

C. 6/2/32

INTERNATIONAL LABOUR OFFICE
INDIAN BRANCH

Report for December 1942.

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NATIONAL LABOUR LEGISLATION ✓

Government of India

Date of Coming into force of Mines Maternity Benefit Act, 1941.

The Government of India has gazetted a notification to the effect that the Mines Maternity Benefit Act (vide pages 1 to 2 of our November 1941 report) is to come into force from 28-12-1942.

(Notification No. M1285(1) dated 24-12-1942;
The Gazette of India, Part I, Sect. 1,
dated 24-1-1943, page 32.)+

Government of India

Exemption from Mines Maternity Benefit Act, 1941.

The Government of India has exempted from the operation of the Mines Maternity Benefit Act, 1941, (1) shallow mines in which excavations are carried out for prospecting purposes only if employing less than 20 persons daily, (2) iron-ore mines worked without mechanical power, the whole of the ore from which is supplied locally to village ~~smelters~~ smelters and black-smiths, if women are not admitted for underground work; and (3) stone-crushing plants in certain specified mines in Bombay.

(Notification No. M1285(2) dated 24-12-1942;
The Gazette of India, Part I, Sec. 1 dated
24-1-1943, page 32.)+

Delhi

The Delhi Trade Employees Rules, 1942.

Reference was made at page 1 of our November 1942 report to the Draft Delhi Trade Employees Rules, 1942, gazetted by the Chief Commissioner, Delhi, on 7-11-1942. On 27-11-1942, the Commissioner issued the rules as finally adopted. The Punjab Trade Employees Act, 1940, as extended to the Delhi Province comes into force on 16-12-1942.

(Notifications Nos. F.10(46)/42 L.S.G.(III)
and F.10(46)/42-L.S.G.(IV) dated 27-11-1942;
The Gazette of India, Part II-A, dated
5-12-1942, page 629.)+

Madras

Proposed Addition to Schedule of Workmen's Compensation Act.

The Government of Madras proposes adding to Clause XXIII of schedule II of the Workmen's Compensation Act, which gives the list of persons who are included in the definition of 'Workmen', persons employed in the plucking of coconuts.

(Notification No. 287 dated 30-11-1942; The
Fort St. George Gazette, Part I, dated 8-12-1942,
page 1247.)

Punjab.-The Draft Punjab Trade Employees (Amendment) Bill, 1942.

The Punjab Government proposes introducing in the local legislature at an early date legislation to amend the Punjab Trade Employees' Act, 1940 (vide page 3 of our June 1940 report). The Act was enforced in the municipal and cantonment limits of Lahore, Amritsar, Sialkot, Ferozepore and Multan and the municipal limits of Ludhiana, Lyallpur, Jaranwala, Gojra, Simla and Okara with effect from the 1st March, 1941. The actual working of the Act has brought to light certain difficulties which are proposed to be removed by amending the Act. Some of the more important amendments are stated below:

- in
- (a) the provisions about exemptions relating to establishments and persons have been revised;
 - (b) Section 4 of the Act relating to exemption from hours of work during periods of pressure of work has been amended so as to provide that, instead of Government sanctioning each such over-time work, employers may require their employees to work over-time for 150 hours in a year and that such over-time should be paid at twice the normal rate of wages.
 - (c) It is proposed to provide that no person shall work about the business of a shop or commercial establishment in excess of the period during which he may be lawfully employed under the Act.
 - (d) ~~Section 11 of the Act lays down that no fine imposed by an employer on any person employed in a shop or commercial establishment shall exceed one pice per rupee of the employees' monthly wages. As, however, this provision is likely to be abused by employers it is proposed to omit it. If an employee is found unsuitable, he can be removed from service under section 14 of the Act. The Bengal and Bombay Acts on the subject contain no such provision. The Bill also prescribes the procedure for the award of compensation to an employee dismissed from service without sufficient cause.~~
 - (e) It is also proposed to make it clear how far the Act applies to shops and commercial establishments where more than one business is carried on.

(The Government Gazette, Punjab, Part I, dated 4-12-1942, pages 1366 to 1371.) +

Punjab.-Draft Punjab Maternity Benefit Bill, 1942.

The Government of the Punjab has gazetted the draft of the Punjab Maternity Benefit Bill, 1942, which the Government intends introducing in the local Legislature shortly. The Bill applies to all perennial factories coming under the Factories Act, in which women are employed. The main features of the Bill are: (1) benefits are to be paid for 4 weeks before and 4 weeks after confinement at the rate of the woman worker's average daily earnings for the preceding three months, or at the rate of 8 annas per day, whichever is greater; (2) the qualifying period is 9 months' service with the employer from whom benefit is claimed; and (3) the benefit is to be paid even in case of the death of the mother or child or both, but no amount is to be paid for the post-confinement period if death of the woman occurs before confinement.

(The Government Gazette, Punjab, Part I, dated 18-12-1942, pages 1418 to 1420.) ✓

Sind.-Exemption ~~from~~ Sind Shops and Establishments Act

The Government of Sind has gazetted a notification exempting from the operation of the Sind Shops and Establishments Act, 1940, those 'pan bidi' shops (shops where chewing leaves and country cigarettes are sold) in Karachi and Drigh Road which are managed by the owners, which employ no servants and which sell no commodity except 'pan bidi'.

(Notification No. 617/7-M/42(12) dated 11-12-1942: The Sind Government Gazette, Part IV-A, dated 17-12-1942, page 625.)

4

SOCIAL POLICY

Appointment of Labour Adviser to Government of India
to consider Social Legislation. ✓

Mr. D.T. Jack, who was a Professor of Economics, Aberdeen University, and later at the outbreak of war joined the Labour Ministry in London, has recently been appointed as a Labour Adviser to the Government of India. His main duty is to advise the Labour Department on labour legislation in the light of experience gained of similar legislation in the United Kingdom and elsewhere.

(The statesman, 29-12-1942.) ✓

Conditions of Work
Industrial Disputes

5

Madras Industrial Disputes Bill, 1942:
Criticisms of the Madras Provincial Trade Union Congress. ✓

Reference was made at page 1 of our November, 1942, report to the Madras Industrial Disputes Bill, 1942, which the Provincial Government intends adopting shortly. The Madras Provincial Trade Union Congress has issued a statement suggesting amendments to the Bill with a view to making it more acceptable to labour in Madras. The Congress says that compulsory recognition of those trade unions which have a minimum membership of 10 per cent. must be provided for; that standing orders must be settled in consultation with all interested, including the registered trade unions; that the percentage of membership in unions for eligibility for recognition and representation in conciliation proceedings should be fixed at 10; that a time limit of 15 days must be fixed for the whole conciliation proceedings beginning from the day on which the dispute was registered; and that the whole section of the Bill relating to compulsory arbitration must be deleted and, in its stead, a simple clause giving power to the Provincial Government to enforce the award of an arbitration without recourse to a Civil Court in those cases where both the parties to a dispute have by agreement referred the dispute to arbitration, must be inserted

(The Hindu, 21-12-1942.) ✓

Wages

Deductions from Wages of Municipal Servants in Central Provinces:
Proposed Byelaws.

Several Municipalities, Notified Areas and Local Boards in the Central Provinces and Berar propose introducing bye-laws to regulate deductions from wages of their employees. The bye-laws stipulate that the salary of an officer or servant shall, subject to certain permissible deductions, be paid to him without any deductions. The deductions which are permissible are (a) Departmental fines; (b) deductions for absence from duty; (c) deductions for damage or loss of goods expressly entrusted to the employee for custody or for loss of money for which he is required to account, where such damage or loss is directly attributable to his neglect or default; (d) deductions on account of rent of municipal quarters occupied by the employee; (e) deductions for amenities provided, and services rendered by the committee; (f) deductions for recovery of advances or for adjustment of overpayments of salaries; (g) deductions on account of security deposits; (h) deductions of income-tax payable; (i) deductions required to be made by order of a court or other authority competent to make such orders; (j) deductions for subscription to, and for ~~payment~~ repayment of advances from, any provident fund; and (k) deductions for repayments of loan taken from a co-operative society approved by the committee, provided that the employee has given an authority, in writing, to the secretary of the committee to do so.

(The Central Provinces and Berar Gazette, Part III,
dated 4-12-1942, page 1209.)

Industrial and Labour Progress in Mysore during 1932-41 ✓

The following information about industrial and labour conditions in Mysore State is taken from a Press Note issued on 1-12-1942 by the Publicity Officer of the State.

Industrial Progress in 1932-1941.- The decade ending 1941 witnessed a very rapid increase in the number of industrial enterprises in the State. During this period alone, eight State-owned industrial concerns, 17 State-aided industrial concerns and 28 private industrial concerns were established.

Labour Disputes Legislation.- With this quickening of the pace of industrialisation the problems affecting labour naturally assumed great importance. Prior to 1941 there was no statutory machinery in Mysore for the settlement of industrial disputes. During that year an important piece of legislation, the Mysore Labour Emergency Act, was enacted (vide pages 3-4 of our August 1941 report) which created a machinery for the peaceful and speedy settlement of industrial disputes and sought generally to promote the welfare of labour. The Emergency Act was permanently put on the statute book in January 1942. The Act confers the right of association on labour. ~~It avoids rival unions by prescribing a single association of labour.~~ It avoids rival unions by prescribing a single association for each industrial establishment employing not less than 100 persons and confers statutory recognition on each association immediately on registration.

The Mysore Labour Act.- 57 undertakings have come within the scope of the Mysore Labour Act. Among these, Labour Associations have been registered in 47 industrial undertakings. Standing orders which regulate the relations between the employer and the employees in regard to leave and holidays, shift working, punishment for misconduct, etc., have been settled in 51 undertakings. The Labour Department which has been functioning for over a year has been able to bring about agreement in 16 industrial disputes. Proceedings in Conciliation resulted in the settlement of eight cases.

Other Labour Laws.- Government have also extended the scope of the Factories Act, so as to bring practically all industrial labour within its ambit. They have liberalised Workmen's Compensation Law. The Code of Civil Procedure has been amended to ensure the exemption of wages from attachment.

Welfare Measures.- Government have sanctioned uniform work service Rules for all Government industrial establishments providing annual leave with pay, provident fund, and gratuity or bonus, in respect of persons not entitled to provident fund. They have also sanctioned dearness allowance in all such establishments. Similar benefits have been extended in government aided establishments and several private undertakings. In addition to these benefits working classes in Bangalore City have secured opportunities for amusing themselves in Recreation Centres (vide page 12 of our November 1942 report). The Department of Labour runs these Centres which are open, free of charge, to all working classes including industrial labour. A wide range of amenities, such as newspapers, periodicals, books in different vernaculars, indoor games, etc., are available there. There are two such Centres at present in Bangalore City.

(Federal India and Indian States,
9-12-1942.) ✓

ECONOMIC CONDITIONS

Indian Trade with East Africa: Protests against attempt to restrict. ✓

The Council of the Indian Merchants' Chamber, Bombay, has sent a strong representation on 26-11-1942 to the Government of India protesting against the proposal of the East African Government to form a corporation known as ^{the} Utility Textile Importing Corporation to be given the monopoly of importing from India textiles popularly in use in that country. The Committee points out that the bulk of the imports of textiles from India into East Africa are handled by Indian merchants there who have established and built up their business there at great personal risk and with ~~xxx~~ perseverance and hard work and in the face of keep competition from Japanese and Lancashire interests, and that, as the membership of the said Corporation will be confined to previous importers with prescribed shares and others approved by East African Government, it apprehends serious reactions on the Indian cotton producer and cotton textile manufacturer on account of the proposed step. While recognising that the East African Government is entitled to take reasonable steps for preventing profiteering, the Committee urges that no attempts should be made in the name of protecting consumers' interests to put fetters round existing channels of trade in a manner which would involve injustice to established business interests. It therefore urges the Government of India to represent the matter to the East African Government with a view to the proposal being abandoned.

(The Bombay Chronicle, 2-12-1942.)

A deputation of the Indian Exporters' Association, Bombay, met the Hon. Mr. N.R. Sarker, Commerce Member, Government of India, in this connection during the latter's visit to Bombay in the first week of December, and in reply Mr. Sarker said that the Government of India were in correspondence with the Government of East Africa and would take the necessary steps.

(The Hindu, 8-12-1942.) ✓

Belgian Economic Mission to India. ✓

An official economic mission from Belgian territory will ^{shortly} visit India to investigate the possibilities of exporting to the Congo any Indian products other than cloth and jute which the Congo already receives. Among the commodities which the mission will endeavour to obtain in large quantities will be beads and hardware for the local population. It is hoped that the Congo in return will be able to supply India with useful raw materials. The mission will be headed by M. de Thibaun, Chief of Economic Services, who will be accompanied by M. de Van Castele.

(The Statesman, 30-12-1942.) ✓

8

SOCIAL INSURANCE

Delay in Legislation on Sickness Insurance. ✓

It is gathered that legislation on sickness insurance will not be ready for introduction in the forthcoming February 1943 session of the Central Assembly, beginning from 10-2-1943. Mr. Gadgil of the Gokhale Institute of Economics has been appointed to examine sickness insurance schemes and thereafter an insurance expert will work out the actuarial details of the scheme approved by the Government. The only labour legislation which is likely to be brought forward in the next session of the Assembly is that amending the Trade Disputes Act in order to include an important provision regarding the recognition of trade unions.

(The Statesman, 6-12-1942.) 4

MIGRATION

Indians in Ceylon, 1941: Report of the Agent of the Government of India.*

In his annual report for 1941, the Agent of the Government of India in Ceylon points out that of the total area of 16,212,400 acres of Ceylon, 560,000 acres are devoted to tea, 606,000 to rubber, 1,100,000 to coconut and 1,272,000 to other products, the total cultivated area being 3,538,000 acres. The estimated total population of Ceylon at the end of 1941 was 6,061,000; of these about 780,000 were Indians.

Indian Estate Population.- The number of Indian labourers and their dependants on estates on ~~the 31st December~~, 1941, was 669,472 as against 688,179 at the end of 1940, and 678,908 at the end of 1939. Of these, 201,086 were men, 195,384 women and 273,002 children. The total number of estates employing 5 or more Indian labourers and paying acreage fees to the Indian Immigration Fund on 31-12-1941, was 1,359 as against 1,341 in 1940 and 1,322 in 1939.

Migration Statistics.- "Recruitment" from India has, however, been in abeyance since September, 1935, and the flow of labour to Ceylon estates was confined to the "non-recruited" class till 1-8-1939, when by a notification issued under the Indian Emigration Act, 1922, the Government of India prohibited the emigration of all unskilled labour to Ceylon unless specially exempted in each case by the Commissioner of Labour, Madras. The number of Indian estate labourers who came to Ceylon from India during the year 1941 was 3,584 as against 3,318 in 1940 and 28,259 in 1939. During the year under review, 11,243 estate labourers (excluding repatriates) returned from Ceylon to India as against 12,578 in 1940 and 31,714 in 1939. There were 45,242 more departures to than arrivals from India in the unassisted class during the year as against 33,194 in 1940 and 44,134 in 1939. There were 7,659 emigrants from Ceylon in excess of immigrants from India.

Labour Position in Estates.- 1941 continued to be a very prosperous year for both the tea and rubber industries in which the vast majority of Indian labourers in Ceylon are employed. The value of tea exported was Rs. 232.5 millions or 59.5 per cent. of the disclosed export trade of Ceylon, the total quantity exported being nearly 239 million pounds as against 247 million pounds in 1940. The total quantity of rubber exported during 1941 exceeded the record set up in 1940 and was an all-time record for Ceylon and the value (Rs. 119 millions) accounted for 30.51 per cent. of the disclosed exports for the year. The international situation in the rubber producing countries of the Far East indicate a policy of all-out production of rubber for Ceylon in the immediate future.

At the beginning of the year the labour force on estates was, if anything, more than adequate for the needs of the tea and rubber industries. This was partly due to the ban on the emigration of unskilled labour to Ceylon, which to a certain extent tended to "freeze" the labour force on estates as labourers were reluctant to pay visits to India as it would be impossible for them to return to Ceylon. In the latter part of the year, however, the increase in the Annual Report of the Agent of the Government of India in Ceylon for the year 1941. Published by the Manager of Publications, Delhi. 1941 1942. Price Rs. 2-6-0 or 4s. 60 pp.

export quotas for tea and rubber and international developments in the Far East gave a fillip to production with the result that the small surplus of labour on estates was being slowly absorbed, and work was comparatively easy to find.

Labour Unrest.- Mention has been made in the last annual report (vide pages 19-24 of our December 1941 report) of the Seven Point Agreement reached between representatives of the planting industries and of Labour Unions to deal with the situation created by the widespread prevalence of unrest on estates. Though the immediate object of the Agreement was to provide a machinery to settle by negotiation disputes between labourers and employers, its most significant feature was the formal recognition by the representatives of planting industries of the "right of workers to combine by formation of unions". It cannot, however, be said that all the implications of this recognition have been fully accepted by all the employers in the industries. While the more enlightened Superintendents have accepted the organisational movement among labourers as a necessary sign of the times, there were some Superintendents, who were inclined to look upon trade union officials as "agitators" and to discharge labourers who took a leading part in associational activities. That such a tendency exists was borne out by the findings of one of the Conciliation Boards appointed during the year. The attitude of employers as a whole towards unions may be said to have been one of suspicious sufferance. A criticism frequently made against unions is that their representatives are often "unsuitable" or "undesirable" persons. Criticism of this sort, though well-intentioned is not conducive to the promotion of mutual confidence and personal good relations between employers and labour representatives so essential for the amicable settlement of industrial disputes. The Officers of the Labour Department are doing everything in their power to promote the establishment of such good relations and their attitude towards the union movement is one of understanding and sympathy.

The fact that during the greater part of the year labour was slightly in excess of requirements, made it a comparatively easy matter for Superintendents to discharge labourers who were considered to be "unsatisfactory" or "undesirable". The difficulty of finding employment elsewhere and in a few cases the suspicion that the labourers concerned had been selected for discharge for their associational activities, made it inevitable that unions should take up their cause and insist on their reinstatement. Many of the strikes that occurred during the year could be traced to disputes arising out of discharges. There were in all 27 strikes during 1941 of which as many as 13 were in February and were connected with a dispute in Glenlyon Estate of the Dimbula District. The labourers of the Estate were members of the Ceylon Indian Congress Labour Union which considered it necessary to launch sympathetic strikes on a number of neighbouring estates to protest against their discharge. This is the first instance of sympathetic strikes in Ceylon and the number of labourers involved was at one time nearly 3,000. With the appointment of a Board of Conciliation the sympathetic strikes were withdrawn. The Board upheld the action of the Superintendent in having issued notices of discharge to the 30 labourers, although it was of opinion that "refusal on the part of the employer to give reasons for dismissal though notified by the Union that it is interested on behalf of the employee is contrary to the spirit if ~~not~~ not the letter of the Seven Point Agreement."

On the whole the Seven-Point Agreement has had the salutary effect of reducing the number and magnitude of strikes on estates, but its

working does not appear to have given satisfaction either to employers or to the representatives of trade unions. At the annual general meeting held on 22nd-12-1940, the All Ceylon Indian Workers' Federation had passed a resolution suggesting that the Agreement should be amended so as to make the appointment of a Board of Conciliation automatic on demand by an aggrieved party and numerous requests for the appointment of a Board were made during the year. The policy of the Labour Department, however, is to appoint Conciliation Boards only in rare cases in which some principle to which public attention should be drawn is involved and even so, Superintendents refused to be represented in the three cases in which such Boards were appointed during the year in connection with disputes on estates. No conciliation was effected in any of the three cases for want of provision to enforce the awards. The Minister of Labour, Industry and Commerce held a few conferences with representatives of the Planters' Association and of Trade Unions to consider various suggestions that had been made to increase the usefulness of the Seven-Point Agreement. The conference, however, broke up without any decisions.

The question of introducing a new Industrial Disputes Conciliation Ordinance has been under the consideration of the Ceylon Government for some time. The final draft has not yet been published and it is understood that the Executive Committee of Labour, Industry and Commerce has recommended that peaceful picketing should be legalised and that provision for this should be included in the new Bill. An interesting experiment intended to bring about better understanding between employers and trade unions was the formation, on the initiative of the Deputy Controller of Labour, Badulla, of a new joint labour committee in the Uva Province. The functions of the committee are to discuss labour questions of general interest and to advise, if invited to do so by both parties, on labour disputes where settlement by agreement has not been found possible.

Minimum Wages. - Towards the end of 1940 it was decided that the statutory rates of minimum wages should be increased to allow for the increased cost of living due to the general rise in commodity prices following the outbreak of the war. The revised rates came into force with effect from 1-2-1941 and were as follows:-

| | Men Qts. | Women Qts. | Children Qts. | |
|-------------|-------------|---------------|------------------|------------------------|
| Up-country | 54 | 43 | 32 |) With issue price of |
| Mid-country | 52 | 41 | 31 |) rice not exceeding |
| Low-country | 50 | 40 | 30 |) Rs. 4/80 per bushel. |

With the introduction of the revised rates of wages, however, the war bonus, which was being paid on a voluntary basis by estates generally, was discontinued and estates which had been issuing rice to labourers at a cheaper rate increased it to the permissible maximum limit. The revised rates of wages specified above continued to be in force till the end of the year. Commodity prices, however, continued to increase.

Labourers' Family Budget. - Reference was made at page 22 of our December 1941 report to an enquiry into the family budget of Indian estate labourers which was ordered by the Ceylon Government. The report on the subject, published on 8-10-1941, is essentially a statement of facts as they were at the time of the enquiry (April-May 1940) as disclosed from an analysis of the figures of income and expenditure relating to 516 families employed in up, mid and low country estates and no attempt is made to evolve an ideal family budget of expenditure

for estate labourers. The average standard of living disclosed by the ~~xi~~ figures of expenditure is very low and the actual standard for the bulk of the labourers must be even lower as many sources of income catalogued in the report and included in working out the average are not in fact available to the vast majority of labourers. The percentage of income spent by a family for education, health and other "cultural" items is an index of the adequacy or otherwise of the income. The report shows that the amount which an average estate labourer could afford to spend on miscellaneous, including "cultural" items mentioned above was particularly low. The figures in the report are based on the prices prevailing in April-May, 1940 when the general weighted working class cost of living index number was 105 and this figure went up to 132 in December, 1941. The report left no room for doubt that an immediate and all round increase of wages was called for. It showed that there were two distinct aspects to the problem - the first to provide for some increase in the standard of living of estate labourers and the second to devise a scheme for the adjustment of wages to keep pace with the rapidly rising cost of living index figure.

A Sub-Committee of the Board of Indian Immigrant Labour was appointed soon after the publication of the report to examine these two aspects of the problem and after considering a memorandum prepared by the Sub-Committee, the Board of Indian Immigrant Labour recommended an increase of -/03 cents a day in the wages of estate labourers so as to provide a reasonable increase for expenditure on "cultural items". The Board also approved a scheme for the grant of "dearness allowance" varying with the cost of living index figure to be ~~xxx~~ prepared by the Labour Department on the assumption that rice was available to the estate labourer at a fixed price. The recommendations were generally accepted by the Committee of the Planters' Association which was, however, of opinion that the "dearness allowance" should be in the proportion 5: 4: 3 for men, women and children. The District Estate Wages Boards were summoned to meet on different dates in January, 1942, to consider the recommendations made, and pending their final decision, estates were advised to pay increased wages in accordance with the recommendations of the Board of Indian Immigrant Labour and the Committee of the Planters' Association with effect from 1-1-1942.

Wages Boards Ordinance. - The Wages Boards Ordinance was enacted on 8-7-1941. The Government of India had made certain suggestions on the Ordinance including one that a specific provision should be made for the continuance so far as Indian labourers are concerned, of the powers of its Agent. All the suggestions were accepted and have been incorporated in the Ordinance as finally passed. Under section 50(3) of the Ordinance, the Agent of the Government of India and any officer authorised by him in writing have been given, in respect of trades in which Indian labourers are employed, the same powers of inspection and enquiry as officers of the Ceylon Labour Department. Under the new Ordinance, ~~No. 27 of 1941~~, certain provisions relating to the payment of wages and deductions which may be made from them will apply to all trades. The provisions of the new Ordinance in regard to the constitution and functions of Wages Boards will supersede the provisions in the Minimum Wage Ordinance (No. 27 of 1927) but although the Ordinance came into force on 19-9-1941, no Wages Boards or District Wages Committees were constituted under it till the end of the year. Under the Ordinance the deduction from wages of the cost of rice supplied to labourers on estates is illegal, but the existing practice is being allowed to continue pending the framing of regulations permitting the deduction.

Housing of Labour. - Of the 897 estates inspected during the year, over-crowding was noticed on 27 estates and 74 of these were slightly overcrowded. Of the 128,975 line rooms inspected during the year, 96,147 were up to the Government requirements and 32,828 were found not up to the requirements.

Maternity Benefits. - The new Maternity Benefits Ordinance which had passed its third reading in the State Council in 1939 was brought into operation from 28-7-1941. Under section 5 of this Ordinance maternity benefits are payable to a woman worker at the rate of 50 cents a day for two weeks before and for four weeks after confinement; but there is a proviso by which the Controller of Labour could grant exemptions from liability to pay these maternity benefits if he is satisfied that the employer has provided such alternative benefits for female labourers resident on estates as may be prescribed. Regulations prescribing the alternative benefits were approved by the State Council and were published on 12-9-1941. The alternative benefits prescribed are:-

- (1) the use, for confinement, of a maternity ward or a ~~laying~~ *lying-in* room, approved by the Controller;
- (2) the services of a midwife at the confinement;
- (3) food during the period a labourer remains in the maternity ward or the ~~laying~~ *lying-in* room; and
- (4) the payment in cash of two rupees a week for two weeks ~~immediately preceding the confinement~~ and for four weeks immediately following it.

At the request of the representatives of the planting community in the State Council, the Minister for Labour has given an assurance that the regulations would be reconsidered after twelve months. 290 estates were certified by the Controller of Labour as entitled to provide alternative benefits under the regulations up to the end of the year.

Resumé of Events - Indo-Ceylon Relations. - At no time perhaps in recent history were Indo-Ceylon relations so strained as in the opening months of the year under report. Some deterioration in the relations was to be expected as a result of the breakdown of the Delhi talks in November, 1940, but it appeared as if the more extreme elements among the Sinhalese were inclined to use the failure of the talks as an opportunity for starting afresh a campaign of anti-Indian agitation in the country. Some of the public speeches of responsible persons at the beginning of the year were a source of considerable anxiety to the Indian community. The possibility of unilateral action in regard to matters affecting Indians in Ceylon was so great that on 11-2-1941, the Governor of Ceylon considered it necessary to send a message to the State Council containing a schedule of matters in respect of which undertakings had been given by His Majesty's Government and by the Government of Ceylon to the Government of India. Notwithstanding the Message, the Board of Ministers thought fit to take precipitate action to deal with the so-called "Indian problem" by introducing the Immigration and Registration Bills, and a good deal of propaganda was carried on in the country to justify the stand taken by the Ministers and to canvass opinion in favour of the Bills. The situation was however largely unreal, for the bulk of the Ceylonese had no desire to break with India and were genuinely anxious to reach an understanding with her on outstanding problems. This large body of moderate opinion, though not so vociferous as the more

extreme sections, made itself felt and, thanks largely to the efforts of the Governor, Delegations from the Governments of India and Ceylon met ~~xxx~~ at Colombo in September to resume the informal conversations that had ended inconclusively at New Delhi. The Delegations reached "agreed conclusions" on all the subjects discussed, and though the proposals in their joint report were "disappointing" to the Indians in Ceylon, the fact that some agreement was reached between the Delegations was, viewed against the background of the controversies in the earlier part of the year, one of great significance. The events during the last months of the year also tended to bring into prominence the essential solidarity and unity of interests between India and Ceylon. The international developments in the Far East at the close of the year brought the threat of war nearer to the shores of India and Ceylon, and the creation of a unified military command for the two countries and the arrival of Indian troops in the island were universally welcomed.

Indian Labour Conditions.- The ban on the emigration of ~~un~~ unskilled labourers from India was in force throughout the year, and there was a large surplus of departures to India over the arrivals in Ceylon. Some shortage of labour was experienced in the Colombo harbour, but the labour force on tea and rubber estates ~~is~~ continued to be slightly in excess of requirements during the greater part of the year. The first instance of sympathetic strikes in Ceylon occurred in February, and though the circumstances in which they were launched by the Union concerned came in for a good deal of criticism, the organisation of the strikes demonstrates the hold which the union movement has gained among estate labourers. On the whole, however, strikes decreased both in number and magnitude as compared with the previous year. This was mainly due to the Seven Point Agreement, but its working gave rise to various difficulties which were under discussion during the year. The visit of Major Orde Browne helped to focus attention, for a time, on the working conditions of labourers; and the present unsatisfactory position of Indian estate labourers, under which the loss of employment entails the loss of a home as well, was brought out in the representations made to him by labour representatives.

Working Conditions in Ceylon:
Report of the Controller of Labour, 1941. ✓

The Administration Report of the Controller of Labour, Ceylon, for 1941, consists as usual of two parts; one, dealing with the conditions of labour in the Island in general and the other exclusively with the Indian immigrant labour. The salient points in the report are noted below:-

Labour Legislation.- (1) The Industrial Disputes (Conciliation) Ordinance.- The draft of the Industrial Disputes (Conciliation) Ordinance has been prepared, but some amendments are being considered by the Executive Committee of Labour, Industry and Commerce. (2) The Wages Boards Ordinance.- The Wages Boards Ordinance came into operation on 19-9-1941. It provides for the establishment of Wages

* Administration Report of the Controller of Labour for 1941 (A.E. Christoffelsz, Esq., C.C.S.) December 1942. Government Record Office, Colombo; price 75 cents. 1942. pp.36.

Boards to fix, inter alia, minimum wages for the trades or industries in respect of which the Boards are created. Steps are being taken to apply the provisions of the Ordinance relating to Wages Boards to the Tea, Rubber Coconut, and Plumbago industries, to shops and to the Engineering and Printing trades. (3) The Factories Bill.- The second reading of the Bill was passed in the State Council, and it was referred to a Standing Committee. (4) Legislation re. Strikes and Lockouts.- The question of the introduction of legislation in regard to strikes and lockouts was considered by the Executive Committee, but was deferred for the duration of the war. (5) Legislation affecting Indian Labourers on Estates.- (a) An Ordinance to prevent the separation of members of the families of Indian labourers on estates was enacted during the year under review. The Ordinance came into operation on 13-6-1941. (b) A draft Bill is being prepared with a view to amending the Minimum Wages (Indian Labour) Ordinance, which would make provision for the free issue of one-eighth bushel of rice to each child under the age of 12 years or alternatively for free feeding and the supply of free articles of special diet for children under 1 year. (c) A draft Bill to enable eviction from estates of labourers by civil process on the termination of their contract of service has been prepared and is being considered by the Executive Committee of Labour, Industry and Commerce.

Ceylon and I.L. Conventions.- An annual report is furnished to the Secretary of State for the Colonies on the application in the country of the International Labour Conventions ratified by Great Britain. About the close of the year, the Executive Committee was considering the question of introducing legislation providing for the application to Ceylon of Convention No. 50, which concerns the regulation of certain special system of recruiting workers.

Workmen's Compensation Statistics.- During the year, 8,618 accidents were reported, as against 7,683 in 1940. Of these, 105 were fatal, as against 118 in 1940. According to the returns furnished by employers the amount of claims paid during the year was Rs. 262,234.09, in respect of 7,072 cases. The figures for the preceding year were 6,355 cases and Rs. 220,444.87. These figures, says the report, indicate that the workers are utilising in an increasing measure, the benefits of workmen's compensation.

No new licences to undertake insurance against liability to workmen which may be incurred by employers under the Ordinance were issued during the year. 59 such licences remained in force.

Trade Unions.- During the year 41 unions applied to be registered as Trade Unions and 28 were registered. 17 out of the new Unions were started under the aegis of the All-Ceylon Trade Union Federation and 16 of these have been registered. Also, 21 unions were either dissolved or removed from the register, thus bringing down the total number of registered unions at the end of the year to 74.

Strikes.- During the year, 13 cases of disputes or strikes in trade or industry other than on estates employing Indian labour were reported, as against 8 during the previous year. The chief cause of the strikes in most cases was alleged inadequacy of wages to meet the increased cost of living occasioned by war conditions.

Safety in Mines and Factories.- According to the reports for 1941, there were at the beginning of the year 1,664 factories in the Island. During the year 104 factories were registered and 89 were closed down, leaving at the end of the year 1,679 factories as duly licensed. 6 factories inspected during the year were reported unsafe. 10 accidents

were reported in factories during 1941, as against 19 in 1940. As a result of these accidents, 1 person was killed and 9 persons were injured. At the beginning 1941 there were 1,197 registered mines. 2,561 new mines were registered during the year and 2,900 mines were closed down. The total number of mines at the end of the year ~~xxxxxxx~~ was 858. 314 mines were inspected, and 3 were found to be unsafe. 16 serious accidents were reported in which 16 persons were killed and 17 injured. In the previous year 2 persons were reported as killed and 8 injured as the result of accidents in mines. 432 persons were prosecuted ~~xxxxxxx~~ during the year for various offenses under the Ordinance and 348 were convicted. A comprehensive Factories Bill, modelled on the English Act, making provision for the safety and welfare of workers in all types of factories, has passed its second reading in the State Council.

Unemployment. - During the year under review, steps were taken to devise means of affording relief in Colombo and in the adjoining districts to those who were thrown out of employment as a result of the depression in the coconut trade. The relief works in and around Colombo, employing the so-called "Colombo unemployed", were also continued during the year. The total expenditure incurred on unemployment relief was Rs. 420,380.43.

The Board of Ministers, at its meeting held on 17-6-1941, reviewed the question of general unemployment and under-employment in the country and appointed a small standing Sub-Committee of the Board to submit detailed proposals for relief. Among the suggestions put forward by the Sub-Committee were: (1) Agricultural. - Increased irrigation facilities, extension of village expansion schemes, more intensive cultivation of lands already planted, large colonisation schemes. (2) Industrial. - Establishment of new major industries, principally in areas most affected: setting up of new cottage industries and expansion of those already existing. Government subsidies for depressed industries. (3) General. - Large relief works in urban areas. Expansion of employment in various Government Departments. Payment of transport from home to site of agricultural schemes elsewhere for those willing to leave. Local relief works in badly affected rural areas. The Board of Ministers also approved the provision of a sum of Rs. 1,000,000 to be expended on schemes recommended by the sub-committee.

A survey of the unemployment situation, as a result of the closing down of the mills manufacturing coconut products, was conducted in January, 1941, and it indicated that 231 mills, of which 175 were dealing in fibre and 56 in desiccating coconut and expressing oil, employed 13,262 persons prior to the war. Since the war, the number ~~of~~ had come down to 6,489, of whom 516 were to be discontinued. The average number employed by these mills in 1940 was 11,238. As a result of his investigations in the Colombo District, which was one of the worst affected in this respect, the Unemployment Officer came to the conclusion that, while the closure of a number of the fibre, oil and desiccating mills and stoppage of estate work in the District undoubtedly threw some labour out of employment, a very large number, even before the war, eked out a meagre existence by casual labour and "odd jobs". Relief works were started by the Government Agent, with the aid of a grant from the Sri Chandrasekera Fund, in one area where conditions were especially bad.

Employment of Indigenous Labour. - At the end of 1941, the number of non-Indian labourers employed on estates was ~~xxxxxxx~~ 100,009, of which 42,541 were resident on the estates.

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Registration of the Unemployed.- The number of "unemployed" registered at the Colombo Employment Exchange during the year was 6,711, consisting of 76 professional and technical men, 1,445 clerical workers, 1,973 skilled workers, 1,314 semi-skilled workers and 1,903 unskilled workers. Of the total, 1,185 were women. The number placed in employment in 1941 was 9,071 compared to 5,936 in 1940.

The Maternity Benefits Ordinance, 1939.- The Maternity Benefits Ordinance came into operation on 28-7-1941. It provides for the payment of maternity benefits to women workers before and after confinement. The Ordinance applies to women employed on wages in any shop, mine, factory, or estate, in which 10 or more persons, other than persons whose employment is of a casual nature, are employed. Steps taken to enforce the provisions of the Ordinance on tea and rubber estates have met with success and maternity benefits to women workers are generally being paid on estates. Other establishments to which the Ordinance applies, however, do not appear to be complying with the provisions of the Ordinance.

Indian Immigrant Labour

Migration Statistics.- Throughout the year, the ban on emigration of unskilled labour from India to Ceylon remained in force, the stringency in its application with regard to estate labour being slightly modified towards the latter part of the year. The issue of certain orders by the Government of Madras on 14-5-1941 enabled immediate alleviation of distress in a considerable number of cases of ~~immigrants~~ ^{women} and minor children, whose ~~husbands and parents were in Ceylon, and who had been held up in India and prevented from returning to their natural guardians.~~ Action was taken and relief obtained in 450 of such cases, comprising 220 women and children. These Government orders also clarified the definition of dependants and further afforded relief in 547 cases of hardship for which hitherto, under the regulations, it had not been possible to obtain consideration. Further, these Government orders modified the regulations regarding the grant of exemptions in special circumstances when a visit to India was desired for urgent reasons, such as the imminent death of a close relative, the Commissioner of Labour, Madras, being empowered to grant exemption at his discretion, subject to verification of the facts submitted in each case. The number of Indian immigrants who arrived in Ceylon during the year was 68,051 (64,467 unassisted immigrants and 3,584 assisted estate labourers) compared to 56,363 (53,045 unassisted immigrants and 3,318 assisted estate labourers) of the previous year.

The mean Indian labour population on estates was 681,000 in 1941, as against 683,000 in the previous year. The population at the beginning of 1941 was 687,901 (211,149 men, 203,958 women and 272,794 children), at the middle of that year 684,603 (208,907 men, 201,637 women and 274,059 children), and at the end of the year 669,262 (201,016 men, 195,333 women and 272,913 children). The population, therefore, fell during the year by 18,639.

Wages At the beginning of 1940 the minimum wages applicable for a day of nine hours, including time not exceeding one hour for the mid-day meal, were as follows:-

| | <u>Men</u> | <u>Women</u> | <u>Children</u> |
|-------------|------------|--------------|-----------------|
| Up-country | Re. 0-7-10 | Re. 0-6-3 | Re. 0-4-8 |
| Mid-country | 0-7-6 | 0-5-11 | 0-4-6 |
| Low-country | 0-7-2 | 0-5-9 | 0-4-4 |

By Government Order on 23-12-1940, the rates were increased with effect from 1-2-1941, as follows:-

| | Men | Women | Children |
|-------------|-----------|------------|-----------|
| Up-country | Re. 0-8-8 | Re. 0-6-11 | Re. 0-5-1 |
| Mid-country | 0-8-4 | 0-6-7 | 0-5-0 |
| Low-country | 0-8-0 | 0-6-5 | 0-4-10 |

The above rates of wages were fixed on the understanding that on all estates to which the rates were applicable clean unblended rice of good quality would be issued to each working Indian estate labourer at a rate not exceeding Rs. 4.80 a bushel, the issue of such rice being at a rate per month not less than seven-eighths of a bushel for a man, six-eighths of a bushel for a woman and five-eighth of a bushel for a child.

The law lays down only the minimum wages. Cases are known where industrious and willing workers have earned wages considerably higher than the minimum. Labourers have also opportunities to supplement their wages by cattle breeding, poultry farming, vegetable gardening and even by paddy cultivation.

Indians in South Africa:
Report of High Commissioner for 1941.*

Outstanding Events.- There were two events of outstanding interest to the Indian community in the Union during the year, says the High Commissioner for India in the Union of South Africa in his report for the year 1941. The first was the passage of the "Feetham Resolution" through the Houses of Parliament. The long delay on the part of the Union Government in implementing the report of the Feetham Commission has been a source of irritation and misgiving to Transvaal Indians. The Commission made two separate sets of recommendations. Certain blocks or areas were recommended for total and permanent exemption from the provisions of the Gold Law which prohibits the occupation of land by Asiatics in that part of the Transvaal to which it applies. In addition, certain individual stands outside these blocks were recommended for qualified and terminable exemption. The acceptance of these resolutions by the Parliament, says the report, is a clear sign of their recognition of the fact that it is no longer possible to withhold from Indians a stake in industrial Transvaal. The second important event of the year was the publication in the month of October by the Minister of the Interior of a long and detailed press summary of the findings of the Commission over which Mr. Justice Broome presided. The Commission was appointed to ascertain the facts about Indian penetration into pre-dominantly European areas. The summary of its findings was generally recognised to be a complete exposure of the hollowness of the agitation which had developed in recent years against Indian ~~penetration~~ "penetrators".

*Annual Report of the High Commissioner for India in the Union of South Africa for the year ending 31st December 1941. Published by the Manager of Publications, Delhi. 1942. Price Re.1 or 1s.6d. pp.21.

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On the whole, therefore, 1941 was a year in which the Indian community improved its position in a small degree. All the same, the ingrained colour prejudice of the great majority of South Africans, of both Dutch and English extraction, remains as strong as ever.

Legislative Measures: (1) The Asiatics (Transvaal Land and Trading) Amendment Act. - On 8-4-1942, the Minister of the Interior introduced a Bill to extend the Asiatics (Transvaal Land and Trading) Amendment Act, 1939, for a further period of two years, i.e., until 1-5-1943. The Act seeks to peg the position in regard to Asiatic occupation and trading in the Transvaal. The administration of this Act during the course of the year has given rise to a certain amount of friction. In general the Transvaal Indian Congress state that they have little to complain about in the Minister's attitude. There are, however, a few cases in which the Act has been used to remove Indians from sites which they have occupied or traded upon for a number of years. In these cases, it is felt that too much attention has been paid to the wishes of reactionary local authorities. The Transvaal Indian Congress has lost no opportunity of combating such decisions and in some instances the Minister has been induced to revise his view.

(2) The Motor Carrier Transportation (Amendment) Act. - This Act affected two classes of business in which Natal Indians had established something of a monopoly. These are (1) the provision of long distance taxis prepared to go anywhere in Natal or even further afield at short notice and (2) the private bus services in Durban catering for the city's non-European population. The position resulting from the passing of the Act may be summarised as follows: Under the Act as it stood before amendments, taxis were altogether excluded from its scope. It was found, however, that the definition of motor transport was not sufficiently precise and that many taxis, especially in Natal, were really operating as buses, running along bus routes to a schedule and competing with the regular bus services. The amending Act provides that all taxi owners must take out exemptions from the provision whereby motor transport vehicles have to obtain certificates from the Motor Transportation Board.

(3) The Factories, Machinery and Building Works Act. - The main objects of the measure to introduce a 46 hours' week in industry, to make leave on pay compulsory and generally to ensure satisfactory working conditions in factories. The Bill evoked heated criticism from non-European sections since it contained clauses empowering the Minister for Labour to prevent "undesirable contact between members of different races". Some modifications were made in the Act as finally passed.

(4) Workmen's Compensation Act. - This important measure provides for the transfer of Workmen's Compensation from the Insurance Companies to a State Fund, and at the same time gives considerably increased benefits. Europeans, Indians and Coloured are treated alike, but there is some differentiation in the treatment of Native workmen.

(5) Railways and Harbours Pensions Amendment Act. - The object of the Bill introduced by the Minister for Railways is to provide annuities and gratuities for casual labourers and temporary employees of Railway Administration who do not contribute to a pension scheme. 57,917 persons in all are benefited of whom 8,256 are Europeans, 7,723 Coloured, 541 Indians and 41,397 Natives. Gratuities are payable to all persons who put in a total of five years and less than fifteen years service. Persons with longer service are granted annuities varying with their length of service and with their daily wage at the date of retirement. The Bill was welcomed by all parties. There is no differentiation on the ground of race but as Europeans are generally on the higher scale of wages, they will also generally qualify for the higher scale of annuities.

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Durban City Council's 8-year Housing Scheme. - During January, 1941, the High Commissioner's attention was drawn to a proposal of the Durban City Council to acquire compulsorily certain Indian owned property in the Sydenham and Riverside districts by making use of the provisions of the Housing Act of 1920 as amended by Act 31 of 1936. They state that the proposed acquisition forms part of an eight-year housing scheme costing £5.5 million and involving the erection of 3,350 sub-economic and 5,124 economic houses. Over £2 million is to be spent on Indian housing in the Springfield and Morebank Wentworth areas. It was clear that what the City Council had in mind is a policy of segregation. The Indian representatives asked for time to consider the scheme, as it was clear that there was some difference of opinion amongst them as to its merits.

Conditions of Work in Natal Sugar Industry. - Early in 1941 the Minister of Labour announced the appointment of a Wage Board to investigate conditions in the sugar industry. The demands of the Natal Sugar Employees' Union were: - (1) a 10s. per month all round rise; (2) improved quarters and rations; (3) any settlement to take place retrospectively from 1st September 1940; and (4) recognition of the Union. Conciliation having failed, the Secretary for Labour, arbitrated in the dispute. His findings was that a 10/- monthly increase should be granted to Indians and Native adult male employees in the ~~min~~ mills and refinery. In the case of Native and Indian male employees under the age of 18 years and of female employees ~~the employees~~ the increase is to be 5/- monthly. These wage increases were to take effect from 1-9-1941. It was further agreed that the ~~determination of the Wage Board~~, when it is promulgated will also have effect from 1-9-1941, and that any adjustment of wages necessary in consequence of that determination will be made and accepted by the parties. The arbitrator thus granted the workers their minimum demand.

Indian Municipal Employees, Durban. - The Durban City Council with effect from 1-8-1941 has amended the grading of Indians in its employment. The new grades implement the determination of the Wage Board. The new minimum is £.4/6/8 per month, but deductions of 13/- per month for rations and 8/8d. per month for quarters are to be made when these are supplied. The old minimum was £1/10/- per month with free rations and quarters.

Indian Cane Growers in Natal. - The Minister of Commerce and Industries as the result of representations made by the ~~Natal~~ Natal and Indian Cane-growers Association, directed the Board of Trade and Industries to investigate the position of the non-Europeans in the South African Sugar Industry. The Association's grievance was that under the Sugar Act of 1936, non-European growers were excluded from the term "growers", the reason given being the lack of organisation among the non-European growers. That lack has now been remedied and the Association has in its membership an overwhelming majority of Indian cane-growers. Owing to this exclusion the Natal Indian Cane-growers Association has no direct say in the framing or revision of any agreement or a right to participate in a conference called for that purpose. It has also no representation on the South African Sugar Industries Association or on the Sugar Industry Central Board. They asked that this state of affairs should be remedied. It was pointed out that it was very difficult to discuss the question of standard of living of Indian cane-growers in general terms, but the figure of £10 a month, exclusive of rent, was suggested as the minimum on which an Indian grower with a family consisting of his wife and four children could possibly live. They therefore asked that as soon as possible all racial differentiation in the Sugar Act and Agreement should be eliminated and that in the industry economic factors alone and not the race or colour of the grower should be determining factor. The Board had not finished the enquiry at the end of the year.

Assisted Emigration Scheme.- No Indians have been repatriated under the Assisted Emigration Scheme in the course of the year. ✓

Indian Labourers for Ceylon Estates:
Request from Ceylon Government. ✓

It is understood that the Ceylon Government has asked for labourers from India to increase the output of rubber plantations as a war measure. At present the emigration of labour to Ceylon is banned. As the various attempts made for an Indo-Ceylon agreement regarding the rights of Indians in Ceylon have not been successful, the ban on the emigration of Indian labour to Ceylon continues. The new proposal stands on a somewhat different footing in that it is made in the interests of the war effort of the United Nations. The views of the Madras Government are to be ascertained on the Ceylon proposal, and thereafter the Government of India will decide whether the required labour can be supplied and, if so, on what conditions.

(The Statesman, 19-12-1942.) ✓

The Bunding and Dry Farming Development Scheme:
Bombay Government Takes Further Steps. ✓

Measures have been taken by the Bombay Government further to advance the bunding and the dry farming survey and development scheme sanctioned some two years ago. The scheme which was sanctioned for three years, provided for specialised study of large bunding projects in typical areas; extension of dry farming methods, including bunding, in the Bijapur District and the Deccan; and the training of villagers in bunding operations. It also provided for a subsidy to cultivators who cooperated in the improved methods advocated by it, particularly in bunding projects. The scheme has been in progress for nearly 18 months and some changes in the organisation have been found advisable. The scheme, as now revised, will extend until February, 1945, and the total outlay will be nearly 441,000. In view of the establishment of Sir Cusrow Wadia Trust Fund for financing assistance in "village development projects", it has been decided to remove the provision made in the original scheme for subsidies to cultivators. Such subsidies will, in future, be restricted to approved village developmental projects assisted from the Sir Cusrow Wadia Trust Fund.

(Press Note of the Director of
Information, Bombay, dated 4-12-1942.) ✓

The Orissa Tenancy (Amendment) Bill, 1942.

The Orissa Tenancy (Amendment) Bill, 1942, was introduced in the local Legislative Assembly by the Orissa Government on 2-11-1942. The statement of objects and reasons appended to the Bill says: The sad lot of poor labouring classes, who in most cases, are mere under-raiyats, is too well-known when they are rejected by their landlords. The object of such a Bill is to provide a permanent home for them. Again in paying rents, the co-sharers of a holding are often harassed when a certain co-sharer, having larger share or interest in the holding, chooses to default wilfully or in collusion with the landlord. Hence it is provided here for the splitting up of their holding with separate accounts. Then again in Rent Execution cases, when the holding is already sold away in auction, any other person having interest in the holding than the judgment-debtor has been debarred from depositing the decretal amount - a principle which is highly prejudicial to the interest of the mortgagees or purchasers. So it has been necessary to give them a chance for safeguarding their interests if they so desire.

(The Orissa Gazette, Part XI, dated
4-12-1942, pages 121-122.) ✓

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NAVIGATION

The Bombay Ferries (Amendment) Act, 1942. ✓

The Bombay Government has introduced certain amendments to the Bombay Ferries Act, 1868. In recent years, says a statement published together with the amendments, there have been some serious accidents to ferries and other craft plying in inland waters. The most serious of these was the beating accident at Surat on 12-8-1938 which involved a loss of nearly 80 lives. The Committee appointed by Government to investigate the causes of this tragedy made various recommendations to prevent a recurrence of such accidents. The proposed amendments to the Act aim at instituting better control over vessels plying on any river, stream, creek, tank, lake or other collection of water affording passage for a vessel, so as to prevent the recurrence of such accidents as far as possible. They also provide for certain consequential and other minor amendments.

(The Bombay Government Gazette, Part IV,
dated 2-12-1942, pages 304-309.) ✓

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ORGANISATION, CONGRESSES, ETC.

24th Annual General Meeting of Associated Chambers of Commerce,
Calcutta, 17-12-1942. ✓

The 24th Annual General Meeting of the Associated Chambers of Commerce of India was held at Calcutta on 17-12-1942, Mr. R.R. Haddow presiding. The meeting was formally opened by the Viceroy.

Presidential Address. - In his presidential address, Mr. Haddow referred to the present political situation and the demand that the British should "quit India", and said: "It is the wish of the British community in India to continue to be of service to the country and to assist in its progress both in regard to Agriculture and Industry. All they ask is that they receive the same treatment in India as Indians receive in Britain. I would remind our Indian friends that these demands are no greater than their own in respect of Ceylon, East and South Africa, and Burma when it was a flourishing unit of the British Empire, as it will certainly again be."

Post-war Problems. - Among the more urgent post-war problems, Mr. Haddow referred to the need for the transformation of the means of production of the instruments of war into useful peacetime employment, demobilisation and re-absorption into suitable peacetime occupations of the soldiers in the Forces of all the United Nations. In this connection the speaker sounded a note of warning ^{against} the belief that ~~complete nationalisation or communism was~~ the solution of all post-war problems. Whilst there may be a levelling up of incomes, as in fact there is at present, he said, it would be a great mistake if all incentives were withdrawn from private enterprise. "Even during the present war, His Majesty's Government have realised the necessity for encouraging the individual to give of his best by promising a rebate on Excess Profit Tax and the Soviet in recent years have had to differentiate between the capable worker and the brainless or slacker worker."

Present Problems. - The most important problem confronting commerce and industry today, Mr. Haddow declared, was that of maintaining adequate supplies of staple foodstuffs, particularly to the industrial areas, and the closely related question of price-control. The general policy of Government in its administration had suffered in the past from lack of central co-ordination, or over-provincialisation and inadequate enforcement of "paper" regulations. Successive price-control conferences and advisory meetings under the auspices of the Central Government had failed to reduce appreciably the inevitable tug-of-war between surplus and deficit provinces and between district and district. Central ~~direction~~ ^{direction} ~~was~~ ^{was} wrapped up in administrative detail as to be largely ineffective at the stage of their practical application. He, therefore, welcomed the setting up of a separate Central Government Department to deal with food production, distribution and price-control, pleading at the same time for a realistic approach to the dual problem of supply and distribution on the one hand and price-control on the other.

Requisition of Property. - Referring to the question of requisitioning of ~~business~~ and residential property in connection with war effort, Mr. Haddow pleaded that steps should be taken to clarify the position of the landlords and tenants where property held on lease was requisitioned. The recommendation the Chambers had placed before the Government was that the required clarification should take the form of action on the lines of the United Kingdom Landlord and Tenant (Requisition^{of} Land) Act, 1942, in so far as it conferred upon the tenant the option of disclaiming

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his lease within a ~~month~~ specified period, which in the United Kingdom was three months. Other connected matters were the absence in some instances of any equitable basis of compensation for requisitioned property, the delays that occur in deciding on the compensation payable in individual cases and the ~~delay~~ payment of the compensation once it was decided.

Viceroy's Address.- The Viceroy, in his opening address, reviewed the main political and economic problems before the country; the salient features of the address are noticed below:

Excess Profits Tax.- The policy of the Government of India in regard to the rates of excess profits tax in this country has been markedly more generous than in some parts of the Empire, or in the United Kingdom. For its effect is to leave to an enterprise in this country, subject of course to income-tax and super-tax, one-third of the excess profits, in addition to the whole of the profits of the most favourable standard period or, in the case of new concerns, a generous percentage on the invested capital. In the conditions created by a total war the incentive thus left to private enterprise is very real; it is as great as could reasonably be expected. And arrangements exist under which a rebate of excess profits tax to be paid after the war can be obtained by depositing twice the amount of the rebate with Government at two per cent. interest for the period of the war and one year after it. Urging the industrialists to utilise these concessions to the full, he said that by doing so not only will they benefit themselves, but they will also help to achieve the immobilisation for the period of the war of as much as possible of the excess profits earned ~~during the war, and so to reduce the pressure of enhanced purchasing~~ power on the general price level; and they will in that way make a material contribution to the country's interest.

Inflation and Saving.- In this connection, he referred to the risk of an inflationary rise of prices. It is one in which responsibility lies as heavily on the public as it does on the Government. Production must continue at maximum intensity, and must expand wherever possible in the interests of the war effort. But that inevitably means the existence in the country of a great and continually growing volume of purchasing power since payment for everything that is produced must be made in rupees in India, whether the expenditure is incurred on Indian account or on account of His Majesty's Government or for the purpose of reciprocal aid to the forces of the United States of America stationed here. For a solution of this difficult and important problem the Government must be able to rely on the utmost assistance, co-operation and support from the non-official world. He also urged the necessity for small savings playing their part. During the three and quarter years since the war started the small savers' contribution to the return, as savings, of a portion of the vast volume of purchasing capacity which the war and supply activities of the country are placing in the hands of the people has been of negligible importance. That is far from a healthy state of affairs. Personal interest and active propaganda can do much to better it. He appealed to all employers of labour to organise, encourage and assist their employees to save, and to conserve their savings, through the various avenues which the Government of India have provided for the purpose.

Food Problems.- Dealing with food problems, he said that the creation of the new Department of Food will, before very long, effect some improvement in the situation. Close study of the cause of the present apparent shortages and the high prices which are evident in many centres suggests that though India has, of course, been deprived of its accustomed rice imports from Burma, the difficulties of the present situation are due less to any real deficiency of supplies than to the mental reactions of great sections of *the*

community to the abnormal times. The greatly increased ~~calls~~ calls made on the transport system of the country for defence purposes, reduce its ability to do all that it did in pre-war days for the movement of civil supplies. But, since August 1942, the railways have allowed priority to the transport of food-grains, and in this respect there is now considerably less delay and dislocation than were reported to be prevailing five or six months ago. Nevertheless during recent months the supply situation has grown more acute and prices have risen with increased rapidity. It is sometimes suggested that the present troubles are due to the policy of price and movement controls adopted by the Government of India, and by various Provincial and State Governments, and that, if trade were left free from restriction, the interaction of supply and demand would result in commodities finding their way where they were most needed, and a price level determined by normal forces. This argument, though plausible, is unsound. The control of supplies and prices has been found necessary by practically every administration in the world to-day. No one is more disinclined to embark upon the perilous and difficult task of control than a Government. For Governments know all too well the troubles and anxieties that control brings with it, and in experience they have recourse to this policy when, and only when, the operation of uncontrolled economic forces has produced a situation which can no longer be permitted to continue unchecked. And to remove control is not ~~the~~ the solution of the present difficulties. On the contrary the proper course may probably lie in the direction of ~~any~~ extension of control to a wide range of articles, and of a more direct participation by Government themselves in the actual procurement and distribution of supplies.

Difficulties of Control. - The Wheat Control Order, the Regional Price and Supply Boards, the Foodgrains Control Order, the Grow More Food Campaign, are all evidence of the anxiety of the Government to deal with the most important problem of food. In the matter of price control much has been done. More still may have to be attempted. The existence of black markets is well known. But while there may not have been full success in enforcing maximum prices, the prescription of such prices had a very real and immediate value, to the extent that it has served to retard the rate of price increase over the whole range of the commodity controlled. But whatever policy is adopted, or whatever measures are put into force, no lasting success can be hoped for without the wholehearted co-operation of the whole body of the community. If the workers in the transport and communication systems, the war industries, and the essential services, cannot be provided with the wherewithal to live at a price within their means, the war effort will be crippled and the country itself exposed to grave dangers. It is more essential now than ever ^{before} that every citizen should sink his individual interests in the common cause and realise that, if he concentrates on serving himself alone, he is endangering not only the stability of the whole community but his personal security as well.

Activities of Supply Department. - In the field of supply, India has made a contribution of outstanding importance and value and nothing will be left undone to ensure that during the remainder of the war the upward curve of improvement and of development shall be maintained. For the first six months of the war the value of contracts placed was approximately 290 million. For the six months from April to October 1942, it was 1,370 million. Over the whole period to the end of October 1942 it has been no less than 4,280 million. And those figures exclude the value of the work done in the ordnance factories, which is, in itself, very considerable. They include only the contracts actually placed through the purchase branch. During the last year, progress with the Roger Mission projects has been satisfactory. It is hoped that the Roger Mission programme as a whole will be getting into ~~production~~ production from the

early months of 1943 onwards. The preparatory work in India has been ahead of the receipt of plant and equipment from abroad. The flow of munitions components from trade workshops is maintained. The magnitude of India's effort in respect of munitions and engineering stores is now shown by the tightness of key materials such as steel, of which very considerable imports are expected from the United States. Further important schemes for the expansion of steel production have been approved. On the general stores side, the measures to double the production of filature-reeled silk are well in hand, and the production of statichutes on a substantial scale is established. The production of web equipment, which was nil before the war now stands at about 200,000 sets a month, and unless the demand decreases it will be doubled in the course of 1943. The possibility of expanding the chemicals industry is under active consideration. Ship construction has been amalgamated with ship repairs, and a new Director-General established at Bombay to deal with both activities.

Assistance from U.S.A. - The year has, in the supply field, been one of steady progress and during its course there was the visit of the American Technical Mission. The far reaching scheme of industrial expansion recommended by the Mission would, if accepted in full, have involved the earliest supply to India by the United States of large quantities of materials and equipment, and of large numbers of technical personnel. The United States Government has found it impossible to implement this programme in full in present conditions. But they have offered to consider any projects which are essential for the war effort, and to which the Government of India attach particular importance; India is already receiving very significant assistance from the United States in the form of materials, machinery and plant.

(The Amrita Bazar Patrika, 19-12-1942 and the Hindu, 18-12-1942.)

more important

Resolutions: A summary of the resolutions adopted at the meeting is given below:-

(1) Paper Shortage. - In connection with the recent Government of India's Order appropriating 90 per cent. of India's paper production for its own use, the meeting drew the attention of the Government to the disproportionate reservation made for Government purposes and the entirely inadequate provision for civilian consumption, in particular for the essential war requirements of commerce and industry, and urged Government to allow at least 30 per cent. of the mills' total production to be supplied to the general market.

(2) Import Trade Control. - *Another* ~~The next~~ resolution stated that, while recognising the imperative need for the control of imports into India as a means of conserving shipping space and for other reasons, the Association was of opinion that the present system of control in India and more particularly its administration calls for early investigation and overhaul with a view to the removal of the serious impediments to legitimate and essential business to which the system gives rise.

(3) Post-War Reconstruction. - By another resolution the Association urged the Government of India to give early and careful consideration to post-war reconstruction problems and to formulate long-term trade and industrial policies to be placed before its Post-war Reconstruction Committee. The Association pointed out that special consideration should be given to the proposals made for the control of international trade in the report of the London Chamber of Commerce provided that any such proposals were not allowed to interfere with the primary tasks of Government to prosecute the war.

(The Hindu, 18-12-1942.)

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10th Annual General Meeting of Employers' Federation of India,
Calcutta, 18-12-1942. ✓

The 10th Annual general meeting of the Employers' Federation of India was held on 18-12-1942, Sir Henry Richardson presiding in the absence of Sir Ardeshir Dalal. Sir Henry Richardson read the presidential address of Sir Ardeshir Dalal. The main features of Sir Ardeshir's speech are noticed below:-

Political situation.- The political outlook in India is still unfortunately very gloomy and clouded. A state of deadlock has been reached which the efforts of the best well-wishers of the country at home and abroad have failed to resolve. Without wishing to apportion blame to any side, employers in common with others who have the welfare and prosperity of the country at heart, would cordially desire to see an end to this stalemate and stagnation which, while impairing the war effort, bodes no good in the post-war world to the relationship between the different parties concerned in the dispute.

War and Indian Industries.- Referring to the expenditure of Rs. 300 million a month on military and war supply activities, Sir Ardeshir said that it had helped the expansion of the existing industries and the development of new ones. It had converted India from a debtor to a creditor country and had led to heavy currency expansion and to a large all-round increase in prices with its repercussions on labour and their wages.

Dearness Allowance.- Referring to dearness allowances, the President observed: "The majority of employers have attempted to keep pace with these increases by the grant of dearness allowances. The dearness allowance to mill labour in Bombay is Rs. 17-5 for the month of November, and in the case of Ahmedabad it is still higher. But there is no end to the process. Such abnormal increases in wages must necessarily be reflected in costs and prices and lead to inflation. A time has come to call a halt to the further progress of this vicious spiral. A suggestion has been made that dearness allowances should not entirely be concerned with the purely monetary aspect, but should involve also an extension by the employers of their activities in ensuring to the workers supplies of essentials at reasonable prices much below those which are current in the bazaars today. This suggestion, he pointed out, has much to commend it and deserves the careful consideration of all the employing interests concerned, and it could only be effective if the majority of the employers co-operated. Such co-operation would incidentally enable them to buy food-stuffs at reasonable rates and distribute them at the minimum cost; but the co-operation of the Government was also essential for this purpose and the most carefully devised schemes were likely to be frustrated if food grains were not available when required owing to transport or other difficulties. The most serious problem before employers and labour as well as Government today is that of food supply. Employers, he said, welcomed the formation of a separate department to deal with this question. Some of the existing difficulties appear to have been caused by over centralisation of the administrative machinery, and it is felt that greater decentralisation and enlistment of non-official agencies for distribution might help in avoiding a part of the present difficulties. He urged that the question of the supply of "standard cloth" should be dealt with without further delay and that the co-operation of non-official agencies should be enlisted in the distribution of such cloth."

Labour Problems.- Sir Ardeshir referred to the institution of a tripartite conference, consisting of representatives of the Central and Provincial Governments and the States on the one hand and those of employers and labour on the other as the most important event in the

field of labour reform during the year and hoped that in course of time its functions and responsibilities would be developed and enlarged until it reached the status of a full-fledged Industrial Council. On the question of the recognition of trade unions, Sir Ardeshir pointed out that the Federation had expressed the view that, while compulsory recognition was not desirable, employers would welcome the formation of representative and responsible trade unions as proper channels of contact and communication between them and labour and indicated certain essential conditions which such trade unions should fulfil for the purpose of recognition.

Office-bearers for 1943.- Sir Ardeshir Dalal was reappointed President for the year 1943. Sir Henry Richardson, Mr. R. Menzies and Dewan Bahadur Ratnasabhapati Mudaliar were appointed Deputy Presidents for the year 1943.

(The Statesman and Amrita Bazar Patrika,
20-12-1942.)

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SOCIAL POLICY IN WAR TIME

Hours

Exemption of Cotton Spinning and Weaving Mills in Delhi and Ajmer-Merwara from Section 34 of the Factories Act. ✓

The Government of India has, in view of "a public emergency" which has arisen in connection with the production of cloth, gazetted that all cotton spinning and weaving factories in Delhi and Ajmer-Merwara have been exempted from Section 34 of the Factories Act for the duration of the war.

(Notification No. L1882 dated 30-11-1942:
The Gazette of India, Part I, Section I,
dated 5-12-1942, page 1793.) ✓

Exemption from Section 34 of the Factories Act in Bengal. ✓

The Bengal Government has issued a notification exempting for the duration of the war, all cotton spinning and weaving mills and factories in the Province from the provisions of Section 34 of the Factories Act.

(Notification No. 6396 Com. dated
21-12-1942; The Calcutta Gazette, Part I,
dated 31-12-1942, page 2875.) ✓+ ✓

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Wages

Deductions from Wages of Municipal Servants in Central Provinces:
Proposed Byelaws.

Several Municipalities, Notified Areas, and Local Boards in the Central Provinces and Berar propose introducing bye-laws to regulate deductions from wages of their employees. The bye-law stipulates that the salary of an officer or servant shall, subject to certain permissible deductions, be paid to him without any deductions. The deductions which are permissible are (a) Departmental fines; (b) deductions for absence from duty; (c) deductions for damage to or loss of goods expressly entrusted to the employee for custody or for loss of money for which he is required to account, where such damage or loss is directly attributable to his neglect or default; (d) deductions on account of rent of municipal quarters occupied by the employee; (e) deductions for amenities, provided, and services rendered, by the committee; (f) deductions for recovery of advances or for adjustment of overpayments of salaries; (g) deductions on account of security deposits; (h) deductions of income-tax payable; (i) deductions required to be made by order of a court or other authority competent to make such order; (j) deductions for subscriptions to, and for repayment of advances from, any provident fund; and (k) deductions for repayments of loan taken from a co-operative society approved by the committee, provided that the employee has given an authority, in writing, to the secretary of the committee to do so.

(The Central Provinces and Berar Gazette, Part III, dated 4-12-1942, page 1209.)

War Dear Food Allowance for Cawnpore Workers.

In the Notice (War Dear Food Allowance (No. 4) 1942) dated 11-8-1942, issued by the Employers' Association of Northern India (vide pages 22 to 24 of our August 1942 report) a sliding scale to cover cost of living index figures from 201 to 220 was sanctioned, and it was intimated that should the cost of living index figure rise beyond 220 points the matter would receive further consideration. The cost of living index figures having risen ~~xxx~~ above 220 points in November, 1942, the Association again considered the matter and announced in a notice dated 26-11-1942 that the sliding scale of war dear food allowance applicable between 201 and 220 points will also apply to cost of living index numbers up to 240. Should the cost of living index figure exceed that number, then the matter is again to be considered. It is also notified that the same terms and conditions, as detailed in the previous notices issued by the Association in regard to war dear food allowance, will continue to apply.

(Communication dated 25-11-1942 from the Employers' Association of Northern India, Cawnpore.)

Pre-War Standards to be Maintained:
Workers' demands for adequate Dearness Allowance.

Addressing a meeting of jute, oil and petrol workers at Goalpara, Calcutta, on 17-12-1942, Mr. R.S. Nimbkar, Labour Welfare Officer to the Government of India, said that the Government of India definitely desired that workers in industries should receive adequate dearness allowance and profit sharing bonus to compensate for the rise in the

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cost of living during the present war period. Mr. Nimbkar assured the workers of the concern of the Government of India to arrange for adequate supply of foodstuffs at reasonable prices and also for A.R.P. arrangements in factories. He urged them to concentrate on production in order to win the war, which was being waged by the workers on the industrial front, as much as by fighting units on the military front.

(The Times of India, 19-12-1942.)

The workers' demands in respect of dearness allowance was enunciated by Mr. Jannadas M. Mehta, M.L.A. (Central), President of the Indian Federation of Labour at a meeting of the Chromepet-Pallavaram Tanneries Workers' Union held at Chromepet, Madras, on 25-12-1942. He said it was the duty of the trade unions to fight primarily, for the present at any rate, that at least their pre-war standards might be maintained. He had, therefore, requested the Governor-General, the Labour Department and the labour conferences to bear in mind that the only real test of the adequacy of dearness allowance was whether it neutralised the effect of the rise in the cost of living. Dearness allowance granted on this basis would enable them to buy what they were getting before the war. This principle has been accepted by the Standing Committee of the Tripartite Labour Conference which met recently, at New Delhi. He also demanded that steps should be taken to stamp out 'black markets' in order that stocks might be available at controlled rates.

(The Hindu, 26-12-1942.).

Employment

Technical Unit of the Indian Civil Pioneer Force Formed.

A new unit of the Indian Civil Pioneer Force composed of trained technicians is to be formed shortly. Arrangements are in train for the recruitment of the required number of men who will be enrolled and sent to one of the training centres of the Labour Department's technical training scheme. There they will be trained as machinists, fitters, turners, welders, etc., and while under training will receive free quarters and rations and the stipend paid to ordinary trainees under the technical training scheme. On completing their training they will be employed in the new unit on wages similar to those in force in Ordnance Factories.

Like the other units of the force, the Technical Unit will be liable to be called upon for service in any part of India on any of the miscellaneous duties connected with the defence of the country for which a disciplined force of workers may be needed. As the name of the unit suggests, they will however be put on to tasks for which their skill and training fits them best.

(Unofficial note of the Principal Information Officer, Government of India, 21-11-1942.)-

Industrial Disputes

Lockout in Nizam's State Railway.

The Nizam's State Railway Employees Union have been appealing to the Railway Administration and the Government for the redress of their grievances for several months. But receiving no attention after repeated representation, they submitted a memorandum to the Government setting forth their demands, the most important among them being a permanent wage increase of 35 per cent. in salaries up to Rs. 100, grant of adequate dearness allowance, improvement of service conditions and removal of corruption among the supervising staff. Thereupon the Government appointed in January 1942 an Enquiry Committee which concluded its sitting in June 1942. Nothing substantial came of the enquiry as the workers' demands were mostly turned down. Even the question of recognition of the Union was rejected as one to be taken up by the Administration. Further negotiation between the Union and the Administration ~~authorities~~ and connected points proved equally fruitless.

On 9-12-1942, the Chief office-bearers of the Union, namely, the President, the Vice-President and the General Secretary were arrested. A government press note explaining this action said that the persons were responsible for creating a situation inconsistent with the preservation of public tranquility. The workers demonstrated their protest against the arrests by a stay-in-strike. The same evening (9-12-1942) a lockout was declared.

At a general body meeting of the Union on 28-11-1942, the workers ~~have~~ ~~unanimously~~ ~~passed~~ ~~resolutions~~ expressing willingness to resume work if the following four demands are satisfied: (1) An immediate increase of 50 per cent. on the present salaries. (2) Adequate increase in the present "dearness" allowance. The dearness allowance should be at a uniform rate at Headquarters and on the line. (3) Cheap cloth and grain shops should be opened at all centres of the Railway allowing credit system. (4) Immediate and unconditional release of their leaders.

(Extracted from a Note dated 18-12-1942 forwarded to this Office by the Executive Committee of the N.S. Rly. Employees' Union, and Hindu dated 11-12-42).

Labour Welfare

Provision of Stocks of Wheat Flour in Industrial Areas.

With a view to maintain supplies and services essential to the life of the community, the Government of Bengal has issued an Order to regulate the production and distribution of atta and flour in Calcutta and the neighbouring industrial area. The Order requires the authorities of a flour or atta mill situated within Calcutta or the neighbouring industrial area to submit on the first day of each week to the Controller of Civil Supplies, Calcutta, a true and accurate statement of the total quantities of each wheat product produced in his mill in course of the preceding week, to reserve twenty-five per cent. of the total products mentioned in the statement, in the shape of standard qualities of atta, ~~maxxxxxwhite~~ and to sell the portion so reserved to persons authorised to purchase the said products by formal written delivery orders issued by the Controller of Civil Supplies, Calcutta.

(Order No. 8389 CS dated 27-11-1942: The Calcutta Gazette, Part I, dated ~~27-11-42~~ page 2732.)

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Control Measures

The Bihar Foodgrains (Futures and Options/Prohibition) Order, 1942. ✓

The Bihar Government has, on 21-12-1942, issued the Bihar Foodgrains (Futures and Options Prohibition) Order, 1942, by which no person is to enter into any futures in foodgrain or pay or advance or receive, or agree to pay or advance or receive any margin relating to any such futures; or enter into any options in foodgrain. All futures and options in foodgrain entered into before the commencement of this Order and outstanding wholly or partly for settlement are declared void. The Foodgrains referred to are: paddy, rice, wheat, gram, pulses of all kinds, barley, maize and mustard seeds.

The order comes into force at once.

(The Bihar Gazette Extraordinary
dated 21-12-1942.) +

The Baluchistan House Rent Control Order, 1942.

The Chief Commissioner, Baluchistan, has gazetted on 14-12-1942 the Baluchistan House Rent Control Order, 1942, by which landlords in the Province are forbidden to demand from their tenants house rents in excess of what may be fixed by the District Magistrate.

(The Gazette of India Part II-A, dated
26-12-1942, page 658.) -

Control of Rice Export from Delhi.

The Chief Commissioner, Delhi, has issued an Order on 26-11-1942 that with effect from that date no rice shall be moved by road, rail or river outside the province of Delhi, except under a permit from the District Magistrate, Delhi.

(Notification No. F (19)/42-General dated
26-11-1942, The Gazette of India Part II-A
dated 5-12-1942, page 628.) + ✓

The Bihar Rice Control Order, 1942.

The Bihar Government has, on 26-12-1942, gazetted the Bihar Rice Control Order, 1942, which stipulates that every dealer shall comply with such directions regarding the purchase, sale or distribution of paddy and rice as may be given to him by the Chief Controller of Prices and Supplies, Bihar. The Controller may, from time to time, allot quotas for the requirements of any specified area, or of any specified market, and issue directions to any dealer or owner or manager of a rice mill to supply paddy and rice to such areas or markets in such manner as may be specified by him. Every dealer or owner or manager of a rice mill shall, notwithstanding any existing agreement with any other person, give priority to and comply with any directions issued to him by the Controller.

(Notification No. 5105-P.C., dated 26-12-
The Bihar Gazette Extraordinary dated
26-12-1942). + ✓

Control of Export of Foodstuffs in Bihar.

On 26-12-1942 the Bihar Government issued a notification to the effect that no person shall export or carry by rail, river or road, any quantity of any of the following foodstuffs:- paddy; rice; wheat; wheat products; gram; pulses, husked and unhusked (whole split); sugarcandy; salt; ~~kerasene oil~~ from any district in the province of Bihar to any place outside that district or outside the province except with the written permission of the Chief Controller of Prices and Supplies, Bihar, with effect from the 26th December 1942.

[Notification No. 5106-P.C., dated 26-12-1942,
The Bihar Gazette Extraordinary dated 26-12-1942)

A similar order has been issued with respect to the export of sugar ~~also~~ already by the Government of Bihar (Notification No. 5107-P.C., dated 26-12-1942). +

Standard Cloth for the Poor:
Textile Advisory Panel adopts Scheme.

Reference was made in our November 1942 report to the scheme initiated by the Government of India for the manufacture of standard cloth at cheap prices for the use of the poor and middle-classes during war-time (vide page 38, November 1942 report). The broad outlines of the all-India scheme evolved in this connection were decided by the Textile Advisory Panel in consultation with the co-opted members representing the industry in various parts of the country at its adjourned meeting held at Bombay on 10-12-1942, the Hon'ble Mr. N.R. Sarker, Commerce Member, presiding. Details of the scheme are given below:-

Small Profits and Uniform Varieties and Prices.- According to the present plans, standard cloth will consist of dhoties, sarees and shirting, each in three different varieties. It will be sold at a price giving only a small margin of profit to the manufacturer and to the distributor. The selling prices will be reviewed every quarter in order to adjust them to the fluctuations in the cost of production and will be uniform throughout the country. In order to achieve this objective, the millowners will be requested to bear the transport and incidental charges.

A central organisation for the production and distribution of standard cloth will be set up in Bombay on the lines of the Textile Advisory Panel. The members of the Panel, as well as the Central Government, will be represented. This body will place indents with the manufacturers and allocate quotas to the consuming provinces on a population basis. The cloth will be distributed through the respective provincial organisations which will be under the supervision of a Committee consisting of members of the Panel drawn from the respective provinces, prominent citizens, and the nominees of the provincial Governments.

The provincial Governments will be given the choice of undertaking the financial responsibility involved in the marketing of standard cloth or entrusting it to a guaranteed broker who will be given a commission. This is meant to protect the industry against a possible slump in prices or marketing difficulties. In any case, arrangements for the distribution of standard cloth will be directly supervised by the provincial branch of the central organisation. It is learnt that the Government of Bombay propose to undertake the responsibility instead of appointing a guaranteed broker for the purpose. There will be district branches under the direct supervision of the provincial organisations. These branches will be managed by a committee consisting of the citizens' representatives, including nominees

of merchants and Government officials. The task before these branches will be to make available standard cloth even in the remotest village at the same price at which it is sold in the producing centre.

Interim Arrangements.- It is felt that some time will have to elapse before this elaborate machinery is set up; but the next meeting of the Textile Advisory Panel will be called in January 1943 to give effect to the scheme so that the necessary arrangements can be completed before the end of February 1943. Pending the detailed arrangements for working out the scheme on an all-India basis, the cotton textile industry will execute the initial order placed by the Government of India, on behalf of certain provinces and Indian States, for 15,000,000 yards inclusive of 2,400,000 indented by the Government of Bombay to meet the immediate requirements of the rural population in the province.

(The Times of India, 12-12-1942)..

Government of Madras to make separate arrangements:
Concern of Handloom Weavers.

The Madras Government, it is learnt, are not participating in the working of the Government of India scheme for the supply of standard cloth from mills in Upper India, as they hold the view strongly that it is calculated to enter into competition with handloom products. Enquiries in authoritative quarters reveal that the Madras Government are evolving a scheme of their own for production of standard cloth in sufficient quantity through handloom weavers. It is stated that a few mills have already undertaken to provide yarn for the purpose.

(The Hindu, 30-12-1942)..

Control of Export of Foodgrains from Sind.

The Sind Government has issued a notification prohibiting the export by road, river, rail or sea of foodstuffs like wheat and wheat products, gram, bajras, jowar from the Province except under a permit of the Deputy Chief Controller of Prices, Sind.

(Notifications No. P.C.-150/42, dated 17-12-1942
P.C.-95/42-1, dated 21-12-1942;
and P.C.-130/42, dated 22-12-1942.

The Sind Government Gazettes Extraordinary,
dated 17, 21 and 22-12-1942)..

Control of Excess Profits in War Contracts:
Tender System being replaced by Settlement
by Negotiation.

In the course of his opening speech before the second meeting of the Advisory Panel of Accountants held at New Delhi on 7-12-1942, Sir Jeremy Raisman, Finance Member, Government of India, made a reference to the efforts made by the Government of India to prevent excessive profits out of war contracts. The main points brought out by the Finance Member are briefly noticed below:-

Referring to the stores-purchase transactions of the Government of India, he said that the loss of Hong Kong and Malaya and other Far Eastern countries has brought out clearly the importance of India as an arsenal for the United Nations and has emphasised the necessity of increasing the volume and variety of supplies which she is sending to the various theatres of war. As a result, the demand for goods is becoming more pressing day by day and the range of articles over which those demands are in excess of available supplies is constantly becoming wider. The Government has often to reserve a very large portion, if not the whole of the capacity of any industry, for its own needs, and the field in which the statutory and executive control of the Government over the sources of available supplies is exercised is becoming ever more extensive. The result of all these factors is that the method of inviting tenders and making contracts on the basis of those tenders is being progressively replaced by a system of settlement by negotiation, and this has brought with it new and complex problems.

Explaining the methods used for prevention of excessive profits, he said: "Not the least difficult of these problems is so to conduct supply operations as to prevent the accrual of excessive profits out of war contract. In this sphere the Government's efforts have been directed primarily towards evolving a system whereby it can arrive at a "reasonable and fair price" and, though complete success has not been achieved, the Government has ~~made~~ made some progress. In this connection, the method by which fixed prices are verified by reference to the accounts of the contractors and the relating of the amount of profit to the capital employed in the business may be mentioned. In the last resort, the statutory powers which the Government has acquired, by which it can order work to be carried out compulsorily at fixed prices, may have to be employed, but this method is naturally reserved for cases of extreme recalcitrance."

"These devices have been of considerable help, but cannot alone achieve that position whereby, in a total war, every interest is subordinated to the common end of overcoming the enemy. It is widely felt that excessive profits made out of war contracts are anti-social gains. A well-informed and enlightened public opinion can bring pressure to bear in this direction. It is equally desirable that Industry itself should be able properly to appreciate the methods which we have adopted and independently to gauge their value and worth".

(The Statesman, 9-12-1942).+

The Factories Control of Production Order, 1942.

The Government of India has, on 4-12-1942, issued under the Defence of India Rules, the Factories Control of Production Order, 1942, providing that all the factories in the country, except those belonging to the Crown, engaged in the production or fabrication of metal or in any engineering work, shall be under the control of the Director General of Munitions Production, Calcutta. The Controller may, if he thinks it necessary, for the efficient prosecution of the war, (a) prohibit any factory from carrying out any scheduled work otherwise than in accordance with a general or special order issued by him; (b) require any factory to undertake any scheduled work. The list of "Scheduled Work" appended to the Order in a separate Schedule includes 23 occupations, the more important of which are: ~~xxxxxxxxxxxx~~ pressing; oxy-acetylene welding; arc welding; iron casting and steel casting.

(Notification No. 1161.- dated 4-12-1942 of the Department of Supply. The Gazette of India Extraordinary, dated 5-12-1942.)+

Production

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The Bombay Power Alcohol and Petroleum Act, 1942.

The Bombay Government has adopted the Bombay Power Alcohol and Petroleum Act, 1942, coming into force in the Province on dates to be notified later. In a statement of objects and reasons appended to the Act, the Government says that the question of manufacture of power alcohol from molasses for admixture with straight petrol as motor fuel has been engaging its attention for a long time. Owing to petrol rationing recently introduced by the Government of India, the question of manufacture of power alcohol has been receiving the attention of several firms. It has been decided, therefore, that the manufacture and distribution of power alcohol mixed with straight petrol by private companies should be encouraged with a view to the establishment of a supplementary industry and for the immediate purposes of conserving supplies of straight petrol for defence requirements. Provision has, therefore, been made in this Act for the regulation and control of the production and distribution of power alcohol.

(The Bombay Government Gazette Part IV,
dated 17-12-1942, pages 315-324.) ✓

Industrial Expansion in Ceylon.

The war has given a great impetus to Ceylon's industrial development. Sponsored by the Government, a number of new industries started before the war are now enjoying a boom. Plywood boards and coir products are in great demand for carrying overseas Ceylon's tea and copra. The recently opened boot factory is working at full pressure to meet local defence needs; so also the hat factory. Other big factories are also working at top speed.

Efforts are being made to tap Crown forests for wild cinchona, which will yield about 1½ to 2 per cent. of recoverable quinine. The quinine factory will begin work by the end of December. In a few months more, the acetic acid factory situated in the north-western province will probably come into operation with an output of about 100 tons with the possibility of an increase to 200 tons a year. The ceramic factory at Negombo, the activities of which are now confined to the production of such articles as cups and chinaware, will be put on a bigger and better footing. It is hoped to produce essential articles, such as bricks and tiles, at this factory shortly.

The Department of Commerce and Industries has also made much progress in regard to cottage industries. These industries, such as the manufacture of twine, buttons, mirrors, toys, etc., have been entrusted to a separate unit whose endeavour is to encourage industrialisation on a small scale sufficient to interest a family and enable it to earn a livelihood on the principle of self-help.

Ceylon's steel rolling factory, though not yet officially opened, has begun production. It is expected that it will turn out approximately 1,000 tons of steel bars and rods and 1,800 tons of hoop-iron a year. The raw material needed will be drawn from scrap.

(The Railway Gazette, December 1942.) ✓

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Manufacture of Internal Combustion Engines in India.

The possibility of manufacturing internal combustion engines in India was discussed recently at a meeting of the Board of Scientific and Industrial Research under the chairmanship of the Commerce Member, Mr. N.R. Sarker. It is understood that a committee is being set up to examine the details of manufacture of various types of engines and their parts and accessories. The Board also considered a preliminary survey reported by its Dye-stuffs Committee regarding the possibility of organising dye-stuff industries in this country. The report covers 51 such industries.

(The Statesman, 2-12-1942).-

Lease-Lend Agreement with U.S.A.: Direct negotiations by India contemplated.

The possibility is being discussed in New Delhi of negotiations with Washington for a direct reciprocal aid agreement between the U.S.A. and India under lend-lease to deal with the problem of war-time production and services in place of the present system under which the Government of India deals with U.S.A. through the British Government. The projected agreement would put India in the same position as Australia and New Zealand who have already negotiated lend-lease agreements direct with the U.S.A. The advantage to India is that it will simplify accounting and also that India would in her own right discuss financial questions concerning ~~lend~~ lease-lend at the Peace Conference. ~~The question of a reciprocal aid agreement between India and U.S.A. was discussed during the visit to London this summer of Sir Jeremy Raisman, Finance Member, Government of India.~~

It is understood that two safeguards are being proposed by India in regard to the reciprocal arrangement with the U.S.A. These provisions are, firstly, that India's aid to U.S.A. and expenditure on American troops in India shall not exceed the value of lease-lend material received by India in any year, and secondly, in any future ~~xxx~~ revision of tariffs in relation to U.S. goods, India shall reserve the right to observe the fiscal autonomy convention. It is estimated that in a year India may receive lease-lend supplies to the value of between Rs.400 to 500 millions and she may incur rupee expenditure in India up to that limit on behalf of America. The reservation regarding the fiscal autonomy convention is important in view of the present stage of India's industrial development.

The final form which the reciprocal arrangement will take will be explained by the Finance Member in his next Budget statement, but the indications are that Delhi's conditions will be agreed to by London and Washington.

(The Times of India, 21-12-1942, and
the Statesman, 23-12-1942).-

Post-War Reconstruction: Sir M. Visvesvaraya's Plea for an Economic Council.

The need to safeguard Indian trade and Indian interests in the post-war period was stressed by Sir M. Visvesvaraya, presiding over the third quarterly meeting of the Central Committee of the All-India Manufacturers' Organisation in Bombay on 20-12-1942.

As soon as the war was over, Sir M. Visvesvaraya said, India might again be exposed to the fury of an international economic war. To give the country adequate protection, it was necessary to appoint at once a representative central council of businessmen, experts and leaders in science

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and politics, to watch the trends and make preparations to meet all possible obstacles and opposition.) It might be called a Development Board or an Economic Council, and might take the place of the Consultative Committee of Economists on Post-War Reconstruction appointed by the former Commerce Member. Explaining the steps taken by the various belligerent countries in regard to post-war reconstruction and conditions in India, Sir M. Visvesvaraya stated that there were now a number of Indians on Viceroy's Executive Council. Post-War reconstruction and industries were each of them important enough to require the whole-time services of a Member to itself. Nevertheless, both of them were left with the Commerce Member, whose time was fully taken up with matters connected with the war emergency. "The people are now faced", he said, "with a great struggle immediately the war ends, to render secure the future food supply and income of the nation. They can neglect this duty only at their peril". Referring to India's industrial development, he said that the developments recorded in Canada and Australia showed that this country had missed a great opportunity to build up its industries in the present war.

(The Times of India, 22-12-1942).

The Hindu, Madras, of 23-12-1942, commented editorially on Sir M. Visvesvaraya's speech; relevant extracts from the leading article are given below:-

Sir M. Visvesvaraya's call for the establishment of a "Development Board" or an "Economic Council" to consider post-war reconstruction, is a timely one. Although we have been told that the problems relating to ~~post-war reconstruction are being considered by the Government of India,~~ the public have no idea of the lines along which the discussions proceed and the objectives which are sought to be achieved. In other countries, however, this is not so. In the United States, a number of organisations are at work studying this problem. These, public and private, total over a hundred, of which no less than 35 are Government agencies. Similar agencies exist in Britain, official and unofficial. It is worthy of mention that the contribution of non-official organisations seems to be at least as important as, if not more important than, that of Government-established organisations. The one non-official organisation in India, which attempted it - the National Planning Committee - has been left leaderless with its work unfinished.

It is idle to contend that the preparations should be made after the war. We must think about it now because of the psychological significance, and we must think about it as a part, an integral and essential part, of the whole war effort.

of Canada

Three problems have, Dr. Cyril James points out, to be solved - the domestic, inter-empire and international. Of these, the first is by far the most important, being the fundamental one, one on a solution of which is to be found the solutions for the other two. The first specific problem in the domestic group was that of maximizing the employment opportunities for each individual; next was the conservation and utilisation of natural resources; and finally, there was the problem of developing, as a measure to meet possible emergencies, a programme of publicly financed construction projects. All these different attacks on post-war problems were in Canada, being explored by special sub-committees. A committee under Tom Moore, President of the Trades and Labour Congress, was studying employment opportunities; another under Dr. R.C. Wallace, Principal of Queen's University, was dealing with conservation and utilisation of resources, while a third, under K.M. Cameron, Chief Engineer of the Department of Public Works, Ottawa, was exploring the field of publicly financed construction projects. Since, as Sir M. Visvesvaraya points out, one cannot say what will come out of the Government Committee, functioning away from the public gaze and in complete isolation of enlightened opinion, it becomes the duty of India's industrialists and manufacturers to move in the matter and get a plan ready.

(The Hindu, 23-12-1942).+

List of the more important publications received in this Office during December, 1942.

Economic Conditions.-

- (1) Department of Commercial Intelligence and Statistics, India. Statistical Abstract for British India with Statistics, where available, relating to certain Indian States from 1930-31 to 1939-40. Published by the Manager of Publications, Delhi. 1942. Price Rs.6-10-0.
- (2) Bulletins No. 3 (1936-37) and No. 4 (December 1939) of the Baroda Economic Association, Baroda.

Migration.-

- (1) Annual Report of the Agent of the Government of India in Ceylon for the year 1940. Published by the Manager of Publications, Delhi. 1941. Price Rs. 2 or 3s.
- (2) Annual Report of the Agent of the Government of India in Ceylon for the year 1941. Published by the Manager of Publications, Delhi. 1942. Price Rs. 2-6-0 or 4s.
- (3) Annual Report of the Agent of the Government of India in Malaya for the year 1940. Published by the Manager of Publications, Delhi. 1941. Price Re. 1-4-0 or 2s.
- (4) Administration Report of the Controller of Labour for 1941. (A.E. Christoffelaz, Esq., C.C.S.) December 1942. Printed at the Ceylon Government Press, Colombo. 1942.

Organisation, Congresses, etc.-

Annual Report on the working of the Indian Trade Unions Act, 1926, in the district of Ajmer-Merwara for the year 1941-42. (Typed.)

Special Conditions.-

Census of India, 1941, Vol. XXIII, Mysore, Part II - Tables. P.H. Krishna Rao, M.A., Census Superintendent, Mysore, Bangalore. Printed by the Superintendent at the Government Press. 1942. Price Rs.6-0-0.+