian Railways: Mr. Ayyangar's address.- Presenting the White Paper, Mr. N. Gopalaswamy Ayyangar stated that as the new Parliament would be meeting shortly the voting for demands on grants would be left to the new House of People. The present House would be asked to vote such supplies as might be necessary for meeting the estimated expenditure for the first four months of the current year.

Budget trends.- Giving a brief review of the budget trends, Mr. Ayyangar said the gross traffic receipts and working expenses for 1950-51, placed at 2634.0 and 1803.1 million rupees respectively, had been actually realised, the variations being a few thousands only. The surplus for the year was estimated at 142.4 million rupees while actually it has amounted to 150.5 million rupees. The increase was largely due to a saving of about 10 million rupees under miscellaneous expenditure.

For the year 1951-52 the budget estimates of gross traffic receipts and working expenses had been placed at 2795.0 and 2169.7 million rupees respectively. According to latest anticipations in this regard, due to large-scale import of food grains and an increase in industrial production, the goods earnings would be improved by 75.1 million rupees. Increased military movements and large-scale division of consignments as parcels account for an improvement of 40 million rupees approximately. These increases were offset to the extent of 25 million rupees in the earnings from passenger traffic, of which 10 million rupees was attributable to the decision taken after the introduction of the budget not to apply the increase in passenger fares to suburban traffic. The residue of 15 million rupees was attributable to the drop in First and Inter Class traffic.

There had been an increase of 89.7 million rupees in the working expenses, of which 33.2 million rupees was attributable to the increase in the dearness allowance granted during the year. A sum of 10.6 million rupees had been absorbed by larger losses on the grainshops due to increase in prices.

Operational expenses recorded ~~taxes~~ an increase of 14.0 million rupees due mainly to the introduction of additional train services. The acceleration in the programme of repairs and maintenances accounted for an additional 10 million rupees.

The net surplus for the current year after the payment of dividend to the general revenues was now estimated at 220.6 million rupees against the budget estimated 218.5 million rupees. This would be distributed between the Development Fund and the Revenue Reserve Fund, a sum of 100 million rupees for the former and 120.6 million rupees for the latter. Besides this, there was an appropriation of 300 million rupees to the Depreciation Reserve Fund, which was included in the working expenses.

Budget year 1952-53.- The gross revenue and expenditure for the year 1952-53, Mr. Ayyangar said, was estimated at 2984.7 ~~mk~~ and 2329.4 million rupees respectively. The goods earnings~~xxx~~ were likely to increase partly due to augmentation of Railway's transport capacity and partly to increased industrial activity. The progress made in the process of rationalization of freight structure by adjustment ~~and~~ in the rates of sugar, oilseeds, iron and steel and particularly coal would bring an additional revenue of the order of 90 million rupees. Passenger earnings were, however, estimated to produce 12.5 million rupees less. Taking these facts into account the gross earnings of the coming year were estimated to produce 100 million rupees more than the revised estimates of the current year.

The working expenses of 2027.0 million rupees was about 70 million rupees more than the revised estimates for the current year. The increased coal freights alone could account for 24.0 million rupees. The continued increase in the cost of supplies and services and an acceleration of programme and repairs and maintenance accounted for the balance.

The growth in expenditure, the Railway Minister pointed out, was well below the growth in revenues in spite of additional services and larger amenities that were being provided.

Capital programme.- The capital programme of the railways had been stepped up to 800 million rupees in the coming year. Of this 430 million rupees would be for replacement of rolling stock and machinery and 320 million rupees for structural and other engineering works. A provision of 150 million rupees had been made for track renewals so that the bottlenecks in the faster movement traffic might be eliminated.

Other important provisions, for capital programme, were: 10 million rupees for the Chittaranjan project, 12.0 million rupees for the coach-building factory at Perambur and 20 million rupees for the Kandla-Dessa project. Provision had also been made for the construction of three new railway lines - the Madapur-Murliganj on the O.T. Railway, Kastogram-Parharipur on the East Indian Railway and Quilon-Ernakulam on the Southern Railways.

Dealing with future programmes, Mr. Ayyangar said, when the process of rehabilitation, which was the first demand on the resources of the railways, was completed, the capital allotments could be diverted for the expansion of rail facilities. Already in a small way provision was being made for essential projects and expansion.

Rapid progress during last five years.- The Minister reviewed the progress of railways in the period of five years, since independence, and said it had been "unquestionably one of remarkable expansions". The route mileage had increased by 6,880 miles to 33,303 on 31 March 1951, due largely to the integration of the former State railways. The capital-at-large of the Government railways would have increased by 1590 million rupees to 8620 million rupees on 31 March 1953. The gross traffic-receipts during these five years would have increased by 38 per cent from 2164.7 million rupees to 2984.7 million rupees, the highest figures so far touched in the history of the railways.

As against this, the ordinary working expenses, representing the cost of railway operation, would record an increase of only 26 per cent. The ratio of ordinary working expenses (that is excluding depreciation) to gross traffic receipts registered during this period a decrease of from 74.1 per cent to 67.9 per cent. The net earning power of the Government railways had improved considerably. The net traffic receipts recorded an increase of 52 per cent from 431.4 million rupees in 1948-49 to 655.3 million rupees in 1952-53.

Return on capital had steadily increased from 6.15 per cent in 1948-49 to 7.60 per cent. The balances in the depreciation, development and revenue reserve funds would amount to 1635.5 million rupees on 31 March 1953.

Labour relations.- The Minister said that his relations with the trade unions had been happy on the whole. There had of course been threats of strikes, but he had never found it impossible to come to terms with the leaders of these trade unions. There was a threat of strike in the current year and negotiations were started and at the end of it was possible to avert this strike, a development which he attributed to the sense of patriotism that animated both leaders and men in these trade unions.

(The Hindustan Times, 23-2-1952).

26

Sterling Pact Extended for a further period of  
Six Years : Annual Release of £35 Million.

The Indo-British sterling agreement, which has been in operation since ~~ago~~ August 1947, with agreed modifications from time to time, has been extended for a further period of six years ending 30 June 1957.

The agreement now operative, will include the proposals tentatively accepted by the two Governments in December 1950, providing for an annual release of ~~up to~~ up to £35 million for six years from July 1951. Letters confirming agreement on these proposals were exchanged between Mr. Harold A. Butler, Chancellor of the Exchequer, U.K., and Mr. C.D. Deshmukh, Finance Minister, Government of India. The six-year agreement will also provide for the transfer of £310 million from the blocked account (No.2) to the current account (No.1). This will normally be held by the Reserve Bank of India as a currency reserve and has to be drawn "in an emergency" after consultations with the British Government.

Withdrawals.<sup>a</sup> - India's sterling balances on 8 February 1952 stood at £570 million (7610 million rupees). Withdrawals during the six years from July 1951, at the rate of £35 million a year will total £210 million. This, with the £310 million transferred to the current account, will leave, on the expiry of the current agreement, £50 million only in the blocked account, which will automatically be put on the current account on 30 June 1957.

The sterling balances on 14 August 1947, stood at £1157 million, of which £222 million was paid to the British Government in payment of sterling pensions and for the surplus stores and equipment left in India by ~~British~~ after World War II. A further sum of £156 million was paid to Pakistan as her share after the separation of the Pakistani currency from the Indian, bringing the total disbursed under these heads to £378 million. This, with the amount held on 8 February 1952 - £570 million - gives a total of £948 million. This means that India used £189 million during the last five years or so to meet her current balance of payments deficit, mainly attributable to heavy food imports.

The two Governments have now also agreed to consultations if in any of the years covered by the present arrangements India finds it necessary to exceed the release of £35 million and to draw upon the release for the subsequent period by more than £5 million.



### 33. Full Employment Policy

India - February 1952.

#### Developing Rural and Middle Class Economy in West Bengal: Government's Plans outlined.

On 10 February 1952, at a Press Conference in Calcutta, Dr. B.C. Roy, Premier of West Bengal gave an outline of certain projects for developing rural and middle class economy in the State.

Four-year township building plan.- Dr. Roy said that the West Bengal Government intended to put into execution in the immediate future a four-year township building plan which would rehabilitate 96,000 middle-class families or 400,000 persons and 200,000 villagers. The number of townships to be built in these four years would be 64 and they would be constructed in areas covered by Damodar and Mayuraksh and in certain parts of Midnapore. The cost for building each township would be nearly 4 million rupees and 2 million rupees for measures for developing villages integrated with these townships. These townships, he said, were meant both for refugee and non-refugee middle-class families.

The main objective of this plan was to give occupation to the middle-class families, to relieve the congestion in the cities and to develop the villages by integrating them with each township which would have all the amenities of a city. The plan also envisaged that the middle-class families settled in the townships would form the nucleus of middle-class intelligentsia who would advise and guide the villagers.

The cost of completing the townships would be borne partly by the State Government and partly by the Government of India.

Dr. Roy emphasised that the main objectives of the plan were to give occupation to middle class families, to relieve the pressure on cities by developing townships with rural bias, giving to the inhabitants the amenities of town life to a large extent, and to establish certain nucleus of middle class intelligentsia who would advise and guide a certain number of villages around the townships. The residents of the villages and the townships should act in mutual cooperation and understanding. That was the basis of the scheme.

People who would be resident of the townships would be required to produce things useful and in demand so far

as the villagers were concerned. Therefore the Government had developed the scheme in selected areas where the income of the average villagers could be increased by provisions of irrigation, etc. Thus, the scheme envisaged that the villagers would be given help for increasing their income, so that they could purchase things which were manufactured in the townships. Similarly, in each township there would be provision for training 1000 middle class youngmen in various technical works, so that, they might after training be able, with the help of the Government, to produce such commodities that the villagers needed.

The Planning Commission, Dr. Roy said, also envisaged the establishment of community development projects. The Indo-U.S. Aid Agreement had been signed. It would therefore, be comparatively easy to push through the schemes which the West Bengal Government had already submitted which fitted in with <sup>the</sup> schemes of the Planning Commission.

Project areas.- It was proposed that there would be certain project-areas covering 300 to 400 square miles and equivalent number of villages. Each of such project-area would be divided into 8 blocks of 50 square miles each. Each block would consist of a group of about 50 to 75 villages with a total cultivable area of about 20,000 acres and population of about 35,000. It would be noticed that while there was no proposal to establish new villages this scheme envisaged the establishment of new townships. It was also proposed that these townships should be built in areas served by river valley schemes, namely, Mayurakshi and Damodar. In all, the Government proposed to take up 8 projects divided into 8 blocks during the 4-year period ending 1955-56. These would affect something like 200,000 villagers and some 96,000 middle class families or 400,000 persons.

Dr. Roy said that <sup>a</sup>special organisation has been set up by the Government to work out details of the plan because they were anxious to put it through as quickly as possible. Representatives of the Government of India and technical experts had discussed the preliminaries with representatives of the Government of West Bengal and they were now going round the areas selected for the purpose.

Setting up of salt factory.- The Government's next plan was the establishment of a salt manufacturing factory at Contai (Midnapore). French experts who were appointed by the Government to explore the possibilities had submitted their recommendations. The cost for building

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this factory would be 37.4 million rupees. The factory when fully working would turn West Bengal self-sufficient in salt the price of which would also go down by nearly fifty per cent.

Problem of refugees.- Dr. Roy referred to the report of the Statistical Survey conducted by the Government on the socio-economic characteristic of displaced persons migrating from East Pakistan (vide pages 84-86 of this report). The survey had brought out certain very illuminating facts. The total number of migrants since October 1946 was 421,272 families or 2,143,233 persons. Of these 1,127,735 were male and 1,015,498 were females. Of them again 1,574,377 were persons who did not have any employment while in Pakistan. This figure obviously included nearly all the females, children and persons above the age of 60 and those who did not require to earn. Therefore, the total number of persons employed in Pakistan before they left for West Bengal was 568,856. The total number of migrants who had reported "no occupation" was 1,566,898. In other words, the total number of migrants who were employed in Bengal was 586,330 or about 17,474 persons more <sup>were</sup> than employed in West Bengal than in East Pakistan. The reason for this seems to be obvious. A large number of people who did not find it necessary to get employment in Pakistan had to do so in West Bengal because of their strained conditions.

Again it was reported that the total <sup>income</sup> ~~number~~ of migrants in West Bengal was less compared with their corresponding income in East Pakistan. The total income of the migrants in East Pakistan was about 513 million rupees. As against that they were earning now in West Bengal about 325.2 million rupees. This showed that while a larger number of people were employed in West Bengal their average income was less here. It was also found on enquiry that of the 1,563,000 persons who are unemployed 1,421,198 persons reported that they had no desire for employment or could not be employed as most of them were either women, children, etc.

The problem therefore, was to find employment for 128,700 people among migrants, among whom 15,000 wanted agricultural facilities, 42,000 trade facilities and 50,000 service; 7,000 wanted to start cottage industries and others were unskilled labour, etc.

Housing.- As regards the housing problem it has been found that 54,875 families or roughly 14.7 per cent were living in houses built on land which they owned or had leased out; 45,802 families, that ~~was~~ to say 12.3 per cent were living in houses built on trespassed land; 149,505 families or 40.1 per cent were living in rented houses; 44,212 or 11.9 per cent were living with their

relations; 76,893 or 20.26 per cent were living in un-occupied houses; 56,000 families refused to give any information. The total number of houses built was more than 134,000 of which 6,250 were pucca houses, 5,238 were semi-pucca houses and the rest kutchha houses. As regards help, at present 61,162 families received land from the Government for cultivation; 14,604 families had received loan from the Government for building homes; 31,381 families got employment through Government or were under Government auspices. As regards loan, 11,485 families had been given loan for purchasing land for cultivation; 11,985 received loan for agricultural purposes; 13,497 received loan for business purposes; 46,239 received loan for building houses; 2,238 families for professional and other purposes. Roughly speaking 177,000 families or 860,000 people received loan from the Government.

(Amrita Bazar Patrika, 11-2-1952).

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34. Economic Planning, Control and Development

India - February 1952

Production of Jute in India : Nearly  
300 per cent Increase Since Partition

Presiding over the 30th meeting of the Central Jute Committee in Calcutta on 16 February 1952, Mr. Datar Singh, President of the Committee and Additional Secretary, Ministry of Food and Agriculture, Government of India, said that since partition jute production in India had gone up by nearly 300 per cent.

Mr. Datar Singh pointed out that after the partition India was left with an area of 650,000 acres under jute with a production of 1.69 million bales only. In 1950 the acreage under jute was 1.454 million while during 1951 the acreage rose to 1.952 million. Jute production in 1950 was known to be 3.301 million bales; in 1951 it has been estimated at 4.677 million bales.

To reach self-sufficiency in raw jute, efforts were being directed to the study of other fibres akin to and comparable in quality and cost of production to jute, in order that these might be cultivated in such areas where jute could not be grown.

Mr. Datar Singh said that the Committee had decided to spend ~~Rs.~~ 741,783 <sup>rupees</sup> within the financial year 1951-52 for construction of Jute Agricultural Research Institute buildings.

(Amrita Bazar Patrika, 17 February 1952)

Foreign Exchange Regulation (Amendment) Bill, 1952,  
Passed by Parliament

The Foreign Exchange Regulation (Amendment) Bill, 1952, introduced in Parliament on 11 February 1952 was passed on 14 February 1952.

The Statement of Objects and Reasons appended to the Bill explains that sub-section (4) of section 1 of the Foreign Exchange Regulation Act, 1947 (VII of 1947) lays down that the Act will remain in force for a period of 5 years only but at the same time empowers the Central Government to extend it for a further period of 3 years. The Act came into force on 25 March 1947, and will, therefore, expire on 24 March 1952, unless extended. When the Foreign Exchange Regulation Act was first enacted it was hoped that world trade and economic conditions would stabilise themselves after the initial postwar period. Subsequent developments have largely falsified these anticipations. India continues to be short of foreign exchange and it is necessary to ensure that foreign exchange resources are conserved in the national interest. In these circumstances a further extension of the Foreign Exchange Regulation Act is unavoidable.

Although under sub-section (4) of section 1 the Central Government has been empowered to extend the Act for a further period of 3 years, it is considered desirable to obtain the approval of Parliament to the extension in view of the discussions which had taken place in the House when the Act was first passed. The Bill seeks to extend the Act up to ~~the~~ 31st December 1957.

- The experience gained in the administration of the Foreign Exchange Regulation Act has brought to light certain lacunae which hamper investigations and legal proceedings under the Act. The lacunae relate particularly to the power to call for information and conduct searches. The requirements of the Evidence Act have also proved to be too stringent under modern conditions of trade and commerce. The Act does not also confer on the Central Government or the Reserve Bank sufficient control over the activities of foreign subsidiaries of Indian companies. The Bill seeks to remove these defects in the Act.

In view of the urgency of the matter an Ordinance on the above lines was promulgated on the 27 December 1951, and this Bill when enacted will repeal that Ordinance.

The Bill was passed by Parliament without discussion.

(The Gazette of India, Part II, Section 2, 16 February 1952, pages 34-38; The Statesman, ~~New Delhi~~, 15 February 1952.)

Capital Issues (Continuance of Control) Amendment Bill, 1952, Passed by Parliament

The Capital Issues (Continuance of Control) Amendment Bill, 1952, introduced in Parliament on 11 February 1952 was passed on 14 February 1952.

The Statement of Objects and Reasons appended to the Bill explains that the object of the Bill is to continue in force up to 31 March 1956, the provisions of the Capital Issues (Continuance of Control) Act, 1947, which expires on 31 March 1952. As suggested by the Planning Commission, it is necessary to continue the control in order to canalise the limited capital resources available for investment in the desired fields. Provision is also made for the levy of fees in order to make the capital issues organisation self-sufficient as far as possible.

During the debate the Minister for Finance said that the main object of the Capital Issues Continuance of Control Act, 1947, was to ensure that as far as possible capital available for investment did not find an outlet in non-essential projects, and to prevent it from being invested in a manner that ran counter to the policy of the Government. That reason still held good, particularly in view of the limited capital resources available to the country for investment purposes. The Planning Commission had also recommended tightening of control on capital issues, with a view to canalizing funds into desired channels. The Bill sought to extend the Act till the end of the first five-year plan.

Reviewing the working of the Act in 1950 and the first half of 1951, the Finance Minister said that consent to issue capital was generally given freely in the case of planned industries, if the capital required fell within the plan made by Government. On the other hand, consent for banking and insurance business, and in certain other

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categories, was generally refused since that field was already overcrowded and there was no further scope for expansion in that line.

The control, said the Finance Minister, had helped to prevent 162.3 million rupees investible capital from going into undesirable channels during the one and a half years under review. Even if the figure of bonus issues rejected during this period was excluded from the total, the net capital that had been prevented from going into undesirable channels amounted to about 80.5 million rupees.

Not only was control of capital issues, as exercised, important in directing investible funds into desirable channels, but it was the only instrument in the hands of Government to regulate and control the indiscriminate issue of bonus shares, which tendency had assumed increasing dimensions since 1948.

Another important aspect of the control was that it had proved useful in regulating investment of foreign capital in India, through the control of capital issues.

During 1950, out of 53 companies involving foreign investment of 40.8 million rupees, 42 companies were granted consent, and 11 were refused, involving 7.3 million rupees. During 1951, out of 94 companies which applied for a total foreign investment of 150.3 million rupees, 81 companies were granted consent. The refusals, involving foreign capital amounting to 2.2 million rupees, related to companies which were not considered desirable in the national interest.

Mr. A.C. Guha said the Finance Minister should see that the controls to be exercised through the Industrial Development Act and the Capital Issues Act would not conflict.

Mr. Naziruddin Ahmed said Government interference in the development of industries would impair their capacity to grow in a "national way". He believed no clear case had been made out for the extension of capital issue control.

Mr. B.P. Jhunjhunwala said there was no necessity of extending the control and the new Parliament could consider the question.



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Mr. Ananthasayanam Ayyangar said that the Finance Minister should have taken the opinion of the business community before asking for extension of control.

Replying to the debate the Finance Minister said that formerly the Government had only to concern itself with unwary investors, but now it had to concern itself with the welfare of the whole State. As between the two the latter was the more compelling interest.

It was incorrect to say that foreign or indigenous investors had been scared away by this measure. Only a few months ago, three big oil companies agreed to sink in India an enormous amount of capital. Surely, this could not be adduced as proof of scaring away of investors.

The Government, he said, had chosen to bring the measure in this House, as the date on which the old Act would expire fell within the lifetime of the present Parliament.

The House passed the Bill without further discussion.

(The Gazette of India, Part II, Section 2,  
16 February 1952, page 33;  
The Statesman, New Delhi, 15 February 1952)

Food Production: Committee of Enquiry Appointed

To examine the working of the Grow More Food Campaign, the Central Government has by a resolution dated 8 February 1952, set up a Committee of Enquiry for the purpose, composed of Mr V.T. Krishnamachari, Member, Planning Commission, as chairman of the Committee and seven other members. The terms of reference of the Committee are: (i) to examine the categories of Grow More Food schemes for which funds have been sanctioned and the extent to which the utilisation of the funds has been in conformity with the intended purposes; (ii) to assess the relative efficiency of the different categories of schemes for increasing food production in the context of the available means and the prevalent agricultural practices, particularly with respect to the use of fertilisers, compost and improved seeds, and taking into account the lag between the grant of money and the actual production of the crop; (iii) to enquire whether the follow-up arrangements for demonstrating and teaching the cultivators have been properly organised in the areas in which Grow More Food funds have been spent; (iv) to examine whether the results achieved by the Grow More Food Campaign since April 1949 in terms of units of work, acreage benefited and increased food production over a specified base figure have been commensurate with the scale of expenditure involved; (v) to suggest measures for ensuring the optimum - utilisation of the available production requisites by the cultivators and for checking up on the actual expenditure of money and the results achieved; and (vi) to examine and report on any other matter germane or incidental to the above.

The Committee which has been asked to submit its report within six months, will have access to such official records as may be required for the purpose and has been authorised to call and examine such witnesses and to undertake such tours as may be necessary for the purpose.

(The Gazette of India, Part I, Section 1,  
16 February 1952, pages 43-44)

Conference of Food Ministers, New Delhi,  
19 and 20 February 1952 : Steps to meet  
Rice Shortage: Food Subsidy abolished

A conference of Food Ministers of States was held in New Delhi on 19 and 20 February 1952, to consider the food situation in the country. Mr. K.M. Munshi, the Central Minister for Food and Agriculture presided and Mr. Jawaharlal Nehru inaugurated the meeting. To meet the shortage in the supply of rice which is the staple food in South India, the conference decided to observe utmost austerity in the consumption of rice in areas where rice is not the main item of diet.

Mr. Nehru's speech: Need for accurate statistics.- Inaugurating the meeting Mr. Nehru said that it came as a blow to him when the Government had to give up, for the time being, the target date for attaining food self-sufficiency - the beginning of 1952. Failure to abide by that date was to him as though he had broken a pledge given to the people. It was well known however, he added, that since the date had been fixed, several disasters, including flood and drought, had made it quite impossible to attain the target. Emphasising the importance of food self-sufficiency, he said, there were great risks involved in dependence on imports, which might be affected at any time by circumstances beyond control.

Mr. Nehru said the Planning Commission was giving thought to this matter again because "it is of the highest importance that India should be self-sufficient in food, except when there are floods and other natural disasters".

In connection with the difficult rice position, he asked whether it were possible to divert rice completely for some time from non-rice eating to rice-eating areas, such as South India and Bengal.

Speaking at length on the lack of accurate statistics, and their importance in formulating food policies, the Prime Minister suggested the constitution of independent statistical machinery to collect accurate figures by scientific methods, such as a sample survey.

Food situation in the country: Mr. Munshi's estimate.- Mr. Munshi, warned State Ministers that 1952 would be another year of continued anxiety, especially regarding rice supplies. Stating that it would be impossible to reach in 1952 last year's import figure for rice - 750,000 tons - he urged a more realistic attitude, remembering that there was a limit to imports, imposed by the shortage of world supplies and high prices. The Central Government, however, was trying to get as much rice and other foodgrains as possible. He advised State Governments to reduce rationing commitments without going beyond the marginal line. The plan should be to assess the gap between the minimum needs of the country and its annual production, progressively reduce imports and make internal marketable supplies available to the maximum extent.

The Food Minister said the carry-over from 1951 was 1,229,000 tons, against 729,000 tons from 1950. Stocks at the beginning of February amounted to 1.65 million tons, compared to 0.94 million tons in the same period last year.

Decisions of the Conference : Mr. Munshi's statement in Parliament.- Making a statement in the Parliament on 22 February 1952, Mr. Munshi said that the conference of Food Ministers reached certain decisions. It was found on scrutiny that 5,000,000 tons which the Government proposed to import were adequate to meet the demands of the country except in the matter of rice. The international position of rice supply was serious and the conference, in view of the difficulties of the South, devoted particular attention to husbanding the internal resources to the highest extent possible. It was, therefore, decided that certain austerity measures as regards rice should be enforced and a concerted drive for the procurement of rice should be undertaken particularly in the surplus States of Madhya Pradesh and Orissa. All the States had agreed to put forward their best efforts in order to secure maximum procurement.

In view of the necessity of securing prompt internal procurement of rice, the Government of India had decided to allow an increase, varying according to varying circumstances, in its procurement price not exceeding two rupees per maund. This increase will be effective only up to the end of May 1952. It was hoped that the increase in prices will enable surplus States to make available a minimum of 500,000 tons of rice to deficit areas.

The Government of India had also reviewed the present scheme of food subsidy which was confined to select industrial towns and highly deficit areas.

It had been found that the subsidy did not make any significant contribution to the lowering of the cost of living in the industrial towns and the cost of manufactured goods. It was also the contention of practically every State Government that the maintenance of low issue prices in the subsidised towns and much higher prices in the rest of the State cannot be justified. Again since the prices of foreign imported food grains had registered a further increase recently, the disparity between prices in the subsidised and unsubsidised sections will become larger this year under the present scheme. After careful consideration, the Government of India had decided to discontinue the present subsidies, as from March 1952, subject to certain exceptions. He also announced the discontinuance of incentive bonus schemes for increasing food exports from surplus States.

(The Statesman, 20 and 21 February 1952;  
The Hindustan Times, 23 February 1952)

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36. Wages.

India - February 1952.

Madras: Advisory Board under the Minimum Wages Act constituted.

The Government of Madras has constituted under section 7 of the Minimum Wages Act, 1948, an Advisory Board, consisting of representatives of employers and employees and of independent members, with the Commissioner of Labour as chairman. The term of Office of non-official members will be two years.

(G.O.Ms.No.511 Development dated 12 February 1952; the Fort St. George Gazette, Part I, 12 February 1952, page 218 ).

Uttar Pradesh: Proposals for Minimum Rates of Wages for Employees in Stone-breaking or Stone-crushing in Mines and Quarries .

The Government of Uttar Pradesh published on 19 January 1952 its draft proposals, under the Minimum Wages Act, 1948, to fix the minimum rates of wages for employment in stone-breaking or in stone-crushing in mines and quarries in the State. The all-inclusive wage proposed for an adult employee is 30 rupees per mensem where payment is on monthly basis and otherwise at one rupee two annas per day. The proposals will be taken into consideration by the Government after 20 March 1952.

(Government Gazette of Uttar Pradesh, Part I, 19 January 1952, page 51 ).

Uttar Pradesh: Payment of Bonus to Workmen in Sugar Industry: Government's Order .

In exercise of the powers conferred by clauses (b) and (g) of section 3 of the U.P. Industrial Disputes Act, 1947, the Government of Uttar Pradesh has by an order dated 14 January 1952 directed the payment of bonus at certain rates, to workmen employed in the sugar industry. Every vacuum pan sugar factory in the State shall pay bonus to its workmen on the basis of sugar produced. In respect of 1950-51 crushing season, the bonus shall be paid according to the following scales:-

Quantity of sugar produced in maunds during 1950-51 season.	Rates of bonus.
1) Up to 100,000 .....	Nil
2) Over 100,000 and up to 200,000.	Annas 2 per maund of sugar produced.
3) Over 200,000 and up to 350,000.	Annas 4 per maund of sugar produced.
4) Over 350,000 and up to 500,000.	Annas 6 per maund of sugar produced.
5) Over 500,000 .....	Annas 8 per maund of sugar produced.

Provision has been made for the payment of 20 per cent of the additional profits by those sugar factories which have been authorised to sell their product in the free market. The additional profit has been fixed by the Order at 21 rupees per maund.

(Order No.115(ST)/XVIII-180(ST)-1951 dated 14 January 1952; Government Gazette of the Uttar Pradesh, Extraordinary, 14 January, 1952, pages 1-2 ).

West Bengal: Proposals for Minimum Rates of Wages for Certain Employments.

The Government of West Bengal published on 29 January 1952 its draft proposals, under the Minimum Wages Act, 1948, to fix the minimum rates of wages for employees in local authorities (District Boards), in West Bengal and for employees in rice mills, oil mills, tea plantations, public motor transport, tobacco (bidi making) manufactories and in local authorities in Cooch Behar District. Minimum rates of wages have been proposed for ~~peons and orderlies~~ peons and orderlies, dressers, dispensary servants, medicine carriers, health assistants, public vaccinators and clubs employed in the district boards of the districts in West Bengal. The wages proposed include the basic pay and dearness allowance. The wages fixed for clerks range from 55 rupees at Darjeeling <sup>and</sup> Birbhum to 107 rupees at Howrah.

For employees in rice mills in Cooch-Behar district, time rates and piece rates have been proposed. Different time rates have been proposed for unskilled, semi-skilled and skilled workers, clerks, durwans, apprentices and sardars. For employees in plantations in Cooch-Behar different rates have been proposed for male adults, female adults and adolescents, employable children and clerks. The wages for workers range from ~~ten~~ ten annas a day to one rupee three annas a day, while the monthly rates for clerks are 70 rupees

for non-matriculantes and 75 rupees for matriculates.

(The Calcutta Gazette, Extraordinary,  
29 January 1952, pages 41-48 ).

Madhya Pradesh: Proposals for Minimum Rates  
of Wages for Employees in Stone-breaking or  
Stone-crushing Operations in Mines.

The Government of Madhya Pradesh published on 1 February 1952 its draft proposals, under the Minimum Wages Act, 1948, to fix the minimum rates of wages for employees in stone-breaking or in stone-crushing operations carried on in mines. Different rates of wages have been proposed for employees in different districts. The wages range from seven annas a day for employees in Raipur, Bilaspur, Raigarh, Baskar, Suraguji and Durg districts to one rupee a day for employees at Nagpur town and in Bhandara and Balaghat districts. The proposals will be taken into consideration by the Government after 25 April 1952.

(Madhya Pradesh Gazette, Part IVC,  
1 February 1952, pages 31-32 ).



38. Housing.

India - February 1952.

Industrial Housing: Progress during the  
Year 1950-51.

on 27 February 1952

In answer to a question by Mr. S.N. Das in Parliament, the Minister for Labour said that as against the loan of 10 million rupees advanced to State Governments in 1950-51 for industrial housing, 1,712 houses were built in Bombay, 261 in Orissa and 100 in Bihar. The construction of 400 houses is expected to be completed in Madhya Pradesh.

From the next financial year, the Government of India proposes to introduce a subsidized industrial housing scheme, under which the houses would be constructed by the employers and the Government of India would pay a subsidy equal to 20 per cent of the cost of the houses, subject to certain ceiling limits.

(The Hindustan Times, 28-2-1952).

39. International Economic Relations.

India - February 1952.

Tariff Commission Act, 1951: Date of Enforcement notified.

In exercise of the powers conferred by the Tariff Commission Act, 1951 (vide page 45 of the report of this Office for September 1951) the Central Government has appointed 21 January 1952 as the date on which the Act shall come into force.

(Ministry of Commerce and Industry Notification No. 28-T(2)/52 dated 26 January 1952; the Gazette of India, Part I, Section 1, 26 January 1952, page 22 ).

Indo-Ceylon Trade Agreement signed: India to export Coal and Jute Goods.

On 14 February 1952 the Government of India announced the signing of a trade agreement with Ceylon for 1952. The agreement will be in force from 1 January to 31 December 1952.

A Press Note issued by the Ministry of Commerce and Industry says that discussions were held at Colombo in December last between the trade delegations of India and Ceylon with a view to concluding a trade agreement for the exchange of commodities between the two countries and resolving certain outstanding problems affecting Indo-Ceylon trade. Agreement was reached on most of the matters discussed and an exchange of letters has now ~~xx~~ taken place embodying this agreement, with the concurrence of both Governments.

In regard to the exchange of commodities, it has been agreed that subject to the respective import and export regulations, both Governments shall ~~xx~~ render all reasonable assistance to each other in facilitating the export and import of supplies and commodities covered by the schedules appended to the agreement, as well as to such other goods and commodities as fell within the framework of their current regulations.

Exports by India.- The schedule relating to exports from India to Ceylon covers 58 items including coal, jute goods, chillies, onions, cotton yarn, crushed bones and bone grist, jaggery, cotton textiles (both mill-made and handloom), mixed piece-goods, broad cloth and art silk, blankets, fire bricks,

sports goods and toys, Indian drugs and medicines, electrical goods and apparatus, rubber manufactures, coal tar dyes and colours, tiles, beedies, etc.

The schedule of exports from Ceylon to India under the agreement consists of 12 items, including copra and coconut oil, hides and skins, graphite, betelnuts, unmanufactured tobacco, rubber (sheets and crepe).

Of the outstanding matters settled was India's agreement, at Ceylon's instance, to place 'Gorka'-a fish preservative - on the Open General Licence. This measure is calculated to facilitate the salt fish trade between the two countries. To this end also India has agreed to waive the need for licensing of barrels (staves and hoops) imported from Ceylon except on first entry. It has further been agreed that the import duty on these barrels will be levied only on first entry and not on subsequent occasions.

The Ceylon Government for its part has undertaken to reduce the import duty on hand-made towels from 60 to 15 per cent and also to give India an export quota of 1,500 tons (4500 ~~logs~~ logs) of catamaran logs required for the building of country craft.

(The Hindu, 15-2-1952 ).

Indo-Syrian Trade Agreement: Treaty of  
Friendship and Commerce signed.

A treaty of friendship and commerce between the Government of India and Syria was signed at New Delhi on 26 February 1952. The treaty provides for the maintenance and development of mutually advantageous commercial and trade relations between the two countries.

Exports from India.- Under the treaty India's exportable commodities includes: tea, jute manufactures cotton yarn, crepe soles, heavy hides, henna powder, cocconut fibres, castor oil, rubber tyres and tubes, leather goods, rubber goods, soap, manufactures of steel and cotton piecegoods.

Exports from Syria.- Exports from Syria include: dried fruits, light hides, coarse grain (grain and pulses-millet and gram and tentils), silk cocoons, raw cotton, cheese, fire bricks, emery, sulphur, copper, quicksilver, olive oil in tins, wax(Carnauba) used for the manufacture of polish.

(The Hindustan Times, 26-2-1952).

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

INDIA - FEBRUARY 1952.

41. Agriculture.

Rajasthan: Rajasthan Land Reforms and  
Resumption of Jagirs Act, 1952: Abolition  
of Jagirdari System.

Rajasthan's jagirdari system will soon end when the Rajasthan Land Reforms and Resumption of Jagirs Act, 1952, which received the President's assent on 13 February 1952, is enforced. Revealing this the Revenue Minister, Mr. Tukaram Paliwal said at a press conference at Jaipur that the Act would be enforced before the Ministry relinquishes office.

The Bill thrice amended to accommodate the jagirdars' point of view was forwarded to the Central Government on 31 December 1951. Its compensation clauses underwent important changes in that the compensation payable was stipulated to be computed at separate rates on each slab of income.

Clan ownership of lands by the ruling Rajputs in feudal relationship with their kings was the distinctive feature of Rajasthan's jagirdari system.

In Rajasthan even today only 33 per cent of all lands are "Khalsa", i.e., they once belonged to the King's demesnes, while 66 per cent are jagir areas. The highest percentage of jagir lands is in Jodhpur and Jaisalmer and the lowest ~~is~~ is in the former Matsya States.

As 60 per cent of all jagirs are at present unsurveyed the resumption of jagirs of ~~necessary~~ necessity has to proceed in stages. There are 497 settled jagirs with incomes above 5,000 rupees which are liable to resumption under the Act. These jagirs have a gross income of 11,546,380 rupees and the State receives an annual tribute of 1,307,125 rupees.

The compensation payable for unsurveyed jagirs at ten times their net incomes calculated at separate rates on each slab of income in 15 annual instalments will be 3,801,671 rupees.

All jagirs resumed or not shall be liable to payment of land revenue. As the jagirs with incomes less than 5,000 rupees are not liable to resumption, these shall be assessed to land revenue and their owners will ~~securely~~ occupy almost the same status as zamindars in other States. The tenants in jagir areas who do not enjoy the security of occupancy tenure, heritable and transferable rights in the tenancy have been endowed. Provision has been made ~~for~~

for the allotment of suitable areas of "khud kasht"<sup>①</sup>  
for jagirdars subject to a maximum of 500 acres.

On the commencement of the Act the State Government will appoint as Jagir Commissioner a person who is qualified to be a high court judge or is or has been Commissioner of a division.

(The Times of India, 16-2-1952).

<sup>①</sup> land for personal cultivation

42 - Co-operation

India - February 1952

First Indian Co-operative Congress,  
Bombay, 25-27 February 1952

The First Indian Co-operative Congress, under the auspices of the Indian Co-operative Union was held at Bombay from 25 to 27 February 1952. The Congress was attended by over 400 delegates from all over the country. Mr. W.P. Watkins (International Co-operative Alliance), Dr. P.P. Pillai (International Labour Office), Mr. R.N. Henry (Food and Agriculture Organisation), and Mr. F.W. Pollack, representing Israel, also attended the conference as fraternal delegates. Prof. Hiralal Kaji presided.

Inaugural address : union of farmers advocated.- Mr. K.M. Munshi, Central Minister for Food and Agriculture, who inaugurated the Congress, advocated the formation of a National Union of Farmers, comprising of men interested in maximising production, enthusiastic co-operators, tractor dealers, implement manufacturers, fertiliser agencies, trained experts, enthusiastic workers, cattle-breeders, farmers, large and small, and of all soil-minded men pledged to transform the soil.

He said that he had discussed the proposal with several important people and he felt that the time was ripe for action. He was sure the Government in the Centre and those in the States, would welcome such a move and give every assistance.

Change from banking to producing movement.- Referring to the role of the co-operative movement in the problems facing the country, Mr. Munshi stated that the movement must take a definite step forward; from being a banking movement, it must become a producing movement.

India was an agricultural country. Her backbone was the six crores of farmers. Her paramount imperative need was to utilise land, water, human and cattle resources to transform the neglected, fast-eroding 240 million acres of cultivable land in the shortest space of time so as to counter the pressure of population and march of erosion. The greatest

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obstacle in a drive for production was the smallness of holdings associated with a very low level of farming efficiency. Only the co-operative movement, duly orientated and concentrated on farming could overcome this obstacle.

During the last four decades, the co-operative movement ~~in India~~ had found a firm footing in India. But he wanted the first Congress to be realistic and to do a little heart-searching without which progress would not be rapid and purposive. The emphasis at present seemed to have been transferred to multi-purpose societies, which would cater to all the needs of the farmer as a producer, seller, borrower and consumer. This sound and integrated approach should not be carried too far regardless of sound business principles. One main reason why co-operation had not been very successful in this country so far was that co-operative societies had usually been too small and uneconomic to employ good managerial and technical personnel.

Presidential address ; formation of separate Ministry of co-operation suggested. - Prof. Hiralal L. Kaji, in his presidential address said that the Congress would mark the beginning of a new era in the evolution of co-operative principles and practices in this great country.

He appealed to cooperators and advocates of cooperation to work actively for a Co-operative Commonwealth and towards that end to bring on the statute book the two important principles of cooperation, namely, one man, one vote; and the limitation of dividends; and work for the establishment of a co-operative State.

Referring to State trading, Prof. Kaji observed that he would favour giving up State trading as such and leave foreign and inland trade to private enterprise with safeguards and limitation prescribed by the State. If that was not possible and the State itself thought it necessary to make purchases abroad, it should entrust the work to strong co-operatives.

Prof. Kaji suggested the formation of a separate Ministry of Cooperation in States and also at the Centre. He also demanded the setting up of a Central Co-operative Council with a Directorate of Co-operation to coordinate cooperative activities all over the country. He was disappointed at the report of the Planning Commission from the point of view of co-operators. He said the Commission's recommendation for co-operative farming on a large-scale was going counter to human nature and its instinct to private ownership.

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Resolutions : Government urged to consider views of co-operative opinion on economic policy.-  
The Congress by a Resolution urged the State and Central Governments to consider carefully the suggestions and views of organised co-operative opinion before finally deciding policies in regard to economic development.

Another resolution requested co-operators in each State to prepare a cooperative plan (within the framework of the State and National Plan) taking into consideration the state of development, resources and strength of the cooperative movement and the State assistance required, fixing as far as possible priorities for different schemes and items of work, so that the cooperative movement could play its appropriate part in the economic development of the nation.

The Congress, through a resolution, regretted to note that the Planning Commission had not specifically adopted the principle of giving first preference to cooperative institutions in formulating and implementing its programme of reorganisation and development. In the opinion of the Congress, wherever cooperative societies exist, these should be the exclusive channels of economic contact between the State and people.

Formation of separate ministries for cooperation.- By another resolution the Congress urged the formation of separate ministries for co-operation in all the States as cooperative commonwealth was the declared ideal of the Indian Union and the cooperative movement had made considerable progress throughout the country of late.

Mr. R.G. Saraiya elected President.- Mr. R.G. Saraiya was elected President of the Indian Cooperative Union for the present year.

(Note: A copy each of the documents prepared for the Conference has been forwarded to Geneva by surface mail under this Office minute No.F.14/478/52 dated 3 March 1952)

(The Times of India  
27 and 29 February 1952)



Co-operative Movement in India: Reserve Bank of India's Review

The Co-operative movement in India showed an all-round development during 1948-50 despite the after-effects of partition, according to a review of the co-operative movement in the country by the Reserve Bank of India.

The development, however, was different in degree in the several component States of the country, not excluding the States of Punjab and West Bengal which were "directly and severely affected by partition", the review said.

The number of societies increased from 149.89 thousands in 1947-48 to 173.09 thousands in 1949-50. Membership increased from 10.117 millions in 1947-48 to 12.561 million in 1949-50. Similarly the working capital increased from 1710.6 million rupees to 2331.0 million rupees.

Multi-purpose Societies.- The most spectacular development in the organisation of the multipurpose societies had taken place in Uttar Pradesh. There were 22,786 multipurpose societies operating there in 1949 with a membership of .73 million persons and working capital of 28.6 million rupees.

The multipurpose idea had taken root in almost all the States. In many of them, however, the distribution of essential goods had been the sole function of these societies. The aim remained that multipurpose societies should cater to all the needs of the village.

Co-operative Housing.- Co-operative housing in Bombay forged ahead during the years 1948-50 to a remarkable extent. The number of societies increased from 486 to 769 and the share capital from 10,185,732 rupees to 15,166,474 rupees in 1949-50. The number of tenements under construction increased from 655 to 864 in 1949-50. The number of tenements constructed was placed at 3,692 in 1949-50.

The development of cooperative housing in other States in India was particularly insignificant except perhaps in Mysore where even prior to the recent war, housing formed part of the cooperative activities on a very modest scale.

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Marketing Societies.- Though cooperative marketing societies from the most important group among the agricultural non-credit societies in India, their development and progress had not been uniform throughout the country. While they had a steady progress and had taken firm root in Bombay, Uttar Pradesh and Madras and to a lesser extent in Mysore, Coorg and Bihar, such societies were yet to be organised in Assam, Bhopal and Madhya Bharat.

The review suggested further development in the movement in the country including the organisation of multipurpose societies, financial accommodation from the Reserve Bank to the co-operative movement and the training and education of staff working in the departments and cooperative institutions.

(The Hindu, 16 February 1952)

Bombay : Working of the Co-operative Societies for the Year 1949-50 \*

The report of the Registrar of Co-operative Societies and Director of Agricultural Marketing and Rural Finance, Bombay State, on the working of co-operative societies for the year 1949-50 has been published recently. The important features of the cooperative movement during the year under review were the building up of integrated structure of rural finance and inculcation of the multipurpose ideal amongst the rural primaries, the role played by the central financing agencies in providing agricultural finance at low rates of interest, development of co-operative marketing, increased association of co-operative organisations in tackling the food problem,

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\* Annual Administrative Report on the Working of the Co-operative Societies for the year 1949-50, volume I - Text and Appendix, Volume II - Tables and Statements. Printed at the Government Central Press, Bombay, 1951. Volume I - 150 pages, Volume II - 195 pages.

organisation of farming and lift irrigation societies to step up agricultural production, organisation of industrial societies for rehabilitating the cottage and village industries and increased use of cooperative method in the distributive trade.

General review of the co-operative movement.- The year under report showed an all-round development in the cooperative movement in the State. The number of societies, membership, share capital and Reserve Fund as well as working capital have shown a satisfactory increase during the year. The total number of societies of all types rose by 1498 from 13,317 on 30 June 1949 to 14,815 on 30 June 1950, while the membership increased by 222,620 from 1,860,840 to 2,083,460. The owned resources of the movement, consisting of share capital reserve and other funds, stood at 198.4 million rupees as against 162.7 million rupees on 30 June 1949. The working capital has recorded an increase of 21.5 million rupees from 666.1 million rupees on 30 June 1949 to 687.6 million on 30 June 1950. The percentage of owned capital to working capital works out at 28.5 as against 24.5 at the end of the last year. In rural areas, the movement has already reached the target set before the State by the All India Cooperative Planning Committee. The gross population covered by all types of societies comes to 35.3 per cent as against 31.5 per cent at the end of the last year. Similarly the percentage of villages covered by societies in rural areas stands at 53 as against 51.1 of the last year. The working capital per capita of gross population is now 23.3 rupees as against 22.9 rupees on 30 June 1949. The following table indicates the progress of the cooperative movement during the last two five-year periods from 1939-40:-

Year	Total No. of Societies	Total No. of members	Share capital Reserve and other funds (in million)	Working capital (in million)
			Rs	Rs
1939-40	5,289	631,346	50.0	161.3
1944-45	6,653	1,191,791	80.4	298.9
1949-50	14,815	2,083,460	198.4	687.6

It will be seen that the second five-year period covering the years of 1945-46 to 1949-50 records an increase of 8,162 societies, membership of 9000,000, owned capital of 118 million rupees and working capital of 388.7 million rupees.

Co-operative credit.- The number of agricultural credit and multi-purpose societies rose to 8928. The two-fold responsibilities expected of them, viz., admission of as many members as possible and provision of credit at low rates of interest for financing of crops and other agricultural finance were duly carried out by the societies. In addition, these societies also have been trying to meet the various needs of agriculturists for carrying out their agricultural operations. These societies received subsidies amounting to 124,987 rupees on account of cost of management and propaganda during the financial year. The central financing agencies also carried out their own part in providing agricultural finance to their affiliated societies at a rate of interest not exceeding 4 per cent. During the year under report, Government contributed 1.6 million rupees to the share capital of the Bombay Provincial Cooperative Bank. Government also subsidised the central financing agencies for opening additional branches or pay offices on account of such branches having proved uneconomic and the amount of subsidy so given was 10,656 rupees.

Marketing societies.- The scheme of establishing a net work of marketing organisations was continued during the year and 19 marketing societies were registered bringing their total number to 355. These societies had a working capital exceeding 30 million rupees and the total value of agricultural requisites and produce handled by them exceeded 200 million rupees. Steps were taken to see that rural primaries and multi-purpose societies do their legitimate function of arranging for the marketing of the produce of the members through the agency of taluka or regional, district and apex marketing societies. With a view to enable these societies to make arrangements for storing the agricultural produce of their members financial assistance to the extent of 100,750 rupees by way of loans and 33,715 rupees by way of subsidies was given to societies, during the year. The pace of regulation of markets for agricultural produce under the provisions of the Bombay Agricultural Produce Markets Act was also accelerated and during the year as many as 18 markets were established bringing their number to 78. The various commodities regulated were cotton, groundnut, pulses, oil-seeds, gur etc.

Farming societies.- The five-year scheme of formation of farming societies had produced a remarkable result. During the period of one year ending 30 June 1950 as many as 45 farming societies of different types such as joint farming, collective farming and tenant farming, were organised. 48 societies had been able to reclaim Government waste lands measuring 14,932 acres. The total acreage brought under cooperative farming by these societies was 22,168. Government provided liberal financial assistance to these societies for various purposes. The total financial assistance given by Government during the year to these societies amounted to 99,150 rupees by way of loans and 70,348 rupees by way of subsidies.

In the implementation of lift irrigation scheme which visualised the utilisation of all available sources of water, as many as 74 societies of cooperative lift irrigation scheme were registered; while 18 societies of other types like multi-purpose societies undertook the scheme of lift irrigation and provided facilities of water to the landholders for irrigating their lands. The area expected to be brought under irrigation by these 92 societies was 33,300 acres and it was expected that the additional yield that these societies would be able to produce would be 6,660 tons. Sixty-one of these societies were given loans amounting to 618,305 rupees and subsidies amounting to 686,254 rupees. They were also given technical assistance in the matter of preparation of plans and estimates and cost of projects of lift irrigation for these societies.

During the year under report, Government also sanctioned the scheme for assisting cooperative organisations in the matter of mechanisation of agriculture by the use of tractors. Loans to the extent of 60 per cent of the cost of tractors payable in six years and bearing a rate of interest at 4 per cent per annum were given to multi-purpose societies, Taluka Development Associations, farming societies and purchase and sale societies. During the year under report 8 societies received loans to the extent of 130,947 rupees for purchase of tractors. During the year under report 10 dairy societies and 1 cattle breeding society were registered bringing their number to 60 and 26 respectively.

Industrial Co-operative societies.- The year under report witnessed a further growth in the development of industrial cooperative societies. The number of such societies rose to 903 on the 30 June 1950 as against 638 at the close of the last year. The more important group of producers' societies, however, constituted the Forest Labourers' Societies. Their number rose from 28 to 50.

Consumers' movement.- The consumers' movement thrived very well. The movement had recorded an increase of 82 societies and the total number rose to 1,113 on 30 June 1950. The momentum gained by this movement as a result of the conditions created by the war was maintained during the year. These societies comprise membership of .622 million and distributed goods valued at 129.0 million rupees. The consumers' societies played a very valuable role in the distribution of controlled commodities and domestic requirements. The total purchases and sales of articles including rationed articles amounted to 129.3 and 129.0 million rupees respectively. During the year, a federation of consumers' societies working in Bombay City was also formed and was given services of a departmental officer to work as its Manager, as well as subsidy of 6,000 rupees.

Housing societies.- In the sphere of housing, the cooperative movement continued to make a valuable contribution towards relieving the acute house shortage, particularly in towns and cities. As many as 190 housing societies were registered bringing their number to 769 as on 30 June 1950. The housing societies in industrial areas constructing standard types of tenements received loans to the extent of 4.101 million rupees from Government during the year; while loans to the extent of .552 million rupees were given by the Bombay Provincial Cooperative Land Mortgage Bank to 5 housing societies which were not eligible for grant of loans from Government. During the year under report, 121 new tenements were constructed by housing societies. Under the scheme of organisation of housing societies in the areas affected by floods in the Godavari and Pravara rivers of Nagar District, 24 societies for housing were registered. Six societies were given loans amounting to 443,576 rupees. These societies were able to build 150 houses, and 279 houses were under construction.

Long-term credit.- In the realm of long-term credit, the Bombay Provincial Cooperative Land Mortgage Bank continued to play its appropriate role. The Bank undertook long-term agricultural finance to all credit-worthy agriculturists in the State and gave loans amounting to 214,200 rupees for land improvement and 110,350 rupees for purchase of lands. A noteworthy feature of the working of the Bank had been the implementation of the scheme approved by Government for giving finance to the housing societies for construction of tenements where such finance could not be given by Government. In this sphere of activity, the Bank gave

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loans amounting to over 550,000 rupees to different housing societies for construction of tenements. During the year, the Bank also issued the sixth series of debentures for 2 million rupees for which due guarantee was given by Government. About 700,000 rupees were already subscribed by the close of the year, towards these debentures.

Non-agricultural credit.- The needs of the urban masses of the non-agricultural section of the population continued to be met and cooperative methods were greatly availed of in the matter of providing housing accommodation and other needs of the urban people. The urban credit movement continued to thrive on right lines. As many as 36 urban societies and banks were registered bringing their number to 1417 from 1335 as on 30 June 1950. The increase in the number of societies was partly due to fresh registration and partly due to inclusion of Fisheries Societies which were being classified as Producers' Societies. The urban credit movement in the State had been very successful catering substantially to the credit and banking needs of the middle-class section of the urban population engaged in various professions and small scale traders. These institutions had working capital of 223.7 million rupees which would indicate the magnitude of the facilities afforded by them to the middle-class urban people.

Backward Class Tribes.- Several schemes of development of cooperative movement were enforced in backward areas of Surat, Nasik, Panch Mahals, West Khandesh and Thana districts. The progress in the matter of providing housing facilities to the backward class people was remarkable. During the year 21 societies were registered which were expected to build 88 houses for their members. Loans amounting to 57,700 rupees were given to these societies. The Sarvodaya scheme formulated by Government for educational, social and economic development was in force in 22 districts. 25 Sanchalaks (organisers) were working, and Government gave financial assistance to the extent of 1.188 million rupees for undertaking the various projects for bringing about intensive development of the areas in which these schemes were implemented.

44. Merchant Marine and Fisheries

India - February 1952

Sailing Vessels Committee; Central Government's  
Order On Recommendations

The Government of India by a Resolution dated 24 January 1952 has published the conclusions reached by it on the principal recommendations of the Sailing Vessels Committee.

In May 1948, the Government of India in the Ministry of Commerce, set up a Committee known as the Sailing Vessels Committee consisting of Shri C.A. Buch, as chairman, Shri M.C. Veerabahu Pillai, M.C.A., and Shri B.M. Desai, as Members, and Shri G. Dattatreya Rao, as Member-Secretary to enquire into and report on the steps to be taken for the development of Sailing Vessels Traffic in Indian waters. The terms of reference were as follows: to examine and report on the steps necessary to ensure the fullest utilisation of country craft (sailing vessels) to sustain and develop the economy of the country and inter alia to prevent wasteful competition between country craft and steamers, due regard being paid to the different needs served by the two classes of transport. The Committee was required in particular to offer their observations and recommendations on the following points:- (1) the modification necessary in the existing law applicable to country craft and sailing vessels, especially in regard to registration, periodical surveys, load line, life saving equipment and navigational instruments; (2) measures necessary to prevent fraudulent "jettisoning of cargo and other malpractices; (3) possibility of standardising sailing vessel freight rates; and (4) improvement of types of craft and increased use of mechanical propulsion.

The Committee visited a number of ports along the coast from Saurashtra to West Bengal, held discussion with the interests concerned and the officers of the maritime State Governments, and, after a careful study of the problem in all its aspects, submitted its report in May 1949. The Report contains 75 specific recommendations. As the recommendations were of a far-reaching nature, the Government of India considered it desirable to ascertain the views of the maritime State Governments, major port authorities, chambers of commerce and country craft associations, on the question of implementing



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the recommendations. This had been done. The National Harbor Board was also consulted at its meeting held in November 1951.

The Government of India was of opinion that there would be employment for sailing vessels on the coast of India for some years to come and that, having regard to the volume of cargo carried by the sailing vessels every year, the capital invested and the number of seamen employed, it was desirable to place the sailing vessels industry on a sound footing. Accordingly the Government reached certain conclusions on the principal recommendations of the Committee.

These include the setting up of an organisation under the Director-General of Shipping with suitable advisory committees to deal with problems affecting the sailing vessels industry, the prescription of uniform rules and regulations for the registration of sailing vessels, steps for the improvement of life saving appliances and safety standards, exemption of sailing vessels fitted with auxiliary engines from the technical requirements under the Indian Merchant Shipping Act, setting up of schools by maritime State Governments to impart vocational training to the personnel to be employed on sailing vessels, suitable tests for the employees on sailing vessels to ensure a minimum standard of proficiency, and improvement of port and repairs facilities.

(Resolution No.15 MS(1)/51 dated  
24 January 1952;  
the Gazette of India Part I, Section 1,  
2 February 1952, pages 30-31)

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Rules to regulate the granting of Certificates  
of Competency to Engineers (including Motor  
Engineers) 1952

In exercise of the power conferred by section 21 of the Indian Merchant Shipping Act, 1923, and in supersession of the rules issued in March 1951 (vide page 30 of the report of this Office for April 1951) the Central Government has made revised rules to regulate the granting of certificates of competency to engineers (including motor engineers). The rules deal with, inter alia, the qualifications required for the various grades of certificates of competency, examinations; syllabuses for the first and second class examinations, etc.

(Notification No.SRO.240 dated  
9 February 1952, the Gazette of India,  
Part II, Section 3, 9 February 1952  
pages 222-267)

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CHAPTER 5. WORKING CONDITIONS AND LIVING  
STANDARDS.

INDIA - FEBRUARY 1952.

50. General.

Mines Bill 1949, passed by Parliament:  
Shorter Working Hours, Overtime Pay and  
Holidays with Pay for Mine Workers and  
General strengthening of Provisions  
relating to Health and Safety.

The Mines Bill, 1949 (vide pages 51-54 of the report of this Office for December 1949) was passed by Parliament on 15 February 1952.

During the debate in Parliament, Mr. Jagjivan Ram, Minister for Labour, Government of India, said that the Bill which sought to amend and consolidate the law relating to the regulation of labour and safety in mines, was introduced in December 1949, and the Select Committee reported in February 1950. But the House had been busy ~~with~~ with other urgent measures, and the Bill could not be brought before it earlier, though it had been put on the agenda a number of times. The Bill was, however, of a non-controversial nature and was generally on the lines of the Factory Act.

Messrs A.C. Guha and Naziruddin Ahmad and Dr. Manomohan Das said the House had been taken by surprise as they had never expected the Minister to bring the Bill ~~for~~ before the House.

The Labour Minister in reply said that the Bill was a non-controversial one and represented the agreement reached between employers and employees on the subject. The various provisions of the Bill were already being implemented though there was no statutory provision. The various amendments given notice ~~by~~ of by members on previous occasions had also been considered and in fact he had adopted some of them. The House should therefore have no difficulty in passing it.

As amendment dealing with powers of mine inspectors moved by the Labour Minister, was accepted by the House. The amendment confers on the chief inspector and any inspector power to search, when any offence under the Act is committed, any place and take possession of any register or other record belonging to a mine. The provisions of the Criminal Procedure Code shall, so far as may be applicable, apply to any search or seizure. A number of minor amendments moved by Mr. Arun Chandra Guha were accepted by the Labour Minister, including the one fixing 31 December 1953 as the last date by which the new Act must be implemented. The Labour Minister said the Government's

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intention was to give effect to the legislation much earlier.

(The Hindustan Times, 15 and 16-2-1952).

Orissa: The Orissa Rickshaw Regulation Bill, 1951.

The Government of Orissa published on 1 October 1951 the Orissa Rickshaw Regulation Bill, 1951, proposed to be introduced in the Orissa Legislative Assembly.

The Statement of Objects and Reasons appended to the Bill explains that the Government of India advised all the State Governments in 1949 to examine the possibility of gradually abolishing rickshaw-pulling and providing alternative forms of cheap transport and alternative employment to rickshaw pullers on the basis of discussions in the Constituent Assembly of India. The bye-laws in all Municipalities already provide for regulation of rickshaw pulling but no measures have been laid down to prevent over-loading and other evils which affect the health and welfare of the rickshaw-pullers in an adverse manner. Rickshaw-pulling involves hard physical exertion and is undoubtedly a debased form of human labour. It is, therefore, essential to undertake measures for gradually abolishing this form of human labour which is positively repugnant to human dignity.

In order to gradually abolish rickshaws altogether it is proposed to prescribe:-(i) the age-limit of the rickshaw-puller; (ii) the limit of the loads to be carried in a rickshaw; and (iii) the hours during which the rickshaw can be plied.

Steps are being taken to encourage the use of auto-rickshaws and town-buses as alternative means of transport. There is not much difficulty in the rickshaw-pullers finding alternative employment in the fields of agriculture and industry.

The Bill seeks to provide measures for safeguarding the health and welfare of the rickshaw-pullers from a purely humanitarian point of view.

(Indian Labour Gazette, Vol. IX, No. 5,  
November 1951, page 381).

Labour Conditions in Silk Industry in India during 1950.

A recent article in the Indian Labour Gazette, Vol. IX, No. 6, December 1951, gives an account of the labour conditions in the silk industry during 1950. Again in September 1950 questionnaires asking for more recent information were sent to 41 important silk mills, but only 26 mills responded. It may be of interest to note that in 1949 out of 348 silk mills subject to the Factories Act, 298 employed less than 150 workers. It was not intended to cover such mills but the questionnaire came to be sent to 5 of them and the information supplied by them has been included in this review. As against 27 mills employing between 150 and 249 workers in 1949, the present study covers 5 of them. Out of 14 employing between 250 and 499 workers 7 are covered by the present study and all the nine employing above 500 workers are included in this survey. Thus, this study covers mainly the bigger units in the industry and, therefore, the remarks based on the present enquiry would seem to reflect the conditions in the more important silk mills. (A review of the labour conditions in silk industry during 1949 was given at pages 55-58 of the report of this Office for July 1950).

Employment.- The employment position during July 1949 and July 1950 in the silk mills furnishing replies to the questionnaire is set out in the following table:-

States	No. of concerns furnishing replies	Average daily number of persons employed							
		July 1949				July 1950			
		Men	Women	Child- ren	Total	Men	Women	Child- ren	Total
Bombay.....	17	6779	1055	-	7834	5464	914	1	6379
Hyderabad.....	1	194	-	-	194	148	-	-	148
Kashmir.....	2	1771	83	4	1858	2228	81	4	2313
Madras.....	1*	19	2	-	21	124	238	-	362
Mysore.....	2	1153	248	3	1404	1218	254	-	1472
Punjab.....	1	1168	10	11	1189	1032	7	5	1044
West Bengal...	1	240	-	-	240	116	-	-	116
<b>TOTAL.....</b>	<b>25</b>	<b>11324</b>	<b>1398</b>	<b>18</b>	<b>12740</b>	<b>10330</b>	<b>1494</b>	<b>10</b>	<b>11834</b>

\* This factory was closed during July 1949 for want of cocoons.

The percentage of women employed to the total increased from 10.0 per cent in July 1949 to 12.7 per cent in July 1950. The tendency to employ women workers was greater in South India. Women are generally employed on light work, such as winding silk and yarn, reeling of silk, sorting of cocoons, skeining and packing of silk, folding and waste cleaning. Employment of children was negligible.

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The following table shows the relative figures of permanent and temporary workers in July 1949 and July 1950 in 22 concerns for which information is available:-

	July 1949			July 1950		
	Men	Women	Children	Men	Women	Children
Permanent Workers.....	6635	877	7	6619	893	4
Temporary Workers.....	1407	149	-	974	328	-

Only the Government silk factory in Jammu employed contract labour. In that factory there were 2368 contract workers during July 1950 as against 207 directly employed workers.

Training of workers.- Fourteen out of the 26 concerns stated that they had provision for training of workers but from the details given, it appears that in most of these concerns, there was no definite and proper system of training.

Absenteeism.- The following table gives the figures of absenteeism from 11 concerns in the months of September 1949, January 1950, May 1950 and August 1950:-

Concerns	No. of workers employed (July 1950)	September 1949	January 1950	May 1950	August 1950
Bombay -					
I .....	286	10.05	5.27	17.85	8.67
II.....	443	12.41	9.36	12.16	13.60
III.....	566	4.09	3.81	3.71	3.54
IV.....	398	8.24	2.38	6.06	4.41
V .....	744	16.89	13.30	14.98	12.25
VI.....	655	3.01	2.13	2.82	1.31
VII.....	198	7.92	6.00	6.07	6.99
Madras I ...	362	2.44	11.40	23.01	8.26
Mysore -					
I .....	119	10.05	12.65	9.38	8.81
II.....	1353	16.45	15.03	18.62	15.69
III.....	753	16.12	26.82	25.84	20.49
Overall ....	-	10.29	10.87	12.02	11.54

In this table absenteeism figures adopted in the calculations include leave with pay. Absence due to strike or lockout, employer ordered lay-off and maternity and quarantine leave are excluded both from the figures of absenteeism and man shifts scheduled to work. The figures show large variations between the various concerns. Generally speaking, percentage absenteeism is higher during the period April to September, The main cause of absence was

reported to be sickness, the other important causes being carelessness in timely attendance, domestic work, harvesting season and festivals.

Recruitment.- Labour, both skilled and unskilled, is recruited direct by all the employers. Only one concern sought the assistance of employment exchange also.

Working conditions.- In ~~workers~~ matters of leave and holidays, most of the factories adhere to the provisions of the Factories Act and the Rules made thereunder. A few factories grant additional facilities, such as more leave with (and in some cases without) pay, paid holidays on Independence and Republic Days, etc.

The Government factory in Kashmir, had no regular shift system. Of the remaining 25 concerns, eight worked one shift each, ten worked two shifts each, four worked three shifts each and only one ~~work~~ worked four shifts; the remaining two worked two shifts each for certain months and three shifts during the rest of the year. The shift hours varied from 7 1/2 to 9 per day, but in a majority of shifts they were 8. The rest interval was usually 1/2 half an hour, though in a few instances it was one hour.

Only one concern reported it worked a regular night shift; workers in this shift were paid one anna extra by way of wages per night and were provided free tea and snacks.

Wages and earnings.- The following ~~xxx~~ statement gives details regarding the basic minimum wages and dearness allowance paid to the least skilled worker:-

Concerns	No. of workers in July 1950	Monthly minimum basic wage			Dearness allowance (August 1950)		
		Rs.	As.	P.	Rs.	As.	P.
<b>Bombay -</b>							
I .....	286	30	0	0	41	8	0
II .....	443	28	0	6	52	2	0
III .....	608	30	0	0	42	0	0
IV .....	566	30	0	0	40	0	0
V .....	440	28	0	0	32	8	0
VI .....	398	30	0	0	44	0	0
VII .....	744	30	1	0	55	1	0
VIII .....	655	30	0	0	41	5	0
IX .....	198	30	0	0	42	14	0
X .....	132	30	1	0	41	5	0
XI .....	51	19	8	0	26	0	0
XII .....	251	45	0	0	32	8	0
XIII .....	623	26	0	0	36	0	4
XIV .....	187	32	8	0	42	4	0
XV .....	407	30	0	0	45	13	0
Kashmir I .....	2106	11	6	0	6	14	3
Madras I .....	362	6	8	0	16	0	0
<b>Mysore -</b>							
I .....	119	16	4	0	12	8	0
II .....	1353	9	12	0	14	0	0
III .....	753	13	0	0	12	0	0
<b>West Bengal I .....</b>	<b>116</b>	<b>80</b>	<b>0</b>	<b>0</b>	<b>(Consolidated Wages)</b>		

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Dearness allowance is paid at varying rates in different centres. In Bombay City it is linked to the cost of living index number and up to the end of November 1948 it was paid according to the scale laid down by the Bombay Silk and Art Silk Mills' Association. By an order of the Bombay Wage Board for the Silk Industry given in connection with a dispute in certain silk mills in Bombay City, dearness allowance was increased with effect from 1 December 1948 in the case of 15 silk mills. The revised dearness allowance was fixed at  $\frac{3}{4}$ ths of the allowance ~~was fixed at~~ paid to the cotton mill workers in Bombay City and this neutralised the rise in the cost of living to the extent of 67.5 per cent. The Industrial Court on an appeal against this decision increased this percentage of 67.5 ~~per~~ to 75. In Ahmedabad the rate of dearness allowance was 1 rupee 4 annas per day. In Surat, one concern paid 50 per cent of the wages as dearness allowance, while another granted the allowance at the rate of 90 per cent of the rate sanctioned by the Silk and Art Silk Mills' Association for Bombay Silk Mills. In the silk mills in Kashmir the allowance was fixed at 75 per cent of basic wages. In Madras, it was 16 rupees per month, while in Mysore it ranged from 12 rupees to 15 rupees per month. In the Punjab concern, the allowance was on a scale graded according to income group and varied between 25 and 50 per cent of pay. The West Bengal concern did not pay separate dearness allowance.

As for other allowances, only three mills reported that they were giving attendance bonus. Of these the Mysore concern granted free tea and snacks.

Bonus.— Fifteen concerns reported that they paid profit bonus to ~~their~~ their workers. The rate of this bonus for 1949 generally varied from half a month's to two months' wages. A Surat concern paid the bonus (for 1948) at the rate of  $18\frac{3}{4}$  per cent of basic wages, while an Ahmedabad concern paid at the rates of 27 per cent for 1948 and  $6\frac{1}{4}$  per cent for 1949. A few concerns also paid bonus for efficiency, production and good behaviour apart from attendance already mentioned.

Welfare activities.— In 12 concerns, the medical facilities were confined to first aid, which was a statutory responsibility. In 3 concerns, doctors were appointed, who periodically visited the factories. Dispensaries, with medical staff, were run by 7 concerns, while one concern made use of a Government hospital adjacent to it. Fifteen concerns had canteens, usually run by contractors. Creches were run by six concerns. Another concern appointed a nurse to look after the children of its women employees.



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Educational facilities were almost absent. Recreational facilities, mainly consisting of indoor and outdoor games, were provided by seven concerns. Co-operative credit societies were functioning in ten concerns. Cheap food grains were ~~functioning~~ supplied to their workers by seven concerns. Only five concerns maintained provident funds. Gratuities and pensions were not granted by any of the concerns.

Only four concerns had Labour Officers. Some of the Bombay concerns were utilising the services of the Labour Officer of the Silk and Art Silk Mills' Association. In some <sup>of</sup> concerns, a senior officer of the management carried the duties of a Labour Officer.

Housing.- ~~The~~ Ten concerns reported that they provided housing facilities to their workers. Three of these concerns provided these facilities only to their watch and ward staff.

Works and Production Committees.- Works and Committees were functioning in six concerns and Production Committees in two concerns. In four concerns, there were joint committees. One of the Mysore concerns had a Works Committee, a Unit Production Committee and a Technical Staff Committee - the last one for the purpose of dealing with technical problems with a view to improving production and quality of work and reducing cost ~~of~~ and wastage.

Trade Unions.- In Bombay City, a number of workers in silk mills were members of either the Mill Mazdoor Sabha or the Rashtriya Mill Mazdoor Sangh. The Textile Labour Association (Ahmedabad), the National Textile Workers' Union (Ahmedabad), and the Surat Silk Mills Workers' Union also had silk mills' workers among their members. Workers of the three silk mills in Mysore and of the ~~one~~ mill in Kollegal (Madras) had formed their own unions. Most of the unions were registered and recognised.

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51. Hours of Work.

India - February 1952.

West Bengal: Tobacco (Cigarette Making)  
Manufactories: Hours of Work, Weekly Rest  
and Overtime fixed under the Minimum  
Wages Act.

In exercise of the powers conferred by sections 13 and 14 of the Minimum Wages Act, 1948, and in supersession of the notification dated 30 July 1951, the Government of West Bengal has fixed for the employees in the tobacco (cigarette making) manufactories in the State, nine hours of work including an interval of half an hour for rest as constituting a normal working day, the day for weekly rest which shall ordinarily be Sunday and overtime rate at double the ordinary rate of wages.

(Notification No.53 Lab/2W-14(B)/51 dated  
7 January 1952; the Calcutta Gazette, Part I,  
17 January 1952, page 189 ).

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52. Workers' Welfare and Recreation.

India - February 1952.

Mica Mines Labour Welfare Fund Rules, 1948:  
Amendments made for the Constitution of  
Advisory Committee for Ajmer State.

In exercise of the powers conferred by the Mica Mines Labour Welfare Fund Act, 1946, the Central Government has added another rule to the Mica Mines Labour Welfare Fund Rules, 1948, to provide for the setting up of an advisory committee for the State of Ajmer. The new rule provides that the new advisory committee for the State of Ajmer will consist of the Deputy Commissioner, Ajmer, the Labour Officer, Ajmer, one representative of the Central Government, a member of the Ajmer Legislative Assembly, two persons representing mica mine owners of Ajmer, two persons representing the interests of workmen employed in mica mining industry of Ajmer and a woman, if no woman has been nominated as representing workmen.

In exercise of the powers conferred under the Rules, 1948, the Central Government, by notifications dated 30 January 1952, has constituted an advisory committee for each of the States of Rajasthan and Ajmer. The Committees consist of representatives of the Central Government, the mine owners, workmen employed in the mica mining industries and women representatives.

(Notification No. SRO.246 dated 29 January 1952; the Gazette of India, Part II, Section 3, 9 February 1952, page 269; Notifications Nos. SRO.247 and 248 dated 30 January 1952; the Gazette of India, Part II, Section 3, 9 February 1952, pages 269-270 ).

Vindhya Pradesh: Vindhya Pradesh Welfare  
Officers (Recruitment and Conditions of  
Service) Rules 1951.

The Chief Commissioner, Vindhya Pradesh, gazetted on 23 February 1952 the Vindhya Pradesh Welfare Officers (Recruitment and Conditions of Service) Rules, 1951, made in exercise of the powers conferred by the Factories Act, 1948. The rules prescribe, inter alia, the duties, ~~and~~ qualifications and conditions of service of welfare officers appointed under the Act.

(The Gazette of India, Part III, Section 3, 23 February 1952, pages 227-228 ).

Madras: Welfare in Industry: Scheme to be evolved.

For the purpose of drafting a scheme dealing with 'Human Relations in Industry', representatives of employers and welfare organisations held at a preliminary discussion, on 12 February 1952 with the Labour Commissioner, Madras, at his office in Chepauk.

The third <sup>State</sup> ~~India~~ Conference of Social Work, which met at Madurai, discussed problems relating to welfare in industry and considered it desirable that there should be some agency to carry on welfare work outside the industries to supplement what was already being done in the industries under the statute. For that purpose, the Conference suggested the formation of an influential Committee with the Minister for Labour as Chairman. Before the formation of such a committee, it was considered desirable to have a draft scheme ready which would have the approval of employers and workers. The present meeting was convened for that purpose.

After some preliminary discussion a small committee was appointed to draft a scheme which would contain the outline of work for a minimum period of 18 months to start with. ~~The sub-committee would finalise the scheme by about 15 February. A meeting of representatives of employers and others would be held again on 21 February to adopt the scheme.~~

(The Hindu, 13-2-1952 ).

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58.Social Conditions.

India - February 1952.

Bihar: Bihar Prevention of Beggary Act, 1951  
(Act I of 1952).

The Government of Bihar published on 23 January 1952 the text of the Bihar Prevention of Beggary Act 1951, assented to by the Governor of Bihar on 8 January 1952. The object of the enactment is to check begging and to reclaim children accompanying beggars and to make them useful citizens.

Begging is made an offence under the Act and police officers or other authorised persons ~~are~~ are empowered to arrest without warrant persons found begging. Provision is made for summary inquiry in respect of persons found begging and for their detention in a Work House, Special Home or Certified Home. Other provisions of the Act deal with report of medical officer before committal to work house, establishment of Prevention of Beggary Fund and rule-making powers of the State Government.

(The Bihar Gazette, Part IV, 23-January  
1952, pages 2-1D).

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CHAPTER 6. GENERAL RIGHTS OF WORKERS.

INDIA - FEBRUARY 1952.

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

Proposal to extend Payment of Wages Act, 1936  
to Mines: Draft Notifications.

In exercise of the powers conferred by the Payment of Wages Act, 1936, the Central Government has given three months' notice of its intention to extend the provisions of the Act except sub-section 4 of ~~the~~ section 8 to the Payment of wages to all classes of persons employed in mines (to which the Indian Mines Act, 1923, applies) in the rest of India except the State of Jammu and Kashmir. (Section 8(4) of the Act which deals with the total amount of fine which may be imposed in one wage period, at present extends to the payment of wages to all classes of persons employed in mines).

(Notification No. SRO.250 dated 30 January 1952; the Gazette of India, Part II, Section 3, 9 February 1952, page 271 ).

Bihar: Extension of Payment of Wages Act  
to Tea Plantations: Draft Notification.

In exercise of the powers conferred by the Payment of Wages Act, 1936, the Government of ~~Bih~~ Bihar has given notice of its intention to extend all the provisions of the Act to all persons employed in the tea plantations in the State of Bihar, on the expiry of three months from 10 January 1952.

(Notification No. W-3-10157/51-L-3 dated 10 January 1952; the Bihar Gazette, Part II, 23 January 1952, page 121 ).

66. Strike and Lockout Rights

India - February 1952

Uttar Pradesh: Sugar Industry declared  
a Public Utility Service

In exercise of the powers conferred by the U.P. Industrial Disputes Act, 1947, the Government of Uttar Pradesh has declared the sugar industry and every undertaking concerned with the manufacture or distribution of sugar to be a public utility service for the purposes of the Act for a period of six months from 10 February 1952.

(Notification No.437(ST)/XVIII-32(ST)-52 dated 21 January 1952; Government Gazette of Uttar Pradesh, Part I, 26 January 1952, page 71)

Madras : Transport by Boats in Minor Ports  
declared a Public Utility Service

In exercise of the powers conferred by the Industrial Disputes Act, 1948, the Government of Madras has declared the industry of transport by boats in minor ports in the State of Madras to be a public utility service for the purposes of the Act for a period of six months from 11 January 1952.

(G.O.Ms. No.89 Development dated 8 January 1952; the Fort St. George Gazette, Part I, 22 January 1952, page 73)

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67. Conciliation and Arbitration

India - February 1952

Industrial Disputes (Amendment) Bill, 1952,  
Passed by Parliament

Mr. Jagjivan Ram, Minister for Labour, Government of India, introduced in Parliament on 15 February 1952 a Bill further to amend the Industrial Disputes Act, 1947.

The Bill was passed by Parliament without amendments on 26 February 1952. One of the provisions of the Bill which seeks to replace the Industrial Disputes (Amendment) Ordinance 1951 (vide page 45 of the report of this Office for December 1951) provides that for being appointed to a tribunal, no person shall cease to be independent by reason only of the fact that he is a shareholder of a company connected with or likely to be affected by an industrial dispute. He will, however, have to disclose to the appropriate Government the nature and extent of the shares held by him.

Mr. A.G. Guha favoured the laying down of a percentage in determining whether a person should be disqualified for sitting on a tribunal or not.

The Labour Minister said the laying down of a percentage would not help, as it would vary with the size of the company. Discretion should be left to the Government. For want of such a provision, he said Government had in the past to ask persons to dispose of their shares before sitting on a tribunal.

Another provision in the Bill is to effect that where a dispute has arisen in an industry, Government may include in the adjudication even the few units which show no evidence of the existence of actual disputes but which, if left out, are sure to raise disputes of their own.

Mr. Jagjivan Ram said this would contribute to the preservation of industrial peace and would protect units in which the workers were very disorganised.

During the debate, Mr. Venkataraman (Madras) said at present supervisory and technical staff were left out of the benefits of the Industrial Disputes Act. This should be remedied.

The Labour Minister said during the last one or two years supervisory staff had come to the realization



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that they should cast their lot with the workers. Formerly they regarded themselves more or less as part of the management and did not like the idea of identifying themselves with the workers. He welcomed their change of attitude and said he had every sympathy for them. They had been included in the Labour Relations and Trade Union Bills, which he hoped the new Parliament would pass.

(The Hindustan Times, New Delhi,  
27 February, 1952)

Burma: The Trade Disputes (Second Amendment)  
Act 1951 (Act No. LXXI of 1951)

The Government of the Union of Burma gazetted on 26 January 1952 the Trade Disputes (Second Amendment) Act, 1951 (Act No. LXXI of 1951) to further amend the Trade Disputes Act, 1929. The amending Act adds a new clause 3B to section 27 of the Act, empowering every Conciliation Officer to serve notice on any party to a trade dispute and after serving notice to compel such party to attend and participate in a conciliation proceeding before him, if he is satisfied that there is no likelihood of such a dispute being settled between the parties without his intervention.

(The Burma Gazette, Part I,  
26 January 1952, page 76)

Chapter 7. Problems Peculiar to Certain Categories 76  
of Workers.

74. Indigenous Labour.

India - February 1952.

Repeal of Criminal Tribes Act of 1924:  
Bill passed by Parliament.

On 18 February 1952, Mr. R.K. Sidhwa, Minister of State for Home Affairs, introduced in Parliament the Criminal Tribes Laws (Repeal) Bill.

The Bill has been framed in accordance with the recommendations of the Committee set up by the Government of India in 1949 to inquire into the working of the Criminal Tribes Act, 1924 (vide pages 59-63 of the report of this Office for May 1951)<sup>1</sup>. The main recommendations of the committee was that the Criminal Tribes Act, 1924, as well as any corresponding Acts in force in any Part B State or Part C State may be repealed. The committee also recommended that, before taking such action legislation should be undertaken for the adequate surveillance and control of all habitual offenders without any distinction based on caste, creed or birth.

The views of the State Governments which have so far been received are generally in favour of the recommendations of the committee.

In this connection it may be mentioned that the Criminal Tribes Act, 1924 contains provisions empowering State Governments to establish industrial, agricultural or reformatory settlements where any notified criminal tribe may be placed. State Governments are also empowered under the Act to make rules for the management, control and supervision of such industrial or reformatory settlements. The Governments of Bombay and Madras have repealed this Act in their respective States and replaced it by Habitual Offenders Act.

The Bill was passed by Parliament on 28 February 1952. The House accepted an official amendment that the State Governments concerned be given time upto 31 August 1952, to enact alternative legislation to control the activities of habitual offenders.

(The Hindustan Times, 19 and  
29 February 1952).

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1. Report of Criminal Tribes Act Enquiry Committee (1949-50): published by the Manager of Publications, Delhi, 1951.

Meeting of Madras Tribes Advisory Council:  
Government's Plans for Tribal Welfare  
Explained.

The scope of a ten year plan for the development of tribal areas and amelioration of the conditions of the Scheduled Tribes was explained at a meeting of the Tribes Advisory Council held at Madras on 1 February 1952, by Mr. Gopala Reddi, Finance Minister, Government of Madras.

The Council, after discussing various suggestions of the members, decided on certain measures for scaling down the debts of tribal people with a view to relieving them of the burden of indebtedness, and for providing facilities for giving them loans and advances on easy terms. On the question of regulation of trade in forest produce and sale to the tribal people of products of the plains, the Council recommended a system of licensing of traders and starting of multi-purpose societies.

Ten-year Plan.- In his address to the Council Mr. Reddi said that the State Government had appointed a Special Agency Development Officer to formulate a plan for the amelioration of the conditions of Scheduled Tribes and the development of Agency areas. This Officer had submitted to Government a comprehensive report, embodying a Ten-Year Plan for the development of the Agency areas. Broadly, the plan consists of two parts: (1) Development schemes such as land colonisation schemes, irrigation, hydro-electric, mineral resources and agricultural development schemes. (2) Amelioration schemes such as improvement of cattle wealth, fisheries, rural water supply, communications, home industries and education, etc., which aim at an all-round development of the inhabitants of the Agency areas. The full implementation of the schemes is estimated to cost 6.8 million rupees approximately in the first year itself. These schemes were now being examined and were at different stages of progress.

Mr. Reddi said that under Article 275(1) of the Constitution, the Government of India had sanctioned to the State Government as grant-in-aid a sum of 400,000 rupees for the year 1951-52 for carrying out schemes for the welfare of the Scheduled Tribes and the development of Scheduled areas. The Government had selected the following schemes, approved by the Central Government, designed to develop the Scheduled areas and to improve the conditions of the Agency people. Most of the selected schemes form part of the Ten-Year Plan submitted by the Special Officer and were proposed to be implemented during the current year: (1) development of fisheries in the Agency areas; (2) training of 20 selected candidates from the interior agency areas in certain cottage industries (3) improvement of cattle wealth in the Agency Areas;

(4) rural water supply in the Agency areas; (5) major roads in the Agency areas; (6) village roads in the Agency; (7) extension of Women's Welfare Department activities in the Agency areas; (8) education (boarding facilities to tribal pupils in elementary schools); and (9) anti-malarial operations at Paderu and Nugar (Agency areas). The total expenditure likely to be incurred on these schemes in the current year was expected to be about 800,000 rupees which included the Government's contribution equivalent to that of the Government of India's grant. Mr. Reddi added that the Central Government had ~~not~~ promised to make grant-in-aid ~~for~~ in future years also for the work of advancement of the Scheduled Tribes.

Under the new Constitution, Laccadive and Amindivi Islands, which were previously known as excluded areas, are now included in the Scheduled areas in the State. The Government had appointed a Special Inspecting Officer to study the existing conditions of the Islands and to report on certain important matters pertaining to the administration of the Islands.

(The Hindu, 2-2-1952 ).

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CHAPTER 8. MANPOWER PROBLEMS.

INDIA - FEBRUARY 1952.

81. Employment Situation.

Employment Exchanges: Working during December 1951.

Employment situation during the year 1951.- According to the report on the work done by the Directorate of Employment Exchanges during the year 1951, over 486,000 jobs were notified to Exchanges as against just under 420,000 during 1950. It was encouraging that the greater proportion (270,000) were notified by private employers. This increase of employment opportunities naturally led to higher placements through the Employment Service. Over 416,000 men and women were placed during 1951 (including 27,000 displaced persons) as against 331,000 in 1950. During the year over 1,375,000 persons were registered at exchanges as against 1,210,000 in 1950 and yet, ~~despite~~ despite this, the total register of unemployed persons at the end of 1951 was smaller than at the end of 1950.

An interesting indication of the increased tempo of employment exchange work (despite some retrenchment) was brought out by the fact that an average of over 84,000 persons were submitted to employers every month during 1951 as against an average of approximately 63,000 during 1950. More important was the growing confidence of employers in the ability of Exchanges to bring jobs and workers quickly together. This was demonstrated by the increased number who used the Exchanges, the number being an average of over 6,300 per month in 1951 (of whom the major proportion were private employers) as against just over 5,500 in 1950.

Employment situation in December 1951.- The number of vacancies notified and the number of placings effected showed a slight recession over November. The number of unemployed persons registered during the month fell steeply. In some places, elections were said to be responsible for a decline in business and in others harvesting. It was however interesting to note that the exchanges succeeded in filling just under 90 per cent of the vacancies which were notified to them.

A large number of Exchanges reported a shortage of stenographers, efficient typists, draughtsmen and trained teachers. Demands for agricultural graduates at Hubli and Patna and for accountants at Muzaffarpur, Vijayawada and Ferozepore could not be met. Diesel engine drivers were in short supply at Parel, Sholapur, Anantapur, Jodhpur and Saifabad. Unfilled vacancies for sheet metal workers, tool setters and spring

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makers existed at Jamshedpur. There was a demand for boiler attendants at Bangalore, Amravati and Asansol and boiler makers were difficult to find at Jamshedpur, Asansol and Howrah. While surveyors were difficult to obtain at Surat, Madras, Jodhpur, Ferozepore, Meerut and Jhansi, tracers were in short supply at ~~Ranapur~~ Dhanbad, Tiruchirapalli, Calcutta and Meerut. The Exchanges at Nellore and Saifabad experienced difficulty in meeting demands for spray painters. Vulcanisers at Delhi, turbine attendants at Nagpur and cinema operators at Madras were also reported to be in short supply.

Most of the exchanges reported that clerks, unskilled office workers and persons fresh from schools and colleges continued to be far in excess of demand. Motor drivers and carpenters were also reported to be surplus to requirements by a number of exchanges. The exchanges at Calcutta and Bombay experienced difficulty in finding suitable jobs for fresh engineering graduates. Dockworkers at Kidderpore and lady telephone operators at Darjeeling were unable to get employment. Suitable vacancies did not exist for hosiery workers at Jullundur and for tailors at Delhi and Gorakhpur. The exchanges at Calcutta, Bombay and Ahmedabad reported that employment opportunities for law graduates in these areas were limited. Midwives at Ferozepore and salesmen at Surat were also reported surplus to requirements.

Registration and placement.- Registrations for employment and placings made during the month and the previous month are shown below:-

	December 1951	November 1951
Registration .....	106,768	116,798
Placements .....	35,545	36,235

Of these registered 8,186 were displaced persons, 7,536 ex-service personnel and 2,449 discharged Government employees. Registrations during the month showed a fall of 10,030 as compared with the preceding month. All the regions except Hyderabad and Bihar showed a fall. Appreciable decrease in registrations was recorded in West Bengal (3,112), Madras (2,454), Uttar Pradesh (2,127), Delhi, Ajmer and Rajasthan (1,215), Madhya Pradesh (903) and Bombay (752). Hyderabad, on the other hand, showed an increase of 1,147 over the previous month.

Of those placed 1,755 were displaced persons, 1,913 were ex-service personnel and 797 discharged Government employees; 22,503 were placed with private employers and 13,042 in Central and State Government establishments. Placings during December were 690 less than November. In the regions, the fall was

comparatively large in West Bengal (1,434), and Delhi, Ajmer and Rajasthan (260). On the other hand, an appreciable increase was recorded in Orissa (434), Punjab (283) and Bihar (259).

The following table shows the placings classified by wage groups:-

<u>Wage group</u>	<u>Number placed</u>
101 rupees per month and above .....	1,775
Between 61 and 100 rupees per month.	11,048
Between 30 and 60 rupees per month.	21,725
Below 30 rupees per month .....	997

Vacancies notified and submissions.- The number of vacancies notified by employers during December 1951 was 39,533 as compared with 41,927 during November, that is, a recession of 2,394. Of the vacancies notified 15,429 were by Central and State Government establishments and 24,104 by private employers. There was a fall of 2,432 in the Government sector and an increase of 38 in the private sector as compared to the previous month. The rise in vacancies notified was appreciable in the regions of Bihar (275), Orissa (265) and Assam (169). On the other hand, there was a significant decrease in notifications in the regions of West Bengal (1,261), Uttar Pradesh (1,174), Madras (329) and Bombay (317).

The number of persons submitted to employers during December was 80,677 as compared with 90,761 during the previous month.

Employers using exchanges.- The number of ~~employers~~ employers who used the exchanges during December was 6,079 as compared to 6,437 during November 1951. Of these 52.0 per cent were private employers.

Employment of highly qualified applicants.- Both registrations and placings of applicants of Appointment's Branch Standard (persons possessing high technical, scientific or professional qualifications and supervisory or administrative experience) fell during the month, being 645 and 97. The corresponding figures relating to the previous month were 728 and 129.

Employment of scheduled caste applicants.- The number of scheduled caste applicants registered by the employment exchanges during December was 11,239 as against 13,253 in November 1951. 4,424 such applicants were placed in employment during the month under report. Among those placed, 972 were placed in Central Government vacancies, 558 in State Government vacancies and 2,894 in other vacancies. The number of scheduled caste applicants submitted to employers during the month was 7,971. 227 vacancies

meant specifically for scheduled caste applicants were notified to employment exchanges during December. At the end of the month, 29,378 scheduled caste applicants remained on the live registers of exchanges, of whom 1,047 were women.

Employment assistance for women.- After having recorded a steep rise during November 1951, the placing figures in respect of women applicants showed a slight recession during December. 3,693 women applicants were registered and 1,904 placed during the month against the corresponding figures of 4,404 and 2,143 relating to November and 2,905 and 1,460 relating to October 1951.

Vacancy and labour clearing.- During the month under report the Vacancy Clearing Machinery was utilised to fill 624 local vacancies by obtaining applicants from other Exchanges areas. 595 such vacancies were filled in this manner during November. Ferozepore, Saifabad, Patna, Bijnore and Calcutta filled 169, 71, 99, 42 and 38 vacancies respectively while Lansdowne, Amritsar, Guntur, Kurnool and Delhi supplied 139, 170, 71, 56 and 50 applicants respectively against vacancies in other areas. 448 fresh vacancies were sent to the Central Employment Co-ordination Office by Regional Employment Co-ordination Offices and Employment Exchanges during December for wider circulation on an all-India basis. The number of vacancies under circulation at the end of the month was 1,041 as compared to 995 at the end of November, 1951.

Mobile exchange work.- The employment exchanges effected 9,631 registrations and 7,654 mobile placings during the month under review through Mobile Sections. The corresponding figures for the previous month were 9,922 and 8,134.

Re-employment of surplus and discharged Government employees.- The employment exchanges registered 2,449 discharged Government employees during December against 3,088 registered during November 1951. Of those registered in December, 1,857 had been discharged from Central Government establishments and 592 from State Government Offices. The number of discharged Government employees who were re-employed during December was 797, of whom 618 were ex-Central Government employees and 179 ex-State Government employees. The corresponding figure relating to the month of November was 1,139.

Live Register.- The number of persons seeking employment assistance on the last day of December was 328,719 which was 1,059 more than the figure for November. Of these 37,046 were displaced persons, 30,841 ex-service personnel and 11,150 discharged Government employees. Among discharged Government employees 8,161 were Central Government and 2,989 State Government employees.



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Work of Inspectorate.- During the month of December, 1951, the Central Inspectorate carried out general inspections at employment exchanges in Assam, Bihar and West Bengal, including 2 Regional Employment Exchanges, 10 Sub-Regional Employment Exchanges and one other Employment Exchange. Sub-Offices attached to these Exchanges were also inspected. The employment officers and members of staff at the exchanges were given training during inspection.

(A Report on the Work Done by the Directorate of Employment Exchanges during the Month of December 1951, issued by the Ministry of Labour, Government of India ).

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85. Migration and Colonisation.

India - February 1952.

North Borneo's Offer to Indian Settlers:  
Question in Parliament: No objection to  
Recruitment of Skilled Workers.

Answering a question in the Parliament on 22 February 1952, Dr. B. V. Keskar, Deputy Minister for External Affairs, said that India had informed North Borneo which had recently offered facilities for settling 10,000 Indian families there that there was no objection to the recruitment of skilled workers was on agreements to be approved by the Government of India.

Further information had been called for on four points - sizes of holdings to be given to Indian settlers, conditions of acquiring ownership, provision of equipment and travelling expenses.

Dr. Keskar said that whatever agreement may be reached, "it will not be due to pressure of population in the South though I do agree it is a very important consideration". The Government will make sure that the conditions were fair and decent in view of the past lamentable experience of Indians who had to go overseas to such undeveloped countries.

(The Statesman, 23-2-1952).

Socio-economic Conditions of Refugees in  
West Bengal : Review of Sample Survey.

The Director of State Statistical Bureau, West Bengal, has recently drawn up a report on a sample survey conducted between December 1950 and the middle of January 1951 on the socio-economic conditions of displaced persons migrating from East Pakistan to the State of West Bengal.

Literacy.- The survey showed that of the total number of migrants settled in various districts of West Bengal 48.2 per cent of all ages were literate. Out of this 11.8 per cent were just literate, 19.8 per cent read up to the M.E. ('middle English') standard, 10.4 per cent up to the Matriculation standard, 5.6 per cent Matriculates, 1.1 per cent undergraduates, 0.7 per cent graduates, 0.1 per cent post-graduates, 0.1 per cent other standard, a nominal number of them (189) had agricultural training, 0.2 per cent medical education, 0.1 per cent legal education, 0.1 per cent engineering education and 0.2 per cent were otherwise qualified on account of experience in crafts. It was found that the percentage of literacy amongst migrants was comparatively

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rather low in Cooch Behar, Nadia, West Dinajpore and Malda, indicating thereby that ~~xx~~ there was probably a preponderance of agricultural people amongst them in those districts. It was also noted that the standard of literacy was much higher amongst the migrants than the prevailing standard amongst the population as a whole. This was mainly due to the fact that more well-to-do families migrated in much larger number than the poorer.

Earners and non-earners.— The percentage of total earners among the migrants was 27.4 and that of non-earners 72.6 the latter including women, children, old people as well as employable males of appropriate age. The percentage of earners in districts like West Dinajpore, Cooch Behar, Murshidabad, Nadia and Jalpaiguri was stated to be satisfactory it being presumed that there was a preponderance of agricultural people who could find some occupation on land. The percentage of non-earners in other ~~districts~~ districts including Calcutta and its neighbourhood, was higher indicating that persons of comparatively higher educational standard ~~that~~ had migrated there. The number of non-earners between the ages of 21 and 60 and having a standard of education of Matriculation and upwards was about 26,000. This includes about 300 lawyers and more than a thousand medical-practitioners of various types. The number of non-earners who read up to Matriculation standard and were of the ages between 21 and 60 years was 31,434. The number who read up to the M.E. standard and belonged to that age-group was about 15,000.

Broadly speaking, it was found that 176,691 persons were employed under cultivating class, 341,384 under industries and services, and 68,255 under miscellaneous livelihood. The total number who actually found some occupation in West Bengal therefore was 586,330. As many as 204,325 were students of all ages. The number of persons having no occupation was 1,352,575. This includes women, children, old and infirm persons, besides the employable persons. It is to be noted that the number ~~of those~~ refers only to displaced persons and excludes all persons of those migrant families who had occupation in West Bengal prior to migration. Those heads of migrant families who normally were residents of West Bengal before migration started are also excluded. A total of 49,268 persons secured employment under the Government. It is to be noted that all these figures are in respect of refugees who migrated to West Bengal since 15 October 1946, and therefore include optees under Government services at the time of partition.

Amongst the cultivating classes 116,166 were agriculturists, 59,296 were agricultural labour, and only 74 Zamindars and Talukdars. The number of fishermen who found occupation was 14,948. A total of 7,575 weavers, 8,395 bidi-makers, 6,448 tailors,

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8,743 rice-huskers, 2,979 milk-men and cattle breeders, 1,221 confectioners, 284 cobblers and shoe-makers, and 139 oil-seed crushers also found occupation in West Bengal. The number of migrant black-smiths was 2,192, motor-mechanics 106, braziers 460, tin-smiths 598, carpenters 6,311, goldsmiths 4,915; potters 2,307 and potters (image-workers) 951, conch-shell workers 1,065, compositors 539, printers 246, saw-men 280, book-binders 345, watch-repairers 167, masons 460, bamboo and cane-workers 969, mechanics (electric) 520, and grass mat-makers 831. Amongst the trading classes 82,592 small traders found occupation; the number of big traders was 9,977 and that of hawkers 11,131. It may also be noted that 75,439 secured services under non-governmental bodies; 2,890 barbers, 1,781 washermen, 933 lawyers, 691 cooks, 287 astrologers, 461 artists, 151 authors and 2,747 priests also found occupation. 43,863 day labourers and 1,593 other mechanics found occupation in West Bengal. The number of pension holders was 1,741 and rent receivers 49. ~~Occupation~~ Occupation was not specified in respect of 21,009 persons.

Average income.- The average income earned personally by the migrant not including family income derived from agriculture, trade, etc., was 722 rupees per year. It varied from 391 rupees in agriculture to 1,034 rupees in the services. Skilled labourers, persons in the learned professions and persons in trade earned more than the average. Besides, the agricultural people, persons engaged in cottage industries, those engaged as unskilled labour and in caste professions as well as unclassified occupation earned less than the average. Personal income of the non-migrant members of the migrant families have been excluded. When the income of families was compared before and after migration it was noticed that the level of income had been lowered uniformly. The percentage of migrant families having an income of 51 rupees and above before migration was 90.2 (387,040) whereas the corresponding percentage after migration was only 68.1 (292,128). It may further be noted that only 9.8 per cent (42,232) of the migrant families had an income less than 50 rupees per month before migration and the corresponding percentage in this class rose to 31.9 per cent (137,144) after migration.

Housing.- It was found that 14.7 per cent (54,875) families were living in their own houses built on owned or rented land. The number of families found living in their own houses built on trespassed land was 12.3 per cent (45,802), 40.1 per cent (149,505) families were found living in rented houses, 11.9 per cent (44,212) living with relatives, 0.4 per cent (1,331) living in dharamsalas (charitable rest-houses), 20.6 per cent (76,893) living in unoccupied houses. A total number of 56,654 families refused to supply any information. Quite a large number of families were found living in unoccupied houses. (Amrita Bazar Patrika, 12-2-1952).

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Ceylon Parliamentary Election Amendment Bill  
Passed: Franchise restricted to Ceylon  
Nationals only.

On 1 February 1952 the Governor-General of Ceylon gave his assent to the Parliamentary Election Amendment Bill as passed by the House of Representatives, thereby certifying the revised voters' list of 1951 with all Indian names deleted therefrom on the ground that they are non-nationals.

Indian political sources in Ceylon believe that about 25 thousand Indian and Ceylon Tamil voters will not be able to exercise their franchise rights in the forthcoming general elections by the passage of the Bill. Under existing law, voters' lists for any year would have to be completed not before 15 August of the same year and not later than 31 December of that year. Under the amending Bill, the period has been extended to 31 January of the succeeding year, so that, in the event of the elections being ~~held~~ held this year, electoral registers of 1951 completed and certified on 31 January 1952, will form the basis for each electoral area.

The effect of the amending Bill would be, Indian sources added, that in districts from which comparatively few claims have been forwarded, elections would be fought on the 1951 registers but in the Indian-populated plantations districts, contests would be on the 1950 voters' lists because in the few months after January, it had not been possible to deal with thousands of claims for inclusion of their names ~~of~~ in the registers. According to these sources, the names of 200,000 Indian estate workers who voted in the last general elections, were omitted in the electoral registers prepared in 1950 on the ground that they were not citizens of Ceylon. All of them have submitted claims for inclusion of their names.

Electoral registers certified so far are those prepared in 1950 and revised in 1951. It is stated even some of these have not been certified because of numerous objections raised which have to be settled. The 1951 registers have been prepared but have not yet been certified. Therefore, even in bye-elections the basis for polling will be <sup>the</sup> 1950 registers.

The life of the present Parliament ends in October this year.

(The Hindu, 3-2-1952;  
The Hindustan Times, 4-2-1952).

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CHAPTER 9. INCOME SECURITY

INDIA - FEBRUARY 1952

92 - Legislation

Employees' Provident Fund Bill, 1952, passed  
by Parliament : Measure for the Institution  
of Provident Funds for Employees in Factories  
and other Establishments

The Parliament passed on 23 February 1952 the Employees' Provident Fund Bill, 1952, providing for the institution of provident funds for employees in factories and other establishments.

The Statement of Objects and Reasons appended to the Bill declares that the question of making some provision for the future of the industrial worker after he retires or for his dependents in case of his early death, has been under consideration for some years. The ideal way would have been provision through old age and survivors' pensions as has been done in the industrially advanced countries. But in the prevailing conditions in India, the institution of a pension scheme cannot be visualized in the near future. Another alternative may be for provision of gratuities after a prescribed period of service. The main defect of a gratuity scheme, however, is that the amount paid to a worker or his dependents would be small, as the worker would not himself be making any contribution to the fund.

Taking into account the various difficulties, financial and administrative, the most appropriate course appears to be the institution compulsorily of contributory provident funds in which both the worker and the employer would contribute. Apart from other advantages, there is the obvious one of cultivating among the workers a spirit of saving something regularly. The institution of a provident fund of this type would also encourage the stabilization of a steady labour force in industrial centres.

The Bill provides for institution, in the first instance, of contributory provident funds in the six major organised industries, namely, cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper, and textiles (made wholly or in part of cotton or jute or silk, whether natural or artificial). Undertakings owned by the Central Government or by a local authority have, however, been excluded from the purview of the Bill.

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There is provision in the Bill which empowers the Central Government to add, by notification, other industries to the schedule or to apply the Act to industrial undertakings employing less than fifty persons.

The rate of contribution will be six and a quarter per cent of the total emoluments of the worker, the worker and the employer each contributing these amounts. Further, the rules could empower prescribing payment of a higher subscription by the workers at their option.

To avoid any hardship to new establishments, a provision has been made for exempting them for a period of three years and similar exemptions are given to other establishments which are less than three years old till they have been in operation for a period of three years in all.

The statement of objects and reasons explains that where provident funds exist in private industry, contributions are usually a percentage of the basic wage. Unlike Government departments, wages in private industry have not, however, been rationalized and there are very great variations in the level of basic wages in private industry, even in different units in the same industry. If contributions are reckoned on the basis of basic wage only, there will, therefore, be wide changes in the degree of benefit received. This will be unfair to the workers and may also penalize those employers who have brought the level of basic wages more in accord with current requirements. The Government appreciates that dearness allowance is a variable factor depending on the cost of living. Nevertheless, for the reasons explained, Government is satisfied that contributions to the Provident Fund should be on the basis of basic pay plus dearness allowance. This should not be construed as in any way implying that dearness allowance on the existing rates are to be recognized as a permanent measure.

Most of the details relating to the Fund will be settled in accordance with a scheme which, in the interest of uniformity, will be framed by the Central Government. The administration will, to a large extent, be decentralized in regard to undertakings falling within the sphere of State Governments.

Where provident funds offering equal or more advantageous terms are operating efficiently, provision has been made for them to continue subject to certain safeguards in the interest of the workers.

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This Bill, when enacted, will repeal and re-enact an Ordinance promulgated on the same lines on November 15, 1951 (vide pages 56-57 of the report of this Office for November 1951).

Debate on the Bill.- During the debate, Mr. A.C. Guha urged that the provident fund provision should be extended to all industries which employed regular labour force. He said employer's contribution should be made compulsorily in respect of all industries. There was no justification for exempting the factories working under local authorities from the operation of the provisions of the Bill.

Commending the Bill, Prof. Shibbanlal Saksena maintained that it was a non-controversial one and should have been introduced earlier. Its scope should have been extended to industries like sugar which had enjoyed protection for over 20 years.

Khwaja Inayat Ullah said there was no necessity for exempting Government factories from the operation of the Act as the subsequent clause gave the Government power to exempt factories providing certain facilities.

Dr. Mono Mohan Das said the Act was not to apply to factories unless three years had elapsed after their establishment. He wanted the Minister to amend Clause 16 to increase this period to five years.

Minister's Reply to Debate.- Replying to the debate, the Labour Minister, Mr. Jagjivan Ram, said there was an urgency for the promulgation of the Employees' Provident Funds Ordinance, 1951, which the Bill sought to repeal. Ordinarily it would take four or five months after an enactment to prepare schemes under it. The purpose of the Ordinance was to enable the Governments to proceed with the schemes which would be ready by the time the present Bill was passed.

The Labour Minister said one of the reasons for exempting Government factories from the operation of the Act was that the amenities provided to their employees were not less favourable than those the Bill sought to confer. Administrative complications would also be caused without such exemption for there were different categories of Government employees, all of whom were not on the same footing as far as the present amenities went. But steps would be taken to see that Government employees who were today placed disadvantageously compared to the benefits to be provided by the Bill would be brought on a par.



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Referring to the objection that only six industries were brought under the measure, Mr. Jagjivan Ram said they accounted for more than 16 lakh workers which constituted about 75 per cent of factory employees, excluding those in Government undertakings. These industries would not be adversely affected. As for the provision for provident fund to casual workers in collieries, he said, it was a new experiment and it should be made a success.

He revealed he was receiving representations from employers saying that dearness allowance should not be included for calculating contributions to provident fund. But in most cases dearness allowance constituted nearly 75 per cent of the workers' earnings. If only the basic wages were to be calculated, the workers would be left practically with nothing.

The House agreed to Khwaja Inait Ullah's amendment specifically including woollen textiles in the definition of textiles.

Mr. C.R. Iyyunni (Travancore-Cochin) wanted to include workers employed in the motor rubber tyre industry among the beneficiaries. He said this industry was "making a lot of money" and could well afford to contribute to a provident fund.

Dr. V. Subramaniam sought to include the cigar, cheroot and beedi, saw mills, paints and varnishes and match industries in the scheme. He said in the match factories several accidents were taking place and the compensation paid was "very poor".

Both amendments were rejected by voice votes.

The Minister accepted Khwaja Inait Ullah's amendment enabling the Government to prescribe conditions under which a member might be permitted to pay life insurance premium from the fund. His intention was, he said, to start the scheme before handing it over to State Governments.

(The Hindustan Times, New Delhi,  
15 and 24 February, 1952)

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Assam: Assam Maternity Benefit (Amendment)  
Act, 1951 : Date of Enforcement notified

In exercise of the powers conferred by sub-section 3 of section 1 of the Assam Maternity Benefit (Amendment) Act, 1951 (vide page 60 of the report of this Office for August 1951) the Government of Assam has directed that the Act shall come into force with effect from 15 January 1952. This will benefit women employed in plantations in the State by increasing the period of maternity benefit to 12 weeks and the daily rate of benefit to annas eleven and pies six.

(Notification No. GIR 61/50A dated 26 December 1951, the Assam Gazette, Part IIA, 9 January 1952, page 66)

Himachal Pradesh : Himachal Pradesh Employees'  
Insurance Courts Rules, 1949.

The Chief Commissioner of Himachal Pradesh gazetted on 26 January 1952 the Himachal Pradesh Employees' Insurance Courts Rules, 1949, made in exercise of the powers conferred by the Employees' State Insurance Act, 1948. The rules, inter alia, deal with the constitution of Employees' Insurance Courts and the conditions of service of the judges of the Court, the procedure to be followed in proceedings before the Courts and the execution of its orders, and the fees payable in respect of applications made to the Court, the costs incidental to the proceedings and the form in which applications should be made to the Court.

(Notification No. 1 and S 83-47-50-II dated 4 January 1952 : the Gazette of India, Part III, Section 3, 26 January 1952, pages 111-117)

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

The draft Orissa Employees' State Insurance (Medical Benefit) Rules, 1951 (vide page 92 of the report of this Office for February 1951) have been approved and gazetted on 8 February 1952. These rules deal inter alia, with the establishment of State Insurance dispensaries, provision of medical benefit where there are no State Insurance dispensaries, establishment of separate hospitals or reservation of beds for the use of insured persons, allotment of insured persons, procedure for obtaining medical benefit, scale of medical benefit, conditions of service of full-time insurance medical officers, maintenance of medical and surgical equipment, etc.

(The Orissa Gazette, Part III, 8 February  
1952, pages 195-199)

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94. Application.

India - February 1952.

Health Insurance for Factory Workers:  
Prime Minister Inaugurates Scheme in  
Kanpur.

Mr. Jawaharlal Nehru, Prime Minister, India, inaugurated on 24 February 1952 at Kanpur the employees' State Insurance Scheme, under the Employees' State Insurance Act, 1948. Under the scheme factory employees will get sickness, maternity, disablement and dependant's benefits and free medical care.

Requesting the Prime Minister to inaugurate the scheme, Mr. Jagjivan Ram, Minister for Labour, Government of India, stated that it was first health insurance scheme in ~~Indian~~ India and, in fact, in South-East Asia. To confine such activities to industrial workers, who were only a small fraction of the country's population, may be said to lead to the creation of a new privileged class. But, firstly, the nature of work in factories was to a great extent different from that of other people. Secondly, the extension of these benefits to a much larger proportion of workers, if not the entire population, would involve considerable time, even if the financial resources were available. The restriction of this and some other measures of legislation to a limited section of the population did not mean that it was not their desire to extend similar benefits to others.

Prime Minister's address.- Inaugurating the scheme the Prime Minister invited every man, woman and child and all the organisations in the country to work unitedly and enthusiastically in implementing the various plans for the good of the country. He called upon ~~the~~ labour, to make themselves worthy of the new change and new responsibilities that were falling on them as the progress of the country was in their hands.

Speaking after the Prime Minister, Rajkumari Amrit Kaur, Health Minister and ex-officio vice-chairman of the corporation, said that the scheme was intended to expand and become a national health service and an organisation for giving the individual protection against the vicissitudes of fortunes as the result of sickness and incapacitation. She said that, although the full potentialities of the Employees State Insurance Act would unfold themselves only as the years went by, they could see clearly how this piece of legislation provided the basis for an integrated development of community effort to give the

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individual both financial aid and medical care during periods of sickness and disability.

Mr. P.K. Sahgal on behalf of the employers and Mr. Hariharnath Shastri, on behalf of labour welcomed the inauguration of the scheme.

Messages wishing success of the scheme were received among others from the President of the Indian Union, Mr. David A. Morse, Director-General of the International Labour Office, Mr. Shanti Prasad Jain, President of the All-India Organisation of Industrial Employers, from the All-India Manufacturers' Organisation, Mr. Khandubhai Desai, President of the Indian National Trade Union Congress, Mr. S.A. Dange, General Secretary of the All-India Trade Union Congress and Dr. Jivraj Mehta, President of the Indian Conference of Social Work, Bombay.

Details of the scheme.- To start with the scheme is put into operation in Kanpur, where it will benefit 96,000 workers in 250 factories and in Delhi, where it will benefit 55,000 workers in about 400 factories. Eleven local offices have been set up in Kanpur and five in Delhi for operating the scheme. Thirteen dispensaries have been established at Kanpur and ten in Delhi. Two mobile dispensaries are also being arranged to cater for the needs of the insured persons residing in the neighbouring rural areas of Kanpur.

The Corporation has decided that factory employees in all principal towns of Punjab should start getting the benefit by August 1952, Greater Bombay and Bangalore by January 1953, Madras, Calcutta, Nagpur and Jubbulpore by July 1953. Ahmedabad, Sholapur, Agra, Coimbatore and Asansol will be brought into the scheme by October 1953.

Regional organisations have been set up at Bombay, Calcutta and Madras in addition to those at Delhi and Kanpur. They will call for returns of employment services and other particulars from employers in their respective areas.

(The Statesman, 25 February 1952;  
National Herald, 25 February 1952 ).

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Employees' State Insurance Act, 1948:  
Employers' Special Contribution in  
Delhi State and Kanpur Area fixed .

In pursuance of the powers conferred by section 73A(3) of the Employees' State Insurance Act, 1948, the Central Government has fixed the employees' special contribution with effect from 24 February 1952 as follows:- (i) the rate of employees' special contribution in the case of factories or establishments situated in an area in which the provisions of both chapters IV and V are in force shall be 1 1/4 per cent of the total wage bill of the employer; and (ii) the rate of employers' contribution in the case of factories and establishments situated in an area in which the provisions of the said chapters are not in force shall be 3/4 per cent of the total wage bill of the employer.

By another notification dated 1 February 1952 the Central Government has fixed 24 February 1952 as the date on which the provisions of chapter IV (except sections 44 and 45 which have already been brought into force) and chapters V and VI of the Employees' State Insurance Act shall come into force in the State of Delhi and Kanpur area of the State of Uttar Pradesh.

Kanpur area comprises the villages of Gajmau (Bazidpur), Gajjoopurun and Muzaffarpur in Tehsil Kanpur.

(Notifications Nos. SRO.253 and 251 dated 1 February 1952; the Gazette of India, Part II, Section 3, 9 February 1952, pages 272 and 271 ).

CHAPTER 11. INDUSTRIAL SAFETY

INDIA - FEBRUARY 1952

111. Prevention of Accidents

Coal Mines (Conservation and Safety) Bill, 1952

Passed by Parliament : Measure to provide for the Conservation of Coal and for Safety in Coal Mines

Parliament passed on 18 February <sup>1952</sup> the Coal Mines (Conservation and Safety) Bill 1952. The Bill which replaces the Coal Mines (Conservation and Safety) Ordinance, 1952 (vide pages 58-59 of the report of this Office for January 1952) seeks to conserve the metallurgical coal of the country and to provide for safety in coal mines.

~~The statement of objects and reasons appended to the Bill says that~~ There has been a considerable agitation against the measure, particularly from the coal trade. The Government had had prolonged examination of the problem over a number of years. The Coal-Fields Committee in 1920, the Indian Coal Committee in 1925, the Coal-Mining Committee in 1937, the Committee on Conservation of Metallurgical Coal in 1950, the Working Party on Coal Industry and the Planning Commission in 1951 have all shown that the resources of good quality of coking coal are limited and that its use should be strictly restricted. In spite of these recommendations, no tangible steps to conserve the good quality of coal had so far been taken. The only step the Government took was to set up a committee with the Coal Commissioner as its chairman, to control the opening of new mines.

The Working Party on Coal Industry, which reported last year, urged <sup>that</sup> immediate steps should be taken in respect of the following: the Coal-Mines Safety Stowing Act should be amended to cover the stowing of mines producing good quality coking coal for the purpose of conservation; and the use of good quality of coking coal should be strictly restricted for the iron and steel industry, blast furnace and other metallurgical purposes.

The estimated income from the existing excise duty of annas six a ton collected under the Coal Mines Stowing Act is placed at 8.5 million rupees to cover expenses of

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conserving coking coal. An additional duty, not exceeding 5 rupees per ton in the case of selected grades and 2 rupees per ton in that of first grade coal is proposed to act as a deterrent to non-essential users of coking coal. The duty would be refunded in the case of persons to whom the coal was essential.

The Bill was passed by Parliament with a few amendments after slight discussion.

One of the amendments to the Bill adopted by the House provides that the accounts of the Coal Board shall be audited by the Comptroller and Auditor-General of India and the report of the Auditor-General shall be laid before Parliament.

Another amendment provides that the Central Government shall pay to the Board a sum not exceeding the net proceeds from the excise duty. The Bill originally provided for the payment to the Board of a sum equivalent to the net proceeds.

During the third reading debate on the Bill, the Deputy Minister for Works, Production and Supply, Mr. Buragohain, said the Government proposed to circulate for eliciting public opinion the draft rules to be made under the Act and finalize them only after that.

Dr. M.M. Das (West Bengal) felt the Bill made no provision whatsoever to check the indiscriminate annual use at present of ten million tons of metallurgical coal for non-metallurgical purposes.

Mr. A.C. Guha (West Bengal) asked the Government to use with caution the power to levy excise duty up to one rupee per ton.

(The Gazette of India, Part II Section 2,  
16 February 1952, pages 38-46;  
Hindustan Times, New Delhi, 12 & 19 February,  
1952.)



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Mining Board for Bihar State constituted.

In exercise of the powers conferred by the Indian Mines Act, 1923, and in supersession of the notification of the Government of India dated 22/23 February 1946, the Central Government has constituted a Mining Board for mines other than coal mines for the State of Bihar. The Board consists of the Commissioner of the Chota Nagpur Division as ex-officio chairman of the Board, the Chief Inspector of Mines in India, a member nominated by the Central Government, two members nominated by owners of mines and two members nominated by the Central Government to represent the interests of miners.

(Notification No.SRO.281 dated 8 February 1952;  
the Gazette of India, Part II, Section 3,  
16 February 1952, page 286)

LIST OF THE PRINCIPAL LAWS PROMULGATED DURING  
THE PERIOD COVERED BY THE REPORT FOR FEBRUARY  
1952.

INDIA - FEBRUARY 1952.

Chapter 5. Working Conditions and Living Standards.

Bihar Prevention of Beggary Act, 1951 (Act I of 1952) (Bihar Gazette, Part IV, 23 January 1952, pages 2-10).

Chapter 6. General Rights of Workers.

(Burma) Trade Disputes (Second Amendment) Act, 1951 (Act No. LXXI of 1951) (Burma Gazette, Part I, 26 January 1952, page 76 ).

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*1 sent to Geneva under this Office Minute No. E-3/282/52 dated 21 February 1952.*

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