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INTERNATIONAL LABOUR OFFICE
INDIAN BRANCH

Report for July 1942

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NATIONAL LABOUR LEGISLATION

Government of India.-

Draft Bill to amend Workmen's Compensation Act.

The amendment of the Workmen's Compensation Act, 1923, in order to make adequate provision for certain matters, was discussed at the Third Conference of Labour Ministers held in January 1942.

Regarding the question of the compensation to be paid to the heirs of a deceased workman, the Government of India Memorandum on the subject stated that the intention of the Act, apparently, was to allow deductions of payments made to an injured workman from the lump sum compensation payable to his dependents under section (4) (I) A. The Rangoon High Court had, however, drawn a clear distinction between the right to compensation of an injured workman and that of his dependent after his death. The Calcutta High Court further construed the word "workman" occurring in section 4 of the Act to mean only a living workman and not his dependents. The general opinion of the Third Conference of Labour Members on this question was that in fairness to employers, deductions to cover payments made during the lifetime of a workman should be permissible subject to the residue of compensation not falling below a certain minimum. Again, section 5 of the Act did not appear to provide for the calculation of the monthly wages of a workman in cases where information regarding the average monthly earnings of worker engaged in similar work in the same locality during the twelve months preceding the accident, is not available. It was agreed at the Conference that a proviso should be added to section 5 (b) so as to provide for calculation of wages in accordance with sub-section (c) of section 5 of the Act.

Following these decisions, the Government of India has prepared a draft Bill which has been circulated for the opinion of the interests concerned. The text of the Bill is published in the June 1942 issue of "Labour Gazette", Bombay.

Orissa.-

Extension of certain Labour Acts to 'Partially Excluded' Areas.

The Orissa Government has gazetted a list of Acts which it has decided to extend to 'partially excluded' areas - in some cases to all such areas in the province, and in others to certain specified limits of these areas. Among the Acts so extended are : (1) The Indian Mines Amendment Act, 1937, (2) The Workmen's Compensation (Amendment) Act, 1938, (3) The Trade Disputes (Amendment) Act, 1938, (4) The Indian Emigration (Amendment) Act, 1938, (5) The Employers' Liability Act, 1938, (6) The Workmen's Compensation (Amendment) Act, 1939, and (7) The Workmen's Compensation (Second Amendment) Act, 1939.

(Notification No. 2266-IIIc-14/41- Com. dated 23-7-1942: The Orissa Gazette, Part III, dated 31-7-1942, pages 315 to 317.)

Leprosy Control in Jamshedpur:
Work of Leprosy Sub-Committee, Jamshedpur Rotary Club. ✓

Very shortly after the formation in 1939 of the Jamshedpur Rotary Club it was decided by the Club to tackle under its auspices the leprosy problem in Jamshedpur. Before providing clinics for the treatment of lepers it was decided to collect statistics as to the number of lepers in the area; the survey was commenced in May, 1939, and the first survey of the town was completed in April 1941. A re-survey was then commenced. The funds for these surveys and for the treatment at the clinics were given by capital donations and also recurrent contributions from the larger Companies in Jamshedpur, namely The Tata Iron & Steel Company, Ltd., The Tinplate Company of India, Ltd., The Indian Steel Wire Products Company, The Indian Cable Company, and the Tatanagar Foundry.

Results of Survey.- As a result of the survey enquiry from its inception in May, 1939, until 31st March, 1942, 475 cases have been detected by the staff. In addition 35 cases were detected at the Main Hospital of the Tata Iron and Steel Company and the Health Office, making a total of 510 cases. Of these, 92 were infectious and 418 non-infectious. 215 lepers beggars were also examined, of whom almost exactly half were found in an infectious condition. Thus the total number of lepers reported on altogether in Jamshedpur, including beggars, was 725; 750 is considered as a roughly accurate figure for the total number of lepers in the Jamshedpur and Jugsalai notified areas, of whom about 200 are infectious. The total number of persons examined was 109,950.

Organisation of Clinics.- Three clinics were built with the funds provided by the Companies. They consist of simple open sheds with a store room, one at Ramdas Bhatta, one at Sonari and one at Burma Mines. In addition, the Tata Iron & Steel Company had already a clinic in existence at its Segregation Hospital on the Golmari road. The staff attend at each Rotary Club clinic one half day in the week for infectious patients and one half day for non-infectious patients. The other half time is spent in survey work.

Results of Treatment.- Of the non-infectious cases, 4 have been completely cured, 8 have been arrested and 83 have been improved. Of the infectious cases 13 have been improved and 2 have been turned to non-infectious.

Future Work.- Another direction in which assistance is required, especially from the public, is in affording financial help to the sufferers and their families. The Jamshedpur Rotary Club has appealed to the larger Companies in Jamshedpur to take measures to provide hospital accommodation for the Jamshedpur infectious lepers; these proposals are now under consideration. Such facilities cannot in any case be provided for some years to come. When a workman is found to be suffering from infectious leprosy, he cannot be permitted to continue working on account of the danger of transmitting the disease to his fellow workmen. Some of these cases have been assisted by their employers, but others, who have been given leave for treatment, have spent all their savings in paying for treatment and livelihood at the hospital at Purulia. Many of their families have become destitute.

The Jamshedpur Rotary Club has been assisting a few such cases with donations and the members of the Club have made contributions towards a fund established for this purpose. The fund is not large enough, however, to cover all the needy cases.

(The Tisco Review, Jamshedpur, July 1942 issue) ✓
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Adjudicator's Award in Bombay Tramway Dispute. ✓

The Hon'ble Sir Robert Broomfield, Adjudicator appointed by the Government of Bombay on 29-5-1942, under sub rule (1) of Rule 81A of the Defence of India Rules, to adjudicate the trade dispute between the Bombay Electric Supply and Tramways Company Ltd., and its employees, has given his award on the dispute; a brief summary of ~~the~~ award is given below:

(1) War and Dearness Allowance.- The Adjudicator recommends that, in future, the old war allowance should be treated as part of pay in the calculation of bonuses. In principle, this should apply to all employees, but as those engaged prior to 1934 enjoy higher ~~at~~ scales of pay and 'basis' it would not be unfair if this concession were to be held inapplicable to them. With regard to dearness allowance, it is recommended that the scale in force up to the end of April 1942, should be extended so as to cover the same cost-of-living index numbers as the scale now sanctioned by the Millowners' Association, Bombay. The rates for the index numbers above 135 should be worked out, so that they bear a similar proportion to the Millowners' Association rates as in the case of the index numbers below 135. The allowance should be paid at these rates with effect from May 1942, deducting what has been paid already.

(2) Leave with Pay.- With regard to the demand of the workers for ~~leave with pay for one month annually~~, the Adjudicator recommends that the practice of giving leave pay in lieu of leave with pay should be discontinued. All those entitled under the present rules either to leave with pay or leave pay for 15 days should be given leave with pay for that period. This leave should be allowed to be accumulated for a period of three years.

(3) Over-time Work.- The calling up of employees for duty on their off-days should be avoided as far as possible. If it is unavoidable, says the recommendation, payment should be at the present rates plus one-fourth for work which is less than full duty. For each full day worked on an off-day, payment should be at the present rates, but the employee should be allowed in addition one day's leave on half pay to be added to ~~his~~ his leave account. The above is subject to the proviso that the off-day is duly earned under the rules.

(4) Sick Leave.- With regard to the demand of the workers for sick leave with pay, the Adjudicator says that the best method of providing for sickness and the extent to which employers of labour can be expected to bear the burden are difficult and complicated questions as pointed out by the Royal Commission on Labour in India. There is a good deal of force in the Company's argument that the grant of any such privilege as that now demanded would increase the evil of absenteeism. Among the many facilities provided by the Company are free medical attention (five doctors are employed) and free medicines. The Adjudicator was not prepared to make any recommendation under this head.

Government Order on Award.- The Government of Bombay have accepted the recommendations of the Adjudicator and have ordered that the said award shall be in force and shall bind the Company and its employees for four months from the date of publication of the award, provided that it shall remain in force for the duration of the war save in so far as it is determined by notice in writing given

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by or to the Company to or by the representative of any section of
the Company's employees in the manner specified in the Government order.

(Industrial Bulletin of the Employers'
Federation of India, dated 13-7-1942.) ✓

Holidays

Holidays with Pay: Views of Millowners' Association, Bombay, on Government of India's Proposals. ✓

Reference was made at page 1 of our May 1942 report to the draft Bill prepared and circulated for opinion by the Government of India regarding holidays with pay for industrial workers. The following views on the proposals have been expressed by the Committee of the Millowners' Association, Bombay:

The Committee reiterated the views expressed by it in 1935 and 1937 on the I.L.O. proposal and Draft Conventions and Recommendation on the subject, namely, that though from a strictly humanitarian point of view, nothing could be said against the general proposition, it was, ~~for reasons set forth in the latter~~ neither practicable nor desirable from the point of view of the peculiar conditions obtaining in the Bombay cotton mill industry. (Vide pages 33-35 of our September 1935 report). The Committee also drew the attention of Government to the discussions which took place at the Conference of Industrial Employers convened by the Labour Member in January 1942. At this conference, the representatives of employers were of opinion that there should be no legislation for holidays with pay, holding the view that while ~~holidays with pay would increase the cost of production~~, there would be no corresponding benefit to labour. They also pointed out that at present, as the workers took long holidays during the year to go to their villages for family and festive occasions, the need for the amenities proposed had not been made out. The Committee of the Association entirely agreed with the position taken up by the employers' representatives at the abovementioned conference. The Committee, however, has pointed out once again that Government and employers must, for the time being, concentrate their efforts on winning the war, and that consideration of questions of a controversial nature or involving social and labour legislation should be postponed till peace is restored. Social and industrial welfare schemes involving financial outlay should be considered under normal conditions when a precise estimate of the industry's capacity to pay could be made. Discussion of such matters, in the midst of a war, was not only calculated to create unpleasantness between the employer and the employed, but would interfere with war output.

(Excerpts from the Proceedings of the Committee of the Millowners' Association, Bombay, for June 1942.) ✓

Holidays with Pay Legislation: Views of Bombay Chamber of Commerce. ✓

Reference was made at page 1 of our May 1942 report to the proposed amendment of the Factories Act, 1934, with a view to secure holidays with pay for non-seasonal industrial workers. The following views have been expressed on the proposal by the Committee of the

Bombay Chamber of Commerce :

It was presumed in the first place that the provisions of the Bill were intended to apply only to permanent labour, paid on a monthly basis, and on this assumption the Committee welcomed the fact that the proposed legislation was to be of an all-India nature to be introduced by the Central Government and in general principle and on humanitarian grounds were prepared to support the Bill. It, however, warned Government of the danger inherent in adding to the considerable burdens already borne by industry in the recently introduced benefits such as wage increases, cost of living bonuses, the provision of grain shops, etc. These burdens, while very heavy at the moment, were possibly justified during the war period, but from a practical point of view they might tend to overload industry to an impossible extent in times of peace.

Accumulation of Holidays.- In regard to the provision that holidays if not taken within the year will lapse, the Committee was of opinion that if the employer was willing to allow accumulation of holidays, ~~then~~ labour should not be debarred from obtaining this benefit, though it might preferably be confined to a maximum of two years' accumulation. The Bill did not deal sufficiently adequately with the right of the employer or the employee to fix the dates of the holidays prescribed, and it was suggested that a clause should be added to the effect that workers would be allowed holidays at a time to be fixed by the employer but within twelve months of the date after which it was earned, unless the employee wished, and the employer agreed, to the employee accumulating his holidays with pay beyond the year.

Compensatory Holidays.- The Committee considered that the clause granting a compensatory holiday in the case of a worker being deprived of the regular weekly holiday, while perfectly acceptable in peace time, would require modification in war-time; exemption under this clause should be granted to factories on essential war work.

Absence without leave.- Under Clause 49B (I) a man was not entitled to holidays if he had been absent without leave even for one day, but this was by implication only. It was suggested that this point should be covered by stipulating that any absence without leave should be deducted from the period of leave to which a worker was entitled.

(Excerpts from the Proceedings of the Committee of the Bombay Chamber of Commerce during June 1942).

Progress of Scheme for Labour Officers in Bengal
Jute Mills. ✓

Started as an experimental measure in 1939, the Indian Jute Mills Association, Calcutta, has developed a Labour Officer scheme. There were, at the close of 1941, five Labour Officers appointed by the Association. As originally planned, the Association's Labour Officers had two distinct duties to perform. One was in connection with inspection of looms and working hours as necessitated by working time agreements. This part of their work has always been subordinate to the real purpose of their appointment. The chief object has been to harmonise relationship not only between employer and employee, but to co-ordinate all actions in this regard and induce a greater measure of collaboration between the Government, functioning through the Labour Commissioner and his officers, and Managing Agents, Trade Unions and all other cognate interests.

Main Activities of Labour Officers in 1941.- The more important activities of the Labour Officers in 1941 were:

1. Anti-Profiteering Work.- Enquiries and regular reports on the prices of food current in the bazars functioning in the vicinity of jute mills have been supplied by the labour officers. They also worked in collaboration with the Controller of Prices, and any ~~flagrant abuses were immediately reported~~ with a view to correction. A survey is at present being made of all the bazars in the industrial areas in the matter of supplies of food and prices, in order to take a systematic stock of the position affecting jute mill workers as it now rests and to prepare for any contingency that may arise in the near future.

2. War Propaganda.- War propaganda forms one of the main items of work engaging the attention of all labour officers. This work has recently been intensified. Some of the labour officers have devoted a great deal of time collaborating with the Director, A.I.R., to present suitable programmes in the vernacular to labour twice weekly.

3. Drive against Bribery.- An anti-bribery campaign, supported by mill managers and strongly commended by ~~mill manager~~ the Government, has been afoot for some time, and much has been done to eradicate this evil practice from some mills. Unfortunately, the continuance of the Sirdari system in certain mills is a strong deterrent to these efforts and investigations, which are still proceeding, would seem to indicate that only in its complete removal will it be possible to conduct this attack on bribery to a successful issue.

4. Improvement of Labour Conditions.- In July 1941 the Bombay Mill Owners' Association published a booklet entitled 'Recommendations on Labour Matters.' This was made the subject of very careful study by the Association, aided by the first hand experience of labour officers particularly in its application to jute mills in Bengal. The whole matter is under review at present and it is hoped in the near future to embody some of its salient suggestions in regard to standardisation of important items like wages, appointments, etc., not already governed by Legislation, in a circular to be issued to member mills. This study is being linked with a review of cases of grievances reported

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by the labour officers, with the purpose of studying the labour problem in all its aspects and removing by anticipation the causes which disrupt the life of workers and disturb industrial relations.

(Annual Report of the Committee of the Indian Jute Mills Association, Calcutta, for 1941). ✓

Budlis (substitutes) System and the working of the Labour Bureau in Bengal Jute Mills in 1941. ✓

In the interests of the jute mill industry as a whole and to systematise all labour problems, in deference to the wishes of the Labour Minister of the Government of Bengal, an attempt was made by the Indian Jute Mills Association in 1941 to have a common and reliable system in the matter of employment of all labour, particularly where it affects budlis (substitutes). The Bombay Millowners' Association, at the request of the Jute Mills Association, furnished details of their study of this problem, and the procedure for the regulation and employment of budli workers which has been operating successfully among the Bombay mills. All member mills that had already instituted labour bureaux were requested to give the Association relevant information in regard to the aims, working and success of their bureaux.

The replies received were encouraging and the Association decided to recommend the establishment of labour bureaux in mills which have not already done so. It was felt that this will not only prove beneficial to them, but will, in co-ordinated and united action on the part of all mills, contribute in no small measure to the ideal aimed at by the Association, namely, the preservation of harmonious relationships between employer and employed and stability amongst labour.

(Report of the Indian Jute Mills Association for 1941). ✓

ECONOMIC CONDITIONS

Trade of India in 1940-41* ✓

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General World Conditions.- The review of the Trade of India for 1940-41 opens, as usual, with a general review of the repercussions of the war on economic conditions. It is pointed out that in the course of the year under review, the complexity of economic control has greatly increased and it has now assumed forms in the two main belligerent areas which will profoundly affect the structure of business enterprise in the future. Both Germany and the United Kingdom - the former at an earlier date than the latter - are proceeding in the direction of the compulsory "rationalisation" of all business, that is, the concentration of production in the fewest possible units so as to direct supplies of man-power into purposes more directly connected with the war effort. It is to be doubted whether, at the end of the war, it will be possible to remove, at once, or even after the lapse of a considerable period of time, the controls which were imposed even in the earlier phase of the war. But the later controls are affecting, not only the framework within which business enterprise must operate, but the substance of business enterprise itself. So far as the element of control is concerned, it must be pointed out that, taking the world as a whole, it is the change of scale and of objective rather than the fact of control, which is the characteristic feature of the war situation. There is still a considerable difference of degree in the intensity of control in different parts of the world, though there is nowhere a reluctance to adopt further measures should occasion demand.

Repercussion on Trade.- The occupation of Europe by the enemy has necessarily meant a drastic decline in the volume of overseas trade conducted by Europe as a whole and though there is some possibility of finding alternative markets, the possibilities are necessarily limited by the growing intensity of the war at sea and consequential reduction in the volume of shipping available, as well as by the diversion of shipping to military purposes. The economic consequences of this situation have necessarily been a pressure on the price level and, therefore, upon the volume of the national income in those countries dependent largely upon exports. The South American countries, the African tropical areas, and to a lesser extent other areas have been affected by the circumstances, and both the British and American Governments are actively canvassing the further possibilities of ~~medical~~ remedial measures,

Agricultural Conditions.- Agriculture in India was subjected to two opposite tendencies during the year under review. While a considerable degree of expansion had taken place in the industrial sphere which was bound to lead to a substantial increase in the domestic consumption of primary products, there was simultaneously a heavy accumulation of surpluses in respect of several commodities which could only be absorbed at a severe sacrifice in prices. The dream of war prosperity seemed almost to melt away so far as Indian agriculture was concerned, after the months of May and June 1940 which witnessed an alarming drop in the prices of raw materials. The country was brought to the verge of a serious agrarian crisis in respect of

* Review of the Trade of India in 1940-41. Published by Manager of Publications, Delhi. 1942. Price Rs. 5-12-0 or 6s. pp.287.

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certain commodities like jute, groundnuts and sugarcane which were burdened with enormous surpluses. A substantial part of the export business was lost as a result of the closure of important European markets from June onwards, while trade with other countries also was severely hampered by the scarcity of freight. Business confidence was rudely shaken by these events. In a state of nervousness, the markets came to attach an exaggerated degree of importance to the accumulation of stocks at the ports caused by a temporary lack of shipping facilities, and the possibility of such stocks being damaged by enemy action. Among other things, three important factors, which were almost completely overlooked in the initial state of panic, helped to restore business confidence. In the first place, it began to be realised that the rise in industrial activity which had come about as a result of the dislocation of import trade and the stimulus of war orders, was absorbing an increasing proportion of the domestic supply of raw materials. Secondly, the loss of export trade due to the closure of European markets was being partially made up by increased exports to Empire countries. The third factor which was equally important in strengthening the confidence of the markets was the increasing evidence of the desire on the part of the Central and Provincial Governments to help the primary producers in his temporary emergency.

Industrial Conditions.- The first quarter of 1940-41 was crowded with momentous developments. Starting with the German invasion of Norway in April 1940 and culminating in the fall of France in June, the succession of events in the political sphere created a psychological situation which afforded little encouragement to industrial enterprise. ~~Prices of manufactured articles steadily receded from April to August~~ when on an average they stood barely 10 per cent above the pre-war level. With the growing shortage of shipping, the outlook of the export trade looked gloomy, while apprehensions were felt with regard to internal demand also owing to the rather precipitous fall in the prices of agricultural commodities which took place during this period. The jute mill industry was perhaps the worst sufferer from this sudden turn of events, though its reactions were felt by almost all industries in a varying measure. It was not till September, 1940, that the markets were able to get over completely the psychological effects of the loss of European markets. From September, prices of manufactured articles resumed their upward trend which was maintained till the end of the year. This rise in prices was the combined result of a variety of factors such as the receipt of further Government orders, the improved situation in the jute mill industry, the seasonal revival of demand for cotton piecegoods and the institution of a stricter Government control over the affairs of the sugar industry. In March 1941, prices of manufactured articles stood on an average 32 per cent. above the pre-war level and were only slightly lower than the level prevailing a year earlier. Reviewing the year as a whole, Indian industries, with a few exceptions like jute and sugar, can be said to have enjoyed fairly satisfactory conditions during 1940-41. This is corroborated by the various indicators of business conditions, ~~which are discussed below.~~

Industrial Profits.- Between 1937 and 1940, the index of industrial profits rose from 61 to 112 - a rise of 84 per cent. The index for 1940 is provisional, as accounts of only 129 companies were available for that year, but it is more than probable that when complete data are available, profits declared in 1940 may still show a substantial gain over those declared in either 1938 or 1939. The trend of this index is largely governed by the figures relating to

cotton mills, jute mills, iron and steel, and paper; all these industries were in a fairly prosperous state in the latter quarter of 1939 and in the early part of 1940. Though the boom which developed in the first four months of war was largely speculative in character, there is no doubt that it helped some of these industries to clear away a substantial part of their accumulated stocks.

Industrial Prices.- Prices of industrial products were on an average at about the same level in 1940-41 as in 1939-40. In spite of this apparent similarity, however, the price situation was distinctly healthier during the year under review than in the preceding year. The high prices which prevailed during the first four months of the war were largely due to a speculative boom and it was the sudden end of this boom in January 1940 that started the recession which was later aggravated by the loss of European markets. From September 1940, the prices of manufactured articles resumed their rising tendency and every successive month till March 1941 saw the prices attaining a higher level. On this occasion, the rise was due to a genuine revival of demand and had less of the speculative element in it. The price situation was thus distinctly more stable during the year under review and reflected a healthier state of affairs than in the preceding year.

Industrial Production.- High prices, reduction in imports and a more or less continuous flow of war orders combined to produce a favourable situation for Indian industries and the effects of these factors were further reinforced by their secondary influence in augmenting the home demand. During the year 1940-41, the output of cotton piecegoods in India increased to 4,269 million yards as compared with 4,012 million yards in the preceding year, showing an increase of 6 per cent. The cotton mill industry was kept fully active during the year under review and had to resort to double shift working on a large scale. The growing demand for all kinds of iron and steel involved a further increase in the output of that industry. Coal raising increased to 29 million tons in 1940, a level which was not attained in the past ten years. The paper industry also kept pace with the rising tempo of industrial activity, the output of paper in India rising to 1,753,000 cwts. its highest level since 1928-29, as compared with 1,416,000 cwts. in 1939-40 and 1,184,000 cwts. in 1938-39. The two important exceptions to this general trend towards expansion of output were jute manufactures and sugar. The production of the former declined by 14 per cent. and that of the latter by 13 per cent. as compared with the preceding year. In both cases, a reduction in output was forced upon the manufacturers by the heavy stocks carried over from the previous year. With these exceptions, however, industrial production in India was maintained at a greatly accelerated rate during the year under review as compared with the preceding year.

Apart from the major industries for which production statistics are available, a large number of other industries received a powerful stimulus as a result of the conditions created by the war. The work done by the Supply Department is of very great interest in this connection. During the year 1940-41, the total value of orders executed by the two purchasing organisations of the Supply Department amounted to Rs. 750 millions. The orders placed by the Supply Department have encouraged the production of a number of industrial articles which were never produced in India before or were produced only in limited quantities. The chemical industries

in India are, for example, being rapidly developed to meet war requirements.. A large number of items of medical supplies which were so far imported are now being made in India. Considerable progress has been made in the production of armaments and munitions, as will be seen from the fact that out of some 40,000 items required by the Defence Services, 20,000 are already being manufactured in India. It has been proved that India is capable of supplying small naval vessels. The output of metal and mineral industries has considerably increased in recent months. The Indian glass industry has recently expanded in several directions and several new types of glass articles are being produced and exported.

The researches made under the auspices of the Board of Scientific and Industrial Research have also contributed to the progress of industries in a considerable measure. The Board has already evolved several new industrial processes and the Government of India have set up a body called Industrial Research Utilization Committee to devise ways for the commercial exploitation of such processes. The more important among these processes are: laminated paper fibre board; air foam solution; dry cell manufacture; resin impregnation of wood; manufacture of glass substitutes which possess fire-resisting capacity and are of great advantage in war zones where aerial bombing cause damage from flying pieces of ordinary glass panes; the utilisation of bhilwan nuts, from which oil is extracted in the C.P. and South India for use in paints and enamelling; and manufacture of luminous pigments and paints.

Industrial Disputes.- The total number of strikes during 1940 was 322. The number of men involved was higher than in the preceding year, being 453,000 as compared with 409,000 in 1939. The number of working days lost was, however, considerably higher, being 7,577,000 as compared with 4,993,000 in 1939. The two industries to suffer most from strikes were cotton and jute. They accounted for 42.2 per cent. of the strikes, 73.2 per cent. of the workers involved and 79.8 per cent. of the loss of working days. In 211 disputes, the chief demand related to wages or bonuses.

Money Market.- In some respects, the period since April 1940 presented a sharp contrast to the six months preceding. The earlier period was characterised by fluctuations in interest rates (the inter-bank call rate rising to $1\frac{1}{2}$ per cent. in March 1940), by increases in bank advances against stocks, shares and commodities accompanied by only a small increase in deposits. The period since April 1940 witnessed an antithesis of these conditions. In April, the call rate was quoted at $1\frac{1}{4}$ per cent.; it fell to $\frac{1}{2}$ per cent. in May, but the wave of hoarding which set in after the German invasion of Belgium and ~~the~~ Holland induced banks to increase their liquidity and the rate hardened to $3\frac{3}{4}$ per cent. in June. In July, the market again became slack and from August to December 1940, the rate hovered round $\frac{1}{4}$ per cent. with slight fluctuations. The advent of the busy season made little impression on the call rate, which remained practically unchanged till the end of March 1941, though the decline in bank advances was arrested from January 1940. From January to March 1941, a part of the reduction in bank advances which had taken place since June 1940 was made up.

Rupee-Sterling Exchange.- India's exchange position was, on the whole, favourably influenced by war conditions. The actual volume

of exchange transactions was, however, very small and for the major part of the period under review, the exchange market presented a dull and inactive appearance. Throughout the year under review, the Reserve Bank continued to accumulate sterling balances. Towards the end of the year, however, the rupee-sterling exchange suddenly weakened, owing to the emergence of a large remittance enquiry to pay for the silver purchases made in London and the psychological effects of the reduced favourable balance reported for February 1941. The Reserve Bank, however, promptly met all the requirements of the market and the rate then steadied up. The technique of British exchange control was further elaborated during the year under review. Broadly speaking, exchange control was directed towards two main objectives, namely, making the official rate effective and conserving the foreign exchange resources. All these regulations, designed by the Bank of England for making the official rates of exchange effective, were enforced in India also with modifications wherever necessary to suit Indian conditions. Among the measures taken during the year under review for achieving the conservation of foreign exchange resources, the control of imports from hard currency countries was perhaps the most important. The system of import restrictions was introduced on 20-5-1940. The other measures designed for the conservation of foreign exchange included a complete ban on the sale of securities owned by residents outside the sterling area, and a stricter control over remittances to hard currency countries. Following the British example, the authorities in India also took steps to mobilise the ~~dollar exchange holdings~~ of private individuals for Government purposes. Among other measures taken during the year under review for tightening the control over the exchanges was the prohibition of the imports of Bank of England notes since August 1940.

Trading Conditions.- The remarkable improvement in India's foreign trade position witnessed after the outbreak of war was not fully maintained during the year under review and the recorded values of both exports and imports were lower than in the preceding year. The spread of war in Europe and the Middle East meant the virtual cessation of trade with a number of countries, while trading with countries which were still open was subjected to most trying conditions arising from an acute shortage of shipping, a phenomenal rise in freights and insurance rates, the complicated net-work of exchange and trade restrictions set up in almost every country and, above all, the uncertainty created by the political situation in Eastern countries. There were other factors also at work. In the first place, the relatively greater reduction in exports was partly due to the price factor. The blockade of a highly industrialised area like Europe affected the demand for raw materials to a much greater extent than that for industrial products and this in addition to the fact that unlike export values, import values were inclusive of freight and insurance tended to depress the prices of export articles in comparison with those of imported articles. Moreover, the shortage of freight space itself naturally affects the value of exports much more than that of imports as the latter are mainly composed of industrial products and, therefore, occupy less space per unit of value. But it must be remembered that since the outbreak of war, exports from India by Government for defence purposes are not recorded in the trade returns and since India has been exporting vast quantities of materials and foodstuffs to different theatres of war, the actual value of exports is

considerably higher than the recorded figures. Thirdly, during the year under review, a ~~part~~ large part of the loss due to the closure of European markets, ^{was} made good by increased exports ~~of Indian~~ ~~merchandise~~ to Empire countries and the U.S.A. Fourthly, one must not overlook the remarkable increase which took place in the domestic consumption of certain commodities during the same period. Raw cotton is a case in point. The production of such commodities were at least partly compensated for their loss of export markets. The total value of India's exports to all countries including Burma in the year under review amounted to Rs. 1870 millions as compared with Rs. 2040 millions in the preceding year and Rs. 1630 millions in 1938-39. The value of imports showed a relatively smaller reduction, amounting to Rs. 1570 millions as against Rs. 1650 millions in 1939-40 and Rs. 1520 millions in 1938-39. The nominal balance of trade in merchandise was adversely affected; the total favourable balance of trade for 1940-41 amounted to Rs. 420 millions as compared with Rs. 490 millions in 1939-40, though it still remained considerably higher than in 1937-38 or 1938-39 when it amounted to Rs. 160 millions and Rs. 170 millions respectively.

Balance of Trade.- The merchandise balance of trade in favour of India decreased to Rs. 421.3 millions as compared with Rs. 488.2 millions in the preceding ~~year~~ but showed an increase of Rs. 247.5 millions as compared with 1938-39. It must, however, be noted that exports do not include the value of stores exported abroad for Defence purposes. Similarly, imports also do not take ~~into account goods imported for Defence Services in India, but the~~ ~~exclusions on the export side are the more serious statistical~~ ~~omission.~~ India's net exports of gold amounted to Rs. 114.7 millions as compared with Rs. 346.8 millions in the previous year and Rs. 150.6 millions in 1938-39. Imports of silver were also lower at Rs. 18.2 millions compared with Rs. 47.4 millions in the preceding year and Rs. 17.5 millions in 1938-39. The balance of transactions in treasure was, therefore, Rs. 101.7 millions as compared with Rs. 302.8 millions in the preceding year and Rs. 118.9 millions in 1938-39. If the transactions in treasure are added to those in merchandise, the total visible balance of trade in favour of India amounts to Rs. 523 millions as against Rs. 791 millions in 1939-40, and Rs. 292.7 millions in 1938-39.

Quantum of Trade of India.- During the year under review, the import trade suffered a relatively greater reduction in volume than the export trade, the reduction being 20 per cent. in the case of the former and 16 per cent. in the case of the latter as compared with the previous year. In terms of value, on the other hand, the reduction was greater in the case of exports, amounting to 8 per cent. as compared with 5 per cent. in the case of imports. This is partly explained by the divergent trends of the prices of imported and exported articles, the former having risen to a much greater extent than the latter.

Trade Restrictions.- The system of ~~trade~~ export restrictions was introduced shortly after the outbreak of war. Its object was two-fold, namely, to ensure that supplies did not reach the enemy by indirect channels and to conserve supplies of all essential articles, whether for the requirements of this country or those of the Allied Powers. Exports of certain articles were completely prohibited and those of certain others were permitted only under licence. In

cases where the ruling considerations were those relating to economic warfare rather than to supply problems, it was provided that no licences were required if the articles were consigned to or destined for any part of the British Empire including Mandated Territories. The system of export restrictions underwent many changes during the year under review. Import restrictions were introduced on the 20th May 1940, with the object of conserving the foreign exchange resources of the country. The list of commodities affected by the restrictions originally covered 68 items among which the most important were sugar, raw cotton, motor vehicles and silk piecegoods. The list was later extended, the principal additions being dyestuffs, potassium bichromate, iron and steel, provisions and oilman's stores, aluminium, paints and colours, paper and pasteboard and newsprint. The commodities were selected as being among those the consumption of which could be kept within limits without damage to any essential interest, having regard in particular to the extent to which supplies from some countries could be replaced by Indian products or by goods imported from other countries in respect of which the foreign exchange problem was less acute. The object was not to prohibit imports of these commodities altogether but to control them by means of a licensing system. ✓+

Economic and Industrial Conditions in India in 1941*
Effects of War Conditions. ✓

The following information about economic and industrial conditions in India during 1941 is taken from the Annual Market Review for 1941 issued by Messrs. Premchand Roychand & Sons Ltd., a leading firm of stock-brokers of Bombay:-

Political Background.- The calm which had prevailed in India during 1940 persisted throughout 1941, with occasional rumblings in the air. The political impasse between the British Government and the major Indian political parties continued. The Viceroy, after a whole year's careful consideration, announced the expansion of his Executive Council by adding a few non-official Indians to it. Political prisoners, mostly belonging to the Congress party, were released, but, contrary to official expectation, they did not line up with the war effort in absence of any clarification by British about India's claims. The particular exclusion of India from the Atlantic Charter brought about even more resentment, since it was manifest that the Charter was applicable to countries overrun by the Axis countries alone and not others. In view of Japan's successful attack on Anglo-American interests in the Far East and the need for securing India's unstinted voluntary aid for the prosecution of the war, Sir Stafford Cripps undertook a political mission to India in the first quarter of 1942, but his proposals, which had more of a post-war ring than any present adjustment, did not satisfy India and the Mission failed.

*Annual Market Review, 1941. Premchand Roychand & Sons, Limited, Bombay. pp.114

The Indo-Burma agreement, over which much breath and more ink was utilised, when actually accomplished, brought about violent dissatisfaction from all Indian parties and considerable modification regarding immigration rights were sought. Negotiations with Ceylon were undertaken with greater caution, but no results were reported till the end of the year. The Eastern Group Supply Council, which was inaugurated with much fan-fare at the end of 1940 settled down to its business by the turn of the half-year.

Rise in Prices.- After the steep rise in prices which followed the war there was a general decline from February 1940 to September 1940. This was due partly to a dislocation of normal trade channels, to export restrictions, as well as to the loss of important overseas markets. But the most important factor was the dishoarding which took place during that period. The expected scarcity had failed to materialise and there was a deviation in the upward trend of prices. During 1941, however, and actually since the last quarter of 1940, there was a steady rise in prices, despite the fact that a great many important markets were lost. Most of Continental Europe was closed and so was Japan after July 1941. There were greater export restrictions and the problem of freight was also acute. Yet there was a definite upward trend in prices. No index numbers of wholesale prices for All-India are available since they were discontinued after July 1941. The index number of wholesale prices in Bombay (Base: July 1914 = 100) steadily and consistently went up from 117 in January to 180 in December, and was rising in 1942 also having gone up to 196 in April. Other centres also showed marked increases. In Calcutta the index number (July 1914 = 100) shot up from 117 in January to 158 in December, and in Cawnpore the index number (1913 = 100) progressively advanced from 92 in January to 129 at the end of the year. This rise in prices could be ascribed mainly to the evergrowing demand from the Government, since India, because of her geographical position as well as her natural agricultural wealth, became the largest source of supply for the British armies east of Suez. This increasing demand was not confined to the same articles; but the number of articles the Government required was also increasing as other sources of supplies were cut off.

Rise in Cost of Living.- Concomitant with the rise in wholesale prices could be discerned an uptrend in the cost of living from month to month. The working class cost of living for Bombay (Base: year ended 1934 = 100) went up from 117 in January to 131 in August and thereafter varied between 125 and 129 till the end of the year, but was markedly accelerating in early 1942 and stood at 142 in May. This was laible to vary according to places, but the trend was unmistakable. The following table shows the working class cost of living index numbers in other places :-

	Base Period	January 1941	December 1941	April 1942
Ahmedabad	Year ended July 1927	79	99	99
Jamshedpur	Avg. of five years pre- ceding 1914.	118	149	..
Sholapur	Year ended January 1928	77	99	99
Nagpur	January 1927	71	87	88
Jubbulpore	January 1927	69	89	89

It is generally difficult to decide whether higher prices are the cause of the rise in the cost of living or the effect. But in India since Government needs were far greater than ever before and they were responsible for the increased demand, it may be inferred that the rise in prices was primary and the increase in the cost of living was secondary. This does not necessarily imply that inflation has come, but it can certainly be said that unless a timely check is put to this vicious spiral of rising prices and rising costs it is likely to lead to inflationary conditions.

Price Control.- With a view to check the rise in prices and the cost of living various direct measures of price control were introduced by the Government - both Central and Provincial - during the year under review. This was in marked contrast to the policy pursued during 1940, when direct control was more of an experimental measure and actual control was mainly achieved by withholding Government purchases till prices reacted to a level favourable to them. Government demand during 1941, however, was so urgent and so varied that they could not afford to adjust prices by deferring purchases. The result was that direct measures of price control had to be introduced, but unfortunately, in a large number of cases, they failed to achieve the purpose for which they were intended. In the first place, Government lacked the machinery to impose and enforce a rigid price control system, because of the very vastness of the country, if for no other reason. Consequently price control had to be of a very elementary pattern i.e. of merely fixing maximum prices. This, in its turn, drove stocks of supplies underground and gave rise in some cases, to large black markets. The scarcity thus created brought about apprehensions in the minds of the public, who, wanting to be assured of uninterrupted fulfilment of requirements, amassed larger stocks of commodities in daily use. This further accentuated conditions of scarcity and great hardship was in store for the vast majority of the population who could not afford to store up supplies. Those who wanted to be assured of controlled commodities naturally turned to the black markets, with the result that prices went on soaring higher and higher. Another important development followed which complicated the entire problem. Since only some of the commodities were controlled, there was a tendency to hoard those other commodities which were still uncontrolled, in the fear that they may be brought under control at a later date. This fear pushed up prices of uncontrolled articles and they, in turn, had to be controlled. Here was a vicious circle which was but inevitable since the measures devised as they were could not but defeat their own purpose.

Industrial Conditions:

Stimulation of Industries.- The entire industrial front in India was dominated, as would be expected, by the factor of war, throughout the year under review. The close of 1940 had seen some signs of recovery in the principal Indian industries and a feeling of optimism prevailed in the commercial community at the opening of the year 1941. Both cotton textile and jute were turning the corner. Substantial orders were placed by the Indian Supply Department with both these industries which registered a striking recovery as compared to the previous year. The iron and steel industry was already on a war time footing. Other industries like sugar, tea, paper and cement were maintaining their level of production.

Labour Conditions: Comparative Peace in Industry.- Barring a few solitary instances there were no strikes and the labour situation

had on the whole remained surprisingly stable throughout. In a few emergencies the Government saved the situation by declaring certain ~~services~~ services as essential services and applied the Defence of India Act for maintaining these services. During the nine months ended 30th September 1941 the loss of working days amounted to 2,595,665 as against 7,333,773 days during the same period in 1940. This favourable industrial outlook was reflected in the index number of variable yield securities which went up steadily from 119.3 (Base 1927-28 = 100) in December 1940 to 151.6 in November 1941, but slid back to 132.1 in December after Japan entered the war.

Factors Retarding Production.- (a) Scarcity of Trained Personnel and Shortage of Mechanical Equipment.- In spite of the seemingly satisfactory picture, there were two bottle-necks in the main which retarded industrial activity in general. These were (1) a scarcity of trained personnel and (2) a shortage in mechanical equipment. With a view to affording some measure of relief in the former a scheme was inaugurated early in the year, under which small batches of Indian technicians - dubbed as Bevin Boys after the British Minister of Labour - were sent to Great Britain for training in industrial centres for short periods. As regards the latter, mechanical equipment, there were various difficulties such as lack of shipping space, the need for conserving exchange, to say nothing of the urgency of those very materials for defence measures in both the United Kingdom and the U.S. - the only sources of supply.

(b) Lack of Co-operation between Government and Industrial Interests.- On this point, the report says: "In spite of these handicaps industrial activity had undoubtedly increased. But much more would have been achieved had there been a little more co-operation and co-ordination between the authorities and the various industrial interests. A lack of this resulted in holding up of production because the essential equipment could not be procured in time or the necessary exchange facilities were denied. In the press, on the platform and even in the Central Legislature there was stringent criticism of the sluggish behaviour of the Central Government and this gave rise to a widespread impression that the all-pervasive "Red Tape" in this country had assumed a particularly deep vermillion hue. A feeling of a constant lack of encouragement from the official side remained the dominant note. Although ship-building and aircraft assembling made small beginnings, all attempts at establishing anything like heavy industries met with serious handicaps, not only under the pretext of present needs but also out of post-war considerations. The official attitude is best described by the following extract from the Railway Gazette of London describing Mr. Locock's views on industrialisation in the Eastern countries. Mr. Locock was a member of the Eastern Group Council. The Railway Gazette writes: 'Mr. Locock holds the view that no steps have been taken to expand production as a result of the Mission's visit which are not essential for war purposes, and that on the whole post-war interests of British industry are not likely to suffer so greatly as was at one time expected.' All this necessarily prevented new construction while holding up production in existing plants."

(c) Fear of 'Scorched Earth' Policy and Absence of War-Risk Insurance Schemes.- Added to these were the twin factors of fear of 'scorched earth' policy and the absence of a war-risk insurance scheme to be applicable to industries (The Government of India promulgated a

an Ordinance on the 7th of April 1942 outlining a comprehensive insurance scheme for factories.) The report says: "On the one hand leading Indians felt that they were not even consulted in the vital affairs of their own country and naturally they stood aloof. On the other hand, when it came to the question of sacrifices and not privileges, they were asked to contribute both freely and fully. The result was a lurking doubt in the public mind. The Government, on their part, expected the public to throw in their full weight for the side which stood for the people. If the people unhesitatingly showed on which side they stood, the spoils of victory will be divided in proportion to the effort. In this tug of war it was the cause, which both the sides had at heart, that necessarily suffered. This was not at all a satisfactory state of affairs. India which was to be a future base of operations and which was to be turned into an Eastern arsenal for the Allies should not be allowed to lag behind in industrial activity. Its man-power and material resources would be of inestimable value to the Allied Nations. India's productive capacity must be encouraged to reach its full stature without any official hindrance. Even the appointment of an Indian as the Supply Member in the Viceroy's Executive Council could not bring about the removal of friction which is essential for all healthy functioning of machinery. It was again with very high hopes and some misgivings that Indian industry watched the efforts of the American Technical Mission in the earlier half of 1942. At the time of going to press Dr. Grady's recommendations were being avidly studied. If India was to be truly geared up for wartime production, the year 1942 would call forth a gigantic effort to meet the situation." ✓

NAVIGATION

INDIAN SEAMEN DEMAND SEAMEN'S WELFARE BOARD:
Resolutions of Calcutta Meeting. ✓,

A mass meeting of Indian seamen, representative of the Indian National Maritime Union, the Indian Quartermasters' Union, the Indian Sailors' Union and the Bengal Saloon Workers' Union was held at Calcutta on 19-7-1942 under the presidentship of Sir Abdul Halim Ghuznavi, M.L.A. (Central). In the course of his presidential speech, Sir Abdul praised Indian seamen for their meritorious work in wartime and believed that with the establishment of Indian shipping companies the conditions of their service and life would steadily improve. While pointing out that they had no intention of embarrassing the liners, Sir Abdul Halim appealed to them to redress the grievances of the sailors.

Seamen's Welfare Board Demanded.- The meeting resolved that a Seamen's Welfare Board should be constituted, consisting of one representative from each of the Unions registered under the Trade Unions Act, a representative of the liners, a representative of the Provincial Government and a representative of the Government of India stationed in Calcutta with powers to arbitrate on and settle seamen's disputes and deal with their complaints. The Chairman of the Board should be the Welfare Officer appointed by the Government.

Rise in Cost of Living.- The meeting requested the liners that, ~~having regard to the dearth of foodstuffs,~~ they should open a co-operative stores for the supply of commodities both to the discharged seamen as well as those who would be on the waiting list at Government controlled prices.

(The Hindustan Times, 21-7-1942.) ✓

Progress of Trade Unionism in Orissa, 1940-41* ✓

There were two unions in the Province with a membership of 323 at the end of the year ending 31-3-1941, the decrease during the year being 51; ~~the~~ no Trade Union was registered during the year under report, nor was there any case of refusal of registration of any Trade Union. The opening balance of the two unions was Rs. 91-6-0; the total income of the two unions was Rs. 253-6-0, and the expenditure Rs. 206-7-9. The closing balance was Rs. 138-4-3. ✓

Government of India Lifts Ban on Communist Party of India ✓

The Government of India has removed the ban on the Communist Party of India and on its organs: "The National Front" and "The New Age". A Press Note issued, in the third week of July, by the Government announcing its decision, states:-

"The Communist Party of India in its announcements and circulars to party members have recently indicated a change of front and, recognizing this ~~way~~ as a people's war, in which the Indian people must in their own interest make common cause with the united, freedom-loving nations, has decided, if permitted to throw their energies into the task of co-operating with the existing war effort. According to its statement of policy, if the members of the Party are free to act, they will devote all their energies to teaching the people what the war means and organizing them for self-defence and resistance to the enemy. The Government of India welcomes this statement of their intentions and desires that full opportunity should be given to them of putting those intentions into practice. In order, therefore, that they may function legally as a party, the Government of India has decided to remove the ban on the Communist Party of India and its organs: "The National Front" and "The New Age". The Government of India and provincial Governments have already released from ~~such~~ detention or restriction a number of individuals associated with the Communist Party who desire to assist in the war effort. They will continue, and as far as possible, accelerate this process in the light of the policy now adopted.

(The Statesman, 23-7-1942.) ✓

Annual Report on the working of the Indian Trade Unions Act, 1926 (XVI of 1926), in the Province of Orissa for the year ending the 31st March 1941. Superintendent, Government Press, Orissa, Cuttack. 1942. Price annas 2. pp. 2.

Number of Unions and Membership.- The Annual Report on the working of the Indian Trade Unions Act in Sind for the year 1940-41 shows that 5 new trade unions were registered during the year and the certificates of registration of 6 unions were cancelled. Thus, on the 31st March 1941, there were 29 unions in the Province. The total membership of the unions increased from 8,733 to 1,1051, that is, 26.5 per cent. The Karachi Fishermen's Union had the highest membership, viz., 1743.

Finances of Unions.- The total income of the unions (including one Federation) during the year was Rs. 25,969 as against the total expenditure of Rs. 29,496. Thirteen unions spent more than their income and 2 unions had a debit balance at the end of the year. In 12 cases, however, the unions had higher closing balances than what they started with. On the other hand, the closing balances of 13 unions including 2 with debit balances, were smaller than their opening balances. The Taxi Motor Drivers' Union and the Karachi Municipal Labour Union had the highest closing balance, viz., Rs. 9,092 and Rs. 5,095, respectively. As regards income, the Karachi Port Trust Labour Union's figures were the highest, viz., Rs. 4,398. The next highest income was in the case of Karachi Warehouse and Transport Workers Union, viz., Rs. 3,390. In case of 9 unions, the only liability was the General Fund. The total assets of all the unions (excluding the Federation) amounted to Rs. 36,760.

Political Funds.- No union maintained a Political Fund under section 16 of the Indian Trade Unions Act and yet in case of 5 unions it was observed that they had spent varying sums out of their General Fund, in connection with the last Municipal elections. As this was ultra vires the law, the unions concerned were warned not to incur any such expenditure in future.

Auditing Accounts of Unions.- Seven unions had their accounts audited by Registered Accountants, 16 by corporate Accountants, while in the case of the remaining 6 unions, the audit had been done by 2 members of each of the unions concerned.

Appeals.- No appeal was preferred under section 11 of Act.

(Press Note No. 252 dated 24-7-1942;
The Sind Government Gazette, Part I,
dated 30-7-1942, page 1705.) ✓

Meeting of General Council of A.I.T.U.C., Bombay, 14-7-1942:
Demand for Increased Dearness Allowance ✓

At the meeting of the General Council of the All-India Trade Union Congress held at Bombay on 14-7-1942, Mr. G.M. Khan presiding, resolutions, among others, expressing grave concern at the "miserable conditions" of workers due to steep rise in the cost of living and urging the Government to take effective steps for controlling prices were passed. The following is the text of the more important resolutions adopted at the meeting:

(1) This meeting of the General Council requests the Government of Madras to set up an impartial enquiry into the cause that led to the opening of fire by the Police on the workers of the Buckingham and Carnatic Mills, Madras, ~~which~~ which resulted in nine deaths and injury to more than 100 workers, and insists that the Government should pay adequate compensation to the families of the workers, died or wounded on account of the opening of fire on the workers.

(2) The A.I.T.U.C. notes with grave concern the tragic plight of workers in the following industries, harassed by unemployment because of dislocation of normal working due to circumstances ~~as~~ resulting from war -

- (i) Bengal Jute Mills from where 30,000 men have been already sacked and another 100,000 are about to be retrenched;
- (ii) Miners in the Coal areas, due to shortage of Railway wagons to carry the coal;
- (iii) Miners in the Kolar Gold Fields;
- (iv) Closing of Mills in C.P. and various other textile centres in Bombay Presidency.

The A.I.T.U.C. urges upon the Government of India and the Provincial Governments to provide alternative employment and adequate allowance for loss of employment, if any.

(3) The General Council of the A.I.T.U.C. views with grave concern the miserable conditions of workers, due to the high and steep rise in the cost of living, profiteering by merchants and middlemen, the ~~inadequate and inefficient system of price-control~~, and the dilatory and indifferent attitude of the Government and the employers in the matter of grant of dearness allowance. The meeting urges upon the Government the urgent and essential need of efficient price-control, checking of profiteering, supplying of commodities at the controlled prices, and automatic increase in dearness allowance to all workers in proportion to the increase in the cost of living.

The Committee fixes the 9th August, 1942, as the All-India Dearness Allowance Demand Day, and expects all workers and their organisations in the country to observe that day, holding mass meetings and organising demonstrations.

Joint Tripartite Labour Conference of 7-8-1942. - The General Council approved of the idea of establishing a Joint Tripartite Conference for considering labour questions of All-India importance, and accepted the invitation of the Government of India to attend the Conference to be held on 7th August 1942. It, however, was of opinion that the representation proposed for the A.I.T.U.C., namely, four delegates and one adviser, was inadequate and suggested that the A.I.T.U.C. may be allowed a delegation of 12, of which 6 may be delegates and 6 advisers.

(The Bombay Chronicle, 16-7-1942) ✓,

Annual Meeting of the Bombay Textile Clerks' Union, Bombay. ✓ 25

The second annual general meeting of the Bombay Textile Clerks' Union, was held at Bombay on 24-5-1942 with Mr. Nandulal M. Mehta in the chair. This Union was formed on 27-4-1940, with the object of bringing together the clerks employed in the textile mills, disseminating ideals of service, brotherhood and co-operation, removing their handicaps and grievances, improving their living and working conditions, safe-guarding their rights and privileges and establishing their civic and political rights by just and non-violent means. It is registered as a union under the Trade Unions Act of 1926, but, in order to ensure its voice being heard, it had to acquire the status of a representative union under the Bombay Industrial Disputes Act, 1938. And to acquire this status, it must have a membership of not less than 1,000 out of a total strength of about 4,300 textile clerks employed in the 69 mills in the city of Bombay. The second Annual Report shows that there was a rise in membership from 200 in March 1941 to 1,100 in March 1942, and now the Union has on its register the required number of members to get itself declared as a representative union.

Activities.— With a view to finding out the conditions of service in the clerical establishments of the various textile mills in Bombay, a comprehensive questionnaire was prepared by the Union and circulated among the members who were asked to furnish the necessary information. The complaint lodged in the office of the Union by members were inquired into and successfully ~~tackled~~ tackled.

Office-Bearers for 1942-43.— The following were elected as office-bearers for the current year: Messrs. Nandulal M. Mehta, President; S.B. Mahadeshwar, Vice-President; S.G. Athwale and Sinh V. Ghate, Joint Secretaries; and K.K. Khadilkar, Treasurer.

(The Indian Textile Journal,
July 1942.) ✓ +

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SOCIAL POLICY IN WAR TIME

Wages

Increases in War Dear Food Allowance in Cawnpore. ✓

The Employers' Association of Northern India, Cawnpore, has announced increases in the war dear food allowances in the Association's member mills according to the following rates:

I. Cotton, Woollen and Leather Concerns

Category	Present Scale of Increase			Total Allowance given (including present increase).		
	As.	Ps.		As.	Ps.	
a) Under Rs. 19	2	0	in the rupee	7	0	in the rupee
b) Rs. 19 and under Rs. 25	1	6	" " "	5	6	" " "
c) Rs. 25 and under Rs. 32/8	1	6	" " "	5	0	" " "
d) Rs. 32/8 and under Rs. 40	1	0	" " "	4	3	" " "
e) Rs. 40 and under Rs. 59	1	0	" " "	4	0	" " "
f) Rs. 59 and under Rs. 75	1	0	" " "	4	0	" " "
g) Rs. 75 and up to Rs. 150	0	6	" " "	3	0	" " "

II. Jute Concerns

Category	Present Scale of Increase			Total Allowance given (including present increase)		
	As.	Ps.		As.	Ps.	
a) Under Rs. 14	2	0	in the rupee	7	0	in the rupee
b) Rs. 14 and under Rs. 18	2	0	in the rupee	6	0	" " "
c) Rs. 18 and under Rs. 24	1	6	" " "	5	0	" " "
d) Rs. 24 and under Rs. 30	1	6	" " "	4	9	" " "
e) Rs. 30 and under Rs. 75	1	0	" " "	4	0	" " "
f) Rs. 75 and up to Rs. 150	0	6	" " "	3	0	" " "

ix The additional increase is subject to the following conditions:-

- (a) That should the average cost of living index figure for the preceding consecutive three months fall below 160 points this additional allowance will be automatically withdrawn.
- (b) That the allowance now announced will be paid on basic wages earned on and from the 1st July, 1942.

The Association states that it is taking up with the Government the matter of the proper control of prices. Government has fixed certain prices, but grains and commodities are not available at these controlled prices. In spite of these controlled prices, the Government Labour Department calculates the cost of living index figures on actual bazaar rates. The Association also states that arrangements are in hand for the improvement of the supply of certain food grains.

(Notice Nos. 44 and 45 dated 12-7-1942 issued by the Employers' Federation of Northern India, Cawnpore). ✓

Further Extension of Dearness Allowance Scale fixed by Millowners' Association, Bombay. ✓

In the month of June 1942, the Millowners' Association, Bombay, extended the sliding scale of dearness allowance (vide page 26 of our January 1942 report), which had originally been designed to cover variations in the Bombay working class cost of living index between 124 and 143, to cover further variations in the index numbers up to 163. The dearness allowance payable per month of 26 working days for index number 163 was Rs. 13-12-0 on this scale. The index number for the month ending July 15, 1942, was 168. To meet this further increase in the cost of living, the Millowners' Association has decided to extend the sliding scale of dearness allowance up to index number 183 at the same rates of increase. The dearness allowance for index number 183 is Rs. 18-8-0.

(Press Note No. P.739 issued on 31-7-1942 by the Director of Information, Bombay.) ✓

Increase in Dearness Allowance to Lower-Paid Government Servants in U.P. ✓

There has been an appreciable rise in the prices of essential commodities in the United Provinces since the U.P. Government sanctioned the grant of dearness allowance to its low paid employees in September, 1941. The price indices for the latter half of the month of May, 1942, and for June, 1942, show generally an increase of 50 per cent. or more over the pre-war level and there is no indication at present that the prices will fall in the near future. The Government has, therefore, sanctioned the following changes in the scheme for the grant of dearness allowance announced on 10-9-1941:-

- (a) The existing allowance of one anna in the rupee for those drawing pay up to Rs. 30 per mensem will be doubled for those who are entitled to it;
- (b) For those drawing pay between Rs. 30 per mensem and Rs. 40 per mensem an allowance of one anna in the rupee will be given;
- (c) Those drawing pay between Rs. 30 and Rs. 34 shall not receive less in the way of total emoluments (i.e. pay plus dearness allowance) than they would have received had their pay been Rs. 30, and similarly, those on pay between Rs. 40 and Rs. 41-8-0 shall not receive less than if their pay had been Rs. 40, that is, they shall be given proportionate dearness allowance; and
- (d) The above extensions of the dearness allowance scheme shall apply to the whole of the United Provinces other than the Benares and Gorakhpur divisions, as the cost of living indices for Benares and Gorakhpur do not yet show an increase of 50 per cent. over the pre-war level.

The above changes were brought into effect from 1-7-1942.

(The Leader, 11-7-1942.) ✓

Extension of Working Week to 66 hours in specified
Factories doing War Work. ✓

The Government of Sind has exempted from the normal hours provision of the Factories Act male adult workers in certain industrial establishments engaged in war production. In granting the exemption, the Government has stipulated the following conditions:

(1) No worker shall be allowed to work for more than (a) 11 hours on any one day, and (b) 66 hours in any one week, (2) Half an hour's rest after every 5 hours work shall be given to all such workers, (3) The spread-over shall not exceed 14 hours in any one day, (4) Each worker shall receive a rest period of 24 consecutive hours in every 14 days, and (5) Suitable refreshment facilities shall be provided for all such workers.

(The Sind Government Gazette, Part I,
dated 30-7-1942, page 1642.) ✓
X

Employment

Resignation and Retirement of Commercial Employees etc
Withdraw Provident Funds: Bengal Chamber of Commerce urges Government
Action. ✓

in order

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The Bengal Chamber of Commerce some time ago addressed the Government of India asking that appropriate action should be taken to meet the tendency, increasingly apparent among various classes of industrial and commercial employees, to submit their resignations with the express purpose of obtaining possession in the present circumstances of the balances standing to their credit in provident funds maintained for their benefit. The practice of resigning with the object of securing possession of substantial sums of ready money is, the Chamber pointed out, much the same as hoarding, which Government have been at pains to discourage. Normally the existence of a staff provident fund makes for ultimate security and continuity of service; in present circumstances the accumulation of credit in the fund has a directly opposite effect; it acts as a direct encouragement to employees, many of whom are essential to war production, to leave their posts. Large amounts are invested by "recognised" and other provident funds in Government of India and other trustees' stock. If, by reason of large scale resignations, provident funds were forced to sell their securities to pay out resigning employees, the effects on an already depressed stock market would be embarrassing and the result would be to encourage otherwise loyal employees to follow suit before the falling market went further against them. The phase - it was thought - was probably temporary, consequent on the threat to India, Eastern India particularly. But the Chamber felt satisfied that withdrawals would continue with cumulative effect, unless effective measures were taken against the practice.

The problem of what steps should be taken was recognised not to be an easy one. It was appreciated, firstly, that allowance must be made for those who through no fault of their own either lost their employment or were forced to relinquish it in consequence of the war; and secondly, that a proportion, often one-half, of the amount at the employee's credit is his own money. Government were asked to consider several suggested remedies, and it was recommended that, until Government reached a decision employers or trustees should take all steps open to them to delay the settlement of provident fund accounts, except in cases where they were satisfied that the resignations or retirements were fully justified.

Government's Reply.- A letter has now been received by the Chamber from the Government of India stating that, while it fully recognised the seriousness of the problem, it would be "extremely reluctant, for the sake of dealing with conditions which may prove to be no more than temporary, to take action, except in the last resort, which may result in a permanent loss of confidence on the part of employees generally in the sanctity of their provident funds". Government pointed out that the intention behind Explanation 2 which has been added to section 5 of the Essential Services (Maintenance) Ordinance, 1941, is that permission to resign should be refused, unless satisfactory reason is established, where the retention of the person concerned is of importance to the working of the essential scheme in question or where a number of other resignations of persons essential to the undertaking might be expected to follow. If steps are taken on an adequate scale to secure that essential services are duly notified as such and the power of refusal of permission to resign is judiciously exercised, in Government's view the field of the

problem will be considerably curtailed and its ill-effects reduced to comparatively small proportions. The steady and consistent strengthening of the stock market and the decision of the Central and Provincial Governments to stand behind Indian Port Trust, Municipal and Improvement Trust issues, and the willingness of the Reserve Bank to buy such securities in case of need in direct negotiation with intending sellers, have brought about a situation in which there should, in Government's view, be no appreciable difficulty in either selling or obtaining bank advances against trustee stocks in which provident fund balances may have been invested to meet legitimate claims for payment of provident fund monies as they arise. Government would therefore prefer to take no action for the present, but would watch developments.

(Abstract of Proceedings of the Bengal Chamber of Commerce, Calcutta, during March-June 1942.) ✓

Proposed Camp for Stevedoring Labour employed in Calcutta Port. ✓

The development of the war as it affects Eastern India and the Port of Calcutta, the possibility of air raids on the city, and the fear of the possible dispersal of industrial and other labour employed there, made it necessary for the interests affected to consider how there could be maintained, despite any development of emergency conditions, a stevedoring labour force for essential shipping work. It was therefore proposed that labour camps should be established, outside the city, which, while enabling the labour to live after working hours at some distance from the danger areas, would also permit of their segregation from the general civil population of Calcutta to avoid the danger of panic in times of emergency; and which would keep in the neighbourhood a labour force large enough to deal with the probable volume of shipping. Experience at other ports has amply proved the desirability of such measures, and the proposal to establish labour camps has been approved by the stevedoring and shipping interests concerned, and by the Civil Defence authorities in Bengal.

Following open discussions with the Government of India, it has been agreed that a skeleton force of 2,000 stevedoring labour will be organised in two camps to be run by the Master Stevedores Association, Calcutta. A grant has been sanctioned by the Government of India to meet the capital costs of the construction of the camps. Government has also assumed responsibility for the payment of a grant or other compensation in regard to the acquisition of the land required. Government will not, however, accept responsibility for meeting the running costs of the camps. These involve heavy expenditure, inasmuch as it is considered necessary that a monetary inducement in the form of special allowances must be paid to the labour making use of the camps, and provision must also be made to maintain the labour should a shortage of shipping make it impossible for ordinary work to be given them. It has been suggested by the Master Stevedores Association that steamer interests should pay a surcharge per ton on stevedoring charges, which would produce an income larger than that required in normal circumstances; for having regard to the uncertainty of the volume of shipping which will be able to use the port, the Association should necessarily be in a ~~weak~~ position to build up reserves to enable it to meet the possibility of periods when no shipping is available. Shipping interests have agreed to support the proposed surcharge on all stevedoring work in the port. Steps have been taken to complete the construction of the camps and it is hoped to bring them into partial occupation in the near future.

(Abstract of Proceedings of the Bengal Chamber of Commerce, Calcutta for March-June, 1942.) ✓

Concessions by Bombay Government to Civil Employees Joining
Military Duty. ✓

Concessions to safeguard the interests of its civil employees who are released for military duty for appointment as compounders, laboratory assistants and radiographers, have been sanctioned by the Government of Bombay. Permanent employees volunteering for appointment to these posts will be allowed to retain liens on their civil appointments. The period spent by them on military duty will count towards pay, promotion and pension in their substantive civil appointments, and their active service will count double for pay in the civil side. Newly appointed temporary compounders, laboratory assistants and radiographers in civil appointments, who volunteer for military duty will be considered for permanent vacancies after the war, and they will be allowed to count the period of their temporary service with the army over one year for increment of pay in the civil side. Probationers in civil employment will be confirmed though absent on military duty either on completion of the period of probation or on the occurrence of substantive vacancies. This concession will be confined to persons serving in such vacancies only as may not have been specifically reserved for candidates with war service. For such reserved vacancies persons who may have joined military service direct will also be considered.

(Press Note No. 738 dated 31-7-1942
issued by the Director of Information,
Bombay.) ✓

Increased Pay for R.I.N. Ratings

Increases are announced in the pay of ratings of the Royal Indian Navy. These had effect from 1-5-1942 and completed the removal of any disparity that might have appeared to exist between the earnings of R.I.N. ratings and those of men with duties demanding comparable skill and initiative in the Indian Army and ~~the~~ in civil life.

All branches benefit. In the Seaman Branch a boy when he goes to sea receives Rs. 25 a month. An Ordinary Seaman now draws ~~Rxxx~~ Rs. 40 a month. An Able Seaman is on the scale Rs. 45-1-50, while for a Leading Seaman the scale is Rs. 60-5-70, and for a Petty Officer Rs. 80-5-85. In the Engine Room and Medical Branches the increases are the same, rate for rate, while a Chief Mechanician's pay now rises to Rs. 150. In the case of artificers and artisans recruited direct, initial pay will be fixed at Rs. 100, and on promotion the scale now goes up to Rs. 180 for a Chief Artificer/Artisan. Uniforms, accommodation and good rations are provided free.

(Indian Information, 15-7-1942). ✓

Provision for Welfare of Indian Sepoys when Demobilised:
Deferred Pay and Welfare Fund.

The pay of the Indian sepoy (soldier of the lowest rank) was fixed at the start of the present war at Rs. 16 per month. In order to enable the sepoy, particularly when serving overseas, to make a generous allotment to his family without any personal hardship, his income has subsequently been increased in a number of ways.

In 1940 the expatriation allowance over and above the basic

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pay of the sepoy of Rs. 16 per month was raised from Rs. 5 to Rs. 7, and in areas where active operations were taking place the amount of ~~the~~ batta was raised by Rs. 2, from Rs. 3 to Rs. 5. As a result, the Indian soldier on active service overseas, i.e., in the Middle East, Iraq or Burma, has been drawing Rs. 28 per month, with proportionately higher rates for N.C.Os. and V.C.Os. For the army in India, an extra ration allowance of Rs. 2 per month for messing was granted per head per soldier, which resulted in a considerable improvement in his feeding conditions. In addition, he has for some years past been entitled to Re. 1 per month deferred pay to be made available to him in a lump sum on release from military service.

Provision for Demobilisation Period: Deferred Pay Increased and Fund for Post-War Welfare Schemes.— The Government of India has had under serious consideration the position in regard to the future of these men who are serving their country in the Army when demobilisation ultimately takes place and they return to their homes. While the soldiers are encouraged to save part of their present earnings, it is obviously desirable that provision should be made for the difficult period that will follow their return on discharge, to their homes with an abrupt diminution of income. It has, therefore, been decided to increase the deferred pay by Rs. 2 per month for each soldier and to provide Re. 1 per month deferred pay for each enrolled non-combatant. In addition, therefore, to the Re. 1 per month already accumulating as deferred pay since 1932 for every combatant other rank in the Indian Army, a further sum of Rs. 2 will be accumulated monthly as from April of this year and a sum of Re. 1 for non-combatants. Further, it has been decided that sums equivalent to this increase in deferred pay, i.e., Rs. 2 per head per combatant and Re. 1 per head per non-combatant will be paid annually into a fund which will be utilised after the war for financing post-war welfare schemes.

A Reconstruction Committee is already in existence and that body will now be given the assurance of funds being available to implement plans which can be worked out in consultation with Provincial Governments. These provisions will ensure not only that each soldier leaves the Service with a moderate sum in his possession on re-entering civil life, but will make immediate financial provision for the application of welfare schemes and post-war reconstruction.

(Indian Information, 15-7-1942.) ✓

Progress of Technical Training Scheme:

Capacity to train 60,000 per year reached aimed at.

Over 10,000 technicians have been turned out under the Technical Training Scheme of the Government of India. There were now 337 training centres with a seating capacity of 35,000, and at the end of June, 1942, 25,000 men were under training. The capacity of the scheme has again been stepped up and the Department of Labour aims at providing a total seating capacity of 46,000, giving an annual outturn of fifty to sixty thousand men.

(The Statesman, 9-7-1942.) ✓

Civil Services (Conditions of Service) Ordinance, 1942. ✓

An ordinance known as the Civil Services (Conditions of Service) Ordinance issued on 9-7-1942 provides that notwithstanding anything to the contrary in any rules regulating the conditions of service of persons serving His Majesty in a civil capacity in India, the appropriate Government may by order require any such person to serve, in any place in India, either itself or the Crown Representative or any other Government in British India, and every such person to whom ~~any~~ any such order is directed shall comply therewith. The "appropriate Government" is the Central or the provincial Government, as the case may be.

(The Gazette of India Extraordinary dated 9-7-1942, pages 803 to 804.) ✓

Essential Services (Maintenance) Second Amendment Ordinance, 1942 ✓

Nothing in the Essential Services (Maintenance) Ordinance ¹⁹⁴¹ affects the liability of an individual to be called up for service under any other law for the time being in force, declares an Ordinance issued by the Government on 28-7-1942. The Ordinance has been issued lest an individual should ~~imagine that the obligation to remain in a certain employment under the Essential Services (Maintenance) Ordinance overrides any obligation to undertake employment elsewhere which may be imposed on him, for instance, under the National Service (Technical Personnel) Ordinance.~~ Although Section 9 of the Essential Service (Maintenance) ~~Ordinance~~ Ordinance in its original form provided that any declaration, order, rule or regulation made and any direction given under the Ordinance shall have effect notwithstanding anything inconsistent therewith contained in any Act, Regulation or Ordinance, it was never intended that persons engaged in employments notified under the Essential Services (Maintenance) Ordinance should not be available for calling up under any other law for the time being in force. This section has now been replaced by the Ordinance.

(The Gazette of India Extraordinary dated 28-7-1942, pages 901 to 902 and the Statesman dated 29-7-1942.) ✓

Industrial Disputes

Lock-outs without Notice to be Prohibited: Proposal under Government Consideration. ✓

The Government of India has under consideration a rule under the Defence of India Act to render declaration of lock-outs without fourteen days' previous notice illegal, so that strikes and lock-outs may be placed in the same category.

(The Hindu, 15-7-1942.) ✓

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Central Measures

Shortage of Kerosene in Bombay:
Government Measures for Fair Distribution. ✓

The war has made it imperative to reduce the consumption of kerosene in Bombay City and suburbs by about 40 per cent. and this has inevitably led to great inconvenience to the public by shortage of normal supplies. Government states that such inconvenience under the circumstances is unavavoidable; it has, in consultation with the oil companies, introduced measures to distribute the available supplies as fairly as possible among various classes of consumers. For the convenience of those who normally buy in small quantities, supplies for retail sale will be rationed to shops and hawkers, and, to prevent large users taking up supplies, the maximum amount which will be sold to one person in one day will be one-quarter of a gallon. Sale of kerosene will only be allowed by licensed hawkers at specified places or at the shops of the oil companies' agents. Those who require kerosene in large quantities than one-quarter gallon, either for trade or industrial use, will have to obtain a permit from the Director of Industries, who has been appointed Controller of Kerosene (Industrial Use) Department of Industries, Old Customs House, Bombay.

(The Times of India, 16-7-1942.) ✓ +

Price Control

Price Control and Food Policy in Bombay:
Official and Non-official Conferences held. ✓ +

The problem of food production and supply as it affects parts of the Bombay Province, particularly the Central Division and Maharashtra, received official as well as non-official attention at two conferences held in Poona.

Official Conference.- Mr. H.F. Knight, Adviser to the Governor of Bombay, opened the proceedings of the official conference in Poona on 21-7-1942 of the heads of seven districts of the Central Division. The Conference was chiefly concerned with inter-district co-operation and co-ordination for regulating supply of essential commodities. The special problems of each of the districts were considered and discussed with a view to finding out how far co-operation between the various districts would help the solution of deficiency in several essential commodities. One of the difficulties confronting the authorities is the collection of accurate statistics of stocks of various commodities as well as of deficiency in each district, and it was agreed that steps should be taken to maintain ~~exact~~ accurate figures for guiding proper distribution of supplies. Attention was also devoted at the conference to problems of price control and to the question of increasing production in the districts.

Non-official Conference.- Food production problems from a non-official point of view were reviewed at the Maharashtra Food Production and Supply Conference held at Tilak Smarak Mandir, Poona, in the second week of July 1942. The Conference was organised by the Mahratta Chamber of Commerce and Industries,

Peona, and Dr. D.L. Saharabudhe, formerly Agricultural Chemist to the Government of Bombay, presided. Nearly 100 delegates representing agricultural and trade associations and Taluka development associations were present.

The Conference passed ten resolutions requesting Government, among other things, to make regional surveys to plan production and supply of food grain and fodder, to declare minimum reasonable prices of ~~gas~~ food grains and grant liberal concessions to motor vehicles regarding carriage of weight, route permits, etc., to take steps to encourage bullock cart transport by granting special facilities and making necessary arrangements for protection against highwaymen, and to open cheap grain shops in towns and villages. The Conference also recommended the appointment of a provincial post-war agricultural reconstruction committee and provincial food advisory board.

(The Times of India, 22-7-1942.) ✓

Bengal Government's Order to exhibit Price List of Essential Commodities. ✓

The Government of Bengal has issued orders that every retail or wholesale dealer in Calcutta and the neighbouring industrial area dealing in any of the commodities specified in a Schedule appended to the Order should display in his shop a copy in the language or languages most likely to be understood by the persons generally using such shops, of the list of the maximum prices fixed by the Chief Controller of Prices, Bengal, of the commodities referred to in which such retail or wholesale dealer deals. The commodities specified are: rice, atta (wheat flour), salt, sugar, pulses, mustard oil, coconut oil, coal, kerosene and matches.

(Order No. 1673 Com. (C.D.) dated 4/9-7-1942; The Calcutta Gazette, Part I, dated 16-7-1942, page 1791.) ✓ +

Implementing of Grady Mission Recommendations :
Activities of the War Resources Committee. ✓

The War Resources Committee, to the setting up of which reference was made at page 32 of our June 1942 report, has been meeting frequently since its formation and has already covered a great deal of ground. The recommendations of the American Technical Mission are being systematically considered, and decisions have been taken on a number of these and other questions related to the war effort.

Rationalisation of Industry.- One of the principal recommendations of the Mission, the rationalisation and regimentation of industry and the more efficient use of engineering and munitions workshops is being actively pursued. The Jute Mills Association has been called upon to prepare a rationalisation scheme to save transportation. The Director-General of Supply has been instructed to take immediate action to increase the production of leather and army boots, and to rationalise the rubber manufacturing industry. On the munitions production side, also, arrangements have been made to prepare and execute schemes for the rationalisation and more efficient use of the general engineering industry, which is engaged in the production of munitions, component as well as a very large range of general stores.

The War Resources Committee will keep in close touch with all ~~measures taken under the policy laid down~~, and it is confident that industry will co-operate freely on fair and reasonable terms in the interests of the national war effort, and that compulsion will be the exception rather than the rule. The officers concerned will be expected to prepare their schemes in close consultation with industry.

Transportation Problems.- The group of recommendations concerning transportation and communications has also been dealt with. The Committee has sanctioned a scheme for the ~~im~~ improvement of telegraph and telephone facilities at a cost of Rs. 80 millions and has in hand measures to expand facilities and to expedite clearance at ports; to improve the working of transportation in military depots; to expedite the provision of locomotives and rolling stock; and to develop road and river transportation. Plans for the production of power alcohol are being pushed on and twelve plants have been ordered from the United States. A detailed enquiry into the wasteful use of transportation by Government Departments has been initiated. Special progress reports have been called for on the new expansions in the steel industry and the production of aluminium, and measures for the better conservation of motor spirit, rubber, and tin are under consideration.

(The Hindustan Times, 9-7-1942). ✓

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Production of Motor Fuel Substitutes:
Conference held in New Delhi.

The problem of supplementing the petrol resources of India by developing power alcohol, which has been debated for over two years in the press and in commercial circles was considered finally on 21-7-1942 at the Power Alcohol Conference held at New Delhi under the chairmanship of the Commerce Member, Government of India.

While it was recognised that power alcohol is better ~~fluid~~ fuel than rectified spirit, it was felt that power alcohol plants are not available immediately and that provincial Governments should therefore be asked to intensify the production of rectified spirit. For this purpose it was agreed that distilleries should be zoned so that the supply of molasses be regulated and if necessary its price be controlled.

The Government of India has been asked by the conference to set up a technical committee to assist industrialists in getting new plants manufactured for distilling rectified spirit and power ~~and~~ alcohol. It is stated that if patented designs of certain foreign plants are worked as war measures such plants can be manufactured in India. It is only in the United Provinces that the Power Alcohol Act exists, being one of the measures adopted by the Congress Ministry. The conference decided that the Central Government should pass legislation on similar lines for the whole of India so that the mixing of rectified spirit or power alcohol with petrol be made compulsory and that Government may have control over the maximum and minimum price of the mixture thus put into the market. This power in the hands of Government to control the price would also act as a safeguard for the post-war period so that industrialists who invest funds now may feel assured that they would not be let down after the war.

The Grady Mission recommended power alcohol production, and if America supplies power alcohol plants according to the Grady Report it would help the drive for increasing the supply of this fuel. The Government of India, on its part, has given priority to orders for power alcohol plants, but none have so far reached India. The general feeling at the conference was that if production of power alcohol and rectified spirit is undertaken on a proper basis India can have substantial addition to her fuel supply.

(The Times of India, 23-7-1942.) ✓

Extension of War Risks (Factories) Insurance Scheme to Mines. ✓

According to a Press Communiqué issued by the Government of India, it has extended the War Risks (Factories) Insurance Scheme to the above-ground machinery of all mines as defined in the Indian Mines Act, 1923, in British India, with effect from 15-8-1942. The effect of this extension is that all such mines will become compulsorily insurable from 15-8-1942. The rate of premium is four per cent. of the insurable value of the property on the date of application, payable in eight equal instalments. Those who apply for insurance by 31-8-1942 will be covered retrospectively.

The scheme has also been extended to the distribution and transmission system, etc., of electricity supply undertakings and to sluice houses, valve houses, etc., of hydro-electric supply undertakings. Insurance is not compulsory in respect of distribution and transmission systems of all such undertakings, as only those will be notified which desire to benefit by the scheme. The rate and method of payment of premium is that applicable to the above-ground machinery of mines.

(The Statesman, 28-7-1942.) ✓

War Risks Insurance extended to Indian States ✓

The Government of India has decided to extend the War Risks Factories Insurance Ordinance to Indian States and the Ordinance has been amended accordingly. The Ordinance will now apply to such Indian States, French establishments in India and administered areas as pass complementary legislation requiring the owners or occupiers of factories in their territories to insure against war risks with the Government of India. Liability under the ordinance is entirely that of the Government of India, who will receive the insurance premiums. It is provided that premises which become a factory after May 29, 1942, must be insured against war risks before the commencement of the quarter next following that in which the premises have become a factory.

(The Gazette of India Extraordinary dated 1-7-1942, pages 791 to 793 and the Statesman, dated 1-7-1942.) ✓

Non-Factory Premises and War Risk:
Outline of New Insurance Scheme in Bombay. ✓

Suggestions have been made to the Government of Bombay and have also appeared in the press that a scheme might be devised to provide compensation for war damage applicable to immovable properties, with the exclusion of "factories" which are already covered by the Government of India scheme, and also, possibly, of properties of a specific type, for example, temples, mosques and other "religious" buildings, or buildings owned by the Central or the Provincial Government, by Railway, by Port Trust or by Municipality. The

Director of Information, Bombay, states that there is as yet in Bombay Province no actual data on which to base such a scheme; but an attempt has been made to forecast the financial commitments which might be involved if such a scheme were introduced.

Centres to which the Scheme will Apply.- It has been assumed that such a scheme should apply only to those cities in the Province which have already been selected for the enforcement of systematic A.R.P. measures, namely, Bombay City, the Bombay Suburban District, Poona (including Kirkee) and Ahmedabad. The value of the immovable property to be covered by the scheme in these centres, based on municipal house-tax returns, is taken as approximately Rs. 3,250 millions. It is considered that any such scheme for the protection of the householder would best be based on the British War Damage Act, under which damage done will be paid for from a Fund in which the property-owner and the Government revenues contribute.

Enquiry regarding Public Response.- The Government of Bombay, in considering a scheme for certain areas of the Province, have thought it best to proceed on the assumption that the property-owner will contribute an amount equal to two per cent. of the value of non-factory property in the areas to which the scheme extends, and that if this amount should be found insufficient, the Government of Bombay would then provide an equal amount. The risk period would cover two years from the introduction of the scheme, and the property-owners' contribution would be collected in half-yearly instalments over a period of four years. This would mean that property-owners in Bombay, the Bombay Suburban District, Ahmedabad and Poona would have to pay annually for each of four years a contribution which, it has been estimated, would vary from one and a half to two times their present house-tax (in Ahmedabad, the general water-rate) not including Urban Immovable Property Tax. If the contributions are not fully used up on the scheme, the balance will be refunded.

Any such scheme can of course be but tentative, but Government, before considering the scheme further, desires to know the public reaction to these proposals, especially whether a scheme for compensation on these lines would be welcomed by the public and whether property-owners would be prepared to contribute the amounts required. The contribution under the scheme will be compulsory on all non-factory buildings (other than of the type which may be specifically excluded and in respect of which no compensation can be claimed) throughout the area covered.

(The Times of India, 9-7-1942.) ✓

Bengal War Risks (Immovable Property) Insurance Enquiry Committee Report. ✓

The Bengal War Risks (Immovable Property) Insurance Enquiry Committee which was appointed some time ago, with Mr. D.P. Khaitan, as chairman, has recently submitted its report to Government. The Committee recommends that all immovable property situated within municipal limits, all over India, should be compulsorily insured against war risks. Rural areas are left out, but owners of property in them can join in the scheme on a voluntary basis. Property belonging to Government, Railways, Port Trust, certain Charitable and public trusts, and bustees, among others, are recommended for exemption. The rate of contribution suggested is 1 per cent. of the capital

value of property, to be paid in quarterly instalments over a period of two years. On an average, this is expected to work out at a quarterly payment of about 12½ per cent. of the municipal rates and taxes for a period of two years only. In the case of the minor municipalities, the rate will be considerably lower.

Commenting on the financial aspects of the scheme, the Committee refutes some possible misconceptions and concludes with the observation that in respect of a measure like this "purely financial considerations are a matter of secondary importance.... For, the essence of war finance is that in war time, nothing shall be decided on merely financial grounds".

The ~~Scheme~~ Committee recommends that municipalities should be appointed Government agents for this purpose and be entrusted with the collection of the contributions. The Scheme itself will be administered by a special ad hoc organisation, at the head of which will be a War Damage Commissioner, assisted by a panel of assessors. Detailed recommendations for the assessment of damage, and the examination and disposal of claim applications are made.

The recommendations of the Committee will come up for consideration before the Provincial Government very shortly.

(Press Note dated 8-8-1942 issued by the Director of Public Information, Bengal.) ✓

Food Policy

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Food Advisory Council: Central Body Set Up. ✓

In pursuance of a recommendation of the Food Production Conference held in April, 1942 (vide pages 12-13 of our April 1942 report), the Government of India has decided to constitute a Central Food Advisory Council, consisting of both officials and non-officials. The functions of the Council would be to pool, study and disseminate all available information regarding food and fodder production; to plan on an all-India basis the food and fodder production programme for the different regions and tender advice in regard to its execution, and to advise the authorities responsible on the equitable distribution of the available feed stocks.

The representative of the Education, Health and Lands Department on the Council will act, as its member-secretary. He will be assisted by a whole-time technical secretary, who will do the detailed secretarial work. Mr. N.G. Abhyankar, M.Sc. (London), has been appointed to this post.

(The Times of India, 2-7-1942.) ✓

Rice Conference, New Delhi, 10-7-1942 ✓

A conference on rice convened by the Government of India was held at New Delhi on 10-7-1942 under the presidentship of Mr. N.R. Sarker, Member in Charge of Education, Health and Lands. The general sense of the conference is believed to have been that the rice situation was on the whole satisfactory and that the people's needs would be met. The possibility, however, was recognised that as a result of the "grow more food" campaign and transport difficulties some part of the country might accumulate a surplus, which might depress prices. The view favoured at the conference was that the Government should come to the cultivators' rescue by purchasing such surplus. The agency through which such purchases should be made and arrangements for storage are understood to have been considered.

(The Hindustan Times, 11-7-1942.) ✓

Food Supply in Bombay City: Corporation Scheme to Raise Loan. ✓

A resolution to raise a loan of Rs. 10 million from the Government of Bombay for the supply and distribution of food-stuffs to the public in Bombay was passed by a large majority of the councillors in the Bombay Municipality Corporation on 20-7-1942. The resolution states that the Corporation views with great alarm the growing increase in the price of food-stuffs and other commodities of life and the great hardship caused to the public in obtaining their requirements through the ordinary channels of supply and distribution, and that, with a view to mitigate these hardships, the Corporation resolves that a complete municipal organisation be set up under the Municipal Commissioner to obtain adequate quantities of necessary supplies from whatever sources they may be available and hold them in the city to meet the needs of the public and also arrange for their wholesale or retail sales in the City at the lowest prices

possible; that with a view to give effect to these proposals sanction be given to the raising of a temporary ~~annual~~ loan of Rupees ten million to finance the scheme.

(The Bombay Chronicle 22-7-1942.) ✓

Evacuees Conference convened by Government of India,
New Delhi, 24-7-1942.

According to an Associated Press report, the employment of evacuees from the war areas, principally Burma, was discussed at length by the Evacuees Conference, convened by the Government of India, on 24-7-1942 at New Delhi.

It was explained that although the Department of Indians Overseas would continue to maintain close vigilance, the problem of finding employment for the evacuees was now being handled by the newly-created Defence Department and the Department of Labour, the latter of which registered skilled labour for employment as technicians and skilled workmen. Unskilled labour, it was expected, would be absorbed by the Provincial Governments. As for the others, the Defence Department, which was dealing with man-power, would endeavour to find employment.

As regards Government servants, it was announced that the Government of Burma had decided to grant twelve months' leave to its employees, four months of which would be on full pay and the remainder on half pay. Employees were also permitted to take up temporary employment, in which case their leave salaries would be suitably adjusted. Arrangements had already been made to pay Burma Government servants their salaries, etc.

The Committee was informed that all claims of Indians against the Government of Burma, Malaya, etc., in respect of goods, war risks insurance schemes and by Government action in respect of property commandeered, requisitioned or destroyed would be met provided reasonable proof was forthcoming in respect of these claims. The claims in respect of property or goods destroyed by enemy action, would be considered after the war.

(The Hindustan Times, 28-7-1942).

The same issue of the Hindustan Times (28-7-1942) publishes a fuller report of the proceedings of the Conference furnished by a correspondent of the paper.

According to this report, at the Conference representations were made to the Government of India to the effect that Indians would look to the Government of India alone for redress of their grievances and satisfaction of their claims and that the Government of India should not pass on their responsibility in this respect to the Government of Burma which is functioning in India. As regards the question of employment, it was strongly urged by the various speakers that the entire responsibility in the matter should lie with the Department of Overseas and not shared with other Government departments, as that was bound to involve delay and create unnecessary difficulties. Strong views were also expressed about the policy of the Government of India in giving employment to British evacuees from Burma, particularly at the cost of Indians and contrary to the policy of Indianization, and it was emphasised that as His Majesty's Government had recognised their responsibility for British evacuees in regard to allowances, etc., they should equally accept it in the

matter of their employment and not impose it as a burden on the Government of India. The necessity for provision of immediate relief was stressed. Several other concrete issues were also discussed and suggestions offered, particularly in respect of claims of various kinds. It was unequivocally emphasized that there could not be "legal proof" in every case in the very nature of things and under the circumstances in which Indians were compelled to quit Burma, and consequently, it should be presumed, unless the contrary was proved, that the claims by Indians in connection with the loss or destruction of property were genuine and bona fide. The recommendations and suggestions of various members who represented important commercial organizations, relief committees and associations of Indians in Burma are to receive careful and immediate consideration of the Government.

(The Hindustan Times, 28-7-1942.)

Allowances for Indigent War Refugees:
Scales fixed by Government of India.

The Government of India have prescribed certain maxima regarding allowances payable to indigent refugees in India and to dependents of Indians stranded in enemy-occupied territories, for the guidance of provincial authorities, according to the following scale:-

<u>Estimated normal income or remittance</u>	<u>Single adult earner or remittance receiver</u>	<u>With wife or adult dependent</u>	<u>Child</u>
Rs.	Rs.	Rs.	Rs.
0-50	15	25	5
51-150	30	50	8
151-400	60	100	12
401-750	100	170	16
Over 750	150	250	20

All such allowances are granted only against undertakings to repay. It is for provincial authorities to determine what ~~allow~~ allowance is suitable in individual cases. The Government of India have assumed the financial responsibility in respect of Indians and Anglo-Indians. Debits will be raised against other Governments for others. The above maxima are subject to the condition that the allowance in the case of any group dependent upon one earner or remittance receiver shall not exceed either 75 per cent. of the normal income or remittance or Rs. 350 per month, whichever is less. These scales will remain in force for six months in the first instance from July 1, 1942. Provincial authorities have discretion to make allowances in respect of children conditional upon proof being forthcoming that the children are attending school. Each case is subject to monthly review to ascertain whether the recipient has obtained employment.

(The Statesman, 18-7-1942.)

Post-War Reconstruction

45

Study of Post-War Problems:
Sir T.E. Gregory sent to London. ✓

It has been apparent for some time past that both in Great Britain and in the United States, there has been intense pre-occupation with the nature of the post-war world, especially in the field of international trade policy and social and economic reconstruction. In view of the appointment by the Government of four reconstruction committees and the widespread interest manifested in post-war problems generally in India, the Government of India has decided that one of its own officers should make himself more familiar with the movements of thought, by means of establishing personal contacts, than is possible merely through the study of documents. Sir Theodore Gregory, the Economic Adviser to the Government of India, has therefore been instructed to proceed to London for this purpose.

(The Hindu, 14-7-1942.) ✓

Post-War Reconstruction:
U.P. Government creates Fund. ✓

It is understood that the United Provinces Government has transferred about Rs. 938,000 to the Revenue Reserve Fund from the Government's 1941-42 revenue surplus. This new contribution is over and above the sum of Rs. 6 millions which has already been transferred from the same year's account to start the fund last year and Rs. 4 millions which will be transferred into it from the estimated surplus of 1942-43 and any other contributions which may be made from time to time from revenue surplus. It is stated that the fund will be utilized for post-war reconstruction. The first charge on the fund will be civil defence expenditure and the balance will be used for reconstruction work after the war.

(The Statesman, 27-7-1942.) ✓.

List of publications (the more important) received in this Office during July 1942 ✓

Social Policy.-

Bulletins of Indian Industries and Labour. No. 73. Proceedings of the Third Conference of Labour Ministers (Held at New Delhi on the 30th and 31st January 1942). Published by the Manager of Publications, Delhi. 1942. Price Re.1-10-0 or 2s.6d.

Economic Conditions.-

- (1) Review of the Trade of India in 1940-41. (Office of the Economic Adviser, Government of India). Published by the Manager of Publications, Delhi. 1942. Price Rs. 3-12-0 or 6s.
- (2) Department of Development (Industries), Orissa. Annual Report for the year 1940-41. Superintendent, Government Press, Orissa, Cuttack, 1942. Price As.11/-.

Co-operation.-

Annual Report on the working of Co-operative Societies in the Province of Bombay for the year 1940-41. Bombay: Printed at the Government Central Press. Price As. 7 or 9d. 1942.

Organisation, Congresses, etc.-

- (1) Indian Jute Mills Association. Report of the Committee for the year ended 31st December 1941. Calcutta: Printed at the Star Printing & Works, 30, Shibnarain Das Lane. 1942.
- (2) Annual Report on the working of the Indian Trade Unions Act, 1926 (XVI of 1926) in the Province of Orissa for the year ending the 31st March 1941. Superintendent, Government Press, Orissa, Cuttack. 1942. Price As. 2.

Social Conditions.-

- (1) Census of India, 1941. IX Assam. Tables by K.W.P. Marar, I.C.S., Superintendent of Census Operations, Assam. Published by the Manager of Publications, Delhi. 1942.
- (2) Census of India, 1941. Vol. VII. Bihar. Tables by W.G.Archer, I.C.S., Superintendent of Census Operations, Bihar. Published by the Manager of Publications, Delhi. 1942. Price Rs. 7-2-0 or 11s.

Education.-

- (1) Annual Report on the Progress of Education in the Delhi Province for the year 1940-41. Printed by the Manager, Government of India Press, Calcutta. 1942.
- (2) Report on the State and Progress of Education in the Central Provinces and Berar for the year 1940-41. Nagpur: Government Printing, C.P. and Berar. 1942. Price Re. 1-8-0.

Miscellaneous.-

Report on the working of Municipalities in the North-West Frontier Province for the year 1940-41. Manager, Government Stationery and Printing, N.-W.F.P., Peshawar. 1942. Rs. 9-12-0 or £.0-14-6.