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COPY NO. -

INTERNATIONAL LABOUR OFFICE
INDIA BRANCH

Industrial and Labour Developments in February 1956.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - FEBRUARY 1956.

11. Political Situation and Administrative Action.

President inaugurates Twelfth Session of Parliament:
Ambitious Second Five-Year Plan to be launched.

The President, Shri Rajendra Prasad, inaugurated on 15 February 1956, the twelfth session of Parliament at a combined session of the Lok Sabha and the Rajya Sabha.

President's address.- In the course of his inaugural address the President stated that the past year had been "one of considerable endeavour and achievement for us, both in the domestic and international sphere".

Reviewing developments in the sphere of foreign affairs, the President expressed concern over the exodus of population from East Pakistan into India, which had lately increased in numbers. This was a human problem of great magnitude and the State of West Bengal, already heavily burdened, had to shoulder this additional burden.

The President referred to the Conference of the countries of Asia and Africa at Bandung at which 29 countries were represented and said that it had been hailed not only as an outstanding event in Asia, but was also recognised as one of world importance. "The Bandung Declaration, which is a historic document and to which the world has paid much attention, commits the participating countries to the outlook and policy on peaceful approach for the solution of all problems and for the furtherance of world peace and co-operation".

Progress of First Five-Year Plan.- The President said: "The period of our first Five-Year Plan will soon come to an end and my Government have been actively engaged in preparing the second Five Year Plan. The success of the first Plan has produced confidence in our people and has laid the foundations for a more rapid growth of the national economy".

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" The targets of the first Plan have been in many cases exceeded and the national income has risen by 18 per cent. Industrial production has increased by 43 per cent and agricultural production by 15 per cent. It is particularly satisfactory that the production of foodgrains has increased by about 20 per cent, even though there have been disastrous floods in North India and cyclones caused havoc in the South of India. I would like to pay a tribute to the work done by Government, and even more so by the people themselves, in repairing the damage caused by these calamities".

Second Five Year Plan.- " Our objective is to establish a socialist pattern of society and, more particularly, to increase the country's productive potential in a way that will make possible progressively faster development. The question of providing more employment is of vital importance. Special stress has been laid on enlarging the public sector and, more especially, on developing basic and machine-making industries. Three new major iron and steel plants and a plant for the manufacture of heavy electrical machinery have been decided upon, it is proposed to carry out mineral surveys on an extensive scale so as to discover and exploit the potential resources of the country.

" With a view to creating employment as well as the production of many types of consumer goods, reliance will be placed on labour-intensive methods of production and, more particularly, village and cottage industries. The Community Projects and the National Extension Service have already produced revolutionary changes in many of our rural areas. These will be continued and expanded and it is hoped, that by the end of the second Plan period, they will cover nearly the whole of our rural area.

" The second Plan is more ambitious than the first Five Year Plan and involves a far greater effort on the part of our people. We have a long way to go before we reach our objective of a socialist pattern of society and the national income has been raised to an adequate level, and there is equal opportunity for all. But we are well set on the road to progress. The basic criterion for determining our lines of advance must always be social gain and the progressive removal of inequalities. We have arrived at one stage of our journey and we are now going to embark upon another and more fateful one.

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" The progress we have made during the past years gives us satisfaction and a sense of self-reliance and hope for the future. But our capacity to progress as well as to make any useful contribution to world peace and co-operation depends upon our economic strength and our unity. It depends on our sense of nationalised and our devotion to the basic ideas and principles which were laid down for us by the Father of the Nation. Without that indomitable sense of national unity and that spirit of dedication to the common cause, which enabled us to achieve independence, we can neither attain progress nor serve the larger causes of the world.

" The targets of the second Five Year Plan include new irrigation of 21 million acres, additional 10 million tons of foodgrains, an increase in power generation by 3.4 million kilowatts, an increase in the production of coal by 23 million tons and as to reach the target of 60 million tons in 1960, an increase by 3.3 million tons of finished steel, 5.2 million tons of cement, and an additional 1.7 million tons of fertilisers. It is expected that as a result of the new schemes, additional employment will be provided for 10 million persons in industry and agriculture."

States' Reorganisation.- The President deplored certain events in some parts of India in connection with States' reorganisation and appealed for tolerance and loyalty to the common heritage and common motherland.

Nationalisation.- The President continued: " As you are aware the old Imperial Bank of India has been converted into a State bank, and my Government, after careful consideration, have decided to nationalise the life insurance business. As a preliminary step and in order to safeguard the interests of the policyholders during the interim period, an Ordinance was issued last month vesting in the Central Government the management of life insurance business. A Bill will soon be placed before Parliament to convert this Ordinance into an Act. I have no doubt that this step will prove to be in the interests of the public as well as of insurance and will be a step towards the socialist ideal we have before us.

" My Government attach importance to the reorganisation of rural economy and to the development of co-operatives, both in agriculture and in small-scale industries. Legislation for the purpose of organising agricultural marketing, processing, warehousing and production through co-operatives will be introduced in Parliament".

(The Statesman, 16 February, 1956).

Shri V.K. Krishna Menon Joins Union Cabinet.

Shri V.K. Krishna Menon, has been appointed, by the President, on the advice of the Prime Minister, as a member of the Union Cabinet. He will be Cabinet Minister without portfolio.

Shri Raj Bahadur, at present Deputy Minister in the Ministry of Communications, has been appointed to be a Minister in the same Ministry.

Shri B.N. Datar, now a Deputy Minister in the Ministry of Home Affairs, also has been appointed as a Minister.

(The Hindustan Times, 4 and 15
February, 1956).

5

Nepal: Distribution of Cabinet Portfolios.

Consequent upon the introduction of popular Government in Nepal recently a Cabinet headed by Shri Tanka Prasad has been sworn in. The names of the members of the Cabinet and their portfolios are given below:-

Shri Tanka Prasad (Prime Minister):- Home Affairs and General Administration;

Shri Chuda Prasad Sarma:- Foreign Affairs and Food and Agriculture;

Shri Ganjman Singh:- Finance and Planning;

Shri Pushupatinath Ghosh:- Public Works, Transport and Communications;

Shri Purendra Vikram Singh:- Defence;

Shri Balchandra Sharma:- Education and Health; and

Shri Anirudh Prasad Singh:- Law and Parliamentary Affairs.

(The Hindustan Times, 30 January 1956).

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Labour Policy during Second Five Year Plan;
Worker Participation through Councils of
Management and Revision of Legislation;
Draft Outline published.

The Planning Commission, Government of India, announced on 10 February 1956, the draft outlines of the Second Five Year Plan, envisaging an outlay of 48,000 million rupees. The main features of the Plan are summarised at pp.50-61 of this report. A review of the Plan's recommendations on labour policy is given below.

In its essentials the labour policy and its approach to industrial relations outlined in the First Five Year Plan will also hold for the period of the Second Plan, although necessarily some changes and adaptation will be needed in view of the determination to achieve a socialistic pattern of society.

Industrial relations. The present trade union legislation needs to be revised with the object of (1) restricting the number of outsiders in the trade unions, (2) giving unions statutory recognition under certain conditions, (3) protecting office-bearers against victimization, and (4) improving the financial base for the trade union movement from within its own resources.

The present provision of the Industrial Disputes Act for enforcing compliance with the terms of awards does not go far enough. Responsibility for enforcing specific performance of an award should be placed on a standing Industrial Tribunal which it should be possible for parties concerned to approach directly.

The Joint Consultative machinery has not yet reached lower levels and works committees are functioning indifferently. Their working needs to be improved in order to make them more effective as vehicles of goodwill which is evident at the top.

Co-Participation in industry. For the successful implementation of the Plan increased association of labour with management is essential. This will improve industrial relations and also promote increase in productivity. It is therefore recommended that in each undertaking there should be a council of management consisting of an equal number of representatives of management and workers.

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Wage Policy.- In view of the fact that the public sector will grow rapidly, in its capacity as employer, the State should set appropriate standards. The management of public undertakings should not seek exemption from laws or ask for concessions not available to the private sector.

A developing economy calls for a wage policy which ensures rising real wages for workers. Such a policy can only be based on increase in productivity, accompanied by a firm assurance to labour that an equitable share will accrue to it.

To implement such a policy, tripartite wage boards are contemplated; in addition, social security measures and the provision of welfare facilities to workers are to be extended.

Payment ~~by~~ results should be encouraged and extended to areas where it does not at present prevail subject to a minimum (fallback) wage, in consultation with workers.

The Employees' Provident Scheme is proposed to be extended to cover industries and commercial establishments not yet included within its scope. The proposal is that industries having a complement of 10,000 workers in the country as a whole and commercial establishments should be covered during the plan period. The rate of contribution is proposed to be enhanced from 6 1/4 to 8 1/3 per cent. The financial aspects of these proposals are under consideration.

For the improvement of working conditions special stress should be laid on the implementation of the existing legislation. In addition, legislation should be undertaken to regulate conditions of work in the construction industry, in transport services, and in shops and commercial establishments. The problem of contract labour should be investigated with a view to affording such protection as may be found feasible. For agricultural workers, measures to improve the conditions of living of agricultural workers and the employment opportunities open to them are a matter which should receive systematic and continuous attention on the part of Central and State Governments and that there should be periodical evaluation of the progress achieved in implementing them.

A welfare fund similar to the welfare funds now provided for coal mines and mica mines should be instituted for the manganese industry. The possibilities of unified administration of such funds should be considered.

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In the field of workers' education, works schools for workers' children and a scheme for training trade union workers should be organised.

The Central Labour Institute, which is now under construction at Bombay, will be expanded under the Second Plan. Industrial health, safety and welfare museums are to be established at Calcutta, Madras and Kanpur.

Under the Second Plan, about 260 million rupees has been allocated for implementing schemes relating to labour. This amount will be spent, *inter alia*, in expanding the training centres under the Ministry of Labour to provide facilities for an additional 20,000 persons per annum as against 10,000 as at present. Arrangements also is to be made for training of 5,000 apprentices per annum in industrial establishments.

As regards employment service, while the employment exchanges will be placed under State Governments, the Centre exercising co-ordinating functions, their number is to be increased from 131 to 256 to cope with the heavy demand on their services likely to arise during the Second Five Year Plan.

Labour Panel Discussions.- The proposals of the draft Plan were based on the conclusions of the Labour Panel of the Planning Commission (vide pp.1-5 of the report of this Office for September 1955). The Panel met on 20 February 1956 to consider the chapter on labour policy in the draft outline and made certain suggestions for inclusion in the final version of the Second Five Year Plan.

The draft chapter was sketchy covering only four pages. The Panel approved at its meeting a more detailed and larger section, retaining the main conclusions. With regard to productivity, the revised draft brought out the view that increase in productivity does not necessarily involve installation of new machinery or more exertions on the part of labour. "Steps like better lay-out of plants, improvement in working conditions and training of workers could ensure increase in output without correspondingly increasing strain on workers and may even give increased output with reduced strain in some cases". The revised draft also drew attention of employers and workers to the bipartite agreement on principles of rationalisation arrived at by the Joint Consultative Board.

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The Panel could not come to an agreed decision on the raising of the rate of contributions to the Employees' Provident Fund from 6 1/4 to 8 1/3 per cent but agreed that a pension scheme in lieu of the existing scheme of Provident Fund may be worked out and placed before the Panel for consideration.

On the question of minimum wages and factors to be taken into account in fixing them, further study was directed. A note prepared by the India Branch Office subsequently, has since been circulated to members of the Panel.

(Minutes of the Meeting of the Labour Panel held on 20 February 1956, received in this Office).

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12. Activities of External Services.

India - February 1956.

Conferences and Meetings.

(a) On 6 February 1956, Mr. V.K.R. Menon, Director of this Office attended the inaugural session of the second conference of the Indian National Commission for U.N.E.S.C.O.

(b) The Director accepted an invitation by the Union Public Service ^{Commission} to serve on the Selection Board for interviewing candidates for the post of Director, Labour Bureau, Ministry of Labour. He attended the meeting of the Board on 22 February 1956.

Lectures.

On 1 February 1956, Mr. Menon addressed the International School of Studies - an institution organised under the auspices of the Indian Council of World Affairs. The subject of Mr. Menon's address was "the International Labour Organisation".

Study Group on Educated Unemployed.

The Study Group on Educated Unemployed of the Planning Commission, of which Mr. Menon is the Chairman, is at present engaged in the preparation of pilot projects, at the direction of the Planning Commission, for schemes recommended by the Group for the educated unemployed.

CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.

INDIA - FEBRUARY 1956.

21. United Nations and Specialised Agencies.

12th Session of E.C.A.F.E., Bangalore, 2 February 1956; Prime Minister Welcomes Proposals for Special Fund to Aid Backward Nation.

The 12th session of the United Nations Economic Commission for Asia and the Far East was held at Bangalore on 2 February 1956. The session was attended by over two hundred delegates and observers from thirty countries. Representatives attended from all ECAFE countries and in a consultative capacity were observers from Canada, Colombia, Czechoslovakia, Hungary, Israel, Poland, Rumania, Yugoslavia - all United Nations members but not members of ECAFE. Also present were observers from United Nations Specialised Agencies and various non-governmental organisations, these included FAO, IBRD, ICAO, ILO, IMF, WHO, ICTIO, UNESCO, ICC, ICFTU, ICA, International Federation of Christian Unions, International Union of Official Travel Organisations, WFTU, WFUNA, World Veterans' Federation and the International Law Association.

Secretary-General's address.- Mr. Dag Hammarskjold, in his address, declared that the growth of ECAFE as one of the U.N.'s regional economic commissions was symbolic of Asia's self-realization and awakening. For the UN, deliberations and actions a fuller sense of reality. The recent Bandung Conference enhanced Asian consciousness of the United Nations and the desire of Asian governments to participate fully in the work of the world organisation. ECAFE was at the same time the UN organ for the Asian region and also the Asian countries' own economic body. ECAFE, said the Secretary-General was uniquely fitted to serve as an instrument of all-Asian economic cooperation.

*an adequate
representation of
Asia was essential
for it gave the UN*

Shri Nehru's speech.- Inaugurating the session, Prime Minister Nehru said that the vast and immense problems confronting the peoples of Asia could not be solved merely by copying the examples of other developed countries of the world. They would have to solve their own problems themselves leaving from others. In his address Shri Nehru touched on some of the great problems affecting the countries of the ECAFE region, like the place of industrialisation, unemployment and under-employment. Referring to aid to under-developed and backward countries, he pleaded for aid without any strings or conditions attached to it. He commended the proposal of the United Nations to establish a Special Fund for Economic Development to give aid to backward nations.

(United Nations Weekly Newsletter,
17 February 1956;
The Hindu, 3 February 1956)

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

India - February 1956.

Ninth Congress of International Society of Sugarcane Technologists, New Delhi, 25 and 26 January 1956.

The ninth Congress of the International Society of Sugarcane Technologists was held at New Delhi on 25 and 26 January 1956. The Conference was attended by delegates from about 20 countries.

Stabilisation of industry under consideration;
Food Minister's speech.- Opening the conference
 Shri A.P. Jain, Union Minister for Food and Agriculture said that the Government of India was considering measures to stabilize the production of sugar and to arrange for a fair return to the cane-grower, and for an equitable distribution of surplus profits between the farmer and the factory.

As regards development plans for the industry Shri Jain said that under the second Five Year Plan it was proposed to increase the production of the sugar industry, which was the second largest industry in India, by over 50 per cent. During the next five years, Shri Jain added, India's "consumption of white sugar is estimated to rise to 2.25 million tons and we have decided to raise our production capacity to 2.5 million tons as against the present capacity of 1.6 million tons in 161 units. We have already issued licences for the establishment of 39 new factories and the expansion of 44 existing units, and more licences are in the process of being issued".

He said: "Sugar industry in India is a fine example of a regulated industry. The price of cane supplied to the factories is fixed by law, after taking into account the cost of production and other relevant factors. The wages and other amenities of labour are regulated by the labour laws of the land. The industrialist is given a reasonable margin of profit and allowance for depreciation and replacement in the determination of the fair sale price of sugar. Any profits in excess of the fair price are equitably distributed between the cane-grower and the factory owner".

He added: "Over a major part of the country, we have developed a network of co-operative societies, which enter into contract with the mills for the supply of adequate quantities of cane and, in their turn, the co-operative societies make contracts with individual growers. Thus, the factory is guaranteed an adequate supply on the one hand and the cane-grower an assured market on the other. We have gone a stage further and more than 50 per cent of the new factories which we have licensed, have been organised on a co-operative basis. This is an important development in our food-processing industries, and the success of the pattern will give us both experience and courage to go ahead."

Shri Jain also referred to the low yield of sugar cane and to the efforts to improve better technological processes in sugar production.

Presidential address.- Shri D.R. Narang in his presidential address emphasised the need for modernising the Indian sugar industry and for reducing the cost of factory machinery.

He said that the convention of sugarcane experts was a unique international gathering for India as it envisaged an era henceforward of intense technological progress in the Indian sugar industry.

(The Hindustan Times, 26 January 1956).

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61st Session of Indian National Congress, Amritsar,
11 and 12 February 1956; Government's Economic
Policy approved.

The sixty-first annual session of the Indian National Congress was held at Shaheed Nagar, Amritsar on 11 and 12 February 1956. Shri U.N. Dheber, President of the Congress, presided.

The session was attended by delegates from all over India including the Prime Minister, Shri Jawaharlal Nehru and many Ministers of the Central and State Governments.

The Congress, among others, adopted a resolution approving the Government's approach, policy and proposals embodied in the Second Five Year Plan. The resolution categorically re-affirmed that as stated in the last session at Avadi, India should strive for a socialist pattern of society. The resolution laid emphasis on the development of basic industries for the purpose of achieving economic independence and on village and small-scale industries to provide greater opportunities for employment.

Presidential address.- Shri Dheber in his presidential address reviewed the many political, social economic and administrative problems before the Congress and the country. He enumerated various steps taken in the country in the last eight years to reduce social and economic disparities like the elimination of the Princely order, the rationalisation of the tax structure in part B and C States, the elimination of zamindari, legislation regulating moneylending, tenancy reforms, estate duty, nationalisation of the Imperial Bank of India, the amendment of the Companies Law Act, nationalisation of life insurance and social legislations like the reform of the Hindu Law. He said "these are only the beginnings".

In the context and conditions of India, a wider measure of reducing disparity in incomes and wealth can only be secured by implementation of deliberate social and economic policies.

The First Five Year Plan, Shri Dheber said had resulted in creating new jobs for three to four million people. But in the same period the strength of the labour force had gone up by an additional eight to nine million people. The second Five Year Plan, as proposed, was likely to create jobs for eight to nine million people both through direct and indirect avenues of employment. It might go beyond that figure by a million. Even so the picture of unemployment at the end of the second Five Year Plan would be more or less the same as at present. "The Government", he added "will do what is practicable and possible. Can we do something more? I think we can do it if we are determined. We can take up bhoodan, village and small-scale industries and the formation of co-operative societies. We can certainly add a bit to the employment potential envisaged in the Plan. But it means creating an aptitude for this kind of work in our workers. We can atleast create an atmosphere in favour of greater and greater production. If we want to face up to our problems, we must now bid goodbye to our comfortable policies and shake off sectional and regional approaches".

Resolutions; Second Five Year Plan approved.- The Congress by a resolution generally approved the Government's policy and gave its support to the Second Five Year Plan.

Moving the resolution Shri Nehru said India's experience in planning was of vital interest to the whole world, for the success of the planning would establish that bloodshed was not necessary for rapid economic advance.

He was confident that the ambitious targets of the second Plan would be fulfilled. That he added, would demolish the last hurdle on the path of India's industrialisation and rapid economic progress.

He pointed out that the task of industrialising the country was difficult and needed much hard labour. It could not be accomplished by slogans. India was willing to learn from any and all countries. But it did not want to initiate any particular one and the path it had chosen was unique to a way and had not been tried before.

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Seconding the resolution Shri Gulzarilal Nanda said, the successful implementation of the second Plan would largely depend upon the public's co-operation; no plan could succeed if that was lacking.

In the first Plan, Shri Nanda said, stress had been laid on the development of agriculture. It was a matter of gratification that food problem had been solved to a great extent and self-sufficiency in this field achieved. In the next Plan, the stress would be on the development of key industries, India could not be economically independent so long as it relied on foreign countries for heavy machinery.

The biggest problem today was that of unemployment. The second Plan was aimed at easing this problem. But with the establishment of more key industries this problem was not going to be solved. Big factories and industries could not employ relatively many people.

It was therefore essential that village and cottage industries were developed. Through these jobs could be given to millions. The Government, he said, was particularly concerned with the problem of educated unemployed.

The second Plan, it was hoped, would increase the national income by 25 per cent. The Plan was to be financed by increased taxation, raising more loans, savings and by tapping those resources which had so far remained unexplored.

After reviewing the achievements of the First Plan the resolution said the second "Plan has to proceed more rapidly towards the solution of the chronic problems of poverty and unemployment and the achievement of a large measure of economic independence.

"For this purpose the rapid progress of industrialisation has become imperative and special stress has to be laid on the development of industry of basic importance", "such as steel, the building of heavy machines, coal and heavy chemicals. The mineral wealth of India remains largely unexplored and unexploited and it is essential to carry out extensive and intensive mineral surveys with a view to exploiting these resources. Planning necessarily depends upon a full knowledge of the available resources. The generation of power and transport facilities have to be co-ordinated with the developments in other fields.

"Far greater opportunities for employment have to be created. While heavy industries and capital-investment undertakings will provide some employment they cannot adequately meet the urgent needs of the country in this respect. For this purpose, therefore, household, village and small-scale industries have a vital role in affording a large volume of employment as well as in the supply of certain essential consumer goods. The decentralised sector of industry, as an integral part of the economic structure, must, therefore be given every help and encouragement to increase its efficiency and perform its tasks effectively. For this purpose, a much wider extension of rural electrification should be undertaken.

"The public sector has to expand rapidly, but the private sector also has to play an important part within the framework of the Plan. The two sectors must be viewed as parts of a single plan, to be worked in co-ordination with each other and not as two independent sectors of our economy. Within the scope indicated for the private sector, encouragement should be given to private initiative and enterprise".

The resolution emphasises that "every effort should be made to increase production, keeping always the social objectives in view. The basic test for determining the lines of advance should be social gain and service of the community and not private profit. Where considered necessary and feasible, there can be joint participation between State and private capital. The public sector should expand to the fullest extent of the country's capacity and the State should, more especially, assume larger responsibilities in regard to industries of strategic importance. The possibility of increasing State trading, wherever possible, should be considered.

"The organisation both of industry and agriculture should be increasingly on a co-operative basis. Industrial co-operatives should be encouraged in decentralised industry. In view of the distribution of land among a larger number of small holders, agrarian co-operatives for various purposes are necessary and should be fully encouraged. It may be desirable to have different types of such agrarian co-operatives to suit different conditions. The programme of land reforms, in which considerable progress has already been made, should be carried forward vigorously, keeping in view especially the problem of landless labour. The system of local administration, particularly through the panchayats should be strengthened. The participation of workers in the administration of the industry should be progressively increased.

"Community Projects and National Extension Services which have already justified themselves completely and have drawn world-wide attention have to be encouraged and spread over the rest of the country. An attempt should be made to cover the entire rural area of the country with these Community Projects and National Extension Services during the period of the Second Five Year Plan".

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It stresses that: "the claims of social justice, both in its individual and regional aspects, should always be kept in view and should be met through changes in economic organisation and suitable administrative and fiscal measures. Existing disparities in income and wealth should be progressively removed. Special attention should, therefore, be paid to removing the disadvantages of the economically backward sections of the people. A socialist structure of society necessarily involves equality of opportunity for all and a progressive equalisation of income. This aim should always be kept in view and the endeavour should be to ensure that the benefits of economic development accrue to the less privileged classes of society and their standard of living rises".

Re-organisation of States.- By another resolution the Congress approved the Government's decisions on the report of the State Re-organisation Committee (vide pp. 1-3 of the report of this Office for January 1956).

(The Statesman, 12 February 1956;
The Hindu, 13 February 1956)

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28. Employers' Organisations.

India - February 1956.

Bengal Chamber of Commerce opens New Labour Department.

A new labour department was created by the Bengal Chamber of Commerce from 1 January 1956. The Chamber has on its membership large sectors of the major industries in North-East India as also commercial concerns which in the aggregate employ thousands of clerical and other office workers.

The function of the new department will be to advise and assist the Chamber's members in all their dealings with labour and to do so not merely when problems or disputes arise but in the ordinary day-to-day conduct of affairs. The department's chief object will be the maintenance of continuously smooth and amicable relations between employers and employed and as the principal means towards that end, it will endeavour to co-ordinate the labour policies of Chamber members and to encourage fair labour standards and practices. A further important advantage which the department hopes to provide will be lie in its ability to elicit and concentrate the experience and opinion of a very wide range of employers and thereby frame, in all matters relating to labour, views which will be based on the best modern practice and the widest possible experience.

(Commerce, 14 January 1958).

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23rd Annual General Meeting of Employers' Federation
of India, Bombay 22 December 1955: President's Address.

The 23rd annual general meeting of the Employers' Federation of India was held at Bombay on 23 December 1955, Shri Homi Mody, President of the Federation presided.

President's address: scaling down of second Five-Year Plan urged.— Shri Mody in the course of his presidential address referred to the second Five Year Plan and said that the Plan envisages an average rate of increase in national income of about 5 per cent per annum, as compared with 3 per cent under the First Five-Year Plan. To secure this, the size of investment in the public and private sectors is proposed to be raised to 56,000 million rupees, of which one-third is to be devoted to industrial development, predominantly in the basic and producer goods industries. How the resources for a Plan of this magnitude are to be obtained is a question of vital importance. In the public sector, the net investment of 34,000 million rupees outlined in the Plan would mean a budgetary expenditure of 43,000 million rupees. Of this amount, additional taxation, compulsory savings and higher profits from Government enterprises might bring in 8,000 million rupees, loans and small savings 10,000 million rupees and foreign assistance 4,000 million rupees, leaving a gap of 12,000 million rupees to be bridged by deficit financing.

Shri Mody said that it was very doubtful whether the estimates of the resources presented in the draft proposals could be realised. The great bulk of the increase in income which was postulated would accrue to small farmers, agricultural labourers, persons engaged in cottage industries and the like, where the incidence of tax would be small and the receipts were not likely to produce any sizable addition to the revenue. Similarly, even if the tax system was provided with adequate "depth and range", as recommended by the Taxation Enquiry Commission, and rates of direct and indirect taxes were stepped up, and a large number of commodities essential for consumption, which were at present exempt, were subjected to tax by amending the Constitution, the collection from additional taxation was likely to fall short of the estimates by a large margin. He added that the Union Finance Minister at an informal meeting recently had calculated that the resources which the public sector would be able to secure, after implementing the recommendations of the Taxation Enquiry Commission, would not exceed 35,000 million rupees. This calculation provided for deficit financing to the extent of 10,000 million rupees.

It may be assumed, therefore, that for financing a Plan which involved an investment in excess of 35,000 million rupees - the latest proposals seemed to be ruming in the direction of as much as 48,000 million rupees - the burden of taxation would have to be even higher than that recommended by the Commission, and larger amounts would have to be raised through borrowing and budgetary deficits. So far as deficit financing was concerned, to a certain extent it would be inevitable under present conditions, but if rampant inflation was to be avoided, either the volume of consumption goods produced would have to be substantially increased, or drastic controls on consumption would have to be imposed, creating considerable hardship to every section of the people.

Shri Mody emphasised that the targets set out ^{could} ~~cannot~~ be attained without vitally affecting the economy of the country. He therefore urged that either the Plan should be scaled down or the targets be extended over a somewhat longer period. Pleading for a gradualness in the process of transforming our age-old economy Shri Mody said "Penal taxation, ever widening controls and consumption curbs might make for an imposing Plan, but their social and economic consequences cannot possibly be ignored. Apart from other considerations, controlled economy can be carried to a length which might seriously jeopardise individual freedom, which is one of the most cherished possessions of a democratic society".

Role of private sector.- Referring to the private sector Shri Mody said that he would like to make a plea for a more whole-hearted recognition of the role of the private sector, where the necessary organisational set-up and managerial and technical experience already existed. Industrial production during the First Plan had gone up by nearly 50 per cent and the minor role assigned to the private sector in second Plan was neither in keeping with the objective of a mixed economy, nor in the interest of the fulfilment of the Plan itself. Free enterprise should also have the tools necessary for its expansion, and taxation should not be maintained at a level which would leave a very small margin of saving to finance its growing activities. It was against all human experience to seek to stifle the incentive to work and to save in order to achieve the ends of social justice and equality of opportunity. India had gone a long way in a very short space of time towards the establishment of a just social order. Drastic solutions, wholly unsuited to the conditions of the country and incompatible with the maintenance of a free society, could usher in the millennium; they could only result in a serious impairment of the foundations of the progress already made.

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Labour's Association with Management.- As regards the question of associating labour with the management of industrial undertakings, Shri Mody said that the no one could deny the need for a closer association of workers with management in the task of production. But the proposal to nominate technicians and workers on the Board of Directors of companies was, to say the least, altogether premature. It could only be the end product of a long process of association. In this connection Shri Mody suggested that Production Councils could be instituted. He was confident that such Councils, if worked in the right spirit, would go a long way towards ensuring greater efficiency and harmony, to the good of all who were engaged in the tasks of production.

Office-bearers.- Shri H.P. Mody was re-elected President for the year 1956.

(Proceedings of the Meeting received
from the Employers' Federation of India).

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29. International Co-operation.

India - February 1956.

Reorganisation of Secondary Education: Assistance Agreement with U.S.A. signed.

Technical assistance and instruction equipment and supplies to assist in the programme to reorganise and strengthen secondary education in India will be available under the terms of an agreement signed between the Government of India and the U.S. Technical Co-operation Mission. The agreement will operate for a period of three years - 1956 to 1959.

Assistance under the project will be primarily focused on strengthening the education of secondary school teachers in India in the pre-service and in-service levels. The Ministry of Education will be responsible for the general supervision and administration of the project.

It is proposed to include in the programme 54 training institutions for secondary school teachers, 24 of which will be included during the year ending 31 March 1956, and the balance during the year ending 31 March 1957.

It is proposed under this project to enter into an arrangement with the University of Texas or some other American University, under which it will furnish four technical experts who will be specialists in teaching of special studies, general science and vocational subjects and in curriculum construction and evaluation.

The total estimated joint cost of the project is \$ 1,206,900 which will be met by the International Co-operation Administration. The Government of India's contribution will be 2,041,000 rupees.

(The Statesman, 15 February 1956)

CHAPTER 3. ECONOMIC QUESTIONS.

INDIA - FEBRUARY 1956.

32. Public Finance and Fiscal Policy.

Central Budget for 1956-57 presented; Uncovered Revenue Deficit of 176.8 Million Rupees; Taxes on Bonus Shares and Income of Corporations: 3160 Million Rupees Capital expenditure proposed.

Shri C.D. Deshmukh, Union Finance Minister, presented the Central Government's budget for the year 1956-57 to the Lok Sabha on 29 February 1956*.

In accordance with normal practice, the Finance Minister's address on the budget contained a review of the economic condition of India during the year as well as the details of the budget for 1956-57.

The budget, which is for the first year of the second Five Year Plan, estimates a total revenue, at existing levels of taxation, of 4936 million rupees and an expenditure of 5454.3 million rupees. Certain measures of taxation have been proposed which are expected to reduce the deficit by 341.5 million rupees, leaving an uncovered deficit of 176.8 million rupees on revenue account.

* Government of India. Budget 1956-57. Finance Minister's Speech, pp.38.

The capital expenditure for the year amounts to 3167 million rupees including outlay on railways.

The Finance Minister reported a favourable economic climate for embarking upon the second Five Year Plan.

The following table shows the main features of the budget for 1956-57:-

	REVENUE		
	(In Million of Rupees)		
	Budget 1955-56	Revised 1955-56	Budget 1956-57
Customs	1645.0	1650.0	1500.0
Union Excise Duties	1322.7	1400.0	1454.5
Corporation Tax	397.7	398.4	418.4
Taxes on Income other than Corporation Tax.	769.6	787.0	848.1
Estate Duty	2.1	1.5	1.8
Opium	20.0	22.7	21.0
Interest	29.1	42.2	54.9
Civil Administration	105.4	142.1	110.6
Currency and Mint	231.8	231.3	236.7
Civil Works	19.0	23.8	23.9
Other Sources of Revenue	204.9	233.5	193.9
Posts and Telegraphs - Net contribution general revenues	7.0	22.7	6.5
Railways - Net contribution to general revenues	61.5	61.7	65.7
TOTAL REVENUE	4815.8	5016.7	4936.0
			341.5* Plus
EXPENDITURE			
Direct Demands on Revenue	531.3	330.8	371.5
Irrigation	1.3	1.2	0.5
Debt Services	392.0	378.5	355.0
Civil Administration	1117.6	1054.1	1359.1
Currency and Mint	33.6	35.1	37.6
Civil Works and Miscellaneous Public Improvements	163.3	149.5	159.0
Pensions	91.3	89.8	88.4
Miscellaneous -			
Expenditure on Displaced persons	103.7	246.2	214.2
Other Expenditure	237.2	266.2	302.3
Grants to States, etc.	359.3	357.9	380.0
Extraordinary Items	131.9	133.6	147.0
Defence Service (Net)	2026.8	1850.7	2039.7
TOTAL EXPENDITURE	4989.3	4893.6	5454.3
Surplus (Plus)			
Deficit (Minus)	(M) 173.5	(P) 123.1	(M) 176.8

*Effect of Budget Proposals. (M) Minus and (P) Plus.

A summary of Shri Deshmukh's budget speech is given below:-

Second Five Year Plan.- The first Five Year Plan will by the end of the current year, have been fulfilled generally to a satisfactory extent, thanks to the response of the people of the country and in addition external assistance. The present budget relates to the first year of the second Five Year Plan, a draft outline of which has already been published (vide pp. 50-61 of this report). The Plan envisages a total outlay of 48000 million rupees on development and investment in the Public sector. It has not been possible to satisfy all the pressing demands from the Central Ministries and from the States. "I can only say that, considering all the circumstances, a Plan of 48000 million rupees, with possibilities of unavoidable marginal increases, and corresponding financial resources not fully within sight, is in my opinion (which is shared by most of the leading economists of the country) about the utmost that the country can, with realism, adopt".

The Second Five Year Plan is a bolder step forward in the direction of developing the economy. It involves an increase in the rate of investment from the present level of about 7 per cent of national income to something like 12 per cent. This order of effort is feasible only if the necessary restraint in the matter of consumption is forthcoming on the part of all sections of the community, each according to its capacity. With a rising national income keeping ahead of the growth in population there need be no question of a reduction in the existing average living standard. This has to rise. That is the very object of planning. Nevertheless, there is in the short term a choice between an increase in consumption and an increase in investment which would bring in larger returns in the future. To the extent that a plan succeeds in drawing upon unutilised resources, it makes possible a simultaneous increase in the production of investment goods as well as consumption goods. It is not necessary, therefore, in an underdeveloped economy to regard an all round reduction in consumption as a condition precedent to an increase in investment, although it is possible that the current consumption standards of the more fortunate sections of the Community will be unfavourably affected. There is, all the same, need for relative restraint, difficult as this is in a country which starts with exceedingly low levels of consumption and fiscal policy has to be geared to this objective. Whatever the rise in money incomes, the community's expenditure on consumption must be limited to the level which buys of currently available supplies of consumer goods at more or less constant prices. It has, however, to be stressed that a plan of the dimensions proposed will require the utmost effort by way of mobilising the resources needed.

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The financial resources obtained from abroad can only help within limits and at the margins. This help is, undoubtedly, of great significance and value, and it is most welcome; however, the bulk of the effort has to come from within the country. In this context a progressive tax system, that is, a system which augments tax resources proportionately or more than proportionately to the increase in national income has an important role to play. It is important also to encourage and mobilise the savings of the community with far more intensive official and non-official efforts than have hitherto been made. As both these can only be achieved progressively, the implementation of the Plan has to be phased with care.

Review of Economic Conditions; industrial and agricultural production.- A feasible appraisal of economic conditions, difficult as it is, justifies the belief that the country is embarking upon the second Five year Plan in a reasonably favourable economic climate. In retrospect it seems clear that economic conditions in the country changed for the better in 1953 and 1954 and the Indian economy achieved even greater strength and vigour in the course of 1955. The decline in agricultural prices which set in after August 1953, was halted by May 1955, and over the remaining part of the year an upward trend was registered. In most industries production reached significantly higher levels, and, aided by favourable factors, the performance in regard to agricultural production was satisfactory. The rate of planned outlay was stepped up considerably without apparently releasing inflationary pressure. Aggregate demand and supply tend to balance at a higher level. The slack in the economy which came into evidence after the collapse of the Korean boom has virtually disappeared. The First Plan has thus strengthened the economy a great deal and the stage is now set for more rapid development.

In 1954-55 the overall index of agricultural production reached 113.9, almost on level with the preceding year when it had touched the record figure of 114.1. The output of foodgrains during the year amounted to 65.8 million tons, which, though a little lower than in the previous year, was yet in excess of the Plan target by just over 4 million tons. The easy supply position of foodgrains enabled the Government to remove the last remnant of controls on 18 March 1955, when the inter-zonal restrictions on movement of wheat were removed. The general crop prospects for 1955-56 are considered to be satisfactory.

The production of commercial crops, showed further improvement in the current year. Oilseeds output at 5.9 million tons and raw cotton at 4.3 million bales have exceeded their targets under the First Five Year Plan by 0.4 million tons and about 0.1 million bales respectively. The production of sugar touched the record level of 1.59 million tons as compared to 1.001 million tons in 1953-54, while that of jute, which remained depressed during the last two years, has shown a significant increase of about 1.2 million bales during the 1955-56 season as compared to the last.

The upward trend in industrial production has persisted through 1955. A revised index of industrial production is now available. The new series has a larger coverage - 88 items as against 35 items in the old interim index. According to this series the index of industrial production (1951 = 100) for the first 10 months of 1955 works out at 125.7 as against 112.9 for the whole of 1954. This represents an increase of some 11 per cent over the preceding year. This increase in production was shared by almost all the important industries. The output of finished steel at 1.26 million tons was higher than the record of 1.243 million tons achieved in 1954. The production of mill cloth which stood at 5,087 million yards in 1955, was 89 million yards higher than the production of 1954 and exceeded the target fixed under the First Five Year Plan by 387 million yards. The production of handloom cloth has also increased considerably during the year and at 1,450 million yards was the highest since Independence. Cement production during the year reached 4.5 million tons, again the highest since 1947. In jute, chemicals and paper too, the performances were high. Considerable strides have also been made by the engineering industry.

Special steps are being taken to plan and execute large scale development of the chemical industry in diverse fields. Manufacture of paper and pulp from bagasse is under investigation. An expert committee has recently been appointed to go into the question of existing capacity for the manufacture of different types of machine tools and to recommend measures required for the rapid development of this basic industry. The National Industrial Development Corporation has in hand a number of projects including the establishment of heavy foundries, forges and gear-cutting and structural fabrication shops. These will lay the foundations of the heavy machine-making industries. The two major producers of steel have undertaken substantial expansion of their capacity which will relieve the shortage of steel during the Second Five Year Plan. Licences have also been given during the year to raise cement output to 11.59 million tons in the next five years.

Special measures were taken during the year for the promotion and development of small industries. A National Small Industries Corporation has been set up and four regional Small Industries Service Institutes opened. A number of schemes for the development of various small industries in co-operation with the State Governments have been approved. The development of the Khadi and village industries and handicrafts continued to receive systematic assistance from Government through grants and loans to the respective Boards and State Governments.

Industrial enterprises in the public sector have also advanced to higher levels of performance. The Sindri Fertiliser Factory has exceeded the planned target by producing 322,000 tons of ammonium sulphate during 1955. The Hindustan Cable Factory which began production in September 1954, has stepped up its output considerably and during the current year is expected to exceed the target of production of 470 miles of cables per annum envisaged for this factory. The Penicillin Factory started working in 1954 and has already left far behind the planned target of manufacture of 4.8 million mega units. The Machine Tool Factory at Bangalore and the Integral Coach Factory at Perambur have commenced production.

Government had decided to increase the production capacity of the D.D.T. factory in Delhi, which commenced production only in 1955 to 1,400 tons and also to set up a second factory in Travancore-Cochin with a similar capacity. Among the more important new projects that will be taken up during the coming year is the setting up of a Heavy Electrical Equipment Factory in the public sector for the manufacture of electric generators, transformers, switch gears, turbines for river valley projects and traction equipment for railways. During the year a Ministry of Iron and Steel to deal exclusively with the setting up of steel plants in the public sector has been set up. The final project report for the first of the three steel plants which it has been decided to set up, viz., that at Rourkela, has recently been approved and work at site is progressing satisfactorily.

Prices.- The downward trend in wholesale prices which began in 1953 and gathered momentum in 1954, was halted by May 1955 when the wholesale price index reached a low of 342. Since then the index has been rising continuously and in December 1955 it reached 368.4 more or less on par with the level in December 1954. The prices of food articles advanced from 276.1 in May to 323.7 in December and of industrial raw materials from 396.4 to 438.3. On the other hand prices of manufactured articles remained virtually unchanged over the year. The fact that prices in general did not record any net rise over the year as a whole is significant in the context of the considerable expansion that has occurred in money supply with the public which recorded a rise of about 2000 millions or 11 per cent during 1955 as against a rise of about 1200 millions in 1954.

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The movement of wholesale prices is reflected in the cost of living. The all-India index of cost of living moved down from 97 in December 1954 to 92 in May 1955, mainly due to a fall of about 7 per cent in the food index. By October 1955, the general index had again moved up to 97. Later figures indicate that cost of living indices have moved up in the last quarter of the year, in keeping with the general trend of wholesale prices. The average level for 1955 as a whole, however, is lower than that for 1954.

Government took several measures to arrest the downward trend of agricultural prices which caused some anxiety early last year. Experience has shown that measures for imparting relative stability to agricultural prices cannot be fully effective without properly organised and integrated facilities for credit and marketing. Accordingly, in the light of the findings of the Rural Credit Survey Committee, an integrated programme of co-operative development covering all important aspects of rural economic life, viz., credit, marketing, processing and warehousing and storage has been formulated. The main features of this programme are the participation of the States in the share capital of the co-operative institutions at all levels, re-organisation of the agricultural credit structure with larger organised primary units and strong Central and ~~strong Central~~ and Apex Banks, organisation of marketing societies closely linked with credit co-operatives, establishment of warehouses and provision of better storage facilities to co-operatives and the setting up of institutes or schools for the training of co-operative personnel. The Government and the Reserve Bank have already implemented a number of recommendations of the Rural Credit Survey Committee in this respect. Thus the Imperial Bank of India has already been converted into the State Bank of India and the Reserve Bank of India Act has been amended so as to enable them to expand and augment credit facilities in rural areas. Only with progressive implementation of the Committee's recommendations will the requisite institutional framework for an effective application of policies in relation to agriculture be established.

Employment situation.— Notwithstanding the progress achieved in different sectors of the economy, the employment situation in the country remains a matter of concern. Several ad hoc employment surveys in different parts of the country have been carried out, but they cannot easily be used to assess the overall situation or assist in formulating policies and plans for meeting it. The measure of unemployment and under-employment in an undeveloped economy presents difficult problems of definition and procedure. The Central Statistical Organisation and the National Sample Survey have been devoting some attention to these problems, but it will be some time before comparable and comprehensive data on a continuing basis become available.

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Meanwhile, from the rather inadequate data furnished by the employment figures, it would appear that unemployment in the urban areas is increasing. The number of persons on the live registers at the various Employment Exchanges rose from 0.61 million at the beginning of the year to 0.692 million at the end, i.e., by about 13 per cent. This increase in registrations may however be due in part at any rate to greater tendency or readiness to register, as in part it is also due to some movement of people from rural to urban areas. However that may be, the need for stepping up the pace of development and for diversifying the economic structure of the country is obvious.

Balance of payments.- The country's balance of payments on current account for the first nine months of 1955 showed a surplus of about 350 million rupees as compared with a deficit of 40 million rupees in the previous year. ^{Due} ~~One~~ very largely to the great increase in food production, as well as foreign aid, the total reduction in the sterling balances during these five years has been about 1500 million rupees only. The dollar position has also improved; during the first three quarters of 1955 there was a substantial surplus on current account of 310 million rupees as against 30 million rupees in the corresponding period of 1954. As a result of the improvement in the dollar balance of payments, India made a net contribution of 53 million dollars to the Central Reserve in 1955 as compared with a net withdrawal of 15 million dollars in 1954. The improvement in the payments position was achieved at a higher level of trade than in the preceding year. The total value of imports during 1955 was higher by 280 million rupees as compared with 1954. Exports recorded an even larger increase, the actual figure being 410 million rupees. Of the items which have contributed to the general increase in exports, special mention may be made of vegetable oils, jute manufactures, raw cotton and shellac. Despite the satisfactory payments position at present, the projected increase in the pace of development in the country will necessarily put a heavy strain on our payments position in future. Government is taking active measures to promote exports through Export Promotion Councils and Commodity Boards; institution of an Export Credit Guarantee Scheme is also under consideration. In spite of all this, there is little doubt that, if the Second Five Year Plan proceeds according to schedule, not only shall the country not be able to achieve any surplus in external accounts but is also likely to be faced with fairly substantial deficits. These deficits may be greater than they otherwise would have been because of certain adverse factors. Tea prices have fallen and export trade in our other major items, jute and cotton textiles, is becoming increasingly competitive. Therefore urgent and effective steps to modernise and nationalise these industries, so as to make them capable of withstanding foreign competition are required.

External Aid.- No loan has been taken from the International Bank for Reconstruction and Development during the year. India continued to receive economic assistance from friendly countries, mainly from the U.S.A., Australia and New Zealand. The total amount of foreign aid estimated to be utilised from April 1951 to March 1956, is of the order of 2000 million rupees, the total authorisation of funds so far being 3000 million rupees. In the course of 1956-57, the value of external assistance expected to be received by India under the Colombo Plan, including assistance from the U.S.A. is expected to amount 750 million rupees, while the country will be spending approximately 15 million rupees on aid to other countries. India will also be receiving from the Government of the USSR a credit equivalent of about 100 million rupees during the year in respect of the supply of paint and equipment for the Bhilai Steel Project.

The Government of India has continued, as in the past to maintain their close economic link with the Sterling Area. The traditional policy of co-operation with the neighbouring countries was continued. The main features in this regard are the resolutions on economic matters passed at the Asian-African Conference in April 1955 and a loan of 200 million rupees to the Government of Burma.

To sum up, this review of the last year of the first Five Year Plan shows how far the country has progressed during the period covered by it. What has been achieved in the past few years gives reason for hope that given the will and determination to put up with the necessary sacrifices, the further progress of the country can be assured. The spell of stagnation has been broken. Total national income over the First Five Year Plan period will have increased by some 18 percent as against the 11 per cent increase envisaged in the Plan. The productive capacity of the economy has been significantly enlarged. And these results have been achieved consistently with the maintenance of economic and financial stability. In the course of the First Plan, there have been inflationary or deflationary forces in evidence from time to time, but on the eve of the Second Plan, the situation is more or less one of balance, with slight pressures which, if not kept under observation and check, might in the context of the greatly increased rates of further expenditure contemplated hereafter become inflationary.

Financial year 1955-56.- On the basis of the latest available information, it is expected that the year will close with a surplus of 123.1 million rupees, as against a deficit of 173.5 million rupees anticipated in budget for the previous year. This improvement is due to a rise in revenue of 200.9 million rupees and a shortfall in expenditure of 95.7 million rupees. The revenue from Customs is now taken at 1650 million rupees which is almost the same as the budget figure of 1645 million rupees, inspite of the fact that during the year a number of export duties were abolished or reduced in the interest of export trade.

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Thus the duties on jute manufactures, black pepper, coffee, and iron and steel manufactures were abolished while the duties on oils and oil cakes, raw cotton etc., were reduced. The average rate of the export duty on tea was also less than the rate of 10 annas per pound assumed in the budget. The net result has been a reduction of 110 million rupees in the revenue from export duties. This reduction however has been offset by an equal improvement in the import duties on various items, such as motor spirit, machinery and iron and steel. Union excise duties are now estimated to yield 1400 million rupees against 1322.7 million rupees taken in the budget. Of the improvement of about 80 million rupees, petrol and kerosene oil account for 10 million rupees, cloth 20 million rupees, sugar 17.5 million rupees and the new excise duties introduced in the last budget 20 million rupees. For revenue from income tax, the budget figure of 1737 million rupees has been repeated. The estate duty collections are now estimated at 20 million rupees only against the budget estimate of 30 million rupees, but this revenue accrues almost entirely to the States and the reduction does not affect the Central Budget. The revenue from Posts and Telegraphs is expected to increase from the budget estimate of 7 million rupees to 22.7 million rupees as a result of better traffic; the share of States in income tax is now placed at 551.6 million rupees against the budget figure of 569.7 million rupees; there is a formal increase of 112 million rupees on account of sale proceeds of evacuee property which is offset by a corresponding transfer to the compensation pool on the expenditure side; and other heads show a fall of 26.4 million rupees representing largely a throw-forward to the next year of a part of the profits from the sale of sugar imported on Government account. The expenditure this year is now estimated at 4893.6 million rupees of which civil expenditure will amount to 3042.9 million rupees and expenditure on Defence Services to 1850.7 million rupees.

Financial year 1956-57.— For the coming year, revenue, on the basis of existing taxation, is estimated at 4936 million rupees and expenditure at 5454.3 million rupees, leaving a deficit of 518.3 million rupees on revenue account. The revenue from Customs next year has been placed at 1500 million rupees against the current year's revised estimates of 1650 million rupees. The drop of 150 million rupees is due, firstly, to the full year's effect of the abolition of export duties made this year; secondly, to the cessation of imports of sugar and, thirdly, to a similar reduction in the imports of motor spirit as a result of increase in indigenous production. The yield from Union excise duties is taken at 1454.5 million rupees as compared with the current year's revised estimates of 1400 million rupees, the increase being largely due to an improvement of 40 million rupees in motor spirit and of 12 million rupees in tobacco. Under income tax, the revenue next year is placed at 1800 million rupees, an increase of 63 million rupees over the current year's revised estimates.

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The revenue from Posts and Telegraphs is estimated at 6.5 million rupees only against 22.7 million rupees this year. The dividend payable By Railways next year is estimated at 396.6 million rupees, an increase of 35 million rupees over the current year's revised estimate. Of this amount 330.9 million rupees will represent the interest element taken in reduction of the interest payments on the expenditure side and the balance as contribution to revenue. The estimate of Estate Duty collections next year is 25 million rupees, most of which will accrue to the States. Sale proceeds of evacuee property will drop by 62 million rupees, but this, as explained earlier, will have no net effect on the revenue budget. The only other item which needs mention is the share of income tax payable to States which will amount to 533.5 million rupees as compared with 551.6 million rupees, the reduction being due to adjustments of over-payments made in the previous year.

2 The total expenditure of 5454.3 million rupees during the next year of which 2039.7 million rupees will be on Defence Services and 3414.6 million rupees under civil heads. The estimates of Defence Services show an increase of 189.0 million rupees over the revised estimates of the current year. The increase is mainly due to the normal expansion of the Navy and Air Force.

Civil expenditure next year shows an increase of 433.7 million rupees, exclusive of the self-balancing item in respect of evacuee property mentioned earlier. The bulk of the increase is on account of the rising tempo of development expenditure. The total expenditure on nation-building and development services under civil administration, excluding 36 million rupees transferred from other heads, amounts to about 920 million rupees as compared with 690 million rupees during the current year. Provision for education increases by 64 million rupees to 216 million rupees which includes 104 million rupees for grants to States for basic, social and secondary education, 35 million rupees for University Grants Commission, and 15 million rupees for scholarships to students of scheduled castes, scheduled tribes and other backward classes. For expenditure on medical and public health an additional sum of 40 million rupees has been provided; agricultural and allied services will cost 40 million rupees more, and, similarly, development of village and small-scale industries 13 million rupees more. Provision for scientific research has been increased by 20 million rupees and for coal and mineral prospecting by about 10 million rupees. For development of khadi and handloom industries a total provision of 61 million rupees has been made in the revenue budget; this will be met from the fund created out of the special cess on mill-made cloth.

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In addition to this increase of 230 million rupees, the provision for community development and National Extension Service has been raised by 14 million rupees to 120 million rupees; and that for the welfare of scheduled tribes, scheduled castes and backward classes by 34 million rupees to 102 million rupees. The grant to the Central Social Welfare Board and expenditure on social and moral hygiene will cost 16 million rupees more. Other increases are 5 million rupees for grants to States for primary education under the Finance Commission's Award and 18 million rupees for expenditure on forest development.

Of the rest of the increase in Civil expenditure, a sum of 27 million rupees represents additional expenditure on displaced persons due largely to the continued influx from East Bengal, and 14 million rupees on elections, the balance being the net result of variations under other items.

Capital expenditure.— The current year's budget provided for a capital expenditure of 2233 million rupees. This was inclusive of 290 million rupees for State trading schemes, mostly in regard to foodgrains. These schemes are now estimated to yield a net credit of 110 million rupees owing largely to reduced imports of wheat and sugar. Capital outlay in respect of Railways is now expected to be 720 million rupees against the budget figure of 660 million rupees, but this increase has been more than offset by a shortfall in expenditure under a number of other heads. Thus cash compensation to displaced persons shows a saving of 60 million rupees in the budget provision of 150 million rupees. The revised estimates of capital outlay for the current year now stand at 1700 million rupees.

For the next year, capital expenditure is estimated at 3167 million rupees including 95 million rupees for Government trading schemes, mostly for normal purchases for the central reserve of foodgrains. Provision for the capital outlay of Railways amounts to 1150 million rupees against 720 million rupees in the current year. Provision for the three steel plants at Rourkela, Bhilai and Durgapur amounts to 440 million rupees. A provision of 50 million rupees has been made for investment in the Life Insurance Corporation which is being set up following the decision to nationalise the insurance. Cash compensation to displaced persons is estimated at 200 million rupees. There is also an increase of 60 million rupees on the capital outlay on Defence next year. In addition to the provision for capital outlay, the estimates include against the original Budget provision of 3550 million rupees for the current year, a revised figure of 3270 million rupees this year for loans to State Governments and others, mostly for the execution of projects in the Plan. The provision made for the next year on this account is 3860 million rupees.

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States' resources for the Plan.- It is of great importance that the revenue budgets of the States, as, indeed of the Centre, should be balanced. While it is reasonable to borrow for investment outlay and for a time even some measure of deficit financing may be necessary for financing such outlay, ordinary prudence demands that current expenditure should be met by taxation. Capital expenditure has also to be phased so that it corresponds to the results of special efforts to increase resources for development. The States have been advised to bear these considerations in mind in framing their budget estimates for 1956-57. Some measure of relief to the revenue budget of most of the States may result from a re-classification of expenditure between revenue and capital. After consultation with the Comptroller and Auditor General and, with a view both to uniformity and also because of the large and abnormal expenditure necessitated by the Plan, the Central Government has suggested to the States that certain items of expenditure might appropriately be transferred from revenue to capital, as for example, expenditure on permanent assets of a concrete nature costing 20,000 rupees and over. The Centre has also been able to make grants to the States over and above the transfer of resources which it had to make as a result of the last Finance Commission's Award, but the Centre's ability to make such grants is conditioned by its own revenue position. The year 1956-57 will be the last of the quinquennium covered by the Award of the first Finance Commission. How far the Centre can continue or increase the present scale of assistance to the States will depend on the Award of the next Finance Commission, which will be set up shortly.

Ways and means.- The current year's budget provided for an overall deficit of 3270 million rupees to be met by expansion of treasury bills. On the basis of the revised estimates, the overall deficit is now expected at 2220 million rupees. As the opening balance of the year was about 180 million rupees less than the minimum of 500 million rupees the expansion of treasury bills will amount to about 2400 million rupees. Unlike the previous year when a combined loan was floated to cover the requirements of both the Central Government and the State Governments, this year the normal procedure of separate loans by the Centre and the States was followed. The Central Government floated a 10-year loan, the 3 1/2 percent National Plan Bonds - Second Series. This loan which was for 1000 million rupees was fully subscribed, the amount accepted being 1037 million rupees. Small savings have shown substantial improvement, the collections now expected being 650 million rupees against 520 million rupees in the budget. While the response so far has been encouraging, the task set for the next Plan is much bigger. The Draft Outline of the Plan expects small savings are to yield 5000 million rupees during the next Plan, which is more than double the target for the current Plan. Government has been taking various steps to intensify the Small Savings movement, particularly in the rural areas and among women.

The improvement in the Ways and Means position this year is due largely to the surplus in the revenue account and the savings in the capital expenditure and loans to State Governments and others. Foreign aid this year is now expected to amount to about 560 million rupees against 740 million rupees in the budget, but this has been more than offset by improvement in other heads. Two loans which fell due for repayment this year were duly repaid, the amount involved being 690 million rupees.

The overall deficit next year is estimated at about 3900 million rupees. This follows the larger provision for development expenditure in the revenue and capital budgets. Credit has been taken for a new loan of 1000 million rupees next year. Small Savings next year may amount to 700 million rupees and foreign aid 850 million rupees. There is no loan maturity next year. Allowing for other miscellaneous transactions under Debt and Remittance heads, it will be necessary, on these estimates, to expand treasury bills by 3900 million rupees to cover the overall deficit.

To sum up, the Ways and Means position for the coming year, the Government needs 520 million rupees for meeting the revenue deficit and 7030 million rupees for financing the capital outlay and loan requirements of State Governments and others. Against this, it hopes to raise 1000 million rupees from the market loan and 700 million rupees from small savings. Foreign aid expected next year amounts to 850 million rupees and other miscellaneous debt and remittance transactions may bring in 1100 million rupees. This will leave a gap of about 3900 million rupees in the available resources to balance the budget.

Taxation proposals.- On the basis of the principle that current expenditure should as far as possible be met from current taxation, certain taxation measures are proposed to cover the gap on revenue account substantially.

Customs duties.- In regard to import duties, a number of minor changes are being made, for example the customs duty on liquid gold for glassmaking is being increased from 31 1/4 per cent to 62 1/2 per cent and on flashlights and flashlight cases to 50 per cent from 39 3/8 per cent. The net effect of these proposals will be an addition to revenue of about 10 million rupees.

As export duties, the only change proposed is affording relief to tea industry by reducing the export duty on tea in the price range between 5 rupees 4 annas and 4 rupees for pound by two annas per pound. The loss of revenue on this account is expected to be 10 million rupees.

Union Excise duties.- The rate of excise duty on cotton fabrics, except dhotis and saris in the coarse category is to be increased by six pies per sq. yard. A new excise duty of four annas per gallon is to be levied on high speed diesel oil and vaporizing oil, and 30 rupees and 15 rupees per ton respectively on other diesel oils and furnace oils. A new excise duty of six pies per pound on vegetable non-essential oils and minor increases in the duties on soap, strawboard and art silk fabrics are also proposed. The net additional revenue from the changes in excise duties will amount to 250 million rupees, including 145 million rupees from the duty on cotton textiles.

Income-tax.- The only change proposed on the income-tax is a slight increase in super tax payable on incomes above 70,000 rupees. The highest slab will be 91.9 per cent on incomes above 150,000 rupees. The extra revenue on this account will be about 10 million rupees. Besides registered firms with incomes above 40,000 rupees will pay a tax of nine pies per rupee up to 75,000 rupees, one anna up to 150,000 rupees and one anna and six pies for above that figure. The net addition in this case also would be 10 million rupees.

The next proposal is in regard to the tax on corporations, which accounts for nearly half the total revenue from direct taxation. Three changes are proposed to be made: first, to withdraw the rebate of one anna at present given to non-Section 23-A companies in respect of undistributed profits; secondly, to impose, in addition to existing super tax, a super tax at a graduated rate on dividends above 6 per cent, the rate being two annas when the dividend distributed was in excess of 6 per cent but up to 10 per cent and three annas on distributions above 10 per cent; and lastly, a tax of two annas on bonus issues. The net effect of these changes in corporate taxation will be an increase in revenue of 80 million rupees.

Change in postal rates.- The last proposal is a change in the postal rates calculated to meet the loss in running the postal and telegraph services. The measures envisaged are an increase in postal registration fees by two annas and an increase in the minimum charges for ordinary inland telegrams by one anna and express inland telegrams by two annas. The additional revenue expected from these revenues is 9.5 million rupees.

Net effects of the proposals.- The net effect of the proposals may now be summarised. The changes in customs duties will not have any net effect on revenue. The new and increased excise duties will yield 250 million rupees. Changes in income tax will result in an additional revenue of 100 million rupees of which the States' share will amount to 18 million rupees, and changes in postal rates will yield 9.5 million rupees. In the result, Central revenues will increase by 341.5 million rupees. The taxation proposals will still leave a deficit of 176.8 million rupees on revenue account. This is a large amount, but unforeseen marginal improvement in revenue and savings in expenditure may yet be possible, and this gap would be left uncovered.

Including the additional taxation, the overall deficit for the year will stand at 3560 million rupees. There is not, at the moment, any great slack left in the economy which would justify anything more than a reasonable amount of deficit financing. Up to a point deficit financing is not only permissible, but even desirable in a developing economy. Experts differ as to the permissible limit, but it would be quite unrealistic to assume that deficit financing of this order can be maintained for any length of time without inviting inflation. The road to inflation is easy enough, but it opens flood-gates which it would later be impossible to close. "We are, in fact, taking a measure of risk with the deficit financing proposed for 1956-57 and we shall have to watch its effects carefully and adjust subsequent programmes in the light of these effects".

It has to be emphasised that additional taxation is inseparable from a bolder plan of economic development. The Taxation Enquiry Commission had in mind an order of expenditure on the Plan amounting to 35,000 million rupees. The size of the Plan is now larger and a correspondingly larger tax effort is necessary. The findings of the Commission have shown that in real terms, there has been little addition to the national tax effort relatively to national income over the last two or three decades. Even to maintain the proportion of tax revenues to national income more or less constant, additional taxation of the order 3500 million rupees over the five year period would be necessary at the Centre and in the States. This proportion has, however, to be raised, moderately. What has been proposed this year by way of tax effort is, the minimum that must be attempted in view of the requirements of the Plan.

Conclusion.- This budget is the first step towards the implementation of the Second Five Year Plan. The Second Five Year Plan will be followed by several other plans and it is only after the country has fulfilled, say, the third Five Year Plan that we shall see a marked and unmistakable improvement in living standards all round and in the capacity of the country to go ahead more rapidly on its own momentum. The success that has attended on the first Plan makes it clear, I believe, that the people of this country are capable of, and willing to put forth, the effort necessary to achieve bigger things and to make for themselves and for their children an India befitting of her great heritage".

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Railway Budget for 1956-1957 presented: Surcharge levied
on Freight Rates.

Shri Lal Bahadur Shastri, Union Minister for Railways and Transport, presented the railway budget for the year 1956-1957 in the Lok Sabha on 23 February 1956*. The Budget estimates a net surplus of 229.9 million rupees. Receipts are estimated at 3450 million rupees. Provision for 396.7 million rupees dividend to general revenues has been made. While there is no increase in passenger fares, a proposal to levy a surcharge of one anna in the rupee on freight traffic has been made.

The following table shows the details of the Budget:-

	Actuals 1954-55	(Rupees in Millions)		
		Budget 1955-56	Revised Estimates 1955-56	Budget 1956-57
Gross Traffic Receipts	2867.8	2925.0	3141.0	3450.0
Working Expenses	2060.9	2068.0	2144.1	2243.0
Net Miscellaneous Expenditure.	66.3	74.9	89.5	130.4
Appropriation to Depreciation Reserve Fund	300.0	350.0	450.0	450.0
Total	2427.2	2492.9	2683.6	2823.4
Net Railway Revenues	440.6	432.1	457.4	626.6
Dividend to General Revenues	349.6	360.7	361.6	396.7
Net Surplus.	91.0	71.4	95.8	229.9

* Government of India: Ministry of Railways: Speech of Shri Lal Bahadur Shastri introducing the Railway Budget for 1956-1957 on 23 February 1956. Printed by India by the Manager, Government of India Press, New Delhi, 1956. pp. 32.

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Shri Lal Bahadur's Budget Speech.- Delivering his speech on the railway budget Shri Lal Bahadur Shastri outlined the financial results for 1954-55 and the revised estimates for 1955-56. For the year 1954-55 the surplus rose to 91 million rupees from the revised estimate of 65.7 million rupees. The revised estimates for the current year also showed an improvement in earnings and the surplus was now expected to be 95.8 million rupees against the budget estimate of 71.4 million rupees. The increase of 24.4 million rupees would be credited to the Development Fund.

First Five Year Plan.- Reviewing the progress of railways under the First Five year plan, Shri Shastri said that not only had the railways fully utilised the 4000 million rupees allotted, but exceeded it to the extent of an additional 320 million rupees. Rolling stock had accounted for over 2400 million rupees spread over the purchase of 1589 locomotives, 4837 coaching vehicles and 61773 wagons on additional as well as on replacement account. All the lines recommended for restoration by the Central Board of Transport, except one, had already been re-opened to traffic. Five new lines which were in progress at the beginning of the Plan as well as seven more sanctioned during the Plan had been completed, and considerable progress has been made on a number of other new lines commenced during the Plan. The Chittaranjan Locomotive Works, which was expected to produce 268 locomotives during the Plan period, had actually produced 337 locomotives, i.e., an improvement of 25 per cent over the target. The Integral Coach Factory at Perambur was making good progress, production therein was inaugurated by the Prime Minister in October 1955. The Ganga Bridge construction is well under way and good progress had also been made in the provision of facilities at the Vishakhapatnam Port.

Railways under second Five Year Plan.- As for the railways' second Five Year Plan, the Minister stated that the Railway Board had prepared a plan costing 14,800 million rupees, on the basis of an increase of 30 per cent in passenger transport - 15 per cent for increased traffic and 15 per cent to alleviate overcrowding - and 60.8 million tons in goods transport, assuming that the demand at the end of the First Five Year Plan will be 120 million tons. The Planning Commission, whose task was none too easy, had in the context of the overall requirements to be met by the limited financial resources of Government, indicated that the allocation for the Railway Plan will be only 11,250 million rupees, of which 3,750 million rupees will have to be found by the Railways from their own revenues during the Plan period. It had been agreed also that, if the resources of the Railways exceeded this figure, they will be allowed to expand the Plan outlay accordingly. The Railway plan has, therefore, been reviewed, and it had been found that, within the revised allocation, it will be possible to provide only an additional transport capacity of 15 per cent for passenger traffic and 47 million tons of goods.

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The total goods movement during the current year was likely to be 115 million tons, against an estimated demand of 120 million tons, leaving a gap of 5 million tons, which was also to be covered by the expected increase, and, therefore, the net increase during the Second Five Year Plan would be of the order of 42 million tons, against the original estimate of 60.8 million tons. While this increase was expected to meet fully the additional traffic load of 25 million tons on account of coal and other raw materials required for the expanding steel industry and its finished products, 6 million tons more coal and 4 million tons more cement, the Minister expressed the fear that it would leave a meagre margin for increases in trade and output in other sectors of the economy. It was also feared that the small increase of 3 per cent per year in passenger train miles now planned will not help much to relieve overcrowding as long as passenger traffic continues to grow as anticipated.

An assessment of the earnings and expenditure of Railways during the plan period showed that, against the 3,750 million rupees which they were required to provide, their resources would amount only to 3,250 million rupees, made up of 2,250 million rupees to be contributed through the Depreciation Reserve Fund during the Plan period, and 1,000 million rupees from Revenue including expenditure on open line works, interest on Railway fund balances, and Revenue surpluses, which will be very small since a large proportion of the additional traffic will be low-rated and the dividend liability to General Revenues on account of increases in the Capital overhead will rise very steeply during the period. The gap of about 500 million rupees had to be filled to avoid a further restriction in the scope for the development of the transport capacity, and the Railways must, therefore, endeavour to increase their earnings so as to meet the contribution required of them, and, if possible, something more, in order to reduce the margin between the present lower targets and the original targets of transport capacity. To meet this need, the Minister said that he proposed a surcharge of one anna in the rupee on all freight traffic, with the exception of grains and pulses, fodder, manure, khadi, newspapers, newsprint and books. This will add 116 million rupees to railway earnings during the ensuing year and will, ultimately help in building up capacity to the original targets.

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The reduction in the plan allotment, Shri Shastri emphasised, would fall heavily, initially at any rate, on new line constructions other than those integrally connected with the increase in coal and steel traffic. The Planning Commission had, however, given the assurance that the position would be kept under constant review and necessary adjustments would be made in the allotment to the railways as the plan progressed. In view of this, the Minister stated, he proposed to proceed with the survey of new lines on the original programme of 3,000 miles so that the construction work may be commenced immediately funds become available.

Out of the 11,250 million rupees allotted to Railways, there would be an increase of 6,800 million rupees under capital, a withdrawal of 2,930 million rupees from the Depreciation Reserve Fund, and expenditure of 920 million rupees chargeable to the Development Fund, and of 600 million rupees chargeable to Revenue for open line works.

Budget estimates, 1956-57.— Turning to the budget estimates for 1956-57, Shri Shastri estimated on the basis of the present trend of passenger traffic, receipts under this head at 1,114 million rupees — an increase over the current year's revised estimate of 1,085 million rupees. The budget estimate of other coaching earnings was being placed at 218 million rupees, an improvement on the current year of 13 million rupees, of which about 10 million rupees would be due to the supplementary charge of one anna in the rupee proposed on parcels. The estimate of goods earnings in the budget year was placed at 2,055 million rupees on the basis of the anticipated increase in traffic and the supplementary charge of one anna in the rupee on goods freight. Other sundry earnings were expected to amount 64 million rupees, which was about the same level as the revised estimate for the current year. Allowing for an increase of 1 million rupees in traffic, suspense, the gross-traffic receipts had been placed at 3450 million rupees during the next year.

The estimate of ordinary working expenses for the budget year had been fixed at 2241 million rupees, which represented an increase of nearly 100 million rupees over the revised estimate for the current year. Of this increase, about 65 million rupees was on the wage bill, mainly for the extra staff required for handling the large increase in traffic and intensification of other activities. There was an increase of 14 million rupees in repair expenses in consonance with the increase in traffic and increased out-turn of rolling stock after periodical repairs from the workshops. The rise in the cost of steel also had contributed to the increase in working expenses. The fuel bill would go up by about 10 million rupees and miscellaneous other increases totalled another 10 million rupees. It was proposed to spend about 37.5 million rupees more on a larger programme of open line works chargeable to revenue. With the heavier capital expenditure on works, there was an increase of about 35 million rupees on the dividend payable to General Revenue.

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Taking all these factors into account, the net revenue surplus was expected to be of the order of 230 million rupees. It was proposed to credit the entire amount to the Development Fund.

Works, rolling stock, etc.- Giving an account of some of the main features of the budget for the year 1956-57 and the revised estimates for the current year, Shri Shastri said that the expenditure on works, machinery and rolling stock, including open line works chargeable to Revenue, comes to 1405.5 million rupees, involving an increase of about 140 million rupees over the budget estimates, mainly due to earlier deliveries of rolling stock and machinery than anticipated at the time of the Budget, the acceleration of certain works to increase line capacity and more expenditure on track renewals. The estimates for the budget year had been placed at 1998 million rupees. Of this, rolling stock accounted for about 796 million rupees, plant and machinery for 50 million rupees, construction of new lines and restoration of dismantled lines for 166 million rupees, track renewals for 197 million rupees, other open line works for 508 million rupees, investment in road services for 13 million rupees and expenditure on Vishakhapatnam Port for 11 million rupees. There was a large provision of 295 million rupees for building up reserves of difficult items of stores, so as not to hamper the progress of works.

New constructions and surveys.- The progress made on new constructions had been satisfactory and the projects executed with commendable despatch notwithstanding shortages of essential materials, particularly steel, required for permanent-way and bridge girders. The Pathankot-Madhapur line was opened to traffic in September 1955 and the Gop-Katkola metre gauge link in December 1955. The construction of the Champa-Korba, Quilon-Ernakulam, Khandwa-Hingoli, Noamundi-Banspani, Fatehpur-Churu, Indore-Dewas-Ujjain, Raniwara-Bhiladi and Gandhidham-New Kandla railway lines, totalling 454 miles, was in progress. Construction will be started very shortly on three new lines, aggregating 221 miles, required for the steel work projects at Rourkela and Bhilai - namely, the Rourkela-Dumaro, the Bhilai-Dhalli Rajhara and the Barkakana-Rourkela connections.

Surveys.- In all, about 2,000 miles of surveys for new lines were sanctioned during 1955-56. During the coming year 15 more surveys are proposed.

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Shri Shastri stated that the working of Government-owned narrow gauge lines situated in the plains was under review, and it was hoped that the critical studies being conducted now will enable the Railways to formulate a long-term policy, and spread over possibly to 10 to 15 years, for their rehabilitation or conversion to the gauge of the contiguous railway systems in a manner closely integrated to the transport needs of the areas served and the economics of railway operation.

Transportation position.- The Minister stated that to cope with the increased goods traffic a drive was instituted to liquidate these accumulations by still greater improvement in operating performance, on the one hand by optimum utilisation of existing line capacity and rolling stock and on the other by the acceleration of certain works designed to ease bottlenecks and increase the throughput.

Passenger travel concessions.- The Minister also announced a number of passenger travel concessions. The Railways in future would issue concession return tickets for the general public at 1 1/2 times the single ticket fare between 15 July and 30 September each year for distances over 300 miles. Quarterly season tickets, at present available on certain railways at half a month's discount will be extended to the Calcutta suburban areas on the Eastern and the South-Eastern Railways and also to the Northern Railway and the old O.T. Section of the North-Eastern Railway. Students would benefit by a proposal that the concession now available to them when travelling in groups of four between their homes and educational institutions will, in future, be available to them even when travelling singly on production of the usual certificate. The concession tickets issued last year during certain holidays will now carry the further facility of being able to break the journey on the outward trip.

Shri Shastri referred to the efforts to make travel less ~~inconvenient~~ and inconvenient especially for the third class passenger, through certain measures including the introduction of Janata (People's) trains and stated that new trains will be introduced in overcrowded sections. From 2 October 1955, a new type of Janata corridor train was being run between Calcutta and Delhi and it was proposed, as a token of the standard of service which the railways would like to provide if they had adequate resources, and as a model to be kept in view for the future, to introduce from 2 October next a vestibuled fully air-conditioned fast train service, which would have only two classes, between Delhi on the one hand and Bombay, Madras and Howrah on the other. He also said that in consonance with the Government's policy of reducing the number of classes on railways to two, "our present intentions are to abolish the existing third class and to re-name it as second class with sleeping accommodation in one or two separate coaches".

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Self-sufficiency.- The Minister said that appreciable progress had been made towards self-sufficiency in railways. Besides the progress made by the Chittaranjan Locomotive Works and the Integral Coach Factory, the proportion of stores of Indian manufacture purchased by the Indian Railways to the total value of stores purchase made also rose within the same period of two years from about 70 per cent to about 78 per cent while the percentage of stores imported direct had fallen from 16.8 per cent to 10.5 per cent.

Staff questions.- Dealing with staff questions, Shri Shastri announced certain decisions on the fitting in of officials of the ex-State railways into service under the Government of India including calculation of seniority and promotions.

Training of staff.- The Minister stated that the necessity for imparting adequate training to recruits to the various railway services and arranging refresher courses for employees in service was essential. The existing training institutions were inadequate and their expansion was necessary. It was therefore, proposed to make a provision in the Second Five Year Plan of 30 million rupees for the initial expenditure on these. In the meantime, a special officer in the office of the Railway Board has been appointed to review the existing facilities, to plan for the permanent expansion of the training facilities to cater for the normal and special requirements of Railways during the Second Five Year Plan and to arrange for setting up temporary centres for training and refresher courses on each Railway, pending the completion of the permanent arrangements. Refresher courses for the staff on an extended scale has just been started on all Railways. The number of employees requiring such refresher courses was considerable and it was proposed that everyone of these employees should go through a refresher course within the next two years.

The problem of the recruitment of technically trained personnel and the technical training of candidates for appointment as artisans, as technical supervisors and on other technical jobs, particularly in view of the requirements of the Second Five Year Plan was of considerable importance. Steps had already been taken to increase the annual training capacity at Chittaranjan from 270 to 360 and at Perambur from 201 to 260 and further expansion was being planned. It was proposed very soon to recruit candidates for training as artisans and as technical supervisors for the workshops that will be set up during the Second Five Year Plan.

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Health facilities.- A medical officer had been appointed in the Railway Board's office to review the existing medical arrangements on Railways and to plan for future expansion. Under ~~the~~ scheme which, for providing accommodation for railwaymen suffering from tuberculosis, 220 beds had by now been reserved for railway servants in certain selected sanatoria all over the country, and negotiations were at present proceeding for the reservation of 75 beds more. A scheme had also been sanctioned for setting up chest clinics at the more important railway hospitals for early diagnosis and treatment of tuberculosis. Maternity and child welfare centres, which were being run at the cost of the Staff Benefit Fund on the Railways, had now been taken over by the Railway Medical Department at an estimated cost to the Railway revenues of about 100,000 rupees per year, in order to relieve the Staff Benefit Fund of this item of expenditure, and also to ensure the provision of adequate facilities at these centres. A similar measure was the extension of free medical treatment facilities in Railway hospitals and dispensaries to certain dependent relatives of employees.

Relations with the National Federation of Indian Railwaymen.- The Minister reported cordial relations with the National Federation of Indian Railwaymen. At a meeting held between the Federation and the Railway Board in July 1955, it was possible within the short space of four days to come to an agreement in respect of three of the five terms of reference to the ad hoc tribunal. Of the two remaining items, the one relating to the distribution of posts in various grades covered a wide field and was of great interest to railwaymen, the other being a comparatively minor one. He added, "it was my firm conviction that differences of opinion can best be resolved by discussions across the table, and I trust that a meeting for this purpose will soon be arranged between the Federation and the Railway Board."

The Minister said that the load of work and the responsibility of railwaymen was increasing simultaneously with the complexity of the problems which they had to deal with. There will be a further increase in these directions during the coming years. The fact that a larger number of employees at the lower levels of the Class III services now shouldered heavier responsibility could be recognised by a redistribution of posts in the lower grades so as to effect an appreciable reduction in the posts in the lowest grade with a corresponding increase in the numbers in the higher grades for categories like office clerks, train clerks and others, and by appropriate adjustment in the case of station masters. It was proposed to take concrete steps early in this direction. The exact pattern that such redistribution should follow needed detailed examination and discussion between the representatives of the Federation and the Railway Board.

Workers' Participation in Management.- Referring to question of workers' participation in the management, the Minister said: " All Railway employees are servants of the State and all are partners in this vast undertaking. It is my earnest wish that all grades of staff interest themselves in thinking of improvements in all phases of our activity. Many may have constructive ideas, and useful suggestions from them will be welcome. I need hardly assure them that these suggestions will receive consideration and suitable rewards will be given for those which are accepted. I consider, however, that more positive opportunities for participation in the management of this undertaking should be provided for workmen in the lower cadres. We have decided to take a few important steps in this direction. A scheme will be drawn up to associate workers in the management and the running of the Railway workshops, and the Railway Board will be asked to select two or three workshops on Indian Railways to give it a trial. A proposal is being considered for sending a team, including representatives of workers, to other countries where such participation of workers in management has been tried. The Federation will also be consulted in these matters.

" It has also been decided that workers should be given greater power and responsibility in matters directly concerning their welfare. There are already the Staff Benefit Fund and Labour Advisory Committees and canteens managed by the staff on a co-operative basis. The Railway Board have now been directed to increase the elected element in each of these Committees and to give them the fullest possible freedom to take decisions. Further, a proposal of the National Federation of Indian Railwaymen for the association of labour in the implementing of programmes for the construction of houses is scheduled for discussion by them with the Railway Board in the near future."

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34. Economic Planning, Control and Development.

India - February 1956.

India's Draft Second Five Year Plan announced;
Outlay of 48,000 Million Rupees in Public Sector
and 25 Per Cent Increase in National Income
Proposed: Additional Employment for 4.5 Millions.

The Indian Planning Commission published on 10 February 1956 the draft outline of the second Five Year Plan, envisaging an outlay of 48,000 million rupees in the public sector and 23,000 million rupees in the private sector*.

The development in the two sectors of the national economy is expected to raise national income over the next five years by about 25 per cent.

The primary emphasis in the Plan is on industrial and mineral development, which accounts for 48 per cent of the outlay in the public sector.

The main features of the draft Plan is given below:-

Approach to Plan.- The primary object of the first Five Year Plan was to lay the foundation on which a more progressive and diversified economy could be built up. The second Five Year Plan has to build on the gains already secured and to carry forward the process that has been initiated. The economy has responded well to the stimulus of the first Five Year Plan. Industrial and agricultural production have recorded substantial increases, prices have

* Government of India: Planning Commission. Second Five Year Plan. A Draft Outline. February 1956. Price Rs.1/-, pp.196.

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attained a reasonable level and the country's external accounts are virtually in balance. It has, on the other hand, not been possible to utilise the provisions in the Plan for a new iron and steel plan and for the setting up of a heavy electrical plant except to a small extent, and there have also been shortfalls in expenditure on community projects, education, village and small-scale industries, etc. On the whole, there is no doubt that the economy has been greatly strengthened.

Objectives.- The principal objective of the second Five Year Plan is to secure a more rapid growth of the national income and to increase the country's productive potential in a way that will make possible accelerated development in the succeeding plan periods. Thus, not only immediate needs but also long-range considerations are to be kept in view. Accordingly the second Five Year Plan has been framed with reference to the following principal objectives:-

- i) A sizable increase in national income so as to raise the level of living in the country.
- ii) Rapid industrialisation with particular emphasis on the development of basic and heavy industries.
- iii) A large expansion of employment opportunities.
- iv) Reduction of inequalities in income and wealth and a more even distribution of economic power.

All these objectives are inter-related and besides require a diversified pattern. Low and static standards of living, under-employment and unemployment and to an extent even the gap between the average incomes and the highest incomes are all manifestations of the basic under-development which characterises an economy depending mainly on agriculture. Rapid industrialisation is thus the core of development, especially in developing industries which make machines needed for the large number of industries in the field of consumer goods and intermediate products. This is possible only if substantial expansion is undertaken in iron and steel, non-ferrous metals, coal, cement, heavy chemicals and other industries of basic importance.

Industrial development along these lines requires a great deal of capital, but absorbs comparatively little manpower. Besides it creates demand for consumer-goods but cannot enlarge the supply of consumer goods in the short-run. Hence arises the importance of a well-organised effort to utilise labour for increasing supplies of much-needed consumer-goods.

Employment.- Even though the substantial increase in investment and tempo of development will raise incomes and increase the demand for labour all round, an employment orientated plan implies much more than determining the optimum, scale of investment. Studies made in the Planning Commission indicate that although the second Five Year Plan will not have any significant impact on the carry-over of unemployment of the earlier period, it will provide employment opportunities for the new entrants to the labour force and relieve underemployment in agriculture and in village and small industries.

Socialist pattern.- The achievement of a socialistic pattern of society has been accepted as the objective of economic policy. This means that the basic criterion for determining the lines of advance is not private profit but social gain. The problem is to create a milieu in which the small man who has so far had little opportunity of perceiving and participating in the immense possibilities of growth through organised effort is enabled to put his best in the interest of a higher standard of life for himself and increased prosperity for the country.

The socialist pattern implies that the responsibility for new developments in certain major lines of activity such as exploitation of minerals and basic and capital goods industries which are the major determinants of the growth of the economy, shall rest on the State, and the existing units have also to fall in line with the emerging pattern. Apart from these fields and certain other fields where State alone can supply the magnitude of resources needed, in the rest of the economy conditions have to be created in which there is the fullest scope for private initiative and enterprise.

The industrial policy.- In carrying out a Five Year Plan of such magnitude, developments in the public sector have to be viewed together with those envisaged in the private sector. The Plan, as a whole, can go through only on the basis of simultaneous and balanced development in the two sectors. These are general considerations bearing on the formulation of the industrial policy in the context of planning. The Government of India's industrial policy since Independence has been shaped broadly in terms of the comprehensive Industrial Policy Resolution of 1948, which listed 18 industries of importance for Central regulation and control. It is now proposed to restate the policy approach, to review and to indicate afresh the fields to be reserved for public enterprise, the fields in which public enterprise has to take on larger responsibilities and the fields in which private enterprise is to function subject to overall regulation and control. The ownership and the right to exploit and develop mineral resources vests in the State.

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In the industrial field proper new units producing basic capital goods and heavy machinery must be under public ownership and management, with provision under certain circumstances for joint operation by the State and private enterprise. In other industries where Government assists substantially by providing long-term finance, it should preferably offer equity participation rather than loans on fixed interest.

As regards cottage industries, for which also the 1948 resolution indicates the policy, it is evident that from the point of view of development as well as the creation of new employment opportunities. In spheres in which it is possible to increase employment and output through village and small industries and where these industries are capable of using improved techniques progressively, it is necessary to think in terms of integral programmes of production covering factories as well as small units of production. The Second Five Year Plan lays special stress on production of consumer goods by using existing skills and equipment and steadily introducing technical improvements in this sector. The sector is also to be organised more and more on co-operative lines.

From the points of view of satisfying increasing demands on account of expansion of investment activities, need to avoid overcrowding and an urban civilisation and to lessen the social costs of industrialisation as also for raising incomes in rural and semi-urban areas, the development of small industries deserves special mention.

Reduction of inequality.— The Taxation Enquiry Commission had considered the question of reduction of inequalities and had suggested certain fiscal measures to this end, including the recommendation that 30 times the prevailing per family income as a reasonable 'ceiling' on net personal incomes after tax; it is necessary to advance towards this objective by stages. While fiscal measures can assist in the process, more important than these are positive measures to increase incomes at lower levels, to expand employment opportunities for classes, who are suffering from disadvantages, to expand training facilities all round and to prevent exploitation in the sphere of credit and marketing. From this point of view of organisational changes, such as reform of land tenures, reorganisation of land management, the encouragement of decentralised methods of production and the increasing role of the public sector are of vital importance.

AS far as the disparities in the level of development between the various regions, the National Development Council discussed the question and it has been agreed in principle that within the resources available for development, every effort should be made to provide for balanced development in different parts of the country.

The Plan in outline.- The total developmental outlay of the Central and State Governments over the period of the Plan works out at 48,000 million rupees. The distribution of this outlay by major heads of development is just as under:-

	First Five Year Plan		Second Five Year Plan	
	Total Provision (Rs. Millions)	Percent	Total Provision (Rs. Millions)	Percent
I. Agriculture and Community Development.	3720	16	5650	12
(a) Agriculture*	2820	12	3650	8
(b) National Extension and Community Development.	900	4	2000	4
II. Irrigation and Power.	6610	28	8980	18
(a) Irrigation and Flood Control.	3950	17	4580	9
(b) Power (including small town and rural electrification programmes).	2660	11	4400	9
III. Industries and Minerals.	1790	7	8910	19
(a) Large-Scale Industries, Scientific Research and Minerals.	1490**	6	6910	15
(b) Village and Small-Scale Industries.	300	1	2000	4
IV. Transport and Communications.	5560	24	13840	29
(a) Railways.	2680	12	9000	19
(b) Roads and Road Transport Schemes.	1460	6	2650	6
(c) Shipping, Ports and Harbours and Inland Water Transport.	580	2	1000	2
(d) Post and Telegraphs, Civil Aviation, Broadcasting and other Communications.	840	4	1190	2
V. Social Services, Housing and Rehabilitation.	5470	23	9460	20
(a) Education.	1690	7	3200	7
(b) Health (including water supply and sanitation programmes).	1400	6	2670	6
(c) Labour and Labour Welfare, Welfare of Backward Classes and Scheduled Tribes and Social Welfare.	390	1	1490	3
(d) Housing.	650	3	1200	2
(e) Rehabilitation.	1360	6	900	2
VI. Miscellaneous.	410	2	1160	2
Total.	25560	100	48000	100

* Includes provision for local development works also.

** This excludes the provision for the expansion of the Chittranjan Locomotive Works, the Integral Coach Factory and the Indian Telephone Industries which is shown under IV. The provision for the National Industrial Development Corporation (NIDC) and other finance corporations and for direct assistance to industries is included here.

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These allocations reflect the priorities adopted for the Plan. The main stress is an industrialisation and with industry are associated mining and railway development. If power also is taken as part of industrial development, the outlay for this purpose works out to 57 per cent.

States' Plans.- Of the total development outlay of 48,000 million rupees, 22,140 million rupees is the share of States, as the following table will show:-

State	Proposed Plan Outlay (Million Rupees)
Andhra	1162
Assam	564
Bihar	1929
Bombay	2644
Madhya Pradesh	1235
Madras	1703
Orissa	973
Punjab	1262
Uttar Pradesh	2486
West Bengal	1525
	<u>15481</u>
Hyderabad	1000
Madhya Bharat	665
Mysore	780
PEPSU	361
Rajasthan	968
Saurashtra	476
Travancore-Cochin	712
Jammu and Kashmir	331
	<u>5298</u>
Ajmer	78
Bhopal	143
Coorg	37
Delhi	175
Himachal Pradesh	147
Kutch	78
Manipur	62
Tripura	85
Vindhya Pradesh	247
	<u>1052</u>
Andaman and Nicobar Islands	50
North East Premier Agency	95
Pondichery	47
	<u>192</u>
Centres' Share of D.V.C.	122
Total.	<u>22140</u>

Investment in the Plan.- Taking the public and the private sectors together, investment in the economy over the second Plan period works out at 61,000 million rupees - 38,000 million rupees in the public sector and 23,000 million rupees in the private sector. A total investment of 35,000 million rupees was envisaged in the first Plan; of this about a half was in the public sector. For the second Plan the total investment envisaged is some 75 per cent larger than in the first Plan, and the ratio of public to private investment works out at 62: 38.

An investment programme of 61,000 million rupees implies a big effort on the part of the community. If, as is expected, national income over the next five years increases by about 25 per cent, this programme would mean raising the rate of investment in the economy from the present level of about 7 per cent of national income to nearly 12 per cent by the end of the second Plan. Allowing for a measure of external resources being available to supplement domestic savings, the latter will have to rise from the current level of about 7 per cent of national income to more than 10 per cent by the end of the Plan.

Targets of production.- The following table shows the principal targets of production and development to be achieved over the second Plan period:-

	1960-61	Percentage increase in 1960-61 over 1955-56.
	1	2
I. Agriculture:-		
1. Foodgrains ----- (Million tons) ==	75.0	15
2. Cotton ----- (" bales) ==	5.5	31
3. Sugar-cane - raw gur----- (" tons) ==	7.4	28
4. Oilseeds ----- (" tons) ==	7.0	27
5. Jute ----- (" balos) ==	5.0	25
6. National Extension Blocks (Nos.) ==	3,800	660
7. Community Development Blocks (Nos.) ==	1,120	80
8. Population served by National Extension and Community Development Programmes ----- (Million persons). 325		306
9. Village Panchayats ----- (Thousand Nos.) . 200		70
II. Irrigation and Power:-		
1. Area irrigated ----- (Million acres). 88		31
2. Electricity (installed capacity) (Million KW). 6.8		100
III. Minerals:-		
1. Iron ore ----- (Million tons). 12.5		191
2. Coal ----- (Million tons). 60.0*		63

* Figures relate to calendar years.

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	1	2
IV. Large-Scale Industries:-		
1. Finished steel. (Million tons) --	4.3	231
2. Pig iron (for sale to foundries). (" tons) --	0.75	100
3. Aluminium. (000 tons) --	25.0	233
4. Heavy steel castings for sale (000 tons) --	15	..
5. Heavy steel forgings for sale (000 tons) --	12	..
6. Steel structural fabrication (000 tons) --	500	178
7. Machine Tools (graded). (value in Million Rs.)	30.0	300
8. Cement Machinery (do) --	20.0	156
9. Sugar Machinery (do) --	25.0	400
10. Textile Machinery (Cotton and Jute). (do) --	195.0	376
11. Paper Machinery. (do) --	40.0	..
12. Power Driven Pumps - Centrifugal. (000 Nos.) --	86	115
13. Diesel Engines. (000 H.P.) --	205	105
14. Automobiles. (Nos.) --	57,000	147
15. Railway Locomotives. (Nos.) --	300	76
16. Tractors. (Nos.) --	1,600	..
17. Cement. (Million tons) --	10	108
18. Fertilisers:		
(a) Nitrogen (in terms of Amm. Sulphate). (000 tons) --	1,600	321
(b) Superphosphate. (000 tons) --	600	500
19. Sulphuric Acid. (000 tons) --	450	171
20. Soda Ash. (000 tons) --	250	213
21. Caustic Soda. (000 tons) --	120	243
22. Petroleum Refinery - Liquid Petroleum Products. (million gallons). 895		20
23. Electric Transformers 33 KV and below. (000 KVA) ---	880	69
24. Electric Cables (ACSR Conductors.) (tons) --	15,000	65
25. Electric Motors. (000 HP) --	600	180
26. Sugar. (million tons) --	2.3	35
27. Paper and Paper Board. (000 tons) --	350	94
28. Bicycles (Organised Sector only. (000 Nos.) --	1,000	100
29. Sowing Machines (Organised sector only). (000 Nos.) --	220	144
30. Electric Fans. (000 Nos.) --	450	64
V. Transport and Communications:-		
(a) Railways-		
(1) Passenger train miles. (million) --	124	15
(2) Freight carried. (million tons) --	162	35
(b) Roads-		
(1) National Highways. (000 miles) --	13.6	5
(2) Surface Roads. (000 miles) --	111.0	9
(c) Shipping-		
(1) Coastal and Adjacent. (Million GRT) --	0.43	34
(2) Overseas. (million GRT) --	0.47	68
(d) Ports:		
Handling capacity. (million tons) --	33.8	30

	1	2
(e) Post and Telegraphs:	--	--
(1) Post Offices. (000 Nos.)	73	38
(2) Telegraph Offices(000 Nos.)	6.5	27
(3) Number of telephones.(000 Nos.)	450	70
VI. Education -		
1. School-going children as percentage of children in the respective age groups:-		
(a) Primary Stage(6-11 age group)	60.0	..
(b) Middle Stage(11-14 age group)	19.0	..
(c) High/Higher Secondary Stage (14-17 age group).	10.0	..
2. Elementary Basic Schools(millions)	0.348	23
3. Teachers in Primary/Middle Secondary Schools (millions).	1.21	25
4. Teachers Training Institutions(Nos.)	1,080	22
5. Enrolments in Teachers Training Institutions(000 Nos.)	111.4	22
VII. Health -		
1. Medical Institutions (000 Nos.)	12.6	26
2. Hospital beds. (000 Nos.)	155	24
3. Doctors. (000 Nos.)	80	14
4. Nurses. (000 Nos.)	31	41
5. Midwives. (000 Nos.)	32	23
6. Nurse-Dais and Dais. (000 Nos.)	41	58.3
7. Health Assistants and Sanitary Inspectors. (000 Nos.)	7	75

National income and employment.- The sum total of these developments is reflected in the movement of national income. The table given below indicates the expected increases in national income during the first and second Plan periods:-

	Net National Product by Industrial Origin (Rs. Million at 1952-53 prices)			Percentage Increase during	
	1950-51	1955-56	1960-61	1951-56	1956-61
1. Agriculture and Allied pursuits.	44,500	52,300	61,700	18	18
2. Mining.	800	950	1,500	19	58
3. Factory Establishments.	5,900	8,400	13,800	43	64
4. Small Enterprises.	7,400	8,400	10,850	14	30
5. Construction.	1,800	2,200	2,950	22	34
6. Commerce, Transport and Communications.	16,300	18,750	23,000	14	23
7. Professions and Services including Government Administration.	14,200	17,000	21,000	20	23
8. TOTAL NATIONAL PRODUCT.	91,100	108,000	134,800	18	25
9. Per capita income (Rs.).	255	280	330	10	18

Financial resources.- A tentative estimate of financial resources against the outlay of 48,000 million rupees is given below:-

		(Million rupees)
1. Surplus from Current Revenues.	--	8,000
(a) at existing rates of taxation.	--	3,500
(b) additional taxation.	--	4,500
2. Borrowings from the Public.	--	12,000
(a) Market loans.	--	7,000
(b) Small Savings.	--	5,000
3. Other Budgetary Sources.	--	4,000
(a) Railway's contribution to the development programme.	--	1,500
(b) Provident Funds and other Deposit Heads.	--	2,500
4. External Assistance.	--	8,000
5. Deficit Financing.	--	12,000
6. Uncovered Gap.	--	4,000
	Total.	48,000

It is thus clear that the gap of 4,000 million rupees has to come from domestic savings.

Balance of payments of position.- On a preliminary view of requirements and likely earnings, it would appear that the balance of payments on current account would show a total deficit of 11,000 million rupees over the next Plan period. This deficit has to be covered by external resources, including net private foreign investment and withdrawal from the accumulated foreign exchange reserves of the country, including a withdrawal of 2,000 million rupees from the accumulated sterling balances of the country. Credit may also be taken for on the basis of past experience, for a net inflow of private foreign capital of 1,000 million rupees. The balance of 8,000 million rupees can only be bridged by external assistance from international agencies and assistance obtained on a government-to-government basis.

Employment aspects of the Plan.- The employment situation, as revealed by employment exchange statistics, began to show an uneasy trend by the time the first Five Year Plan was half way through. The number of unemployed rose from 337,000 in March 1951 to 522,000 in December 1953 and further to 692,000 in December 1955. This is not to say that the first Plan did not have any impact on employment. It is expected that additional direct employment created by the increased levels of activity in the public and private sectors over the five-year period would be of the order of 4.5 million.

1st Plan

The size of the problems to be tackled during the second Plan period is indicated in the table below:-

Figures in Millions.

	In urban areas	In rural areas	Total
For new entrants to labour force.	3.8	6.2	10.0
For back-log of unemployed.	2.5	2.8	5.3
Total.	6.3	9.0	15.3

An attempt has been made, illustrated by the table given below, to assess the employment contents of the second Five Year Plan:-

(Figures in Millions)

Estimated Additional Employment

1. Construction	--	--	2.10
2. Irrigation and Power	--	--	0.051
3. Railways.	--	--	0.253
4. Other Transport and Communications.	--	--	0.180
5. Industries and Minerals.	--	--	0.800
6. Cottage and Small-scale Industries.	--	--	0.450
7. Forestry, Fisheries, N.E.S. and Allied Schemes.	--	--	0.413
8. Education.	--	--	0.260
9. Health.	--	--	0.116
10. Other Social Services	--	--	0.142
11. Government Services.	--	--	0.454
Total (1-11)	--	--	5.199
12. Plus 'others' including trade and commerce at 52 per cent of the total.	--	--	2.704
GRAND TOTAL.	--	--	7.903 or say 8

As for the educated unemployed, the study group appointed by the Planning Commission to go into the question has recommended an outlay of 1300 million rupees mainly on schemes for setting up small-scale industries and co-operative goods transport, to provide employment to 240,000 educated persons. It is proposed that a beginning should be made on a pilot basis during the next year in the directions suggested by the Study Group.

Three conclusions can be arrived at from an analysis of the unemployment position vis-a-vis the second Five Year Plan.

- (a) Even with the larger effort that is envisaged in the second Plan, the total volume of unemployment, during the period of the second Plan, may be of about the same order as at present;
- (b) There will be some addition to the working force in agriculture, but on account of the schemes operating in this field, income per occupied person will increase to the extent of about 17 to 18 per cent; and
- (c) In the field of village and small industries, since only full-time jobs have been taken into account for the above calculations, the fuller employment opportunities, as envisaged in the Report of the Village and Small-Scale Industries Committee, will afford some relief to the under-employed.

(The provisions of the draft Second Five Year Plan in regard to various spheres - industry, agriculture, etc. - will be included in the next monthly report. The provisions relating to labour are given at pp. 6-9 of this report).



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Life Insurance Corporation Bill: Measure for
Nationalisation of Life Insurance Business in
India.

Shri C.D. Deshmukh, Minister for Finance, Government of India, introduced in the Lok Sabha on 17 February 1956 a Bill to provide for the nationalisation of life insurance business in India. The Bill provides for the setting up of a Life Insurance Corporation to take over life insurance business from existing private insurers. The Bill was introduced along with another Bill which seeks to replace the Ordinance (vide pp. 29-31 of the report of this Office for January 1956) issued to take over the management of life insurance companies.

According to the Statement of Objects and Reasons the Government has decided to nationalise life insurance business in order to ensure absolute security to the policy-holders, to spread insurance more widely and in particular to the rural areas and as a further step in mobilising public savings more effectively.

It states that the Life Insurance Corporation will be set up with share capital provided entirely by the Central Government. It will undertake life insurance business in India as a monopoly and all insurance companies will be incorporated into it.

The Bill indicates in a schedule attached to it the principles for determining the compensation to be paid to the insurance companies for nationalising life insurance business. For dealing with disputes that might arise in the process of nationalisation, the Bill provides for the constitution of a tribunal which will be presided over by a judge or an ex-judge of a High Court or the Supreme Court.

The Life Insurance Corporation will be established on a date to be announced by the Government with an original capital of 50 million rupees. The Corporation will have the exclusive right of carrying on life insurance business in India and on and from the appointed day any certificate of registration under the Insurance Act held by any insurance company shall cease to have effect, in so far as it authorises it to carry on life insurance business in India. Payment of sums assured for the policies issued by insurance companies, the liabilities of which have vested on the Corporation under the Bill, shall be guaranteed by the Central Government.

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The general superintendence and direction of the affairs and the business of the Corporation will be entrusted to an Executive Committee, which may have a managing director as a whole-time officer. Zonal offices of the Corporation will be established at Bombay, Calcutta, Delhi and Madras, and subject to the approval of the Central Government, the Corporation may establish such other small offices as it thinks fit.

The duty of the Corporation will be to carry on life insurance business whether in or outside India. Its other business include capital redemption, business, annuity certain business or reinsurance business in so far as such reinsurance business appertains to life insurance business. In the discharge of any of its functions the Corporation shall act as far as possible, in business principles.

On the appointed day the assets and the liabilities of existing insurance companies carrying on life insurance business in India will stand transferred to the Corporation, and all contracts, agreements, etc. which were in effect before the appointed day and which have been so transferred will remain in full force. Suits, appeals or other legal proceedings which have been pending will similarly be continued in the name of the Corporation.

From the appointed day, every whole-time employee of an insurance company whose business has been transferred to and vested in the Corporation shall become an employee of the Corporation, on the same terms and conditions as he enjoyed before transfer. The Central Government, however, retains the right, for the purpose of rationalisation to reduce pay scales or alter the terms of service of the employees.

For settlement of disputes arising in the process of nationalisation, the Bill provides for the constitution of a tribunal consisting of three members appointed by the Central Government; one of whom shall be a person who is, or has been a judge of the High Court or has been a judge of the Supreme Court. He will be the Chairman of the tribunal. The Bill provides that the decisions of the tribunal may be enforced in any civil court as if it were a decree by that court.

The tribunal will take action on the cases referred to it by the Corporation where the insurance companies whose business had been transferred to the Corporation had acted prejudicially within two years before 19 January 1956. These include transactions completed "without consideration", or for "inadequate consideration" or for "excessive consideration".

The tribunal will also have to decide on disputes concerning compensation to be paid to the insurance companies.

(The Gazette of India, Extraordinary, 17 February 1956, pp. 15-36; The Statesman, 18 February 1956)

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Measures to improve Agricultural Production:
State Ministers' Conference Recommendations.

A conference of State Ministers of Agriculture was held at New Delhi on 25 February 1956, Dr. Deshmukh, Union Minister for Agriculture presiding. The conference recommended the launching of a concerted campaign in all the States to popularise new nitrogenous fertilisers and super-phosphates. The new nitrogenous fertilisers, it was stated, were cheaper than ammonium sulphate and easier to transport. It was necessary to step up the consumption of super-phosphates which were essential for maintaining the fertility of the soil and the quality of grain.

The conference felt that as with the completion of some of the river valley projects and a number of other major and minor irrigation schemes large areas of dry land would be brought under irrigation schemes during the second Five Year Plan period, the maximum benefits of irrigation could be derived only if it was accommodated by judicious application of chemical fertilisers and organic manure.

The targets of consumption for nitrogenous fertilisers to be achieved by 1960-61 had been fixed at 372,000 tons in terms of nitrogen or 1,850,000 tons in terms of ammonium sulphate and the conference suggested several measures of publicity and propaganda for educating the cultivators in the correct use and placement of fertilisers. The need for easy availability and proper distribution of nitrogenous fertilisers among the growers was urged.

Japanese method.- The conference noted that the Japanese method of paddy cultivation which meant the collective application of all the improved cultural practices had made great progress and was very popular. During 1953-54, about 412,000 acres were brought under this method, resulting in an estimated increased production of about 197,000 tons of paddy which worked out to 13.35 maunds per acre. During 1954-55, about 1,320,000 acres were brought under this method which resulted in an average additional production of 15.8 maunds per acre. Encouraged by these results the Government of India proposed a tentative target of 3,700,000 acres for 1955-56 and the Government's aim was to bring 2,000,000 acres under this method in 1956-57.

Soil conservation.- The conference was informed that the execution of soil conservation schemes was not proceeding at a rapid rate, the achievements of the State Governments in this direction being "very little". Originally a provision of 20 million rupees for soil conservation was made in the first Five Year Plan but as very little expenditure was incurred till 1953-54, this provision was reduced by the Planning Commission to 10 million rupees.

(The Statesman, 27 February 1956)

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Centre to Control Production of Jute Textiles:
Order issued.

The Government has issued an order to control the production of jute textiles. The order which comes into force with immediate effect extends to the whole of India except the State of Jammu and Kashmir.

A Press Note issued by the Ministry of Commerce and Industry explains that in future no one other than the owner of a jute mill registered or licensed under the Industries (Development and Regulation) Act of 1951, will be allowed to manufacture jute textiles, either wholly or partly from jute in any factory with the aid of power, unless he has obtained a licence for that purpose from the Jute Controller.

The Press Note also adds that the order has been issued with a view to enabling the Indian jute industry to meet the growing competition from the Pakistan jute industry and the continental jute mills.

The order also seeks to put a stop to the growth of small establishments which certain speculative elements have been setting up for producing jute textiles. These elements in order to take advantage of the recent rise in demand for jute goods have been acquiring machinery discarded by mills, modernising their equipment. They circumvent the Industries (Development and Regulation) Act of 1951 by investing less than 100,000 rupees and employing less than 50 persons. These small establishments have little regard for the quality of products and have been producing sub-standard goods which are bound to harm the long-term interests of the jute industry.

The Indian jute industry which depends on overseas market for the disposal of its products was working till recently with 12 1/2 per cent of its looms sealed and with restricted weekly working hours. However, due to various reasons, particularly the efforts of the Indian Jute Mills Association and a rising trend in world trade there has been an increase in the demand for Indian jute goods in overseas markets. This has helped the Indian jute industry to revert to its normal working of 48 hours a week and also to unseal 2 1/2 per cent of its looms. A further 5 per cent of its looms will be unsealed from 20 February. The industry will have still 5 per cent of its looms sealed.

The note emphasised that the Government feels that it is imperative for the Indian jute industry to improve the quality of the jute products and also to cheapen the prices. For this purpose the industry has been encouraged to replace its old machinery by modern ones and to introduce special measures.

Shri A.P. Nair, Joint Chief Controller of Imports and Exports, has been appointed Jute Controller for the purpose of the order.

(The Statesman, 15 February 1956).

Progress of Cotton Textile Industry in India and Pakistan in 1954-55: Annual Statement of Millowners' Association, Bombay.

The following information regarding the progress of the cotton textile industry in India and Pakistan during the year ending 31 August 1955, is taken from the annual Statement of Millowners' Association, Bombay.

Number of mills.- The total number of mills in India during the year under review was 461. A comparative statement of the progress of cotton mills in India during the years (year ending 31 August) 1953, 1954 and 1955 is given below:-

Year	Number of Mills	Number of Spindles installed.	Number of Looms installed.	Average Number of Workers employed.
1953	457	17,121,139	207,250	435,138
1954	461*	11,888,165	207,763	435,421
1955	461*	12,068,544	207,347	423,595

* Does not include the figures of 34 mills in course of erection and/or recently registered.

The following table shows the number of cotton textile mills, spindles and looms and the number of hands employed regionwise for the year ending 31 August 1955, in India and Pakistan:-

Where situated	Number of Mills	Number of Spindles installed	Number of Looms installed.	Average Number of Hands employed.
Bombay City and Island	66	3,101,672	65,904	111,097
Ahmedabad	71	2,023,890	41,519	71,951
Saurashtra	9	162,188	3,345	6,605
Rest of Bombay State and Kutch	59	1,288,915	24,032	45,214
Total Bombay State.	205	6,576,665	134,800	234,867

Table continued;-

Where situated	Number of Mills	Number of Spindles installed.	Number of Looms installed.	Average Number of Hands employed.
Rajasthan, Ajmer and PEPSU.	-- 12	175,500	3,897	8,044
East Punjab and Delhi.	-- 11	230,772	5,053	6,735
Uttar Pradesh.	-- 29	820,492	13,816	23,421
Madhya Pradesh.	-- 11	573,869	7,350	17,610
Madhya Bharat and Bhopal.	-- 18	454,156	11,323	21,637
Bihar and Orissa.	-- 4	82,196	1,609	2,829
West Bengal.	-- 41	522,804	10,640	22,077
Hyderabad State.	-- 7	158,080	3,241	7,360
Madras State.	-- 99	2,220,985	9,555	54,875
Travancore and Cochin.	-- 10	135,696	718	3,761
Mysore.	-- 11	252,844	3,456	11,942
Pondicherry.	-- 5	84,484	2,089	3,437
GRAND TOTAL: INDIA.	-- 461	12,068,544	207,347	423,595
PAKISTAN.	-- 80	1,561,258	23,021	Not Available.

The number given in the table include 27 mills not working; one each in Ahmedabad, Saurashtra, Rajasthan, Ajmer and PEPSU, Madhya Bharat and Bhopal and Hyderabad State; two each in Bombay City and Island, East Punjab and Delhi; and West Bengal; three in Madras State; six in Uttar Pradesh and seven in Rest of Bombay State and Kutch. Beside these mills, 34 mills which have either been registered recently or were in the course of erection, have not been included.

(The Millowners' Association of Bombay,
Mill Statement on 31 August 1955).

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36. Wages.

India - February 1956.

Ajmer: Revised Minimum Rates of Wages fixed for
Employment in Tobacco Manufactory.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Chief Commissioner of Ajmer has fixed the following revised minimum rates of wages in employment in any tobacco (including bidi making) manufactory in the State.

Occupation.	Revised Minimum Rates of Wages.
1. Snuff making. -----	Rs. 1/-/- per day (for adults only).
2. Bidi making:-	(For making 1000 bidis)
(a) Sindhi Bidis. -----	Rs. 1-7-0 -Do-
(b) Nakhuni Bidis. -----	Rs. 1-4-0 -Do-
(c) Sadi Bidi and others. -----	Rs. 1-2-0 -Do-

These minimum rates of wages shall come into force with effect from 20 January 1956.

(Gazette of India, Extraordinary, Part I, Section 1,
19 January 1956, page 23).

Travancore-Cochin: Minimum Wages Act, 1948, extended to
Employment in Salt Pans.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Travancore-Cochin has added to the following item 15 to part I of the Schedule to the said Act.

"15. Employment in Salt Pans".

(Notification No. L2-3465/53 DD dated 21 February 1956;
Travancore-Cochin Gazette, Part I, 28 February 1956,
page 218).

38. Housing.

India - February 1956.

National Building Council Constituted.

The Government of India has by a Resolution dated 18 February 1956 constituted a National Building Council to guide and direct the activities of the National Buildings Organisation. The Council consists of the Union Minister for Works, Housing and Supply as president and the following members; (a) ministers nominated by the States to be in charge of housing in the respective States; (b) members of the standing committee of the National Building Organisation; (c) a representative each nominated by the Ministries of Transport and Irrigation and Power; (d) representatives not exceeding ten in number, from amongst engineers, architects and town-planners, not in the employ of the Central or State Governments, nominated by the Government of India; (e) a member nominated by the Board of Engineering Research (Council of Scientific and Industrial Research); (f) representatives, not exceeding eight in number, from amongst experts in the fields relating to housing, nominated by the Government of India; and (g) two representatives nominated by the Government of India from trade associations and trade unions.

The Director, National Buildings Organisation will be ex-Officio Member-Secretary of the Council.

(The Gazette of India, Part I, Section 1,
13 February 1956, page 51).

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39. International Economic Relations.

India - February 1956.

Export Credit Scheme: Expert Committee appointed.

The Government of India has by a resolution dated 7 January 1956 appointed a six member expert Committee to consider the scope of an export credit guarantee scheme to stimulate exports. The scheme is conceived to be mainly based on the principle of insurance and is intended to provide a guarantee to the exporter against losses resulting from circumstances which are beyond his control and which are not ordinarily accepted as insurable risks by Insurance Companies such as insolvency of the foreign buyer, unforeseen changes in regulations relating to foreign exchange, occurrence of war, incurring of extra delivery charges.

The terms of reference to the Committee are: (1) to examine the suggestions made in this behalf and to consider the scope of the Export Credit Guarantee Scheme, (2) to make recommendations in regard to: (a) the nature of risks to be covered; (b) the basis on which premia should be fixed; (c) the structure of the organisation that will be required for the implementation of the scheme; and (d) any other matter necessary for the successful operation of the scheme.

The Government also proposes to appoint an expert adviser, having knowledge of the working of an Export Credit Guarantee Scheme in one of the foreign countries, to assist the Committee. The Committee may co-opt with the approval of the Government of India, such additional members as may be found to be necessary from time to time. The Committee has been requested to undertake the necessary enquiries and to make its recommendations by 6 May 1956.

(The Gazette of India, Extraordinary,
Part I, Section 1, 7 January 1956,
pp. 11-12).

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

INDIA - FEBRUARY 1956.

41. Agriculture.

Assam Plantations Labour Rules, 1956.

The Government of Assam published on 25 January 1956 the text of the Assam Plantations Labour Rules, 1956, made in exercise of the powers conferred under the Plantations Labour Act, 1951. The rules deal inter alia, with the powers and duties of the inspecting staff, provisions relating to health, medical facilities, welfare, hours and limitation of employment, sickness and maternity benefits, and forms and registers.

(The Assam Gazette, Part II-A,
25 January 1956, pp. 281-219).

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42. Co-operation.

India - February 1956.

Andhra: Report on the Working of Co-operative Societies for the Year 1953-1954*.

General.- This is the first report on the working of the Co-operative Societies in the Andhra State after its formation on 1 October 1953 in accordance with the Andhra State Act. The first problem that presented itself on the eve of the partition was that of separation of the apex institutions in the Composite State which was functioning on a State-wide basis. Such a division became inevitable in the case of the three premier State institutions viz., the State Co-operative Bank, the Co-operative Central Land Mortgage Bank and the State Handloom Weavers' Co-operative Society. The Government of Madras facilitated the division of these institutions by promulgating the Madras State Co-operative Societies (Reconstitution and Formation) Ordinance 1953. The Andhra Central Land Mortgage Bank was registered on 5 September 1953, the Andhra State Co-operative Bank with its headquarters at Vijayavada was registered and started on 6 September 1953 and the Andhra Handloom Weavers' Co-operative Society was started on 14 September 1953 with headquarters at Vijayavada.

Co-operative Credit: General.- Credit continues to occupy an important place in the co-operative movement in the State. As on the 30 June 1954, there were 6,978 agricultural societies and 4,054 non-agricultural societies in the State. They were financed by the Madras State Co-operative Bank till 30 September 1953 and by the Andhra State Co-operative Bank from 1 October 1953 onwards, through its constituent Co-operative Central Banks.

Andhra State Co-operative Bank had on 30 June 1954, 15 Central Banks as its members with a paid-up share capital of 1.020 million rupees, the provision for individual shareholders having been deleted at the time of bifurcation. The deposits held by it amounted to 1.570 million rupees on the date of starting and they rose to 2.577 million rupees on 30 June 1954. The loans

* Report on the Working of Co-operative Societies in the State of Andhra for the Co-operative Year ended 30 June 1954. Printed by the Superintendent, Andhra Government Press, Kurnool, 1955. Price Rs. 3/10/-, pp. 140 + 9.

issued to Central banks by the State Bank during the year amounted to 54.024 million rupees which is inclusive of 25.232 million rupees obtained from the Reserve Bank of India for agricultural purposes by operating upon the credit limits of the Central Banks and the special credit limit is sanctioned to it. The amount outstanding on the last day of the year to the State Bank was 30.724 million rupees.

The State Bank repaid the entire loan of 13.543 million rupees due to the Madras State Bank in due time.

The Reserve Bank of India has provided accommodation of 1.5 million rupees to the Andhra Handloom Weavers' Co-operative Society for purchase of yarn and this limit is being operated through the apex bank. Government ~~has been pleased to place~~ at the disposal of the Andhra State Co-operative Bank a sum of 0.680 million rupees free of interest for distribution to weavers' societies through central banks towards the working capital of weavers' co-operative societies which admitted new looms under the cess fund schemes.

Central Co-operative Banks.- There were 15 co-operative central Banks in the State with 10,225 members of whom 8,505 were co-operative societies on the last day of the year. They had a paid-up share capital of 7.333 million rupees and a working capital of ~~83.4~~ 83.4 million rupees, of which 40.7 million rupees represented the deposits of members and non-members. The total amount of loans issued by central banks to various types of co-operative societies during the year was 76.8 million rupees as against 89.7 million rupees in the previous year. The fall in the loan business was essentially due to the shrinkage in demand for funds from wholesale and primary stores consequent on the lifting of controls by Government over foodgrains and other commodities. On the last day of the year, the loans due to central banks from all the societies amounted to 64.8 million rupees.

The Reserve Bank of India sanctioned credit limits to 13 out of 15 central banks totalling 18.4 million rupees for financing seasonal agricultural operations and marketing of crops. The amount outstanding against these limits at the end of the year was 15.9 million rupees. The Reserve Bank continued to charge interest at the concessional rate of 1 1/2 per cent per annum, and the State Bank continued to keep its lending rate of central banks at 2 1/2 per cent per annum on all loans issued for financing of agricultural operations and marketing of crops including those lent from its own resources. Central banks charge interest at 4 1/2 per cent per annum on all loans given to agricultural credit societies and marketing societies which lend to their members generally at a rate not exceeding 6 1/4 per cent per annum.

Agricultural Credit Societies.- There were 6,485 agricultural credit societies on the 30 June 1954 with a membership of 573,426. They had a paid up share capital of 8.297 million rupees. Their working capital stood at 59.288 million rupees as against 56.544 million rupees at the end of the previous year. The total amount of loans issued by them during the year was 24.648 million rupees as against 33.339 million rupees during 1952-53. Ninety-seven per cent of the loans issued were for productive purposes. The percentage of surety loans outstanding against members to the total loans outstanding was 72.21. The percentage of overdues under principal, arrear interest and current interest were 30.85, 47.36 and 28.26 respectively. Though the reorganisation scheme of rural credit societies has been discontinued with effect from 1 February 1953, Central Banks were persuaded to work the scheme and meet from their own funds the cost of the additional staff employed. The available statistical data showed that agricultural co-operative credit societies covered 7,625 villages and 2.830 million of rural population as on the 30 June 1954 as against 7,601 villages and 2.796 million of population as at the end of 30 June 1953. The percentage of village covered and the population served by agricultural credit societies as on 30 June 1954 works out to 43.2 and 16.3 per cent respectively. It cannot, however, be said that the credit needs of the area of the members were met in full. The statistical data revealed that out of the total number of 1,158,650 members in all types of societies providing credit, 479,503 did not borrow during the year. The per capita loan issued in the year worked out to 56 rupees while the loan issued per borrower worked out to 95 rupees. The average amount of loan outstanding at the end of the year against (a) per member and (b) per borrower was 80 rupees and 136 rupees respectively.

Three hundred and eight rural credit societies were doing multipurpose activities of one kind or another such as the supply of agricultural, industrial or domestic requirements of the members and the marketing of their produce. A sum of 10,481 rupees was collected through hundi boxes and 38,874 rupees in the form of savings and thrift deposits. The conference of Deputy Registrars and Special Development Officers held in September last resolved that steps should be taken to expand the activities of existing societies, increase their turnover to at least 25,000 rupees per annum, house the societies in independent buildings and to get paid staff employed to write up account.

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Non-agricultural credit societies.- There were on 30 June 1954, 437 societies of this category as against 419 in the previous year. The deposits held by them amounted to 14.9 million rupees and their working capital was 24.8 million rupees. Their borrowings from central banks and others was 2.204 million rupees. The bulk of the funds required by them was derived from resources other than borrowings from central banks. During the year, they issued 14.540 million rupees as loans to their members. The percentage of overdue to demand under principal was 30.3 rupees. The employees societies held thrift deposits amounting to 0.309 million rupees at the end of the year.

Co-operative Marketing Societies.- There were 178 loan and sale or marketing societies ~~were~~ at the end of the year. During the year two societies were registered and the registration of two societies ~~was~~ cancelled. The societies helped their members to hold up their agricultural produce by providing them with loans against produce and in some measure, to secure advantageous prices for their produce by private negotiation or by conducting auction. Many of them are not active. Only 24 societies issued loans exceeding 100,000 rupees each during the year. Four societies marketed the produce of their members for more than 25,000 rupees while only 22 societies sold manures, etc., for more than 50,000 rupees each.

To facilitate co-operative marketing, satisfactory storage facilities are necessary. The scheme sanctioned by Government in the year 1949 for the grant of subsidies up to 50 per cent of the cost of construction of godowns by co-operative marketing societies and rural credit societies continued to be in force. During the financial year 1953-54, one multipurpose co-operative society was sanctioned a free grant of 5,000 rupees. No free grant was given to any marketing society. No loans were sanctioned either to marketing societies or credit societies for the purpose. Six credit societies and two marketing societies completed the construction of godowns with the aid of free grants and loans from Government amounting to 64,145 rupees and 103,684 rupees respectively. During the year 57 marketing societies occupied 80 rented godowns and paid in monthly rent of 2,287 rupees. At present 14 marketing societies and 20 rural credit societies own godowns.

During the year only one marketing society, viz., the Siripuram Co-operative Marketing Society in the Guntur district undertook processing activities. Groundnut worth 0.307 million rupees was processed, and the society collected 10,955 rupees as processing charges.

Land colonisation societies.- There were at the end of the year 16 co-operative land colonisation societies of the individual tenant farming type as distinguished from joint or collective farming. Two of these were started during the year for the benefit of the hillmen in the agency areas in West and East Godavari districts. There were on rolls, 2,128 members of whom 1,823 were active colonists. The total paid up share capital of the societies was 159,910 rupees of which a sum of 19,780 rupees was contributed by Government as free grant. The societies were indobted to Government to the extent of 0.078 million rupees at the end of the year. They borrowed short term loans from Central Banks for financing their members to carry on agricultural operations. 0.034 million rupees was outstanding at the end of the year. Loans amounting to 0.121 million rupees were recoverable from their members.

Of the total extent of 7,802 acres assigned by Government to the societies, 6,739 acres were reclaimed and were under cultivation at the end of the year.

Irrigation societies.- There were eight co-operative irrigation societies at the end of the year with 2,077 members and a paid-up share capital of 100,043 rupees. The societies executed irrigation schemes during the year at a capital cost of 60,692 rupees and helped to bring under cultivation 4,345 acres of land benefiting 1,444 members and 96 non-members.

Co-operative societies for Harijans.- The following statement shows the progress made by the societies formed exclusively for Harijans and other Backward Communities:-

		On 30 June 1954.	On 30 June 1953.
1. Number of Societies.	----	1,238	1,288
2. Number of members.	----	124,941	127,630
	(In Million)	Rs.	Rs.
3. Paid-up share capital.	----	0.536	0.512
4. Working capital.	----	1.382	1.459
5. Reserve Fund.	----	0.143	0.148
6. Thrift deposits collected during the year.	----	0.007	0.005
7. Other deposits held by members at the end of the year.	----	0.042	0.043
8. Loans due at the end of the year:-			
(i) to Government.	----	-	0.002
(ii) to Co-operative central banks.	-----	0.474	0.643
9. Loans outstanding against members at the end of the year.		0.815	0.836
10. Value of joint purchases made by members during the year.		0.028	0.059
11. Value of raw materials supplied to members during the year.	-----	0.0003	0.018
12. Value of finished goods of members sold through societies during the year.	-----	0.0009	0.019

In addition to these 1,238 societies functioning for the exclusive benefit of Harijans and other Backward Communities, 4,256 rural credit societies admitted as their members, 62,428 Harijans and persons belonging to other Backward Communities. These members had a paid-up share capital of 0.380 million rupees and held deposits to the extent of 0.014 million rupees in rural credit societies. The loans issued to Harijans and members of other Backward Communities through village credit societies during 1953-54 amounted to 1.139 million rupees.

Weavers' Co-operative Societies.- Six hundred and forty-nine weavers co-operative societies in the State had about 0.115 millions of looms in their fold representing 39.9 per cent of the total looms in the State. These societies are affiliated to the Andhra State Handloom Weavers Co-operative Society. During the year, the societies purchased yarn worth 7.904 million rupees and produced cloth to the value of 9.127 million rupees. The sales effected by them amounted to 13.220 million rupees. The market for the cloth continued to be dull and the societies had to cut down the prices of finished goods below cost price. They sustained losses to the extent of 3.971 million rupees during the year.

Cottage Industrial Goods.- The Cottage Industries societies in the State produced during the year, goods to the value of 0.509 million rupees consisting of metal utensils, leather goods, etc., and sold goods to the value of 0.864 million rupees. The 33 women cottage industries societies produced 64,168 rupees worth of goods consisting of ready-made garments, cot-tape, place leaves, etc., and paid wages to their members to the extent of 16,098 rupees.

Co-operative housing societies.- At the end of the year there were 115 housing societies of all types. The details of the working of different types of housing societies as on the 30 June 1954 are shown in the table below:-

Particulars.	(1)	Ordinary	House	House	Total
		Building societies.	Building societies.	Construction societies.	
	(1)	(2)	(3)	(4)	(5)
1. Number of societies.	--	82	29	4	115
2. Number of members.	--	6,126	3,942	540	10,608

(Table continued to next page)

Table continued.

(1)	(2)	(3)	(4)	(5)
	Rs.	Rs.	Rs.	Rs.
3. Paid up share capital. --	1,714,948	2,760,749	601,701	5,077,398
4. Government loans sanctioned during the year. --	595,274	2,053,400	455,600	3,114,274
5. Government loans outstanding at the end of the year.---	4,032,546	4,993,838	1,153,108	10,179,492
6. Total working capital. --	6,005,992	7,894,733	2,080,662	15,981,387
7. Loans disbursed to members during the year. --	422,383	2,067,638	4,800	2,494,821
8. Loans outstanding against the members at the end of the year. --	5,754,625	6,194,147	17,850	11,936,622
9. Number of houses constructed during the year. --	176	222	54	452
10. Number of houses in process of construction at the end of the year. --	141	417	42	600

NOTE:- Of the 82 building societies only 39 were active and working during the year. Similarly, only 21 of the 29 house building societies and 2 of the 4 house construction societies were active during the year. The particulars of houses constructed during the year and of houses under construction shown against items 9 and 10 are in respect of these societies.

Co-operative institutions continued to function also for the provision of employment to ex-tappers and for promoting the economic welfare of ex-addicts. There were 689 palmjaggery manufacturing societies with 44,842 ex-tappers as members and 55 percent of the jaggery produced by these societies was marketed through societies during the year as against 30 per cent in the previous year. Besides these societies, there were milk supply unions and societies, land colonisation societies, tenants' and field labourers' societies and others numbering 268 societies in all in which 6,555 ex-tappers were admitted as members. For the development of palm-gur industry, 3,146 ex-tappers were given training in the improved processing.

The draft Second Five-Year Plan of the State Government for Co-operation aims at increasing the credit handled by co-operatives in the State to 18.8 per cent with the objective of increasing it to 50 per cent in the subsequent 10 years. In addition to schemes relating to rural credit, a programme of development of co-operative activities in other spheres, viz., marketing, farming, dairying, housing, palm-gur development, development of cattle breeding, organisation of labour-contract and forest coupe societies and co-operative education, has also been drawn up.

Suggestions to improve Indian Co-operative Movement;
Report of Indian Mission to Canada.

The Indian mission which visited Canada for three months during 1953 to study the co-operative system there has recommended the adoption of certain important features of the Canadian co-operative system by India with suitable modifications.

The observations and recommendations of the mission led by Shri M.R. Bhide then Joint Secretary in the Union Ministry of Food and Agriculture have been released by the Union Government. The main recommendations of the mission are given below.

Agricultural credit.- The agricultural credit society in India should be larger in size and there should be option to choose between limited and unlimited liability.

Local deposits should be encouraged and efforts should be made in co-operatively well-developed States to support a mutual aid fund for agricultural credit societies. Under this scheme, a certain percentage of the profits of every credit union is paid into a fund to be used to help such credit unions as get into financial difficulty.

Membership should cover all residents of the area and not merely agriculturists owning land.

Marketing and Purchasing.- The system of preference shares may be introduced in marketing organisations, consumer societies and industrial producers' societies for raising capital, especially funds needed for long-term purposes.

The system of revolving credit built out of patronage dividend withheld for a specific period should be introduced in marketing consumer and industrial co-operatives.

Big societies and federations may be permitted to have full-time paid presidents, vice-presidents or directors.

Marketing contracts between the marketing society and its members for specific periods regarding the delivery of produce should be tried. The services of federations should be used to rehabilitate weak affiliated primaries by means of management and contracts, as is being done in Canada.

Marketing and consumer federations should try to establish effective contact between one another and with federations in foreign countries.

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Group Life Insurance.- Group life insurance may be introduced in well-managed and strong primary co-operative marketing organisations, consumer and industrial co-operatives.

Loan protection insurance deserves to be introduced in well-managed credit societies and urban banks.

By confining life insurance to members and employees of credit unions and by not appointing agents and paying no commission, it has been possible to extend insurance to members at a cost 25 per cent cheaper than ordinary life insurance companies. This may be tried in India and necessary changes made in the insurance law for the purpose.

Education of Members.- The training of employees of co-operative institutions should be left to co-operative institutes or unions and the Government should give them substantial financial assistance.

The education of members and office-bearers of co-operative societies should also be taken up by State co-operative unions or institutions and Government aid given for this.

Co-operative publications should increase and should be made more attractive.

Full use should be made of annual general meetings to impart co-operative education to members. Lectures should be organised, supplemented by educational films, and important co-operative institutions should be encouraged to hold their annual meetings at the same time and place and arrange for a common programme of instruction and entertainment.

There should be greater collaboration between Government departments, universities, co-operative organisations and farmers' organisations for purposes of adult education.

General suggestions.- Rural electrification may be used on a co-operative basis, especially in areas where an agency for power generation is available, such as river valley projects.

Systematic efforts should be made to establish inter-co-operative relations in India, and federations in India should try to establish contacts with federations in important countries.

The mission has also suggested that aid under the Colombo Plan from Canada may be sought, among other things, to get experts for fishing projects to be organised by fishermen's co-operatives on the west coast of Bombay for marine fisheries and in Orissa for inland fisheries, to obtain two or three elevators in surplus wheat areas such as Punjab, PEPSU and Uttar Pradesh, and to procure cold-storage plants for fruit and potatoes, one each, for the Punjab and Himachal Pradesh, and six for fruit in Himachal Pradesh, the Punjab, Uttar Pradesh and Assam.

(The Statesman, 20 February 1956).

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Regional Conference on Marketing and Co-operation,
3 - 5 February 1956.

A Conference to discuss the accelerated programme of development of agricultural marketing and co-operation was convened at Jaipur on 3 - 5 February 1956. Delegates representing the Central Ministry of Food and Agriculture, Planning Commission, Community Projects Administration, All-India Co-operative Union, Reserve Bank of India, State Bank of India, and from Assam, Bihar, Delhi, Himachal Pradesh, Madhya Bharat, Manipur, Orissa, Rajasthan, Tripura, Uttar Pradesh, Vindhya Pradesh and West Bengal attended the Conference.

Inaugurating the regional conference of marketing and co-operation, Mr. Sukhadia, Chief Minister of Rajasthan, said it was only by means of a variety of co-operative organisations that they could hope to broaden the economic base of democracy so as to assure the common people a basic minimum of civilised life in a free society, dedicated to the dignity of the individual.

Shri P.N. Thaper, Secretary, Union Ministry of Food and Agriculture, in his presidential address, said co-operation, as an expression of social democracy, had acquired a new significance as an instrument of economic betterment of the rural population and as an alternative to a totalitarian and a capitalist economy.

The transformation of rural economy was not to be brought about only by a policy of encouraging co-operatives, but also by a lively programme of technological, social and economic improvement. Side by side with the development of co-operative marketing, processing and ware-housing, the second Five-Year Plan provided for land reform, development of cottage and small-scale industries, improvement of transport, extension of social service and community development. It was these which would solve the problems of the rural people who, though numerically the largest, were economically the worst handicapped, he added.

After the inaugural and presidential addresses the conference divided itself into three working groups. Proposals for the regulation of agricultural produce markets, grading and standardisation, co-operative marketing, processing and warehousing, provision of long-term production finance by co-operatives under State trade and export, personnel requirements of co-operatives and inter-State transport arrangements were discussed by these working groups. The recommendations of these Working Groups were considered at a plenary session on 4 February 1956 and the following recommendations were adopted.

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Recommendations.- The conference endorsed the suggestion of the Hyderabad conference in regard to the constitution of a technical committee to inquire into the legal, technical and administrative problems connected with the organisation and expansion of land mortgage banking.

It recommended that there should be the maximum possible co-ordination between the regional committee and the central committees of the Planning Commission on land reform.

The conference also resolved that steps should be taken to protect adequately the interests of co-operative institutions in general and land mortgage banks in particular in so far as their interests affected by the recent land reform legislation by the State Governments were concerned.

As regards marketing finance, the conference recommended that the maximum share capital of primary marketing societies should generally be not less than 20,000 rupees, but every effort should be made to increase this share capital as quickly as possible. The maximum credit limit by such a society should ordinarily be eight times its owned capital.

In order that inter-State trade might be increasingly organised on a co-operative basis, the conference urged that steps should be taken by marketing co-operatives in surplus areas to establish business contacts with consumer societies in different areas.

The conference also urged the Central Government to encourage export of agricultural commodities by co-operative societies in order to help the grower to secure a better price for his produce.

The conference endorsed the proposal of the rural credit survey committee that a unit for central land mortgage banking at the apex level should be set up in each State which should ^{substantially} ~~substantially~~ a substantial part of the share capital.

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The conference also recommended that in the context of the scheme of land development proposed to be carried out by means of loans from the land mortgage banks, the State Government should guarantee for a specified period the difference between the value of the land before the improvement is effected and after it has taken place, particularly in areas where heavy investment by cultivators was required for converting unirrigated land into irrigated ones or for similar purposes of land development. The loan for such purposes should be made available to the ultimate borrower at as cheap a rate as possible by the Government, making funds available to the bank at an appropriately low rate of interest or by subscribing the bank to the necessary extent.

Other recommendations related inter alia to representation of co-operative marketing societies on regulated market committees, quick implementation of market news service organisation, grading and inspection service for agricultural commodities, principles governing the phasing of the storage and warehousing programme, facilities to be provided by State Governments for inter-State and ~~intra~~^{intra}-State movement of agricultural commodities, and personnel requirements of co-operatives.

(The Hindustan Times, 4, 5 and 9 February 1956;
All India Co-operative Review, Vol. XXI, No. 12,
March 1956, pp. 704-714).

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43. Handicrafts.

India - February 1956.

Steps to improve Handloom Industry: Minister inaugurates
All-India Week.

Inaugurating the All-India Handloom Week at Delhi on 19 February 1956, Shri T.T. Krishnamachari, Union Minister for Commerce and Industry stated that in the next few years it was proposed to set up over 1.5 million handlooms in the country. He envisaged that in the next 15 or 20 years all existing handlooms in the country would be converted into powerlooms. The change, he added, was bound to come and no one could stop it.

The Minister said that by giving him power and teaching him better techniques it would be possible for the weaver to improve his production. This would not only enable the industry to depend on itself but also make the weaver earn more.

Shri Krishnamachari said the handloom industry had been neglected in the past. Towards the end of 1952 the Government started taking steps to revive the industry. Suggestions were made to give some protection to the industry by reserving some types of production for handlooms. Some types of dhotis and other types of cloth were in fact reserved for handlooms. He was of the view that in India such reservations did not help.

The Minister added that owing to the steps taken by the Government, handloom production had increased from 850 million yards in 1951 to 1,450 million yards in 1955. Since the programme of help was started, 110 million rupees had been spent including nearly 18.2 million rupees by way of rebate on handloom cloth purchases. Co-operative societies had also been set up and their work co-ordinated by the handloom boards.

Industrial Co-operatives.— Shri Krishnamachari stated that in order to enable people who were not traditional weavers to take to the handloom, they had also plans to set up industrial co-operatives. The main object was to see that the weaver earned more than the 60 rupees to 70 rupees a month which he was now getting, he added.

(The Statesman, 20 February, 1956).

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Chapter 5: Working Conditions and Living Standards

Hyderabad State Aid to (Small-Scale and Cottage) Industries
Ordinance 1956 (No. I of 1956)

The Rajpramukh of Hyderabad promulgated on 19 January 1956 an Ordinance to regulate State aid to small-scale and cottage industries in the State. The Ordinance provides for the constitution of a Board of Industries consisting of ten members to assist the State Government in dealing with application for the grant of State aid under the Ordinance.

The small scale industry or cottage industry to which aid may be given under this Ordinance shall be such as has an important bearing on the economic development of the country and shall be (a) new or nascent industry; or (b) industry to be newly introduced into areas where such industry is undeveloped; or (c) old or established industry.

Other provisions of the Ordinance deal inter alia with method of giving State aid, control of business assisted by the State, disposal of profits when conditions of State aid is not fulfilled, and method of recovery of moneys due to the Government.

(Hyderabad Gazette, Extraordinary, No. 6,
20 January 1956, pp. 19-27).

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Chapter 5. Working conditions and Living standards.

52. Workers' Welfare, Recreation and Workers' Education.

India - February 1956.

Sixth All-India Annual Conference of Indian Institute of
Personnel Management: Role of Personnel Officers.

The sixth annual conference of the Indian Institute of Personnel Management was held at Madras from 10 to 15 February 1956. Shri Sri Prakasa, Governor of Madras inaugurated the session and Shri S.C. Joshi, Director of Personnel, Tata Iron and Steel Co., Ltd., Jamshedpur and President of the Institute presided.

Activities of the Institute: Shri Hunter's address.-
Shri E.F.G. Hunter, Chairman, Employers' Federation of Southern India, welcoming the delegates, described the activities of the institute. Since the inception of the Institute in 1948 at Calcutta, the Institute had grown from strength to strength and to-day it had on its rolls 750 members working in various parts of India. The Institute was also a founder-member of the All-India Council of Labour Welfare Officers. Amongst its activities, the Institute published a journal for the purpose of disseminating knowledge and information regarding personnel management to members of the Institute, some of whom were far away from Calcutta and were not able to attend all the meetings of the Institute held at the headquarters. The Institute, which was started in Calcutta, had now branches in Bombay, Bihar, Assam, Dhanbad and local groups in other industrial centres around Calcutta. Regular meetings were held in Calcutta at which eminent persons were invited to speak on labour relations and allied subjects.

In 1955 a refresher course was run by the Institute for the benefit of its members in Calcutta on "Grievance Procedure and Problems of Discipline". There was also an information service for collecting, collating and distributing information on topics of interest to industry. So far the Institute had collected information on collective bargaining practices, joint consultation and voluntary arbitration.

The main aims of the Institute, Mr. Hunter said, were to spread ideas concerning the importance of human values in industry, to promote the study of personnel and industrial welfare problems, and to promote and safeguard the status of those engaged in personnel, and welfare work. The Institute endeavoured to pool the knowledge and experience of those who were engaged in Personnel Management and Labour Welfare in various establishments in India and abroad, and thus help the exchange of ideas between its members.

The present conference, he said, had three important subjects for discussion, namely, "Industrial disputes - how to prevent them", "Relations of Personnel Officers in Line Management", and "Management training in Indian Industries".

Importance of Personnel Management: Presidential address. - Shri Joshi, in the course of his presidential address, said that it was a matter of great satisfaction that the importance and value of personnel management in industry was being recognised and appreciated by employers, employees and Government, and that its place in the general management of an industry was taking a definite shape. In some of the industries, full-fledged personnel departments were established. In others, special officers were appointed and designated either as Personnel Directors, Personnel Officers, Labour Officers or Welfare Officers. In the circumstances, it could not be denied that personnel management in an industry should be carried out on a firm, sound and scientific basis. It should be given at least as much importance as any other function of the management of an industry. For that purpose those entrusted with the work of personnel management should be fully equipped with the essential qualities of courtesy, patience, freedom from prejudice, readiness for compromise when necessary, without sacrificing principles and impartiality. A professional code of conduct should be prepared for their guidance.

A National Institute of Personnel Management, he said, had to play an important part in spreading the idea of the importance of human value in industry, in promoting and encouraging the study of the personnel problems and industrial relations, in collecting, analysing and disseminating information regarding personnel matters and in extending the use of scientific methods in relation to personnel management. The Indian Institute of Personnel Management had been established with these aims and objects. It had been rendering valuable service, although it was still in its infancy, he said.

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Appreciating the value and importance of maintaining good and harmonious Labour-Management relations, the Industrial Disputes Act, was passed in 1947, Shri Joshi continued. "It aimed at preventing and settling industrial disputes and securing good and cordial Labour-Management relations by mutual negotiations and conciliation, and as a last resort by compulsory adjudication. The introduction of compulsory adjudication for settlement of industrial disputes has, in my opinion, failed to achieve the main object of securing and maintaining harmonious Labour-Management relations. The number of strikes and lock-outs and man-days lost can, I respectfully submit, hardly be an indication of the good industrial relations". In fact he said, it had given a setback to the methods of mutual negotiations and collective bargaining for settlement of disputes and securing harmony and goodwill among the workers and employers. It had also adversely affected the development of trade unions on true trade union lines. The different ideologies and methods adopted by the trade union leaders had led to the split of the national trade union movement and had made it weak and ineffective.

Role of Personnel Officers:- After referring to the importance of industrial labour in the five year plans, Shri Joshi said that it was very encouraging that for the settlement of industrial disputes and securing peaceful and efficient working of industry great emphasis had been placed on mutual negotiations and collective bargaining. The personnel officers would have to play a very important part in the successful implementation of the aspect of the Plan. With the will on both sides and tactful handling of the situation by the personnel officers, he was convinced that it would not be difficult to obtain satisfactory results. Of course, much would depend upon the way in which each problem was studied and the view-point of the management and the labour appreciated by the personnel officers. For this purpose, the personnel officer should secure the confidence of the employer and of the workers and their leaders.

It was true that for the success of negotiations and collective bargaining, there must be an organisation representing the workers that would act on their behalf as their bargaining agent. The leaders of such organisations must take a reasonable and fair view of every matter keeping in the forefront the interest of the country in general and of the industry in particular. Anything that would adversely affect and hamper the industry should be avoided, even though improvement sought might be gradual.

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As personnel officers, he continued, they had an important role to play in promoting and maintaining good Labour-Management relations in industry. Under the First Five-Year Plan they had tried to discharge their responsibility under the prevailing situation to the best of their ability. Under the Second Plan their responsibility was still greater. The success or failure in their profession entirely depended on the degree of industrial relations they would be able to secure and maintain. The degree of active co-operation between management and workers in the various spheres of mutual interest was the measuring rod of their success. "It is, therefore, our sacred duty to bring about a change in the attitude of the representatives of the management and the workers and to convince them that their interests are always complementary and never conflicting. This complementary interest should be in line with the interest of industry, community and the nation at large", he said.

It was his firm conviction that personnel officers should have no executive powers but should have only advisory functions. A personnel officer would be valued and respected by all concerned, if his advice was impartial, just and correct. Only through correct advice in time he would be able to build up the infant profession which he was practising, he said.

Office-bearers.- At the annual general meeting of the Institute, the following office-bearers were elected for the year 1956: Shri R.M. Sen Gupta, President; Shri M.M. Ghosh, Shri W.H. Jacks, Shri N.S. Mankikar, Shri D.P. Mukherjee and Shri Q. Nowaz, Vice-Presidents; Shri S. Nageswaram, Honorary Secretary.

(The Hindu, 11 and 14 February 1956).

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56. Labour Administration.

India - February 1956.

Working of the Tea Districts Emigrant Labour Act, 1932,
during the Year 1953-1954*.

According to the report of the Controller of Emigrant Labour on the working of the Tea Districts Emigrant Labour Act, 1932, for the year ending September 1954, the working population living on tea estates was 328,391 at the end of the year. Of these 155,775 were men, 139,115 women and 33,501 children. The mean annual strength of the labour force was calculated at 334,058. Dependents of the workers who formed the non-working population were reported to be 358,280. During the year under review 36,079 workers (men, women and children) entered into employment against 47,415 who went out of employment. Of the 36,079 workers who were added to the labour force during the year only 394 were brought from outside the State. The separation figure of 47,415 includes 1,390 emigrant labourers who were reported to have deserted tea estates of their employment and 9,392 emigrant labourers reported to have been repatriated to their homes at the cost of the employer, under the provisions of the Tea Districts Emigrant Labour Act. It is quite possible that a good number of the deserters find employment in other estates. The figures given represent only 390 tea estates in Assam. Two hundred twentyseven tea estates failed to submit their annual returns.

General.- The period under review had been one of exceptional prosperity for the tea industry in Assam and, at present, it would appear that world consumption exceeded supply. However, with all the major producing countries striving to increase their outturns, the pendulum could quickly swing the other way as was so disastrously illustrated in 1952. If world prices of tea continue to rise, then the factor of consumer resistance may take effect. One encouraging factor for the North Indian Tea Industry was that consumption in India itself appeared to be steadily increasing.

* Annual Report on the Working of the Tea Districts Emigrant Labour Act (XXII of 1932) for the year ending the 30th September 1954. Printed at the Assam Government Press, Shillong, 1955. Price Rs.1-12-0 or 2s.8d., pp.68.

Recruitment.- Recruitment during the year under review was even less than that of the previous year. The demand for labour was present, but in deference to the wishes of the Government of Assam endeavours were made to meet this demand by means of inter-garden transfer of labour within the State and emigration was limited to the recruitment of sweepers and the return of leave labourers or the relatives of persons already on estates. Three hundred thirty-five persons as against 3,318 during the previous year were recruited during the year from the States of Bihar, Madhya Pradesh, Orissa and Madras through the agencies of local forwarding agents at Ranchi, Berhampur (Ganjam) and Koraput. These States are controlled emigration areas. All the labourers were recruited by the Tea District Labour Association who are "employing interests" and possess Controllers' certificate under the Tea Districts Emigrant Labour Act.

The average cost of recruitment of one adult by the Tea Districts Labour Association was 291 rupees and 11 pies as against 136 rupees 9 annas and 8 pies in the previous year. The recruiting cost during the year ending 30 September 1952 was 143 rupees 15 annas and 8 pies. These figures have been obtained by dividing the total recruiting expenses charged in tea estates by the number of adults forwarded. The large average cost for the year under review includes the levy charged on commission and omitting the average levy charge the per capita cost of recruitment amounted to 231 rupees 10 annas and 9 pies. Even this reduced figure is greatly in excess of costs for the preceding year and the explanation lies in the vastly diminished scale of recruitment in the year under report. In 1952-53 recruitment was 6.51 adults per sirdar and in 1953-54 it was 0.7 adults per sirdar.

Wages.- In Assam Valley the average monthly cash earnings of men, women and children (resident) on tea estates were 35 rupees 2 annas and 4 pies, 30 rupees 4 annas and 8 pies and 17 rupees 15 annas and 1 pie respectively. Similarly in the Surma Valley the corresponding figures were 32 rupees 1 anna and 4 pies, 26 rupees 2 annas and 2 pies and 16 rupees 10 annas and 2 pies respectively. The average monthly cash earnings of Faltu or Busti (Casual) labourers on the Assam Valley gardens were 29 rupees 4 annas, 25 rupees 9 annas and 3 pies and 14 rupees 4 annas for men, women and children respectively. In the Surma Valley the corresponding figures were 22 rupees 9 annas and 8 pies, 18 rupees 11 annas and 5 pies and 12 rupees 3 annas and 9 pies respectively. Last year the corresponding figures for workers (resident) on tea estates were 21 rupees 1 anna and 6 pies, 18 rupees 6 annas and 10 pies and 11 rupees 8 annas and 5 pies respectively in Assam Valley and 17 rupees 1 anna and 6 pies, 16 rupees 2 annas and 6 pies and 10 rupees 1 anna and 3 pies respectively in Surma Valley and those of Faltu and Busti (Casual) workers in Assam Valley were 15 rupees 9 annas and 7 pies, and 14 rupees 14 annas and 10 pies and 10 rupees respectively and 15 rupees 4 annas and 9 pies, 14 rupees 15 annas and 4 pies and 9 rupees 13 annas and 6 pies respectively in Surma Valley. Considerable increase in the average earnings of both the categories of workers is noticed. During the year under review the practice of supply of foodstuff at concessional rates was discontinued

in a large number of gardens, in lieu of which conversion allowance at the rate of 9 annas to 8 annas per adult worker per day in the Assam Valley respectively in areas where cereals sell at 20 rupees per maund and 17 rupees 8 annas per maund and 1 anna to 5 annas in the Surma Valley was fixed for economic and uneconomic gardens. Wage cuts in the uneconomic gardens of Cachar were restored. Those tea gardens in Cachar yielding less than 7 1/2 maunds per registered acre were, however, granted some relief as they were required to pay the conversion allowance at the rate of 5 annas per adult worker per day. The maintenance of stocks of cereals and its supply to workers and their dependants throughout the year continued to be the responsibility of the employers. Payment of wages to workers was generally on the unit system and on weekly basis. In October 1953 the Assam Government had issued a notification providing that the minimum wages already fixed should be subject to six days' work per week being offered, i.e., that if work were not offered for six days in a week, the daily rate should be the amount due for six days at the existing rate divided by the number of days on which work was offered by the management.

With the introduction of the consolidated cash wage following conversion the arrangement for the payment of maternity benefit hitherto payable at the rate of 11 annas and 6 pies per day plus the usual food concessions for a total period of 12 weeks, i.e., 4 weeks before delivery and 8 weeks thereafter were also changed. At the conversion rate of 9 annas and 8 annas per day Maternity Benefit became payable at the rate of 8 rupees 6 annas and 6 pies and 8 rupees and 6 pies per week respectively in the Assam Valley and in Cachar where conversion rate was fixed at 7 annas per day for the purpose of Maternity Benefit it was payable at 7 rupees 10 annas and 6 pies per week.

Sickness allowance in the tea gardens under the membership of the Indian Tea Association was being paid at the rate of 9 annas and 9 pies per adult per day plus food concession and 6 annas and 3 pies per minor worker per day plus food concessions. With the introduction of conversion sickness allowance was paid at the following rates:-

		Rs. A. P.		Rs. A. P.
Men	-----	1 2 0	to	1 1 0 per day
Women	-----	1 1 0	to	1 0 0 per day
Working Minors	-----	0 8 6		per day.

The annual entitlement remained at 14 working days, Sundays and paid holidays being excluded.

Besides in almost all the gardens workers were allowed free grazing for their cattle and firewood. They were also given the benefit of cultivation of garden lands, either free of rent or at a nominal rent. They also cultivated lands outside the gardens grant. Such lands belonging to Government tea gardens and other private land-holders under cultivation by the workers were 6,404, 197,099 and 2,069 acres respectively. The average rent per acre of such Government land, tea garden land and land owned by other land-holders were 2 rupees 13 annas and 6 pies, 1 rupee 5 annas and 1 pie and 11 rupees 3 annas and 7 pies respectively. As a subsidiary occupation besides land cultivation, cattle and poultry rearing and kitchen gardening were popular among the workers. The high percentage of absenteeism, which is peculiar to the plantation industry, could be ascribed largely to the subsidiary occupations of the workers.

Absenteeism.- The table below gives the percentage of absenteeism among settled and casual tea estates workers in Assam during the year under review as compared with those of the previous year:-

		Total No. of workers on books.	Average daily working strength.	Percentage of absenteeism.
Settled Labourers -				
1952-53	-----	521,855	418,467	19.8
1953-54	-----	331,991	269,168	19.9
Casual Labourers -				
1952-53	----	91,291	61,832	32.3
1953-54	----	46,278	34,076	26.4

Welfare.- Standards of medical and sanitary arrangements recorded further progress. Water-supply arrangements in most gardens conformed to the hygienic standards. Sanitary conditions were, on the whole, satisfactory. In many gardens 'paludrine' was distributed free. Anti-malaria drive went on unabated. Medical services maintained highly qualified group medical officers and qualified doctors, compounders and midwives. Hospital facilities were available in larger number of gardens than ever before. Mention may be made of a fairly high standard in this regard being maintained by the member gardens of the Indian Tea Association. The following table gives the comparative figures of the standards laid down by Dr. Lloyd Jones and in the Bhore Committee's report with those maintained by the Indian Tea Association members:-

I.T.A. Loyd Jones members standard standard at 31-5-1954

Bhore Committee standard

			End of 5 years 1951	End of 5 years 1956	Long term plan 1971
(For thousand population)					
Hospital beds	11.20	10.00	.55	1.02	5.67
Doctors	.60	.40	.05	.09	.62
Midwives	.74	.40	-	-	-
Nurses	.70	1.00	.10	.23	1.81
Compounders	.54	.40	-	-	.23
Anti-malaria assistants	.26	.40	-	-	-

Vital statistics in the tea gardens show a predominance birth over deaths (11,199 deaths against 26,965 births). The birth rate was 39.14 as compared with 16.25 deaths per thousand during the year. The number of deaths among emigrant labourers reported to the Controller during the year under report was 616 as against 729 last year.

Housing.- Free quarters were provided by the management to all settled and imported labourers (emigrants). The table below gives the position of houses of different types during the year under review:-

	Pucca	Semi-pucca	Kutchra	Total
Houses existing on the 30 September 1953 as reported by 347 tea estates	16,680	40,943	132,019	189,642
Houses existing on the 30 September 1954 as reported by 352 tea estates	17,962	38,744	128,564	185,270

The above figures compiled from the report of the Indian Tea Association represent the housing position only of their member gardens. Reports of other gardens were not available. The apparent decrease in the total number of houses shown above may be attributed to the difference between 210,684 families housed by 347 reporting tea gardens and 202,821 families housed by 352 reporting tea gardens of the year under review.

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These 352 tea estates had programmes to build 3,781 pucca, 346 semi-pucca and 4,876 kutchha houses during the half year following the year closed on the 30 September 1954. They had also programmes to remodel 351 pucca, 240 semi-pucca and 4,321 kutchha houses during the same period. Herein, is represented the housing programme only of member gardens of the Indian Tea Association. Programmes of other gardens were not yet known.

Education.- The number of schools in the Assam tea gardens increased from 501 to 534 in the current year and the pupils from 26,373 to 27,363.

The Plantation Labour Act, 1951.- The Plantation Labour Act, 1951, came into force with effect from 1 April 1954 and certain sections of the Act being provisions for fitness certificates and tokens for adolescent workers, the supply of drinking water and annual leave with wages came immediately into effect. It was found in course of inspection that the Indian Tea Association advised their member gardens of those sections which had come into effect pending rules being framed by Government in respect of other welfare measures covered by the Act and of their obligations under the said sections. The Controller also stressed on managers of non-member gardens their obligations under the aforesaid sections of the Act. During the year under review the Indian Tea Association and its members also continued to support the courses held in welfare training for male workers at the Rowrah Labour Welfare Training Centre for men and at the Welfare Training Centre at Borasali for women.

Industrial relations.- The Indian National Trade Union Congress continued to be the only major organisation for the tea gardens labour.

During the year there were only 6 actual strikes, involving 2,646 workers resulting in the loss of 3,616 man-days. The reasons were minor and the strikes were short-lived and settled amicably.

Repatriation.- Seventeen thousand, six hundred and forty-one labourers and members of their families were repatriated during the year under report by their employers for various reasons. Corresponding figures for the last year was 31,240. Out of 17,641/seals repatriated, 9,392 were emigrant labourers and 8,249 members of their families.

Finance.- The Government of India fixed five rupees as the rate of cess to be levied in respect of entry of exisited emigrants into Assam during the period of review. The actual receipts during the year including the sale proceeds of 4 per cent security loan of 50,000 rupees and the premium of 918 rupees 15 annas thereon, excluding the opening balance of 42,491 rupees 3 annas and 7 pies were 86,415 rupees and 14 annas. The receipts from emigrant labour cess fell far short of the estimated amount of 30,000 rupees. This was due to the restriction imposed by the State Government on recruitment of outside labour pending absorption of surplus labour of the States. The total expenditure during the year was 106,307 rupees and 5 annas as against the budget estimate of 114,220 rupees. The actual expenditure included the recoverable Contributory Provident Fund advance of 9,500 rupees and also a sum of 192 rupees withdrawn from the Contributory Provident Fund finally. Thus the actual expenditure during the year was 96,615 rupees and 5 annas as against 109,020 rupees and 6 pies during the preceding year. The saving of 12,404 rupees 11 annas and 6 pies was made possible by observing strict economy in expenditure. The year closed with a cash balance of 22,599 rupees 12 annas and 7 pies. In addition to the cash closing balance, the Fund had investments to the extent of 368,950 rupees.

Uttar Pradesh: Annual Report on the Working of the
Factories Act for the Year 1952*.

According to the annual report on the working of the Factories Act, 1948, in the State of Uttar Pradesh for the year 1952, the number of factories subject to the control of the Act decreased from 1,862 to 1,667 factories. The decrease in the number of factories is due to the fact that the total number of factories shown in the previous year's report included factories as existed before 1 April 1951, the date from which the U.P. Factories Rules, 1950, were enforced and which made it obligatory on the occupiers of the premises which are covered by the definition of "factory" as defined in section 2(m) of the Factories Act, 1948 to obtain a licence after depositing the prescribed fee and complying with other formalities. This new provision of licence made certain occupiers to reduce the number of workers in their factories to avoid the applicability of the provisions of the Factories Act, 1948, on their premises.

During the year under report 183 (i.e. 144, 2(m)(i) plus 39, 2(m)(ii)) new factories were added in the register of factories while 412 (i.e. 365, 2(m)(i) plus 47, 2(m)(ii)) factories did not apply for licences. Necessary action to assure the applicability or otherwise of the Factories Act to their premises was taken and as these were found either not working or not amenable to the Act, they have been considered as removed from the list of factories maintained by the office. Thus the total number of factories on the register was 1,633 as detailed below:-

	1952	1951
Under Sec. 2(m)(i) ---	1,438	1,605
Under Sec. 2(m)(ii) ---	195	202
Total.	<u>1,633</u>	<u>2,807</u>

The total amount realised under the provisions of licencing was 404,938 rupees.

* Annual Report on the Working of the Factories Act, 1948, in the State of Uttar Pradesh for the year 1952. Superintendent, Printing and Stationery, Allahabad, 1955. Price Rs.6/5/-, pp.115.

Inspections.- The total number of inspections and visits carried out under the Act by the inspectors of factories were 6,490 (3,707) out of which 3,761 visits were paid to the registered and licenced factories and 2,723 by unregistered premises for purposes of assuring the applicability of the provisions of the Act, on such premises. The increase in the number of visits is attributed to the increase in the number of inspectors. Out of the total number of 1,633 all factories were inspected at least once during the year under report and 535 of them were visited twice, 348 thrice and 277 were visited more than three times during the year. The number of visits included special visits which were arranged to check illegal overtime work and to enquire into the complaints and accidents, etc. One hundred and thirty-nine (55) inspections were carried out by the district medical officers of health and medical officers of health, who are ex-officio inspectors of factories. One inspection was also carried out by a civil surgeon in the capacity of his being ex-officio inspector of factories. Seventy-one inspections were carried out by the resident labour inspectors in the capacity of ex-officio inspectors of factories.

Employment.- The following table gives comparative figures for the years 1949 to 1952 of the number of factories which had submitted the annual returns and the average daily number of workers employed therein (according to the information furnished in the annual returns). It shows that there has been a regular trend of increase in the number of factories submitting annual returns.

Year	Number of factories		Average daily number of workers under Sec.	
	Under Sec. 2(m)(i)	Under Sec. (2(m)(ii)	2(m)(i)	2(m)(ii)
1949	1,087	91	226,367	7,470
1950	1,145	108	224,643	8,052
1951	1,085	94	195,921	6,593
1952	1,143	121	198,511	8,321

There is a slight increase in the average daily number of workers employed in the year, 1952, which can be attributed to the fact that there is an increase in the number of factories submitting annual returns as compared to the previous year.

Note:- Figures in brackets refer to those of the year 1951.

The following table shows the average daily number of employment of men, women and young persons in factories for the years 1952 and 1951:-

	Adults		Young Persons				Total
	Male	Female	Adolescents		Children		
			Male	Female	Boys	Girls	
1952 - 2(m)(i)	195,865	2,176	387	-	83	-	198,511
2(m)(ii)	7,666	531	75	-	48	1	
Total.	203,531	2,707	462	-	131	1	206,832
1951 - Total.	199,381	2,406	503	-	224	-	202,514

A general review of the employment of male adult workers in factories during the year under report shows increase of 4,150 over that of the previous year. The trend in factories has been to reduce the number of young persons employed and there has been a decrease by 34 (i.e. 41.07 per cent) over that of the previous year. The decrease in the employment of young persons is attributed to the strict enforcement of the relevant provisions of the Factories Act, 1948. All adolescent workers except five shown in the above table were reported to have worked as adults.

Health and safety.- The health and safety of workers was generally normal. No epidemics were reported during the year from any of the factories. During the year under review the factory management particularly those of large factories have paid special care and attention to improve ventilation in their factories, but a great deal still remains to be done before reasonably good conditions can be achieved in some of the smaller factories of the State especially those accommodated in rented buildings.

Adequate steps were taken where necessary to mitigate dust and fumes nuisance specially in glass factories at Ferozabad and textile mills in the State and also to prevent as far as possible inhalation of dust by workers working on processes emanating dust.

Electric-bulbs were gradually being replaced with fluorescent tubes and there was a marked improvement in lighting wherever such replacements have taken place.

A total of 6,879 (5,999) reportable accidents occurred during the year under report, out of which 30(29) were fatal and 6,849(5,870) were non-fatal. The total number of non fatal accidents during the year increased by 879 and fatal accidents by only 1 as compared with the figures of the previous year. The reason of the increase in the number of non-fatal accidents is attributed to a greater extent to the enforcement of the Employees' State Insurance Act at Kanpur. It appears that due to the enforcement of the Employees' State Insurance Act, there has been a tendency on the part of the workers to take the maximum advantage of the provisions of the said Act. This encourages the workers to absent themselves from work for a period which entitles them to the benefits under the Employees' State Insurance Act even in the case of minor injuries. Usually a worker used to continue his usual work in such cases for fear of losing his wages.

Thirty fatal accidents have been accounted for as follows:-

One case due to transmission machinery, one due to falling objects, three due to persons falling from height, two due to electricity, four due to hot substances, two due to striking against objects, and seventeen due to miscellaneous causes.

Canteens.- One hundred and sixty-seven factories were specified by the State Government for providing canteens by 1 October 1952 in accordance with the standard prescribed in the U.P. Factories Rules, 1950. The relevant provisions were strictly enforced by the Inspectorate with the result that 88 factories provided canteens.

Shelters, rest rooms.- The provisions regarding shelters, rest rooms and lunch rooms are applicable to factories wherein more than 150 workers are ordinarily employed. Accordingly 191(195) factories were amenable to the provisions of section 47 of the Act and rules made thereunder out of which 129(116) factories have provided rest shelters, rest rooms or lunch rooms. It has been observed that the management of factories have been trying to evade the compliance of these provisions on one pretext or the other and it was after great persuasion that 129 factories have provided rest shelter, etc., also. Still the position is not very satisfactory as it has been observed that rest shelters are not properly equipped and were seldom cleaned. Legal action had to be taken in 10 cases for breach of the provisions of section 47 of the Act. The cases of other defaulters are being pursued.

Creches.- Nine factories had provided creches. Legal action had to be taken against the management of two factories for the breach of section 48 of the Act. However, it has been observed that the management of factories discourage employment of women workers, perhaps due to fear of providing these additional facilities. The total number of children admitted to creches during the year under report was 210(200). The average daily number of children (a) below two years was 83(81), and (b) two years and above was 87(70).

Exemptions.- Sixty-eight printing presses and one railway factory were exempted temporarily under section 65(2) of the Act to enable them to cope with the exceptional pressure of work. Nine Ordnance Factories were exempted from the provisions of section 51, 52, 54, 55, 56 and 58(1) by the State Government under section 5 of the Act. The exemptions were of temporary nature and were renewed from time to time.

Government Printing Presses situated in the State were also given exemption from the provisions of section 51, 52, 54, 56 and 58(1) by the State Government under section 5 of the Act. The exemptions to these presses were also of temporary nature and were renewed from time to time.

Employment of young persons.- A general review of the employment of young persons in factories during the year under report shows a decrease of 133 over that of the previous year. Out of the total of 594 young persons employed in factories, 462 were adolescents, 131 were male, and one was a female child. The employers in general appeared to discourage the employment of young persons. However, some of the motor garages and glass factories at Ferozabad were found employing young persons in contravention of the provisions of the Act and suitable action was taken against such employers.

Prosecutions.- A total of 1,016 (470) prosecutions were launched against managements, occupiers or both by this department for contravention of the provisions of the Factories Act, 1948 and Rules made thereunder.

Convictions were obtained in 437 cases. This figure includes 48 cases in which the accused persons were let off after admnition. Eighty-nine cases resulted in the acquittal of the accused persons out of which appeals were filed by Government on behalf of this department in two cases which are still pending in the High Court for decision. Appeals could have also been filed in certain other cases but as the judgments were not received in time, they were considered time-barred.

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Four hundred and seventy-three (470) cases are still pending in various courts for decision. Five cases against three factories were withdrawn. Twelve cases were dropped due to the fact that either the accused persons were not traceable or had expired.

The total amount realised from fines imposed was 34,845 rupees and had ranged from 2 rupees to 500 rupees in various cases. The average fine per case comes to 34 rupees and 4 annas and 9 pies approximately against 83 rupees and 14 annas during the year 1951.

U.P. Maternity Benefit Act.- Out of 155 factories subject to the Act, 146 employing 1,255 (1,442) women workers submitted the returns for the year 1952. Maternity benefits amounting to 6,680 rupees 5 annas and 5 pies were paid in 6 districts. ~~Statements I and II appended to the report give the statistics of the benefits paid.~~

Complaints.- A total of 598 (618) complaints under various acts administered by this office were received. Besides this, 31 other complaints were also received by this office out of which 15 were of miscellaneous nature - beyond the provisions of the Acts administered by this office and 16 related to the conciliation machinery and as such forwarded to the regional conciliation officers concerned. Out of the total of 598, 256 complaints related to the Factories Act, 1948, and rules made thereunder, 341 to the Payment of Wages Act and Rules made thereunder and one to the U.P. Maternity Benefits Act. One hundred and eightysix complaints including those pending since last year were disposed of and the remaining complaints were being pursued.

Chapter 6 General Rights of Workers.

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

India - February 1956.

Travancore-Cochin: Provisions of Payment of Wages Act, 1936, extended to Employment in Salt Pans.

In exercise of the powers conferred under the Payment of Wages Act, 1936, the Government of Travancore-Cochin has extended provisions of the said Act to all persons employed in salt pans.

(Notification No. L2-3465/53/DD, dated 21 February 1956; Travancore-Cochin Gazette, Part I, 28 February 1956, p.218).

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65. Collective Agreements.

India - February 1956.

Joint Machinery to settle Disputes proposed; Bombay Collective Agreement on Bonus in Textile Industry explained.

Shri G.D. Somani out-going Chairman of the Millowners' Association stated at a press conference in Bombay on 16 January 1956 that a machinery, composed of employers and employeds, would be set up shortly to settle disputes in the textile industry.

Explaining the recent bonus pact between the Association and the Rashtriya Mill Mazdoor Sangh (vide pp. 65-66 of the report of this Office for January 1956), he said that once both the parties started working on the basis of joint consultation and mutual accommodation, the industry would be able to achieve higher productivity and real earnings for labour.

The agreement applied to the payment of bonus from 1953 to 1957. The pact extended the benefit even to the year 1952 in respect of those mills making losses or marginal profits in 1952, and whose bonus cases for that year were now pending before the Industrial Court.

Shri Somani said that for the period of the agreement, every mill, which was a party to the pact, would have to pay bonus whether it made a profit or incurred a loss. The minimum bonus payable by any mill would be equivalent to 15 days' wages. This provision, he observed, was of far-reaching importance in view of the fact that various courts, including the Labour Appellate Tribunal, had conceded the right of mills incurring losses to be exempted from paying any bonus. The Supreme Court had also upheld this principle in the Muir Mills' case.

When asked whether any mills incurring losses had kept out of the agreement, he replied: "We have circulated the terms of the agreement to all. Millowners have a perfect right to keep out of the pact, but I am hopeful that they will collectively endorse the pact".

Shri Somani stated that one or two departures from the Ahmedabad formula were made in order to satisfy the desires of the Rashtriya Mill Mazdoor Sangh. "In particular we had agreed that for the last two years of the agreement namely, 1956 and 1957, the development rebate, which was introduced in the Central Government's budget of 1955, should be ignored altogether in all bonus calculations."

Another change introduced in the Bombay agreement related to the setting up of a commission with agreed terms of reference to inquire into the rehabilitation requirements of Bombay mills. The rehabilitation requirement of a mill was an important item in the bonus calculation. The rehabilitation quota of Bombay mills was based on the finding that the total requirement of the Bombay industry by way of replacement, rehabilitation and modernisation of machinery from 1946 to 1951 amounted to 720 million rupees. The Sangh contested this figure in all the bonus disputes heard by the Industrial Court and the Labour Appellate Tribunal. The figure of 720 million rupees had throughout been upheld by all courts.

Shri Somani said: "We have agreed to contribute a sum of 5 million rupees towards a fund for workers' housing, although it does not form part of the bonus agreement. The work of establishing the Gandhi Memorial Hospital for workers will be taken in hand soon. The hospital will be integrated with the employees' state insurance scheme".

(The Times of India, 18 January 1956).

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66. Strike and Lockout Rights.

India - February 1956.

Bombay: Road Transport Services operated by Bombay Road Transport Corporation declared a Public Utility Service.

In exercise of the powers conferred under the Industrial Disputes Act, 1947, the Government of Bombay has declared the road transport services operated by the Bombay Road Transport Corporation in the State of Bombay to be a public utility service for the purposes of the said Act for a period of six months from 28 February 1956.

(Bombay Government Gazette, Part IV-A, 1 March 1956, page 135).

Madras: Labour in Minor Ports declared a Public Utility Service.

In exercise of the powers conferred under the Industrial Disputes Act, 1947, the Government of Madras has declared all labour at the minor ports in the State to be a public utility service for the purposes of the said Act for a period of six months from 18 February 1956.

(G.O.Ms.No.485 Industries, Labour and Co-operation, dated 6 February 1956; the Fort St. George Gazette, Part I, 15 February 1956, page 176).

Madras: Sugar Industry declared a Public Utility Service.

In exercise of the powers conferred under the Industrial Disputes Act, 1947, the Government of Madras has declared the sugar industry in the State to be a public utility service for the purposes of the said Act for a period of six months from 5 March 1956.

(G.O.Ms.No.702 Industries, Labour and Co-operation, dated 21 February 1956; the Fort St. George Gazette, Part I, 29 February 1956, page 237).

69. Co-operation and Participation of Industrial Organisations in the Social and Economic Organisation.

India - February 1956.

Labour Participation in Management: Worker Representative appointed to Board of Directors in a Textile Mill in Madhyabharat.

The Board of Directors of the Malwa United Textile Mills of Indore has decided to take a labour representative on the Board with a view to giving the labour its share in the management, it was announced at Indore on 21 February 1956.

The announcement added that the first progressive step taken by the Mills was the abolition of the managing agency system in November last year. The question of labour representation in the management was under the active consideration of the Board of Directors during the last few months, but no decision could be made earlier in view of some technical reasons. The Board of Directors considered the recent suggestions of the Prime Minister with regard to labour-management union and had decided to take a worker of the Mills as one of its Directors without further delay, the announcement added.

(The Times of India, 23 February 1956).

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CHAPTER 8. MANPOWER PROBLEMS.

INDIA - FEBRUARY 1956.

81. Employment Situation.

Employment Exchanges: Working during December 1955.

General employment situation.- According to the review of the work of the Directorate General of Resettlement and Employment during December 1955, despite the fact that there was an increase in the number of employers using the exchanges, vacancies notified and placements effected, the number of employment seekers on the live register of employment exchanges was about 10,000 more at the end of December 1955 as compared to the corresponding figure for the previous month. The main factor contributing towards this increase was a rise of about 19,000 in the number of fresh registrations over the figure for the preceding month. During December, a greater proportion of vacancies was made available by the State Government establishments and the increase in placements was also largely accounted for by this sector. Except for some local improvement observed in certain exchange areas, no marked change was reported in the employment situation in the country as a whole.

Widespread shortage persisted in respect of draughtsmen, compounders, trained teachers, stenographers, overseers, experienced typists, midwives and nurses. Dearth of qualified doctors, experienced engineers, road roller drivers, surveyors, health visitors, accountants and physical training instructors was also reported to be fairly widespread. Shortage of electric f^emen, laboratory assistants, tractor drivers, electricians, steno-typists, and of skilled technicians such as fitters, turners, welders and boiler makers was experienced by a number of exchanges.

Widespread surplus was reported in regard to clerks, untrained teachers, freshers from the educational institutions, carpenters, unskilled office workers, and motor drivers. Employment prospects for motor mechanics, and semi-skilled fitters, turners and blacksmiths were not reported to be bright.

Registrations and placings.- The following table shows registrations for employment and placings for December 1955 and November 1955.

		December 1955	November 1955
Registrations.	-----	147,996	129,227
Placings.	-----	16,817	14,856

The number of registrations recorded an increase of 18,759 over the preceding month. Increase in the number of registrations was marked in the States of Uttar Pradesh (5,715), Bombay (2,107), Delhi (2,035), Madhya Pradesh (1,883), Bihar (1,283), Madras (1,150) and Punjab (1,082).

A total of 81,649 applicants were submitted to employers during December 1955, as against 71,600 during the preceding month. Placements recorded an increase of 1,961 over the figure for November 1955. Increase in placings was notable in the States of Punjab (683), Bombay (572), West Bengal (269), Himachal Pradesh (216) and Bhopal (190). However, there was a fall in the number of placements effected in the States of Travancore-Cochin (259) and Madras (253). A total of 6,319 applicants were placed under Central Government Departments, 6,783 under State Government Departments and 3,710 in non-Government establishments.

Placings by wage groups.- The table below shows placings during the month classified according to wage groups.

<u>Wage groups</u>		<u>Number placed</u>
101 rupees and above	----	2,769
61 rupees to 100 rupees	----	8,073
30 rupees to 60 rupees	----	5,693
Below 30 rupees	----	277

Vacancies notified.- A total of 5,330 employers utilised the services of the exchanges during the month as compared to 4,835 during the previous month. The number of vacancies notified to exchanges during December was 25,514 as against 23,625 in the month of November. Thus the number of vacancies notified recorded an increase of 1,889. The rise in the number of vacancies notified was particularly marked at the exchanges in the States of Bombay (821), West Bengal (577), Punjab (364), Madhya Pradesh (184) and Delhi (180). There were, however, a decline in the number of notified vacancies in the States of Orissa (242) and Assam (211). During the month, Central and State Government Departments notified 19,516 vacancies while 5,998 vacancies were notified by non-Government establishments. There was a rise of 1,967 in the number of vacancies notified by the public sector and a fall of 78 in the private sector.

Register of unemployed.- There were 691,958 applicants on the live registers of the exchanges at the last day of the month of December; which was 10,794 more than the figure at the end of November 1955. The number of employed persons who were on the live registers of the exchanges was 4,990 at the end of the month. The composition of the live register occupationwise is shown below:-

<u>Occupation</u>	<u>Number of Live Register as on 31 December 1955.</u>
1. Industrial supervisory	4,441
2. Skilled and semi-skilled	57,165
3. Clerical	195,862
4. Educational	20,468
5. Domestic service	22,833
6. Unskilled	354,318
7. Others	36,871
Total.	691,958

Employment position of special types of applicants.- The employment position regarding special types of applicants during December 1955 is shown in the following table.

<u>Category</u>	<u>Registrations</u>	<u>Placings</u>	<u>No. on Live Register</u>
1. Displaced persons	6,657	1,134	45,440
2. Ex-servicemen	7,751	1,401	30,864
3. Scheduled Caste applicants.	16,322	8,153	69,035
4. Scheduled Tribes applicants.	2,244	335	7,194
5. Surplus and discharged Central and State Government employees.	1,657	705	7,868
6. Highly qualified applicants.	831	144	4,520
7. Women	5,497	923	25,366

(Review of the Work done by the Directorate General of Resettlement and Employment during the Month of December 1955; issued by the Ministry of Labour, Government of India)

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Bombay: Progress of Decasualisation Scheme for
Cotton Textile Workers.

According to the Annual Report* on the activities of the Government of Bombay pertaining to labour matters during the year, the Textile Employment(Decasualisation) Scheme for cotton textile workers which was introduced in Ahmedabad in 1949 and in Bombay and Sholapur in 1950 continued to operate during the period under review. The number of workers registered and demanded and the number of submissions and placements under the Scheme along with the comparative figures for earlier years for Bombay, Ahmedabad and Sholapur are shown in the following table:-

Centres	Year	Registration	Demand	Submission	Placement
Bombay	-- 1950	20,355	29,659	23,648	7,434
	1951	46,409	55,408	70,871	40,237
	1952	43,140	67,548	87,234	49,928
	1953	31,916	44,230	62,888	34,663
	1954	19,132	36,700	51,869	27,480
Ahmedabad	-- 1950	13,123	10,768	10,392	3,112
	1951	7,902	10,156	11,944	4,713
	1952	12,862	25,071	25,275	9,374
	1953	7,516	16,675	19,994	7,968
	1954	4,408	14,077	13,310	5,372
Sholapur	-- 1950	12,548	1,773	2,356	1,628
	1951	2,830	2,755	3,463	2,633
	1952	2,896	3,243	4,354	2,950
	1953	2,569	2,102	2,877	1,949
	1954	1,269	1,230	1,561	1,165

As compared to the earlier years the figures of registration have fallen appreciably mainly due to decrease in turn-over with the introduction of provident fund and health insurance schemes, the restricted conditions of registration under the scheme and revised procedure adopted for re-registration of workers. Those who are already registered, but whose

* Annual Report on the Activities of Government Pertaining to Labour Matters during 1954; Obtainable from the Government Publications Sales Depot, Institute of Science Building, Fort, Bombay, 1955. Price Annas six, pp.71.

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registration lapsed due to failure on their part to renew registration in time or who got employment through the scheme and who desired to have the assistance of the scheme are re-registered but are not included in the figures of registration. The fall in the figures of demand and consequently of submissions and placements can be attributed partly to the decrease in labour turn-over and partly due to the non-receipt of the demands and direct recruitment resorted to by the mills in taking new hands.

Instances have been detected of the misuse of introduction cards and the facilities provided to the workers in securing employment. Cases have also come to the notice where workers have produced service certificates belonging to the other workers. A provision to suspend the worker's registration who connives at his service certificate being misused by the other worker, for a period of three months in Bombay and two months at Ahmedabad is in force and is being strictly adhered to in all cases.

The practice of direct recruitment in certain mills in Bombay and Ahmedabad also continued during the year 1954. The number of workers directly recruited during the period according to the returns received from the mills in Bombay was to the extent of 3,442 which is about 12 per cent of the total recruitment. This number would increase to some extent if the returns were called for from the mills which did not submit returns. No case of direct recruitment was, however, reported from Sholapur.

It is felt that the Scheme would yield the desired results only when it is put on a statutory basis.

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83. Vocational Training.

India - February 1956.

Labour Ministry's Training Schemes: Progress during
December 1955.

Training of Craftsmen.- The number of trainees on the roll of various training institutes and centres on 31 December 1955 was 9,419. There were 7,732 (including 16 women; 14 at the industrial training centre, Maharaja's Technical Institute, Trichur, 1 at the industrial training centre, Trivandrum and 1 at industrial training institute Bangalore) trainees in the technical trades and the remaining in vocational trades.

Training of displaced persons.- The total number of displaced persons undergoing training as at the end of December 1955 was 2,102, of these 1,759 were in technical trades and the remaining in vocational trades.

Apprenticeship training for displaced persons.- A total of 1,206 displaced persons were undergoing training as apprentices in industrial undertakings and establishments in Uttar Pradesh and West Bengal, against 1,400 seats sanctioned for the purpose. They were recruited and posted direct to the undertakings and establishments concerned.

Training of women.- A total of 478 women were undergoing training at the end of December 1955, at the three women training institutes in New Delhi, Dehra Dun and Madras. In addition, 14 women at industrial training institute, Kakinada, 5 at industrial training centre, Orissa Poor Cottage Industries, Cuttack, 34 at the industrial training institute, Alambagh, Lucknow, and 37 at industrial training institute, Almora, were undergoing training alongside men.

Training of supervisors and instructors.- In the XVI regular session which commenced from 18 November 1955, 95 supervisors and instructors were receiving training at the central training institute for instructors, Koni-Bilaspur at the end of the month.

Training of women craft-instructors.- Under the scheme for the training of women craft instructors introduced at the industrial training institute for women, New Delhi, 28 women instructors-trainees were receiving training at the end of the month under report.

Training of school going children in hobby centre, Allahabad.- Fifty-seven trainees were undergoing training at the end of month under report at the Hobby Centre, attached to the industrial training institute, Allahabad, as against 54 last month.

Short-term course of training in sheet metal work trade.- In the short-term course of training in trade 'sheet metal work' which was started at the industrial training institute, Bangalore, under the craftsmen training scheme in September 1955, 105 trainees were undergoing training in the trade against a sanctioned capacity of 96 as at the end of the month under review.

(Review of the Work done by the Directorate General of Resettlement and Employment during the Month of December 1955; issued by the Ministry of Labour, Government of India).

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Engineering Personnel for Second Five Year Plan:
Establishment of New Institutions.

Suggestions for opening new institutions and increasing the capacity of the existing ones for training engineers and technical personnel required during the second Five Year Plan period have been made by the Engineering Personnel Committee in its interim report to the Planning Commission.

These recommendations have been made after studying the engineering requirements of Central Ministries and State Governments. The committee has phased these demands over the period of the Plan taking into account the special claims of iron and steel plants, railways and others.

The committee has suggested that with a view to implementing these recommendations effectively a high-power body for taking policy decisions and a supporting executive organisation should be set up both at the Centre and State levels.

On the basis of the analysis of data received from Central Ministries and State Governments, the committee has come to the conclusion that in addition to engineering personnel to be trained in the institutions at present proposed under the second Five-Year Plan, it is necessary to provide facilities for training the following personnel -

- Civil engineers 970; mechanical engineers 200;
- electrical engineers 190; telecommunication engineers 190;
- metallurgical engineers 40; and mining engineers 100;
- civil diploma-holders 3,100; mechanical diploma-holders 1,700; and electrical diploma-holders 950.

The numbers proposed have been worked out on the assumption that the activity in the third Five-Year Plan will continue to increase at the same rate as in the second Five-Year Plan. In the case of diploma-holders, the need is even higher, but the committee suggests that a new category of personnel, i.e., 'technical assistants' who require a shorter term of training on specific jobs may be recruited to assist overseers in the variety of jobs that overseers are at present required to perform.

The committee further suggests that the additional numbers required should be met by (a) opening new institutions, and (b) increasing the capacity of existing institutions by 20 per cent for graduate training and by 25 per cent for diploma training.

New Institutions.- In regard to the setting up of new institutions the committee recommends (a) for the Northern region comprising Punjab, Uttar Pradesh, Rajasthan, Jammu and Kashmir, P.E.P.S.U., Delhi, Ajmer-Marwar and Himachal Pradesh - three degree colleges and 20 diploma institutions, (b) for the Eastern region comprising Assam, West Bengal, Bihar, Orissa, Manipur and Tripura - seven degree colleges and 25 diploma institutions, (c) for the Western region comprising Bombay, Madhya Pradesh, Madhyabharat, Kutch, Bhopal and Vindhya Pradesh - six degree colleges and 12 diploma institutions, and (d) for Southern region comprising Madras, Andhra, Mysore, Travancore-Cochin, Hyderabad and Coorg - five diploma institutions.

Details of the specific categories of engineering for which facilities are to be created have been given by the committee region-wise. Facilities proposed are the minimum necessary to allow for different contingencies, including the requirements of teaching institutions.

The committee had received the phasing of engineering requirements from various Ministries and States and the needs, as shown by them, were fairly heavy in the first two years. The committee has, therefore, phased these demands over the period of the Plan taking into account the special claims of iron and steel plants, railways and so on. Even with the phasing suggested by the committee there will be shortages likely to be experienced in the earlier years of the Plan. To meet such shortages the committee has recommended various measures, like utilising unemployed engineers, promoting subordinates to higher levels, augmenting existing staff and retaining engineers beyond the age of superannuation.

In order to check the flight of temporary personnel from project to project, the committee recommends that States should come together for some common line of action which would involve agreement on (a) scales of pay and allowances, (b) a common authority for deployment of personnel from project to project, and (c) safeguarding the tenure, security and future prospects of temporary engineers.

To improve the quality of engineering education, the committee's recommendations are that (a) the salary scales of teachers should be brought on at par with Government scales in the executive line, (b) departments should spare experienced engineers for teaching institutions, and (c) refresher training should be arranged for teachers.

Unemployment among engineers is mostly due to lack of experience. The committee recommends that there should be a readiness on the part of employers in the public and private sectors to get fresh persons and arrange for their training on the job. Such training especially in the lower categories, should be promoted on a large scale because of physical limits to the expansion of institutional training on traditional lines.

In order to obviate the delay in recruitment the committee suggests (a) recruitment in the college campus, (b) bulk selections every year to cover the needs of different departments, and (c) setting up of a register of qualified engineering personnel.

(The Hindustan Times, 1 February 1956).

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National Council for Higher Education for Rural Areas
set up.

In pursuance of the recommendations of the Committee on Rural Higher Education the Government of India has by a resolution dated 3 February 1956 established a National Council for rural higher education.

The functions and powers of the Council are: (a) to serve as an expert body to advise the State and Central Governments about improvement and expansion of rural education in all its phases; (b) to advise the rural education institutions and act as the co-ordinating agency amongst them; (c) to examine and appraise proposals in this behalf referred to by the Government of India and the State Governments and assist in the implementation of approved programme; (d) to initiate schemes for the development and maintenance of standards of higher education in rural areas and to encourage research in problems relating to rural education in all its aspects; (e) to advise the Government of India on grants to be paid to institutions participating in the rural development schemes; (f) to appoint ad-hoc committees to assist in the attainment of any of its objectives; (g) to frame its own rules and regulations to regulate matters not covered by this resolution; and (h) to do all other acts and things whether incidental to the powers aforesaid or as may be required in order to further its objects.

(The Gazette of India, Part I, Section 1,
11 February 1956, pp. 42-43).

93. Application.

India - February 1956.

VI. Compensation in case of Employment Injury or Occupational Disease.

Uttar Pradesh: Annual Report on the Working of the Workmen's Compensation Act for the Year 1953*.

According to the annual report on the working of the Workmen's Compensation Act, 1923, in Uttar Pradesh for the year 1953, the total number of accidents in registered factories in the year under report was 7,564 as compared to 6,879 in 1952. This shows an increase of 685 accidents over the preceding year, while during the same period the average, daily number of workers employed in registered factories in Uttar Pradesh decreased from 206,832 in 1952 to 206,740 in 1953. The number of accidents in defence installations are also included in the above figure but the figure of average daily number of workers in these factories is not included.

The following table shows the average number of workers employed in registered factories in Uttar Pradesh, number of accidents, and the incidence of accidents per 100 workers during the last decade. The statistics of accidents shown in the following table are those reported under the Factories Act in respect of registered factories only. The number of accidents which take place in other establishments covered by Schedule II of the Workmen's Compensation Act are not known and so this figure is not included in the table below:-

* Report on the Working of the Workmen's Compensation Act (VIII of 1923) in Uttar Pradesh for the Year 1953. Superintendent, Printing and Stationery, Allahabad, 1955. Price Annas 11; pp.19.

Year	Average daily number of workers.	Number of accidents.	Incidence of accidents per 100 workers.
1944 --	278,238	5,348	1.92
1945 --	276,468	5,519	1.99
1946 --	257,140	4,959	1.78
1947 --	240,396	5,395	2.24
1948 --	242,083	6,323	2.61
1949 --	233,837	6,782	2.90
1950 --	232,695	7,113	3.06
1951 --	202,514	6,099	2.95
1952 --	206,832	6,879	3.33
1953 --	207,740	7,564	3.66

Cases disposed of by the Commissioners.— The year 1953 opened with 72(97) cases of Workmen's Compensation including 27(35) cases of award of compensation under section 10 and 45(62) cases of deposits under section 8 of the Act. A total of 159(126) fresh cases were filed and 49(71) were received from other Commissioners for disposal, thus making a total of 280 (294) cases to be disposed of by the Commissioners. Of these 175(218) were disposed of and 7(7) were transferred to other Commissioners for disposal, leaving a balance of 98(69) cases to be disposed of.

As regards award of compensation 27(35) were pending at the Commencement of the year. Of these 11(15) related to fatal accidents, 13(19) to permanent disablement and 3(1) to temporary disablement. Fiftyseven(54) fresh cases were instituted during the year, 17(20) relating to fatal, 25(31) to permanent disablement and 15(3) to temporary disablement, thus making a total of 85(99) cases to be disposed of, including 1(nil) case relating to fatal accident which was received from other Commissioner for disposal. Of these 54(62) cases of awards including 16(24) relating to fatal, 24(37) relating to permanent disablement and 14(1) relating to temporary disablement were disposed of leaving a balance of 31(27) cases at the close of the year. Of these cases 17(14) were disposed of without notice to the other party and 37(48) cases after notice to the other party, of which 6(20) cases were not contested. Out of 17(14) cases disposed of without notice to the other party 14(10) cases were withdrawn, 2(2) cases were dismissed for non-appearance and 1(2) were summarily dismissed under rule 21. All the six uncontested cases were admitted by opposite party, and in no case an award was allowed ex parte. Of the 31(28) cases, which were contested, compensation was allowed in 13(10) cases, in part in 1(2) cases and the remaining 15(16) were dismissed.

Note:— Figures in brackets relate to the preceding year.

Registration of agreements.- Eighteen cases of agreements relating to permanent disablement were pending at the commencement of the year under report as against 38 for the preceding year. One hundred and forty-six (136) memoranda of agreement for permanent disablement and 3(4) for temporary disablement were received during the year, thus making a total of 167(178) for disposal. Of these, 135(149) agreements for permanent disablement and 3(4) for temporary disablement were registered as filed. The number of agreement registered after modification was 1(1). On the whole, 146(160) cases were disposed of leaving a balance of 21(18) cases relating to permanent disablement at the end of the year.

The total number of cases in respect of which compensation was paid during the year under review was 142 as against 184 last year. Out of the total number of 175(218) cases disposed of by the Commissioners, 18(20) were dismissed, 14(10) were withdrawn and in 1(4) cases compensation money was refunded to the employers. All these cases related to adult male workers. In 101(122) cases injuries resulted in death, in 29(47) cases in permanent disablement and in 12(15) temporary disablement.

Amount of compensation paid.- During the year under review 182,440 rupees 11 annas and 9 pies (207,743 rupees and 9 annas), 26,865 rupees and 9 annas (39,132 rupees 5 annas and 2 pies) and 2,358 rupees and 4 annas (3,636 rupees and 9 annas) were paid as compensation in 101(122) fatal cases 29(47) permanent disablement and 12(15) in temporary disablement cases respectively after reference to Workmen's Compensation Commissioners. Of 101 cases resulting in death, 40 related to factories, 28 to mines, one to docks and ports, 18 to building and construction, 3 to motor transport, one to electricity and 10 to miscellaneous. Of 29 cases of permanent disablement, 15 related to factories, 5 to mines, 8 to building and construction and 1 to miscellaneous. Similarly of 12 cases of temporary disablement, 2 related to factories, 5 to mines and one each to building and construction and motor transport and 3 to miscellaneous. The average amount of compensation paid per case was 1,806 rupees 5 annas and 6 pies (1,702 rupees 13 annas and 1 pie) in fatal cases, 926 rupees 6 annas and 5 pies (832 rupees 9 annas and 8 pies) in cases of permanent disablement and 196 rupees 8 annas and 4 pies (242 rupees and 7 annas) in cases of temporary disablement.

In addition to 142(184) cases disposed of by Workmen's Compensation Commissioners in which compensation was paid to 785(1,238) cases consisting of 160(172) cases of permanent disablement and 625(1,066) cases of temporary disablement were settled directly by the employers without reference to Workmen's Compensation Commissioners in which compensation amounting to 76,106 rupees 5 annas and 3 pies (94,361 rupees 11 annas and 7 pies) and 13,941 rupees (23,140 rupees 6 annas and 3 pies) respectively was paid. Out of 625 cases of temporary disablement and 160 cases of permanent disablement 624 and 157 related to factories, 1 each to electricity undertaking and nil and 2 related to plantation, respectively. The average amount of compensation paid per case was 475 rupees 10 annas and 8 pies (548 rupees 9 annas and 10 pies)

in cases of permanent disablement and 22 rupees 4 annas and 11 pies (21 rupees 11 annas and 4 pies) in cases of temporary disablement.

The following table shows the average amount of compensation paid in various types of disablement settled after reference to Workmen's Compensation Commissioners, and directly by employers:-

Types of cases.	Cases in which compensation was paid directly by the employers.						Cases in which compensation was paid after reference to the Workmen's Compensation Commissioners.					
	No. of cases.	Amount of compensation paid.			No. of cases.	Amount of compensation paid.						
		Rs.	As.	Ps.		Rs.	As.	Ps.				
Death	--	--	--	--	101	182,440	11	9	1,806	5	6	
					(122)	(207,743	9	0)	(702	13	1)	
Permanent disablement.	--	160	76,106	5	3	175	10	8	29	26,865	0	0
		(172)	(94,361	14	7)	(548	9	10)	(47)	(39,132	5	8)
Temporary disablement.	--	625	13,941	0	10	22	4	11	12	2,358	4	0
		(1066)	(23,140	6	3)	(21	11	4)	(15)	(3,536	9	0)

Appeals.- At the commencement of the year under review 11 appeals were pending before the High Court at Allahabad, and number of new appeals filed was 5. Of these 16 appeals only 3 were disposed of leaving a balance of 13 cases pending at the close of the year 1953. Out of these 3 cases disposed of 2 were dismissed and one appeal was allowed.

CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

INDIA - FEBRUARY 1956.

112. Legislation, Regulations, Official Safety and Health Codes.

Mysore Boiler Rules, 1956.

The Government of Mysore published on 23 February 1956 the text of the Mysore Boiler Rules, 1956, made in exercise of the powers conferred under the Indian Boilers Act, 1923. The rules which supersede the Mysore Boiler Rules, 1930 and the Madras Boiler Rules 1924, as in force in Bellary district, deal inter alia with the duties of the Chief Inspector and Inspectors, administrative instructions for inspection of boilers, investigation of accidents to boilers and procedure for appeals.

(The Mysore Gazette, Part-IV, Section 2c,
25 February 1956, pp. 98-113).

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Orissa Economiser Rules, 1955.

The Government of Orissa published on 20 January 1956 the text of the Orissa Economiser Rules, 1955, made in exercise of the powers conferred under the Indian Boilers Act, 1923. The rules deal inter alia with the procedure for registration of economisers, investigation of accidents to economisers, and appeals.

(The Orissa Gazette, Part III, 20 January 1956, pp. 91-98).

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LIST OF PRINCIPAL LAWS PROMULGATED DURING THE PERIOD COVERED BY THE REPORT FOR FEBRUARY 1956.

INDIA - FEBRUARY 1956.

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

Hyderabad State Aid to (Small-scale and Cottage) Industries Ordinance 1956 (No.1 of 1956) (Hyderabad Gazette, Extraordinary, No.6, 20 January 1956, pp. 19-27).

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- * (a) Proceedings of the Annual General meeting of the Associated Chamber of Commerce of India held in Calcutta on 12 December 1955.
- * (b) The Indian Cotton Mill Industry: Its place in the Nation's Economy. Published by the Millowners' Association, Bombay, 1955. pp.29.

Chapter 3. Economic Questions.

- * (a) Speech of Shri Lal Bahadur Sastri introducing the Railway Budget for 1956-57 on 23 February 1956. Printed by the Manager of Government of India Press, New Delhi, 1956. pp.32.
- * (b) Explanatory Memorandum on the Railway Budget of the Government of India, 1956-57. Printed by the Manager, Government of India Press, New Delhi, 1956. pp.54.
- * (c) Monthly Statistics of the Production of Selected Industries of India for November 1953 - Ministry of Commerce and Industry, Directorate of Industrial Statistics, Calcutta. pp.74.

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

- * (a) Government of Bombay: The Working of the Cooperative Societies. Annual Administration Report Vol. I - 1953-54. Report. pp.25. Obtainable from the Government Publications Sales Depot., Institute of Science Building, Fort, Bombay.
- * (b) The Story of the Handicrafts - All India Handicrafts Board, Ministry of Production.
- * (c) All India Handicrafts Board. Report for 1952 - March 1954. Ministry of Production, pp.28.

Chapter 5. Working Conditions and Living Standards.

- * (a) Bombay Port Trust Administration Report 1954-55. pp.96.
- * (b) Report on the Working of the Factories Act in the State of Madras for the year 1954. Printed by the Superintendent, Government Press, Madras, 1955. pp.90. Price Rs.2-10-. (One copy sent to Geneva vide this Office Minute No.D.3/589/56 dated 9 March 1956).

* Publications received in this Office.

Chapter 6. General Rights of Workers.

- * (a) Report on the Working of the Payment of Wages Act in the State of Madras for the year 1954. Printed by the Superintendent, Government Press, Madras, 1955. Price Assan 8, pp.21. (One copy sent to Geneva vide this Office Minute No.D.3/589/56 dated 9 March 1956).
- * (b) Report on the Working of the Payment of Wages Act in the State of Andhra for the year 1954. Printed by Balakrishna Press, 1955. pp.20. (One copy sent to Geneva, vide this Office Minute No.D.3/589/56 dated 9 March 1956).

Chapter 9. Social Security.

- * Employees' State Insurance Corporation. Report of the Sub-Committee on the Working of the Employees' State Insurance Scheme at Bombay, Kanpur, Delhi and Amritsar. Issued by the Director-General, Employees' State Insurance Corporation, New Delhi.

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* Publications received in this Office.