

INTERNATIONAL LABOUR OFFICE  
INDIAN BRANCH

- - - -

Industrial and Labour Developments in February, 1947.

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

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INTERNATIONAL LABOUR ORGANISATION.

I.L.O. Asiatic Mission: Formal Meeting with Representatives  
of Government of India, New Delhi, 3-2-1947.

The I.L.O. Asiatic Mission which assembled at New Delhi in the last week of January 1947 had a formal meeting with representatives of the Government of India at New Delhi on 3-2-1947.

Welcoming the Mission on behalf of the Government of India, Mr. Jagjiwan Ram, Labour Member in the Interim Government, expressed India's readiness to collaborate with other countries for the realisation of the ideals of the Philadelphia Charter. He emphasised that the ideals of Four Freedoms for which the last war was fought were ideals for Asia no less than for Europe and America, and urged that, therefore, neither the backwardness nor the military weakness of Asiatic countries should be allowed to stand in the way of their development towards the goal of freedom and democracy. The International Labour Organisation which stands for democracy and universality, he said, can be of great help to India not only in attaining its ideals, but also in the progressive amelioration of the bulk of its population. For dealing with the immense problems of Asia it was necessary that the I.L.O. should equip itself and reorient its angle of vision. Up till recently, the I.L.O. had concentrated somewhat exclusively on the problems of Europe and America. The holding of the Asiatic Regional Conference was a healthy development, and he welcomed it as evidence of the I.L.O.'s interest in the welfare of Asiatic peoples.

Dr. P.P. Pillai, the Chairman of the Mission, replied in suitable terms.

(Full texts of the speeches of Mr. Jagjiwan Ram and Dr. Pillai have been forwarded to the Montreal Office ).

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NATIONAL LABOUR LEGISLATION.

Government of India:

Factories (Second) Amendment Bill, 1946, ✓  
Passed by Central Legislature: Obligation  
to provide Canteens.

The Factories (Second) Amendment Bill, 1946, to which reference was made at page 2 of this Office's report for October, 1946, was passed by the central Legislative Assembly on 5-2-1947, and by the Council of State on 25-2-1947. The Bill seeks to add to the Factories Act, 1934, a new section enabling provincial Governments to make rules requiring specified factories, employing more than 250 persons, to set up canteens in conformity with prescribed standards.

(The Hindustan Times, 6-2-1947;  
The Statesman, 26-2-1947 ).

Industrial Disputes Bill, 1946: Passed by  
Central Legislative Assembly on  
21-2-1947.

Reference was made at pages 1-2 of this office's report for October 1946, to the Government of India's Bill to provide for the investigation and settlement of industrial disputes. The Bill was referred to a Select Committee on 31-10-1946 and the Committee's report was submitted to the Assembly on 3-2-1947, by Mr. Jagjiwan Ram, Labour Member.

Labour Leaders Attack on Bill.- In the course of the debate on 10-2-1947, Mr. N.M. Joshi (Labour) opposing the motion for consideration of the Bill, pointed out that the measure, made adjudication compulsory, while the working classes always preferred voluntary agreement. He was convinced that the Bill would not help workers or be useful in promoting good relations between employers and employees. The Bill sought to make strikes illegal in any public utility service if they were resorted to during conciliation proceedings or during the period governed by a voluntary or compulsory settlement. He was not a believer in strikes, but to deprive labour of this weapon was to do them great harm. The Government treated employees and employers apparently alike by making strikes and lock-outs without notice illegal. It did not realize that, while a strike was the only weapon in the hand of the employee if he became dissatisfied with the conditions under which he worked, the employer, if he became dissatisfied, could reduce wages or increase hours of work without resorting to a lock-out. If the Government wanted to treat employers and workers equally, it ~~would~~ should make illegal not only a lock-out but <sup>also</sup> any change in conditions of work to the disadvantage of workers.

Miss Maniben Kara (Labour) said that the Bill would promote neither the growth of the trade union movement nor the much desired industrial peace in the country. It sought to turn a breach of a civil contract into a criminal offence. The worker desired industrial peace. Owing to his economic position, he could afford to strike only as a last resort to get his grievances redressed. The workers were not against any machinery for conciliation or adjudication, but they wanted it to be voluntary and not compulsory. The Bill would result in industrial unrest, strikes and various other hardships. The workers would not be able to abide by the restrictions sought to be imposed on them by the Bill.

Mr. S. Guruswamy (Labour) said that he would support the Bill only if he was assured that "public utility services" would not be defined in a manner which would be prejudicial to the interests of labour, Government recognized the right of the workers to resort to sympathetic strikes or political strikes, penalty clauses in the Bill were removed and necessary social security legislation introduced. Unless the Government were wedded to undiluted socialism, labour could not accept the bona fides of the executive. Mr. Guruswamy opposed the proposed Works Committees which, he said, would be used for no other purpose but to break strikes. He could understand provision for such committees if there were any statutory powers prescribed for those committees and their personnel appointed with the approval of trade unions.

Employers' View.- Mr. P.J. Griffiths (European Group) said that he supported the Bill because it enunciated the principle of conciliation; otherwise, the Bill contained many features which were unsound and doctrinaire. The numerous work committees, tribunals, conciliation boards and the rest of the machinery proposed was so elaborate that their adequate operation required a standard of ~~lab~~ organization and education of labour far beyond what had been achieved in this country. Many of the features in the Bill had little relation to existing conditions. He opposed any machinery operating in such a way as to displace discussion between employers and employees and Government intervention. The right to strike must not be taken away. Any imposed solution would only transfer the grievances and it would not be a final solution.

Labour Member's Reply.- Mr. Jagiwan Ram, replying to the debate, maintained that the proposed legislation would benefit the working classes. If a plebiscite of the workers was taken, an overwhelming majority would support the measure. Labour leaders who opposed the Bill had based their opposition from the narrow point of view of factory labour in certain big cities, but they ignored vast numbers of workmen belonging to other categories. ~~It~~ If it were possible for the workers to place their point of view before employers and get redress, it might not be necessary for the Government to bring in this measure. Government intended to encourage voluntary conciliation as far as possible. Work ~~committees~~ committees would consist of workmen engaged in the establishment, whose task it would be to unite and organize the workers.

Public Utility-Services.- Several amendments moved by Mr. N.M. Joshi, with a view to give a more restricted definition to "public utility services", were negatived by the House. One of these sought to exclude railways from the operation of the Bill; another amendment wanted the Bill to be applied to nationalized industries only, the food industry, however, being exempted.



The Labour Member explained that railways had been included in public utility services after the experience of the Government for the last 17 years of the workings of the Trade Disputes Act. Other industries had been put on the schedule not out of any sympathy for the mill-owner but in the interests of the public. Everybody would like basic industries to be nationalized, but things could not be allowed to drift till nationalization was effected. The House accepted an amendment moved by the Labour Commissioner, Mr. S.C. Joshi, that the period for which an industry can be declared to be a public utility "shall not in the first instance exceed six months, but may by a like notification, be extended from time to time by any period not exceeding six months at any one time, if in the opinion of the appropriate Government a public emergency or public interest requires such extension".

Principle of sympathetic and Political Strikes accepted.- Miss Maniben Kara's amendment which sought the deletion of a sub-clause prohibiting sympathetic or political strikes was accepted by the Government.

The third reading of the Bill was passed by the Central Assembly on 21-2-1947, by 33 votes to 3. Opposition to the Bill was maintained to the end by the three labour members, Mr. N.M. Joshi, Mr. S. Guruswami and Miss Maniben Kara.

(The Statesman, 11, 12, 13, 18 and 22-2-1947).

Indian Railways (Amendment) Bill, 1946,  
(Non-official), introduced in Legislative  
Assembly: 48-hour week for all railway  
Employees proposed.

A non-official Bill seeking to amend the Indian Railways Act, 1890, so as to provide, inter alia a 48-hour week for all railway employees, was introduced in the Central Legislative Assembly on 14-2-1947, by Mr. S. Guruswamy.

The Statement of Objects and Reasons appended to the Bill, points out that the Indian Railways Act, 1890, provides for a maximum of 84 hours' work in a week for those railway servants whose employment is considered to be intermittent and a maximum of 60 hours' work in a week for other railway servants. It does not set any maximum limit to the daily hours of work. The Factories (Amendment) Act of 1946, restricting the hours of work for workers covered by the Factories Act, 1934, to forty-eight per week and eight hours per day, does not apply to a vast majority of railwaymen whose hours of work are governed by the Indian Railways Act, 1890. This gap is sought to be made up by this Bill by so amending the Indian Railways Act as to reduce the hours of work permissible under it to forty-eight per week and eight per day. It is also proposed to abolish the distinction as regards hours of work between railway servants whose employment is considered to be essentially intermittent and those whose employment is not considered essentially intermittent, by equalising the hours of work for all railwaymen at forty-eight per week and eight per day. At present those classed as 'intermittent' workers are excluded from the provision regarding weekly rest of 24 consecutive hours enjoyed by other railwaymen. Absence of any definite provision regarding hours of weekly rest is detrimental to the health of workers and it is, therefore, proposed that they too should be made eligible for enjoying these periods of rest.

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In case it is not possible to grant them rest of 24 consecutive hours in every week, provision has been made for a rest period of 96 hours in every four weeks. The Bill increases the rate for overtime work from  $1\frac{1}{4}$  times the ordinary rate of pay. The existing Act excludes railway servants from getting payment at over time rate if they work longer hours "to avoid serious interference with the ordinary working of the railway, in cases of accident, actual or threatened, or when urgent work is required to be done to the railway or to rolling-stock, or in any emergency which could not have been foreseen or ~~prevented~~ prevented". Under the Bill, all workers required to do overtime work are eligible for over time rates of pay.

(The Gazette of India, dated 22-2-1947,  
Part V, pages 128-131).

Indian Mines (Amendment) Bill, 1946 (Non-official),  
Introduced in Legislative Assembly: 40-hour week  
for Mine Workers proposed.

A non-official Bill seeking to amend the Indian Mines Act, 1923, so as to reduce the hours of work in mines, to 40 in the week and 8 per day was introduced in the Legislative Assembly on 14-2-1947, by Mr. S. Guruswami.

In the Statement of Objects and Reasons, appended to the Bill, it is pointed out that the Indian Mines Act, 1923, permits miners being employed for 54 hours in a week and ten hours in a day for surface work and 54 hours in a week and nine hours in a day for underground work. The Bill is intended to reduce the weekly hours from 54 to 40 and the daily hours to 8 for both surface and under-ground workers. To have the same number of hours for surface and under-ground work will be more convenient from the point of view of the life of the workers who may belong to the same family or village, as also from the point of view of the administration of the law.

(The Gazette of India, 22-2-1947,  
Part V, pages 140-141).

Federal Railways exempted from Provisions of  
Industrial Employment (Standing Orders) Act,  
1946.

In exercise of the powers conferred by section 14 of the Industrial Employment (Standing Orders) Act, 1946, (vide pages 4-5 of this Office's report for April, 1946), the Government of India has exempted all Federal railways from the provision of the Act.

(Notification No. LR11(48) dated 29-1-1947  
of the Department of Labour:  
The Gazette of India, 1-2-1947,  
Part I-Sec.1, page 129).

6  
Delhi:

Amendments to Census of Manufacturing  
Industries Rules, 1945, gazetted.

Reference was made at page 3 of this Office's report for December, 1946, to the draft of certain <sup>amendments</sup> ~~rules~~ the Chief Commissioner of Delhi proposed to make under the Industrial Statistic Act, 1942, to its Census of Manufacturing Industries Rules, 1945. The draft has now been approved and the Rules gazetted. ~~by the~~ By the amendments some 33 new industries like footwear manufacture, printing, rope making, etc., are added to the list of industries in respect of which statistical information has to be supplied.

(Notification No. F 7 (5)/47 P and D dated  
10-2-1947;  
The Gazette of India, 22-2-1947, Part II-A,  
pages 60-61 ).

C.P. and Berar:

C.P. and Berar Industrial Disputes Bill, 1946,  
passed by Legislative Assembly, 24-2-1947.

On 24-2-1947, the Central Provinces and Berar Legislative Assembly passed the C.P. and Berar Industrial Disputes Bill, 1946, to which reference was made at pages 6 and 11-12 of this Office's reports for November and September ~~1946~~ 1946.

(The Times of India, 27-2-1947).

Madras:

Payment of Wages Act, 1936, extended to  
Plantation Labour.

Reference was made at page 14 of the report of this office for September, 1946, to the proposal of the Government of Madras to extend the provisions of the Payment of Wages Act, 1936, to all classes of persons employed in plantations. The Government has ~~issued~~ in the fourth week of February 1947 issued orders making the Payment of Wages Act, applicable to plantation labour.

In this connection, <sup>a</sup>press communiqué issued on 25-2-1947, by the Government states: Henceforth payment of wages in all estates in the Province maintained for the purpose of growing cinchona, rubber, coffee or tea and on which 25 or more persons are employed, will be regulated. Payments will be made for regular wage periods which in no case, will exceed one month. In estates employing less than 1,000 persons, workers will be entitled to receive wages before the expiry of the 7th day after the wage period and in other estates within ten days after the expiry of the wage period. Deductions from wages may not be made except as provided for in the Act. Recovery of advances given to workers before their employment will be restricted to the wages payable to them for the first complete wage period. These and other provisions of the Act will eliminate the practice

of giving large pre-employment advances to workers and the system of annual settlement now obtaining in most of the estates and which have been the main cause of the complete dependence of workers ~~on their employers~~ on their employers. Labour Officers will be appointed to ensure that the provisions of the Act are complied with.

The communiqué further points out that enactments like the Factories Act, the Madras Maternity Benefit Act and the Workmen's Compensation Act, intended to protect the interests of workers also do not apply now to the large class of persons employed in plantations, although their conditions of work are no better than those of employees in other industries, and that the reform in respect of payment of wages is only the first step in Government's programme for improvement of the conditions of life and work of plantation labour.

(The Hindu, dated 28-2-1947).

Payment of Wages Act, 1936, extended to  
Tramways and Omnibus Services.

Reference was made at page 2 of this office's report for July, 1946, to the proposal of the Government of Madras to extend the application of the Payment of Wages Act, 1936, to all classes of persons employed in the tramway and motor omnibus services. The Government has ~~passed~~ on 30-1-1947 issued orders (G.O. No. 366, Development Department dated 30-1-1947) extending the Payment of Wages Act to motor and omnibus services in the province.

(Notification No. 115, the Fort St. George Gazette, dated 11-2-1947, Part I, page 86).

Rules under Factories Act, 1934, gazetted:  
Exemption from Provisions relating to Hours  
of Work.

Reference was made at page 14 of this office's report for September, 1946, to the draft of certain rules which the Government of Madras proposed to make under section 43 of the Factories Act, 1934. The draft has now been approved and the rules have been gazetted. The rules define categories of persons holding positions of supervision and management, etc., and prescribe the conditions under which certain classes of factory personnel may be exempted from the provisions relating to hours of work under section 43 of the Factories Act.

(The Fort St. George Gazette, dated 4-2-1947,  
Rules Supplement to Part I, pages 21-26).

The Factories (North-West Frontier Province Amendment) Bill, 1946: Provisions for Licensing of Factories .

The Government of the North-West Frontier Province has gazetted the Factories (North-West Frontier Province Amendment) Bill, 1946; the main purpose of the bill is to provide for the proper licensing of factories.

In the Statement of Objects and Reasons, attached to the Bill, it is pointed out that although the North-West Frontier Province is not yet highly industrialised, there are already between 30 and 40 factories established in the Province which employ on an average about 100 workers. There is evidence to show that an increase in industrialisation is imminent and the Government is convinced that a degree of industrialisation is in the best interests of the economic development of the Province. It is not desirable that industrialisation should be allowed to proceed without any degree of control, and, as a step in the programme of industrial legislation, the Government's policy is that State control over industry should be greater in the future than in the past. It is not desired to eliminate private enterprise entirely, but, in co-operation with the policy of the Central Government, there will in the future be certain industries owned and controlled by the State under some measure of State control, and others in which private enterprise will be either almost or completely unfettered, subject only to the provisions regulating the licensing of industry which are contained in the present Bill. The necessity of licensing is clear if the public interest is to be properly served. No industry should be permitted to come into existence which would conflict with the public interest either from the strategic or the economic point of view; and in addition there are other considerations, such as, the risk of industries affecting the public health, the possibility of cut throat competition etc. In legislating for the licensing of industry Government will be adopting a policy, which has already been in force in the Punjab for six years, and which is shortly to be put into effect in all provinces.

(Indian Labour, February, 1947).

Sind:

Draft Amendments to Sind Factories Rules published:  
Improved washing facilities and Exemptions from  
Hours of Work Restrictions.

The Government of Sind has published the draft of certain amendments to the Sind Factories Rules which it proposes to issue under the provisions of the Factories Act, 1934. The amendments relate (a) to the provision of improved washing accommodation and facilities in factories, and (b) to categories of workers exempted from certain restrictions on working hours and the conditions subject to which such exemptions may be permitted, etc. The draft is to be taken into consideration after 12-5-1947.

(The Sind Government Gazette, 27-2-1947  
part IV-A, pages 14-27 ).

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U.P.:

Draft of Amendments to U.P. Factories Rules, 1935:  
Provisions regarding Washing Facilities, Fencing  
of Machinery, Holidays with Pay, etc.

The Government of the United Provinces has published the ~~drafted~~ draft of certain amendments to the United Provinces ~~Factories~~ Factory Rules, 1935, which it proposes to make in exercise of the powers conferred by the Factories Act, 1934. The amendments deal among other matters with physical standards of children employed in factories; standards for provision of washing and bathing facilities for ~~xx~~ male and female workers; conditions for guarding and fencing of machinery in factories and hazardous occupations; arrangements for protection of machine operators and precaution against fire. The draft also amends the rules governing the grant of compensatory holidays and holidays with pay, and prescribes various forms for the maintenance of ~~registers~~ registers and annual returns in this connection. The draft amendments are to be taken into consideration on or after 15-5-1947.

(United Provinces Gazette, dated 8-2-1947,  
part I-A, pages 54-80 ).

SOCIAL POLICY.

Reorganisation of Bombay Labour Department  
Directorates of labour Administration:  
Labour Information: Labour Welfare.

The Government of Bombay has decided to reorganise the various departments dealing with the labour matters. Under this scheme, the offices of the Commissioner of Labour, Labour Officer, Bombay, and Director of Labour Welfare will be reorganised under three Directorates, namely, the Directorate of Labour Administration, the Directorate of Labour Information and the Directorate of Labour Welfare, each in charge of a Director.

The work at present ~~done~~ done in the office of the Commissioner of Labour will be divided between the Directorate of Labour Administration and the Directorate of Labour Information according as it pertains to the administration or information side of labour. The Directorate of Labour Welfare will be in charge of all the labour welfare activities of the Government and will, in addition, take charge of the office of the Labour Officer, Bombay.

(The Times of India, 28-2-1947).

## CONDITIONS OF WORK.

### Hours of Work and Weekly Rest, etc.

#### Working of Hours of Employment Regulations on Railways during 1945-46.

The Indian Labour Gazette, January, 1947, publishes a note on the working of the Hours of Employment Regulations on Railways during the year 1945-46, based on the annual report of the Chief Labour Commissioner, Government of India. The following is a brief summary.

During the year under review, the establishment of the Conciliation Officer (Railways) and Supervisor of Railway Labour, which had been dealing with the administration of the Hours of Employment Regulations on the Federal Railways, was ~~abolished~~ abolished and the work was taken over by the newly created Industrial Relations Machinery. For facility of work the various railway systems were divided into three zones, Southern, Western and Eastern; Labour Inspectors continued to follow the old approved method of rectifying minor irregularities on the spot in consultation with the supervisory staff of the Railways. The Inspectors address the Railway Administrations direct on all irregularities discovered by them, except those involving serious breaches of the law and questions of classifications of staff, which are reported to the Regional Labour Commissioners, who take them up with the Railway Administration concerned and advise them as to the action to be taken in each case.

Scope of the Regulations and number of staff affected.- The main purposes of the Regulations are: to regulate the hours of work of Railway servants; to prescribe compulsory periods of rest; to secure the payment of overtime allowance, when the limit of hours of work prescribed by the Regulations is exceeded in certain specified circumstances. The Regulations are applicable to all workers employed on all Class I Railways, with certain exceptions, such as, running staff, staff engaged in supervising or management and certain well-defined categories of inferior staff etc. Their exclusion does not, however, absolve the Industrial Relations Machinery from responsibility for watching over the conditions of their work. The report adds that the question of extending the scope of the Regulations to the "excluded staff" is being considered by the Government of India. The managements of the Darjeeling-Himalayan, Arrah Sasaram Light Railway, Bakhtiarpur Bihar Light and Dehri-Rohtas Railways have now agreed voluntarily to observe the Regulations as a term of settlement of a dispute between them and their workers. The total number of workers entitled to the protection of the Regulations on Class I Railways increased from 650,148 on 31-3-1945 to 687,031 on 31-3-1946.

Inspection.- The number of establishments inspected on Class I Railways decreased from 5,585 in 1944-45 to 4,369 in 1945-46. The reasons for the fall in the number of undertakings inspected were shortage of inspecting staff, time involved in organising the machinery, travel difficulties etc.



Classification of Railway Workers.- The question of classification is of vital importance to railway servants as on the correct classification depends their title to certain privileges given by law. In the case of a continuous worker, the maximum weekly limit of hours of work is 60, averaged over a month, and he is entitled to a rest of 24 consecutive hours every week, whereas an 'essentially-intermittent' worker may be required to work upto 84 hours a week without any statutory period of rest. In view of the importance of this question every effort is made to improve the method of classification. All cases which are of the border-line type, are reported to the Administrations as open to doubt with the request that the position may be reviewed, and those, which appear obviously involving a breach of the Regulations are 'challenged'. Cases in which there are differences of opinion, in regard to classification between the Regional Labour Commissioner and the Railway Administrations are referred to the Chief Labour Commissioner for obtaining a decision. The number of 'open-to-doubt' and 'challenged' cases of classification during 1944-45 and 1945-46, were 28 and 58, and 119 and 105 respectively. During the year under review the number of workers classified as 'continuous', 'essentially-intermittent' and 'excluded staff' were 467,855, 119,301 and 90,875 respectively.

Temporary Exemption and Payment of Overtime.- The Railway Administrations took full ~~advantage~~ advantage of the power to make temporary exemptions from the limit of hours of work and the grant of rest periods. This power was delegated to a large number of subordinates, giving rise, in some cases, to objectionable results, while no proper records of such exemptions were kept. A large number of cases were detected in which overtime registers were not properly maintained or were kept blank even when overtime had been worked and such cases were taken up with the Administrations concerned.

Periods of Rest.- 'continuous' workers are entitled to a rest of not less than 24 hours en bloc each week commencing on Sunday. The Railway Administrations continued to make efforts to grant to the workers, as far as possible, a calendar day's rest which is a marked preference of the workers. The percentage of workers enjoying a calendar day's rest improved on almost all the Railways. Orders have also been passed by the Railway Board for the grant of weekly rest from 1-1-1946 to mates, keymen and gangmen employed on the maintenance of permanent way. A considerable number of staff, particularly goods clerks, parcel clerks and booking clerks were found working beyond their rostered hours and in most of the cases the staff concerned had not claimed overtime pay for fear of being declared inefficient. The matter was brought to the notice of the Administrations concerned who agreed to look into it and sanction additional staff where necessary.

Railway Trade Unions.- The report states that the Railway Trade Unions showed greater interest in the application and enforcement of the Regulations than they had hitherto done. It also suggests the railway staff, who are concerned <sup>in</sup> the working of the Regulations, should be ~~train~~ trained, and made to study and understand the Regulations.

(The working of the Regulations during 1944-45 was reviewed at pages 12-14 of this office report for July, 1946).

(Indian Labour Gazette, January, 1947).

Inspection.

Training of Factory Inspectors: 5-Weeks' Course  
to begin on 24-2-1947.

The first factory inspectors' training course, is scheduled to start in New Delhi on 24-2-1947 (vide page 10 of the report of this Office for January, 1947); the first batch of trainees consists of 20 factory inspectors selected from the different provinces of India. The decision to institute the course, with the co-operation of provincial factory inspectorates, was taken at the conference of Chief Inspectors of Factories, held at New Delhi in November, 1946 (vide page 13 of the report of this Office for November, 1946).

The course of training will be held under the personal supervision of Sir Wilfred Garrett, Chief Adviser, Factories, Government of India. He will be ~~xxxxx~~ assisted by a trained band of inspectors. The subjects in which training will be imparted will deal with labour welfare, designs of factories suitable to India, maintenance of industrial workers' health, fencing of machinery, etc. The course will last five-weeks, during which there will be a two weeks' inspection tour of factories and mills in Calcutta and ~~xxx~~ Cawnpore.

(The Hindustan Times, 16 and 21-2-1947).

14

Wages.

Wages in Sugar Industry in Bihar increased:  
Bihar Government accepts Bhatia Committee  
Report.

Reference was made at page 11 of the January 1947 Report of this Office to the acceptance by the U.P. Government of the recommendations of the Bhatia Committee on wages in the sugar industry appointed jointly by the Governments of U.P. and Bihar. The recommendations have now been accepted by the Government of Bihar also. The resultant graded wage-increases, which range from Rs. 10 to Rs. 22½ per month, benefit all wage groups up to those drawing Rs. 300 per month, with marginal adjustments up to Rs. 322-8. Government propose to request sugar factories in the province immediately to give effect to these wage increases with effect from the beginning of the 1947 crushing season. The sugar factories will be compensated by the Government of India for the increased cost of production by a subsidy, the rate of which will be ~~announced~~ announced later.

As regards the question of bonus for the current season, the principle that a bonus should be paid on profits has been accepted. Cane crushing operations are now well advanced and at least the trend as regards length of season, and other factors can now be assessed. In the light of these data and of past practice in the matter of payment of bonus, the Committee is now being requested to lay down the basis on which bonus is to be paid.

(The Bihar Gazette Extraordinary,  
dated 18-2-1947 ).

Wages of Industrial Labour in South-East Asia:  
Fail in Real Wages.

The Eastern Economist (New Delhi Weekly) of 28-2-1947 publishes an article under the caption "Earnings of Industrial Labour in South-East Asia", in which a comparative study is made of wages of industrial workers in India, China, Indo-China, Malaya, Siam and Philippines; an attempt also is made to correlate money wages to real wages in terms of the cost of living. The wages given are mostly of the pre-war period (1930-1939), but in a few cases wage rates upto 1943 are taken into account.

The following table gives the total population, total number of workers in industry, mining and manufactures, and rates of daily wages in these countries:

Country.	Total Population (in millions).	Number of workers in Industry, Mining, and Manu- factures (in millions)	Daily wages (in U.S. cents).	Average daily wages (in U.S. Cents)
India.....	388	2.55	24-26	25.
China.....	422	4.50	20-40	30.
Indo-China...	22	0.22		
North.....			11-24	17.5
South.....			24-46	35.
Malaya.....	5.5	0.24	20-34	27.
Siam.....	14	0.15	21-24	31.5
Philippines...	16	0.15	28-32	30.

Fall in Real Wages.- Reviewing the general wages position in the countries of South East Asia, the article points out that the Second World War has led to a fall in real wages, and says: "It is possible to surmise from available accounts that the impact of the war on the East had an important influence in ~~lowering~~ lowering the standard of living and real wages. The ~~extreme~~ lowered prices of the depression enhanced the real income of those who were retained in employment. Real incomes reached the highest level in 1933 in China and Indo-China. But there was a great deal of distress in all these countries ~~due~~ owing to the fall in the employment level. The tin and rubber slump in ~~the~~ Malaya caused hardship to the ~~Indians~~ Indians and the Chinese who formed the bulk of the labouring population. Many of them were separated from home, so that distress in India and China increased correspondingly. Since then, hand in hand with the improvement in the employment situation, there has begun a steady fall in the real wages of the industrial wage-earner; in 1941 the Shanghai it reached half of the 1930 level and in 1943 in India it was 61 per cent of what it was in 1936. The peoples of South East Asia have thus paid a high price for the war in the form of reduced earnings ~~of~~ and scarcity of the necessities of life. It is, therefore, not early to suggest a regional approach to the problems of the earnings of labour in this quarter of the globe."

(The Eastern Economist, 28-2-1947,  
pages 408-409 ).

Tata Iron and Steel Company's New Wage Scheme:  
Text of Agreement Between the Company and the  
Tata Workers' Unions.

Attention is invited to pages 285 to 288 of <sup>45</sup> Indian Labour Gazette, January 1947, which reproduces the text of an agreement recently reached between the representatives of the Tata Iron and Steel Company Ltd., and the Tata Workers' Union, Jamshedpur. Reference was made at pages 30-31 of our report for October, 1946, to the new wage ~~scheme~~ scheme sponsored by the Company in pursuance of the agreement mentioned above.

(Indian Labour Gazette, January, 1947).

Increased Wages for Daily-Paid Ceylon Government  
Employees: Salaries Committee's Report.

The Government of Ceylon had appointed some time back a Salaries Committee to report on salaries of Government employees. References were made at pages 32-34 of the January 1946 and pages 46 of the July 1946 reports of this Office to the interim and final report of this Committee. In these reports the Committee had dealt only with the salaries of Government employees paid on a monthly basis and the Committee was recalled on 22-10-1946 to report on wages of daily paid Government employees.

In particular, the Committee was entrusted with two duties: (a) to re-align the daily paid wages prescribed by Sessional Paper XX of 1945 in the light of the recommendations regarding monthly pay contained in Sessional Paper VIII of 1946; and (b) to reconsider the conversions of daily-paid labourers to their new rates of pay in the light of the scheme of conversion laid down for monthly-paid employees.

Through circular letters sent out by the Committee to Government departments and establishments which have daily-paid employees on their pay roll and to recognised associations of such employees (such as Ceylon Railway Workers' Union, the Government Leather and Ceramic Factory Workers' Unions, the Colombo Port Commission Workers' Union, the P.W.D. Factory Workers' Union, etc.), it was ascertained that the following were the main grievances, in respect of wages, of daily-paid Government employees: (a) that the increases given to daily-paid employees were much less than those given to the corresponding grades of monthly-paid employees;

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\* CEYLON: Sessional Paper II.-1947: Report of the Salaries Committee recalled to re-align the Daily-paid wages prescribed by S.P. XX. of 1945 in the light of the recommendations in S.P. VIII of 1946; January, 1947: Printed on the Orders of Government: Printed at the Ceylon Government Press, Colombo: To be purchased at the Government Record Office, Colombo; price 25 cents, pages 11.

(b) that the general level of wages was too low; (c) that assistance with regard to housing is urgently necessary; and (d) that large groups of Government daily-paid employees are in fact permanently required and should be on monthly pay.

Wages.- The Committee, which submitted its report in January 1947, recommends several measures of relief for daily-paid employees. The main relief is slight increase in basic daily wage, fixing of minimum and maximum wages, and annual rates of increment for certain categories. For example, the new scales proposed by the Committee for the unskilled and semi-skilled grades of engineering and factory labour are—

	Rate of		
	Minimum. Rs. c.	Increment. Rs. c.	Maximum. Rs. c.
Unskilled.....	1 24	0 4	1 80
Semi-skilled, Grade II.....	1 44	0 4	2 20
Semi-skilled, Grade I.....	1 60	0 4	2 40

Taking annual earnings as three hundred times the daily rate of pay the minima and maxima will then be—

	Minimum. Rs.	Maximum. Rs.
Unskilled.....	372	540
Semi-skilled, Grade II.....	452	660
Semi-skilled, Grade I.....	480	720

and the percentage increases above the pre-war rates—

	Minimum.	Maximum.
Unskilled.....	93.7%	60.7%
Semi-skilled, Grade II.....	50%	37.5%
Semi-skilled, Grade I.....	66.6%	50%.

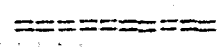
Housing.- Daily-paid employees' deputations urged that adequate housing accommodation should be provided and asked that until it was provided some form of a rent allowance should be paid. After careful consideration of all the issues involved, the Committee reached the conclusion that it cannot recommend the payment of a rent allowance to daily-paid employees, but it strongly recommended that, when Government collects any considerable labour force in an area where the housing provision is inadequate, Government should take steps to provide such accommodation as is necessary on reasonable terms as to rent. It is understood that urgent action is being taken to build houses in Colombo and elsewhere.

Conversion to Monthly-paid Group.- It was urged by employees' deputations that those employees who are continuously employed in permanent undertakings should have prospects of coming on to the permanent establishment. The Committee is of opinion that lack of such prospects is the real cause for much of the present discontent of daily-paid employees and has recommended that as from 1-1-1947 certain categories of workers should be transferred from daily-paid groups to monthly-paid groups. These include, among others, supervisory staff and skilled and semi-skilled workers with ~~the~~ ten years of continuous service. The following proposed new wage rates are given by way of illustration

(in each case, the year's pay is given, but one-twelfth of the amount will be paid each month).

Agricultural and Field Labour:	Rs.
Unskilled .....	420-12-540
Semi-skilled.....	444-12-660
Skilled or Supervisory:	
Grade II. ....	660-42-954
Grade I. ....	954-42-1,248

The additional annual cost entailed by the Committee's recommendations is about Rs. 9 million.



General.

Factories Act, 1934: Administration in Bombay during 1945.

Number of Factories and Operatives:- During 1945 the number of factories subject to the control of the Act increased from 4,595 to 4,726. The total number of working factories increased from 4,245 to 4,294. The number of operatives employed in all industries including the weighted night average in cotton ~~the~~ mills, were 735,774 as compared with 736,464 in the previous year. The total number of women employed was 89,456 of whom 30,074 were employed in Bombay and 59,362 in the mofussil. The increase in the number of women workers is about 25 per cent more than the 1938 figure although there was a steady decrease in the employment of women in seasonal factories. During the year adolescents and children were also employed in slightly larger numbers.

Inspection and Improvements in Working Conditions:- During the year, 275 perennial and 155 seasonal factories remained uninspected. The report states that there has been some improvements in general cleanliness in a number of mill compounds in Bombay, Ahmedabad and elsewhere, whilst road surfaces and the layout of gardens also received attention. Some of the Bombay mills <sup>are</sup> using "oxychloride" treatment to improve flooring in departments. A number of latrines have been rebuilt, or extended. A beginning has been made in securing compliance with new rules for provision of washing and bathing accommodation. A number of small improvements have also been made in departments which were badly ventilated by air conditioning but larger schemes for better ventilation depend on the availability of plants and material. Some cases were reported where, contrary to regulations, mills were using live steam when the dry bulb temperature had exceeded 85° F. As regards housing the report says that not much progress has been made in this sphere but the Ahmedabad Municipality has taken up the question of building 40 tenements for housing labourers. Each tenement would consist of a living room, a kitchen, a verandah and an open court-yard and the cost of each tenement would be about Rs. 3,000. During the year under report 125 creches were provided. In the 103 creches for which information regarding attendance was available, the number on the roll was 4,153 and the average attendance per day was 2,720 or 26.4 per creche. The highest average daily attendance in any one mill was 99 in Bombay, 46 in Ahmedabad and 188 in Sholapur. Efforts to persuade employers to provide milk for creches in certain districts where a large number of women are employed have not been successful. In regard to opium drugging of infants and toddlers, Sholapur and Khandesh districts were the worst offenders and surreptitious doping of children continued even among those brought to the creche. 54 factories, of which 44 were in Bombay, had facilities for dining sheds for their workers, while in 70 factories there were canteens for the supply of cooked food, and 177 factories had canteens offering tea and refreshments. During the year 13 new co-operative credit societies were opened bringing the total number of such societies to 159.



Accidents.- The total number of accidents was 23,507 of which 65 were fatal, 4,586 serious and 18,656 minor. The incidence of accidents was 3.16 per cent of the operatives employed daily. The report adds that since 1943 the incidence of accidents has gone up considerably. In order to prevent accidents, a film has been prepared in four languages for exhibition in cinemas frequented by working classes as also in the labour welfare centres of the Government of Bombay. As an additional safety measure in case of fires, Rule 37 of the Bombay Factories Rules, 1935, has been amended to provide at least two sets of stairs to factory buildings of more than one storey.

(The working of the Factories Act in Bombay during 1944 was reviewed at pages 13-14 of our report for March, 1946 ).

(Indian Labour Gazette, January, 1947).

Factories Act, 1934: Administration in the United Provinces during 1945.

Number of Factories and Operatives.- During 1945 the number of factories subject to the control of the Act increased from 1,005 to 1,047. Of these, 902 were non-seasonal and 145 seasonal. The number of factories actually working was 969. Sixty/six factories did not submit the annual returns. The number of factories rose by 2.76 per cent as compared to the previous year and 77.47 per cent as compared to 1939. ~~Thus~~ The average daily number of workers in non-seasonal factories ~~was~~ was 236,056 and 40,412 in seasonal factories. The number of women employed was 4,149 and adolescents 1,200. As compared to the previous year, the number of women workers decreased by 11.1 per cent and of adolescents by 41 per cent.

Inspection and Working Conditions.- The total number of inspections and visits made was 2,135. Every factory was inspected at least once and special visits were arranged frequently to enquire into the causes of accidents, complaints, etc. As regards working hours the report states that though the big non-seasonal factories continued to conform strictly to the Rules regulating hours of employment and weekly holidays, certain classes of employers, particularly in the textile industry, with a view to increasing their output, ~~employ~~ employ a number of over-lapping shifts in larger establishments and it is very difficult effectively to check periods of employment and detect irregularities. In regard to sanitation, the ~~main~~ problem of satisfactory disposal of effluent still remains to be solved as progress in this direction depends on availability of building material and chemicals.

Accidents.- The total number of accidents during the year was 5,519 of which 45 were fatal, 760 serious and 4,716 minor. The report points out that the incidence of accidents per hundred workers in factories in the Province has increased from 1.6 in 1941 to 1.99 in 1945, and states that this can partly be attributed to better reporting, and partly to the spurts of industrial activity in the industrial concerns and the employment of new hands. Attempts continued to be made to get the larger factories to organize Works Safety Committees but no general increase in these was reported.

(The working of the Factories Act in U.P. during 1944 was reviewed at pages 17-18 of our report for January, 1946).

(Indian Labour Gazette, January, 1947).

Conditions of Labour in Motor Transport Services:  
Madras Government to appoint Court of Enquiry .

The Government of Madras has decided to appoint a Court of Enquiry to enquire into the conditions of labour in motor transport service, motor transport workshops, engineering firms and type foundries in the province. Announcing this, a Government press communique, dated 8-2-1947, states that the Commissioner of Labour, Madras, has reported that there is a good deal of agitation for increased wages, dearness allowance, bonus, leave facilities, etc., from the employees of motor transport services both in the City and in the ~~muff~~ mufassal and that there have also been representations and threats of strikes from workers employed in the workshops attached to transport services and other engineering firms and type foundries doing work similar to that done in the workshops attached to transport services. As the parties to the dispute are unable to arrive at an amicable settlement, the Commissioner has recommended the appointment of a Court of Enquiry under the Trade Disputes Act, 1929.

(Government of Madras, Public  
 (Information and Publicity Department,  
 Press Communiqué, dated 8-2-1947 ).

Labour Conditions in Plantations: Madras Government  
Considering Measures for Betterment.

In the Madras Legislative Assembly, on 10-2-1947, answering an interpellation relating to the conditions of life and work of plantation labour by Mr. R. Suryanarayana Rao, Mr. V.V. Giri, Minister for Labour and Industries, Government of Madras, stated that there were 3,764 plantations in Madras province and their acreage was 150,375. The number of labourers employed was 4,760 in 92 factories. The Factories Act and Maternity Benefit Act were applicable to plantation factories and the question of extending the Payment of Wages Act to the plantations was under consideration. A notification to that effect had been issued for public criticism. The principal methods of recruitment of labour in plantations in South India was through kanganies working as employers' agents, who were paid advances for securing necessary labour. The professional labour supplier as a recruiting agent was employed by coffee estates in Wynaad and other estates in Malabar. The United Planters' Association of South India ~~had~~ had established a Labour Department of its own. Though it was not directly concerned with the recruitment of labour, it registered labour suppliers and assisted in sending up labour. No department of Government ~~was~~ exercised any check on recruitment of labour by plantations.

Giving information on the action taken on the Rege Committee's recommendations in regard to plantation labour, Mr. Giri said that legislation for fixing minimum wages for labourers ~~is~~ is under the consideration of the Government of India. The questions of prohibition of employment of children by legislation and registering trade unions of plantation labourers are under consideration. With the extension of the Payment of Wages Act to plantations in which the maximum wage period is one month, it is expected that the kangani system will disappear. The question of housing industrial workers and other workers on a subsidised basis is under consideration of

the Government of India and the Government of Madras. Legislation by way of a Central Plantation Labour Code is under the consideration of the Government of India. The question of appointing labour welfare officers is under consideration of the provincial Government.

Referring to the recent plantation labour Conference (vide pages 5-7 of the report of this Office for January, 1947), he stated that the question of undertaking legislation for the grant of holidays with pay to workers on plantations and for the grant of maternity benefit and leave to women workers will be considered by the Government when the decisions of the Government of India on the conclusions arrived at by the Conference are known.

(The ~~Madras~~ Hindu, 11-2-1947).

Factories Act, 1954: Administration in Central Provinces and Berar during 1945.

During 1945 the number of factories registered under the Act, in the Central Provinces and Berar, increased from 1,208 to 1,217; the number of factories actually at work was 838 out of which 499 were non-seasonal and 339 seasonal. The average daily number of workers employed in the registered factories was 86,531 men, 22,029 women, 1,386 adolescents and 517 children, making a total of 110,263. The largest increase, namely, 2,299, was in oil mills which was due to new establishments being brought on the register, while the largest decrease, namely, 1,416 was recorded in the case of Textiles.

Living Conditions.— The report states that as regards sanitation there was general inefficiency in maintenance of latrines and urinals and that even a moderate standard of cleanliness was lacking. No large scale improvement could be effected in the sphere of industrial housing because of the general scarcity of building material. A large number of industrial concerns appointed their own Welfare Officers who were instrumental in establishing canteens, cheap grain shops, co-operative stores, etc.

Accidents.— The total number of accidents reported during the year was 2,950 of which 15 were fatal, 140 serious and 2,795 minor. This gives a rate of accidents of 2.67 per cent of the workers employed. The highest incidence of accidents, 13.3 per hundred employees, was reported by railway workshops ~~while the~~ while the lowest, 0.18 was in the printing presses. In textile factories the accident rate per hundred workers was 3.6.

(Indian Labour Gazette, January, 1947).

Factories Act, 1934: Administration in Madras  
during 1945.

The number of factories subject to the control of the Act was 3,217 at the end of 1945 of which 3,122 were working. Of the latter, 2,626 were non-seasonal and 496 seasonal. The average number of workers employed daily in the 2,779 factories which submitted information in time was 279,176 as compared to 265,602 in the previous year.

Accidents.- The total number of accidents reported during the year was 5,526 of which 50 were fatal, 1,448 serious and 4,028 minor. In textile mills and railway workshops a large number of accidents were due to the employment of a great number of unskilled workers who had not acquired the safety-first consciousness. An analysis of the causes of accidents shows that the largest number, namely 1,203, or 21.8 per cent of the total, was caused by falling weights, 691 or 12.5 per cent by machinery moved by mechanical power, 513 or 9.3 per cent by flying splinters; 1,360 or 24.6 per cent of the accidents have been classified as miscellaneous.

(The working of the Factories in Madras during 1944 was reviewed at pages 12-13 of our report for December 1945).

(The Indian Labour Gazette, January, 1947).

Board of Conciliation appointed for Colliery Labour  
Disputes: Miners' Conditions of Work to be reviewed.

The Coal Mines Wages Inquiry Committee appointed in December 1946 (vide page 12 of the report of this Office for December, 1946) could not for unavoidable reasons, commence its work, even by the first week of February 1947. Meanwhile, the situation in collieries in the Provinces of Bengal and Bihar deteriorated considerably and the breakdown in coal production had serious repercussions on other industries. The Government of India has, therefore, appointed a Board of Conciliation to enquire into all the labour disputes, existing or apprehended, in the coalfields situated in these Provinces. The Board, appointed in exercise of the powers conferred by section 3 of the Trade Disputes Act, 1929, consists of Mr. W. R. Purnik, retired Judge of the Nagpur High Court (Chairman); and Messrs. S. F. Tarlton, Dr. Kothor, P. C. Bose and Prof. Abdul Bari as members.

The disputes referred to the Board relate mainly to the following aspects of conditions of service: Revision of wages; Increase in dearness allowance; Payment of wages to contractors' labour; Hours of work; Recognition of workers' unions; Alleged non-payment of dearness allowance to quarry workers; Supply of clothing and foot-wear to coal miners; Provident fund benefits; Grant of loans to employees on easy terms; Leave with pay; Railway passes; Provision of houses for miners; Adequate water supply arrangements; Better medical facilities; Payment of benefits under Mines Maternity Benefit Act; and Educational facilities for children of employees.

(The Gazette of India Extraordinary, dated  
5-2-1947;  
The National Call, dated 7-2-1947).

ECONOMIC CONDITIONS.

Preliminary Negotiations on India's Sterling Balances  
concluded: Formal Discussions to start in April, 1947.

The Delegation from the United Kingdom, headed by Sir Wilfred Eady, for preliminary negotiations on India's Sterling Balances (vide page 15 of the report of this Office for December 1946), arrived in New Delhi on 29-1-1947. Informal departmental discussions continued till 5-2-1947, when the U.K. and Indian Delegations, consisting of officers of His Majesty's Treasury and the Bank of England on the one hand, and the Finance Department and the Reserve Bank of India on the other, met formally for preliminary negotiations.

These preliminary talks, of an entirely exploratory nature, continued till 15-2-1947. According to a Government press communiqué dated 15-2-1947, it is expected that the discussions will be resumed on a more formal basis towards the end of April, 1947.

Background of Sterling Debts Problem Suggested Methods of Settlement.-  
Under clause 10 of the Anglo-American Loan Agreement, settlements with the sterling area countries will be on the basis of dividing accumulated balances into three categories: (1) balances to be released at once and convertible into any currency for current transactions; (2) balances to be similarly released by instalments over a period of years beginning in 1951; and (3) balances to be adjusted as a contribution to the settlement of war and post-war indebtedness and in recognition of the benefits which the countries concerned might be expected to gain from such a settlement.

Total of Sterling Debts Rs. 16,050 million.- India's sterling balances at their peak in April, 1946 amounted to Rs. 17,310 million; they have since receded somewhat, but still reach the huge total of Rs. 16,050 million. It is generally assumed that the British Delegation raised the point that this mass of sterling was far from being an ordinary commercial debt, having been accumulated largely in the joint defence of India. The question of scaling down the total was then discussed, but the Indian delegation strongly opposed the suggestion.

India against Scaling down.- India's sterling balances are only part though the largest part of Britain's total external sterling liabilities, which amount to over £ 3,000 million. Facts and figures were made available to the Indian delegation in regard to Britain's future balance of payments as far as foreseeable and her general economic plight. In reply, the Indian delegation is understood to have dwelt on the circumstances in which India acquired creditor status and to have outlined her urgent needs of capital goods for reconstruction, modernization and expansion of industry and agriculture.

Budget of the Government of India, 1947-48.

The Budget of the Government of India for 1947-48 was presented in the Central Legislative Assembly on 28-2-1947 by Mr. Liaquat Ali Khan, Finance Member of the Interim Government. Fresh taxation to the extent of Rs. 397.5 million, falling mainly on industry, relief to the lower middle class by raising the minimum taxable income limit from Rs. 2,000 to Rs. 2,500 a year, abolition of the Salt tax, appointment of a Commission to investigate conditions in which vast wealth has accumulated in the hands of a few businessmen and provision of about Rs. 1,000 million for development schemes, mostly provincial, are the main features of the first Budget of the Interim Government. Among the taxation proposals are a ~~levy~~ of special income-tax of 25 per cent on business profits and professional and vocational incomes exceeding Rs. 100,000 a year, a tax on capital gains, doubling of the export duty on tea and increase of corporation tax from 1 anna to 2 annas. The Finance Member also announced the appointment of an Economy Committee, Government's decision to nationalise the Reserve Bank of India in due course and to bring in legislation for regulating stock exchanges. A sum of Rs. 173.5 million will be spent in subsidies for import of food grains.

Financial Position.- The following figures indicate the financial position in 1946-47, and the Budget estimates, at the existing level of taxation, for 1947-48.

In Millions of Rupees.

	1946-47	1946-47	1947-48
	Budget Estimates.	Revised Estimates	Budget Estimates
<u>Revenue</u>	3065.3	3361.9	2794.2
<u>Expenditure</u>			
<u>Defence</u>	2453.4	2381.1	1887.1
Civil	1102.1	1433.6	1391.7
Total	3555.5	3814.7	3278.8
<u>Deficit</u>	490.2	452.8	484.6

The Expenditure estimates do not take into account the expenditure which the Central Government may have to incur as the result of the recommendations of the Pay Commission. The decrease in the revised estimates of expenditure on Defence Services for 1946-47 is due mainly to the receipts accruing to India from the sale proceeds of American surplus stores as a result of the Washington Lend-Lease Agreement, and to an over-estimate in the budget of India's liability for stores. These factors were offset to some extent by heavier expenditure caused by the retardation of the rate of general demobilisation owing to internal disturbances in the country, and heavy arrear payments on account of Reciprocal Aid to the U.S.A. chiefly relating to the supply of raw materials and compensation for damage to tea gardens requisitioned for the U.S.A. forces.

The Deficit of Rs. 484.6 million for 1947-48 given above does not take into account the net loss of Rs. 82.5 million to revenues as a result of the abolition of the Salt Tax. The net deficit, taking into account on the debit side this loss and on the credit side the yield from fresh taxation, will be:

Deficit at the existing level of taxation.....	Rs. 484.6 million	
Deficit after abolition of Salt Tax.....	Rs. 567.1	"
Yield from Fresh Taxation.....	Rs. 397.5	"
Net Deficit.....	Rs. 169.6	"

Importance of Regional Planning.- Introducing the Budget, the Finance Member stated that it would be his particular endeavour to reduce, to the maximum extent possible, the glaring disparities that existed to-day between the incomes and standards of life of the wealthy classes and vast multitude of poverty-stricken masses of India, and to contribute to the best of his ability to the improvement of the economic conditions of the common man. 45

Emphasising the importance of regional planning in the economy of this sub-continent, he said that the fundamental object of all planning and development is to raise the standard of living of the masses. In order to ensure a uniform improvement in the standard of living, it is essential that all parts of the country, particularly the backward areas, should develop a sound and balanced economy. A balanced economy implies the co-ordinated development of the soil, water resources, electric power, agriculture, industry, health, education and trade and a just and equitable distribution of wealth. Such an economy can best be achieved if planning proceeds on a regional basis. The Indian sub-continent with its population of 400 million, which is one-fifth of the human race, and its area of nearly 160,000 square miles, is far too big to be treated as one unit for the purpose of planning. It is often urged in support of Central planning that it would avoid overlapping and waste of resources. In the present undeveloped state of the country this would appear to be an academic argument which hardly has any relation to facts. The India of today is in such a backward state of development that it might well take at least another generation before reaching a stage when she could talk of overlapping and waste of resources.

Economy Committee to be set up.- The Finance Member pointed out that a scrutiny in certain respects of the Central Government's expenditure for the purpose of conserving the country's resources for development would be useful. It might, for instance, be found that some of the establishments of the Government of India were susceptible of reduction, certain wartime activities which in the first instance were undertaken to meet specified wartime requirements might have escaped review even though the need for them might have ceased to exist, and lastly, it might also be necessary to see if the Central Government had undertaken any functions or activities which legitimately fall within the provincial sphere beyond what was necessary. Even though the Finance Department, in the course of its day to day working, conducts an examination of expenditure proposals keeping all these considerations in view, he felt that there might be advantages in an ad hoc review at this stage by a Committee which would examine the matter in its broad aspects and from a detached point of view. He proposed that an Economy Committee should be appointed for that purpose. The object of the Committee would not be to conduct a retrenchment campaign in the sense in which that expression is ordinarily understood, but to make sure that the resources of the Central Government were utilised to the fullest advantage of the community.

Nationalisation of the Reserve Bank of India.- The Finance Member said that he was convinced that the advantages of nationalisation outweigh any possible disadvantages. He had, therefore, come to the conclusion that the Reserve Bank should be nationalised; the time and manner of effecting the change being a matter for separate consideration in due course.

Control of Stock Exchanges.- The Finance Member pointed out that in recent years speculative activity had tended to increase, particularly on stock exchanges, with serious consequences to the banking system and credit structure of the country as a whole. Unbridled speculation had been a serious impediment to the growth of proper investment. The question of regulating Exchanges had been the subject of a special enquiry by the Economic Adviser to the Finance Department, and the view of Provincial Governments had also been elicited. He hoped to place before the House, after the necessary examination was completed, the measures that might be necessary in that behalf.

Social Justice: Income-tax Investigation Committee.- In India there were, on the one hand, a class of multi-millionaires rolling in wealth and holding the economy of the country in their grip by exploiting for their own profit the labour of the poorer classes, and, on the other hand, the vast multitudes who eke out, somehow or other, a miserable existence precariously near the starvation line. The conditions created by the last war served to accentuate these disparities; the rich became richer and the poor poorer. This meant the concentration of wealth in fewer and fewer hands and, inevitably, the use of that wealth for acquisition of business, companies, public utilities, and the press. A set of conditions in which the few were able to wield such vast power over the many could hardly be regarded as anything but a negation of the principles of social justice. Wealth should not be allowed to circulate only among the wealthy.

The first proposal, in this connection, was the setting up of a Commission to investigate that aspect of the great private accumulations of wealth in recent years which was concerned with direct taxation. He said an enormous amount of income was alleged to have escaped taxation either owing to deliberate evasion or to the inadequacy of the Income-tax Department or to both, and huge sums were said to have been made in black-market operations. The object of setting up a special Investigation Commission with full powers, therefore, would be to get to the bottom of the matter and to make recommendations to Government in regard to such action as might be found necessary.

Taxation Proposals.- Between the total estimated expenditure, both civil and defence, of Rs. 3278.8 million and the total estimated revenue, at the existing level of taxation of Rs. 2794.2 million, there was a gap of Rs. 484.6 million, which would be further enlarged by the withdrawal of the salt tax. This proposal would mean a loss of Rs. 92.5 million of revenue, to which must be added a further Rs. 10 million for refunds of duty on stocks. The expenditure on salt administration would be met by adjustment of the selling price of Government salt and of the cess on salt manufactured under licence, thus leaving a net loss of Rs. 82.5 million. The problem, the Finance Member, said was how to make up a total deficit of Rs. 567.1 million. He declared that he had decided that the greater part of that gap should be filled by direct taxation and his proposals for new or increased taxation were designed to yield Rs. 440 million, of which Rs. 40 million would go to the Provinces as their share. His taxation proposals were:

Abolition of Salt Tax.- In regard to the Salt Tax, the objections were well-known - the most valid being that it was laid upon a prime



necessity of life and that it was regressive, the poor man paying as much as the rich man and perhaps, if he was a manual worker, even more. On the other hand, the incidence on the individual consumer was light, while the annual yield in revenue amounted to more than Rs. 90 million. The excise duty on indigenous salt and the customs duty on imported salt would accordingly be withdrawn with effect from the 1-1-1947. Individuals would, however, be allowed to make or collect salt for their own purposes. In order to provide that as far as possible the full benefit of the remission of duty was passed on to the consumer, maximum wholesale and retail selling prices would be prescribed and failure to observe these maxima would be liable to penalty.

Income-Tax: Minimum Exemption Limit raised.- In the field of direct taxation, the Finance Member announced, the minimum income-tax exemption limit, which was Rs. 2,000, would be raised to Rs. 2,500. The cost of this relief to the lower middle class would be about Rs. 2.5 million.

Special Income-Tax of 25 per cent on Business Profits.- A special income-tax of 25 per cent of business profits exceeding Rs. 100,000 a year is to be levied. The proposed tax was very much more simple to operate and very much ~~fairer~~ fairer in its incidence than the Excess Profits Tax. It also embraced professions and vocations which were exempted from the Excess Profits Tax. To prevent hardship in the case of moderate incomes a limit of exemption of Rs. 100,000 has been fixed. The yield from the tax was estimated at Rs. 300 million for 1947-48.

Tax on Capital Gains.- Large capital gains had been made in recent years and were still being made owing to prevailing conditions. These profits were, as the law stood, outside the scope of the Income-tax Act. Describing these profits as "unearned income", he stated that his proposals distinguished between gains made from the disposal of capital assets held for two years and those held for more than two years. In the case of the former the usual rates of income-tax and super-tax would apply, while in the case of the latter super-tax would not be levied. This distinction, however, would not apply to companies as they ~~would~~ were not assessed to graduated rates of super-tax. The proposals further provided for ignoring profits and losses not exceeding Rs. 5,000 a year. The tax was expected to yield Rs. 35 million in 1947-48.

Other Taxation Proposals.- Other minor changes were also proposed in the corporation tax, present rates of super-tax, dividend tax and the existing export duty on tea.

(Further details regarding the Budget will be given in the report of this Office for March, 1947 ).

(The Gazette of India, Extraordinary, 28-2-1947;  
The Times of India, 1-3-1947 ).

Railway Budget for 1947-48: Railway Fares to be increased.

The Railway Budget of the Government of India for 1947-48 was presented to the Central Legislative Assembly on 17-2-1947 by Dr. John Matthai, Transport Member, Government of India. Among the more important features of the Budget are an increase by a surcharge of one anna in the rupee of existing passengers fares and slight adjustments in an upward direction of certain special and station-to-station goods rates "which have in the past been fixed at unduly low levels for various reasons which no longer operate". Another prominent feature is a works programme of Rs. 500 million, the largest on record, which provides, inter alia for the beginning of construction of the Kanchrapara Locomotive Manufacture Plant (vide page 72 of the report of this office for December 1946).

The following are the budget estimates figures for receipts and expenditures for ~~actuals~~ 1947-48:

1947-48

(Budget Estimates)

Gross Receipts .....	Rs. 1830 millions.
Gross Expenditure .....	Rs. 1355 "
Gross Surplus .....	Rs. 475 "

In this, the first Budget presented after the Interim Government took office, the demands for grants have been rationalised and rearranged to secure better legislative and treasury control of expenditure. The development of a new technique of financial control better suited to a commercial department like the Railways is foreshadowed and ways and means of improvement in the net earnings, ~~both by a reduction of new schemes likely to yield net gains,~~ are to be investigated by the Indian Railway Inquiry Committee, 1947, which will commence to function early in the budget year.

Points of interest to the office in the Railway Member's speech introducing the budget are briefly dealt with below:

Decline in Revenues apprehended: Passenger and Goods rates increased.  
Indian railways in 1947-48 are faced with the inevitable result of the changed economic and social conditions that have emerged in the aftermath of war—higher wages and higher costs of materials, stores and fuel, all aggregating to the continuance of a high level of operating expenses. On the other hand, the level of revenues has commenced to decline and it is not at present possible to foresee the level to which they may eventually recede. Government has, therefore, been compelled to raise the level of railway charges for both passenger and goods traffic by an increase of one anna in the rupee on the existing passenger fares from March 1, 1947 and slight adjustment in the upward direction of certain special and station-to-station goods rates. The adjustments in goods rates to be introduced from April 1 will be far too small to effect retail prices. They will never represent as much as one pie on a seer of foodgrains or on a yard of cloth (Re.1= annas 16=pies 192).

Rehabilitation of Railway Services.- During 1946-47, over a thousand train services have been reintroduced on the principal railways, giving an increased daily passenger train mileage of over 67,000. The present passenger train mileage is approximately 80 per cent of the pre-war figure. With the increase in the stock of goods wagons on the railways of India and the decrease in the load of military goods movement, it is hoped that goods services during the 1947-48 will be greatly improved. The 1947-48 Budget includes a provision of about Rs. 250 million for the construction of new lines and restoration of branches dismantled during the war and the programme of projects has been referred again to Provincial Governments for review.

Pay and Conditions of Work of Railway Employees.- The Transport Minister recapitulated the relations between ~~Government~~ Government and organized railway labour in the current year and recalled the strike notice ~~is~~ served by the All-India Railwaymen's Federation on 1-6-1946, and the negotiations after which it was rescinded on 21-6-1946. He spoke of the grant of interim relief to railway staff the reference of certain questions regarding hours of work, periodic rest and leave rules to an adjudicator and the embargo on retrenchment pending ~~the~~ his award. He pointed out that strikes, stoppages of work and "go slow" policies react detrimentally on the workers as well as on the country's economy and he gave a firm assurance that decisions on pay and conditions of service will be taken by the Government as rapidly as possible after the reports of the Pay Commission and the Adjudicator are received. He sounded a note of caution, however, that substantial increases in pay bills might involve substantial increases in freight rates which in turn react on commodity prices. The result may well be that the worker finds himself no better off and inflation has received a fillip. The greater the height reached by the inflationary spiral, the greater the subsequent retrocession and consequent suffering.

Coal Situation.- The coal situation has continued to cause anxiety. Considerable savings have been effected by the fuel economy campaign on railways. As a temporary measure increasing use is made of oil and other alternative fuels, and as regards long-term policy the introduction of lighter rolling stock and the electrification of 1,500 miles of railway are being investigated, while the development of diesel electric and other forms of traction is also under examination.

Central Transport Board.- A Central <sup>T</sup>ransport Board has been set up and is expected in due course to develop an integrated machinery to co-ordinate all forms of transport so as to provide the best possible service for the least real cost ~~to~~ to the community. A provision of Rs. 15 million is included in the Budget for investment in joint road-rail companies on the basis of decisions of the ministerial Governments in provinces.

(The Hindustan Times, 18-2-1947;  
The Times of India, 18-2-1947;  
The Bombay Chronicle, 18-2-1947).

Railway Budget for 1947-1948: Passed by  
Central Assembly.

Increase in Railway Fares and Freights opposed.- The Railway Budget for 1947-48 was discussed in the Central Legislative Assembly on 20-2-1947. A number of members criticised the Budget, particularly the proposed enhancement of fares and freight rates, and demanded better amenities for travellers, particularly for third class passengers.

Replying to the debate, Dr. John Matthai, Transport Member, declared that he was impressed by the demand made for amenities for third class passengers and assured the House that this matter was one of constant anxiety for him and his Department. He hoped soon to take steps to relieve overcrowding by increasing the accommodation for third class passengers. Defending the proposal to increase fares, he pointed out that higher costs were an inescapable concomitant of the programme of nationalisation.

Railway Administration Policy criticised:- During the course of the discussion on the Budget, Mr. Frank Anthony stated that there was bitter unrest and sullen non-co-operation among railway employees and he strongly pleaded for a reorientation, which he thought was long overdue, in the psychological approach of the administration, so that the legacy of authoritarian tradition inherited from the old company-managed railways might be thrown aside and the employees might be made to feel that the administration was not composed of tyrants. He joined in the complaint against overwork on some railways on which men were compelled to work up to 32 hours continuously under the omnibus excuse that war conditions required it.

Demand for Indianisation of Railway Board.- A number of token cut motions urging revision of railway rates and fares, reorganisation of railway administration and Indianisation of the Railway Board and economy cuts in working expenses were discussed, on 22-2-1947 in the Central Assembly, but were withdrawn after assurances from the Transport Member. Speaking on the proposal for speeding up the process of nationalisation, the Transport Member pointed out that Government had laid down that there should be no further recruitment of non-Indians into Indian services except in special cases and that with the approval of the Home Department of the Government of India. As far as the railways were concerned, there had been no recruitment of non-Indians for various reasons since 1941. He made it clear that it was Government's future policy that there would be no further recruitment of non-nationals, but non-nationals who were already in service and who, on grounds of seniority and merits and the actual record of their work on behalf of the Government, were eligible for preferment or promotion would not be kept out merely on racial grounds. He stated that if by some kind of reorganization it would be possible to introduce the personal human touch into the railways, he for one would warmly welcome it. He pointed out that there was an organisation actually in being on some of Indian railways for dealing with that problem, particularly from the point of view of training up a corps of railway officials who would have the necessary skill and experience and outlook for dealing with those human problems. There are arrangements for training some of Indian officers for that purpose in Calcutta University. The Transport Member wanted to have that idea further encouraged.

Interim Settlement between Railway Board and All-India Railwaymen's Federation.— Mr. N.M. Joshi (Nominated, Labour) moved a cut to discuss "the failure of the Railway Board ~~to~~ to implement the interim settlement with the All-India Railwaymen's Federation", (vide pages 43-45 of the report of this Office for May, 1946). He said that about 60,000 casual labourers had not been given the benefit of interim relief of Rs. 4-8. It was contended on behalf of the administration that these labourers were paid at market rates but his information was that this was not so. Another "failure" was that those who retired from railway service in August, 1946, were not given the benefit of the relief, which was to be given retrospective effect from 1-7-1945. He contended that the hours convention passed by the International Labour Conference, held in Washington in 1919, had not yet been applied fully to all the railways. Supporting the cut, Miss Maniben Kara (Nominated, Labour) urged that the existing classifications of railwaymen in regard to hours of work and leave should be abolished and all employees placed on the same level.

Mr. Z.H. Khan, replying for the Government, said that casual labourers were engaged for a specific work and their employment terminated with the cessation of that work. They were given wages at the scheduled market rates as distinct from the fixed scales in regular establishments. ~~The wages~~ The wages paid to casual labourers took into account the cost of living and, so far as the railways were aware, they were generally higher than those paid to similar whole-time staff. Interim relief was never intended to be given to men who had retired from service. There were real practical difficulties in tracing men who had retired. He pointed out that the question of hours of work and leave was under reference to the Adjudicator.

Transport Member's Assurances.— Replying to Mr. Joshi's cut motion, Dr. Matthal said that he was not concerned at all in the negotiations that took place in 1946 but he was satisfied that in all the decisions the Railway Board had come to they were not in the least actuated by any desire to back out of the engagements which they reached with the All-India Railwaymen's Federation. The Government was anxious that ~~its~~ its relations with the labour should be placed on a really satisfactory footing and Government would take every step necessary towards that purpose.

Mr. Joshi's cut motion was rejected. The Assembly passed the remaining grants, and the Budget was passed.

(The Hindustan Times, 21, 23, 26 and 27-2-1947).

Nationalisation of Air Transport in India:  
Civil Aviation Conference, New Delhi,  
1-2-1947.

With a view to obtain the views of different interests and bodies on the nationalisation of air transport in India, the setting up of an All-India Civil Aviation Board and the development of flying clubs in India, a Civil Aviation Conference, convened by Sardar Abdur Rab Nishtar, Communications Member in the Interim Government, was held on 1-2-1947 at New Delhi. The Conference was attended by representatives of the Central, Provincial and States Governments, commerce and industry.

The discussions at the Conference showed some divergences of opinion among the representatives on the main issue of nationalisation; the Government's decisions will be announced later.

Progress of Civil Aviation: Review by Communications Member.- Mr. Nishtar, Communications Member, in his address to the Conference, reviewed at length the progress of civil aviation in India, referred to recent international aviation agreements to which <sup>India</sup> had become a party, and discussed the arguments for and against ~~of~~ nationalisation. The main points made in the speech are briefly noticed below:

Civil Aviation Conferences.- On two previous occasions representatives of provincial and States Governments and the public have been called into counsel to consider the problems of post-war civil aviation. In April, 1944, the first meeting of the Policy Committee for Posts and Air considered plans for the development of internal air transport and the programme of aerodromes and air route construction. In January, 1946, the committee met again (vide pages 74-75 of the report of this Office for January, 1946) to consider plans for the development of external air transport, training and education, ~~and~~ the aeronautical radio service and other proposals relating to the general organisation of civil aviation, including a proposal for the establishment of an all-India air board.

Progress made by 1946: 15 Air Routes and 11,600 Air Route Mileage.- In 1945, the civil companies, operating air services for Government, operated a total of 2 million capacity ton miles in the year. In January, 1946, the scale of operations established on a commercial basis was equivalent to an operation of 4 million capacity ton miles a year. In December, 1946, the operations were on a scale of providing 15 million ton miles of transport in the year. At the end of 1946, 15 air routes were in operation with a total air route mileage of 11,600 miles.

The post-war plan provided, in the initial stage of development, for 11,000 miles of air route and a total transport operation of 17 million ton miles a year. While two or three of the planned main routes remain to be brought into operation, several subsidiary routes have been established with provincial or State assistance. The services on some routes are not yet operated on a daily frequency, but on some of the more important routes, such as Bombay-Karachi, Bombay-Delhi and Delhi-Calcutta, there are services twice a day. The net result is that during the year 1946 a substantial part of the planned initial development of air transport has been put into operation.

Growth of Traffic: 1,04,000 Passengers in 1946.- The growth of traffic has been even more remarkable. In 1945 the civil operators carried a total of 22,000 passengers, in 1946, 1,04,000, ~~xxxx~~ i.e., almost a five-fold increase. The air services were operated at the high average load factor of 76 per cent on all operations throughout 1946. The traffic prospects, as revealed by the traffic returns for 1946, have completely changed the financial and other aspects of the earlier plans.

Capital Investment: Rs. 420 Million by 22 Air Transport Companies.- There are at present 22 companies with an authorized capital of Rs. 420 million, registered in India, for the purpose of operating air transport. Seven others, with a capital of approximately Rs. 130 million, are contemplated. Of the authorized capital, Government have only sanctioned the issue of Rs. 97 million. Five of these companies only are in actual operation today. In the Post-war Plan, prepared about two years ago, it was estimated that not more than four air transport companies could be maintained initially on the operation of the major air services in India. The Air Transport Licensing Board (vide page 50 of the report of this office for June, 1946) has issued provisional licences to five companies only, to operate the air services already ~~referred~~ referred to. The Board has been engaged in a very heavy programme of preliminary investigation. During the current financial year, 1946-47, India has re-established the pre-war flying clubs with financial assistance from the Centre on a scale which permits ~~the sale of~~ flying at the low rate of Rs. 15 per hour. Over 400 pilots are now under training in India's flying clubs.

Evils of Private Enterprise: Need for Rigid Control.- The evils of private enterprise are already manifesting themselves in the matter of (a) dispersal and, therefore, dissipation of the limited supply of trained and qualified technical staff; (b) dispersal of the limited supply of aircraft and engine spares; (c) the multiplication of overhead establishment and other charges; (d) over-capitalisation, involving inefficient and inadequate use of equipment, including aircraft, spare parts, workshops, tools, etc. If, therefore, the country permits private enterprise to continue to operate in this sphere, private enterprise will have to submit to a system of very close control over its activities in the interests of the country at large; and the authorities charged with the regulation of air transport will have to carry out their duties with a ruthless disregard for the interests of the individual. Concluding his exposition of the position with regard to nationalisation, he said that it was not a question of whether air transport should be nationalised or whether it should be left to private enterprise, the choice lay between nationalisation and rigidly controlled private enterprise. He said he had never concealed his preference for nationalisation, but he would take decisions on the merits of the case and not on principles and dogmas.

India and International Air Agreements.- In the field of international aviation, Government has denounced the Paris Convention and decided to ratify the new International Convention on Civil Aviation signed at Chicago in 1944, which replaces the Paris Convention. The position regarding air transport services between countries, however, remains the same. They depend on bilateral agreement between them, as the Chicago Conference failed to evolve a multilateral agreement. India has already concluded such a bilateral agreement with the United States of America, the Netherlands' Delegation was recently in India to negotiate an air agreement and negotiations with the United Kingdom for a bilateral agreement are likely to be started. With the neighbouring countries of Afghanistan, Persia, China, Burma, and Ceylon, India soon hopes to conclude similar agreements. The one basis of all these agreements is complete reciprocity in rights given. The post-war plans were based on the assumption that the technical

resources of the country would first have to be applied to the development of internal services. But the development has been quicker than expected and India has reached the stage when she should embark on a bold programme of establishing her own external services.

(The Statesman, 2-2-1947).

Rubber (Production and Marketing) Bill, 1947:  
Referred to a Select Committee.

The government of India gazetted on 9-1-1947 the Rubber (Production and Marketing) Bill, 1947, which extends to the whole of British India. The Statement of Objects and Reasons, appended to the Bill, points out that during the years immediately preceding the war, the rubber industry had to face difficult problems arising out of overproduction. With the occupation of the Dutch East Indies and Malaya by Japan, however, rubber became a scarce commodity and the Indian Rubber Production Board was set up in 1942 (vide pages 36-37 of the report of this Office for October, 1942) with the object of encouraging and ensuring increased production of rubber by all possible means. The Rubber Control and Production Order, 1946 (which repealed the old Order of 1942 on the termination of the purchase of rubber by Government) expired on 30-9-1946. The rubber industry is anxious about its future and any continuation of the present uncertainty will tend to reduce production. A recent source of difficulty to the producers of natural rubber will be the "synthetic" variety. It is in the national interests to ensure the production of natural rubber in this country.

At a conference representing all interests held recently to consider this matter, it was held by an overwhelming majority that on the termination of the Rubber Control and Production Order, a statutory organisation should be set up to look after the interests of the rubber producers in India. Its functions inter alia will be to take steps for the efficient marketing of Indian rubber, advise Government on imports and exports, recommend fair prices, promote research and, in short, do all such other things as may be necessary for the development of the industry. The proposed Bill has been designed to achieve this object.

The Bill was introduced in the Central Assembly on 3-2-1947 and after discussion was referred to a Select Committee on 5-2-1947. In the course of the debate, Mr. N.M. Joshi (nominated, labour) urged that adequate representation to labour should be given on the Board.

(The Hindustan Times, 6-2-1947;  
The Gazette of India, dated 11-1-1947,  
Part V, pages 1-11, L-A. Bill No. I of 1947).



Increase in Cotton Acreage and Abolition of Export Duty  
urged: Half-Yearly Meeting of Indian Central Cotton  
Committee, Bombay.

Important matters relating to Indian cotton were discussed at the half-yearly meeting of the Indian Central Cotton Committee held at Bombay from 27-1-1947 to 1-2-1947, with Sir Datar Singh, President of the Committee and Vice-President of the Imperial Council of Agricultural Research, in the chair.

Increase in Cotton Acreage urged.- The subject of the acreage that should be sown under cotton in the ensuing 1947-48 season, with particular reference to the food position in the country as well as the present acute shortage of cotton seed, was, in the first instance, considered by the Planning Sub-Committee. At the meeting of the main Committee, it was unanimously agreed that, provided the food position in the country permits, the Committee should press for an increase in the cotton area for the 1947-48 season.

Abolition of Export Duty.- A resolution, moved by Mr. R.G. Saraiya, requesting the Government of India to assure that the export duty on cotton would be abolished as soon as it tended to act as a handicap to the export of Indian cotton was unanimously passed. The resolution also urged Government to abolish forthwith the duty on cotton of which there was a surplus in the country and for which there were alternative sources of supply. During the discussion of the resolution several members drew the attention of Government to the tendency for the narrowing of the disparity between Indian and world cotton prices and suggested that the proceeds of the duty collected should be placed at the disposal of the Committee for financing measures beneficial to the Indian cotton grower.

Low Ceiling Price for Indian Cotton condemned.- While reviewing the position regarding the introduction of legislation to prohibit the mixing of cotton in India, it was unanimously agreed that the Government of India should be informed that, in the opinion of the Committee, Government's present cotton ~~policy~~ policy - particularly as regards the fixation of the ceiling price of desi (indigenous) cotton at a low level - was encouraging the malpractice of mixing of short with medium and long staple cottons. It was the considered view of the Committee that unless immediate steps are taken to remedy this position, irretrievable damage might result to the purity of the new and improved types of cotton and all the skill, money and labour spent on their improvement and extension over a number of years be wasted.

Need for increasing Purchasing Power of Cotton Growers.- The Committee, in reviewing the work done on cotton in the various provinces and States, unanimously agreed that the standards of living of cotton growers are largely determined by their purchasing power and that their purchasing power can be considerably improved by increasing the productivity of their lands and by improving the quality of their produce. Several non-official members of the Committee explained the cotton growers' view point and pointed out that cotton was a food crop in the sense that cotton seed was essential for feeding cattle and that the diversion of cotton acreage to food crops had not achieved the desired objective. The Committee, therefore, approved of the appointment of a Special Sub-Committee to examine the present measures adopted to attain these ends and make recommendations as to the nature ~~of~~ and scope of those activities which will best serve to hasten the tempo of development.

Regional Cotton Research Stations.- The Committee also considered the desirability of establishing regional cotton research stations in India so located as to serve the interests of each major cotton growing region. In its opinion there was need for closer co-ordination of the work within each tract and also for greater specialisation in investigations of local cotton problems. Team work was essential in the investigation of problems concerned with plant breeding, cotton genetics, agronomy, crop rotations and plant diseases between suitably qualified scientists in charge of each of these subjects at each station. The committee recommended that at least six regional cotton research stations with a full complement of scientific sections, including a micro-spinning unit, should be established.

To improve cotton yields in India, the Committee, as a short range programme, recommended that early steps should be taken (1) to undertake desirable extension schemes for the application of the economic results of research to the cotton crop and (2) to undertake desirable research schemes on the agronomic aspects of cotton cultivation, especially crop rotation.

The Committee also considered the recommendations contained in the reports of the various Sub-Committees such as the Agricultural Research Sub-Committee, the Cotton Forecast Sub-Committee and the Cotton Ginning and Pressing Factories Sub-Committee and practically approved of them.

(The Times of India, 1 and 3-2-1947; Press Note ~~xxxx~~ dated 5-2-1947, issued by the Indian Central Cotton Committee ).

Indian Trade Mission to Middle East.

The Government of India has decided to send a trade delegation to the Middle East. The purpose of the Mission will be to make a brief survey of trade in these countries with special reference to their trade with India, particularly their potentialities as markets for Indian goods and manufactures, and to suggest ways and means for the rehabilitation and development of Indian trade with these countries.

The Mission, consisting of Mr. M.A.H. Isphani (Leader), Mr. Ebrahim Yusuf Zainal Alireza (Adviser), Mr. H. Ayub (Secretary), and Mr. Haridas Laljee, Jaji Damood Bhoy Habib and Mr. C.C. Javeri (Members), is expected to leave India in the first week of March, 1947, and will visit Iran, Iraq, Turkey, Syria, Lebanon, Egypt, the Sudan and the Hedjaz.

('Vanguard', dated 22-2-1947).

The C.P. and Berar Sales Tax Bill, 1947:  
Introduced in Legislative Assembly.

On 24-2-1947, the C.P. and Berar Sales Tax Bill, 1947, was introduced in the Central Provinces and Berar Legislative Assembly by the Finance Minister, Mr. D.K. Mehta.

The Statement ~~and~~ of Objects and Reasons, appended to the Bill, points out that it is considered necessary to impose a measure of taxation to offset loss of revenue on account of introduction of prohibition and to meet commitments ~~for~~ made for post-war development plans. The Statement further emphasises that the proceeds from the tax will be used mainly for improving amenities including sanitation, in urban areas on which the incidence of the tax will largely fall. The tax is proposed to be levied at the rate of 6 pies in the rupee on the taxable turnover. For luxury articles, such as silk, jewellery, perfumery, gramophones, radio sets, cameras, glassware, carpets, etc., the rate will be 12 pies in the rupee; and essential articles used by rich and poor like food stuffs (food grains, meat, milk, salt, etc.), firewood, agricultural implements, school text books and accessories, cooked food in hotels, newspapers, etc., will be totally ~~exempt~~ exempt from the tax.

(The Central Provinces and Berar Gazette,  
Extraordinary, dated 24-2-1947; pages 49-58;  
' Dawn ', dated 26-2-1947 ).

Commodities Prices Board set up: Move to reduce  
Cost of Living.

The Government of India has set up a Commodities Prices Board—a semi-official judicial independent body to be attached to the Finance Department—in the first instance, for a period of 3 years. The Board, <sup>which</sup> will consist of Mr. A.D. Gorwala, I.C.S. (President), Mr. S.I. Haque, I.C.S. (Secretary), Prof. D.R. Gadgil (Member) and another whose name has not yet been announced, has been constituted to fix the prices of commodities under Central or Provincial control and to determine whether any new commodity should be subjected to control and price fixation. The headquarters of the Board will be at New Delhi.

Terms of Reference.— The terms of reference of the Board will be as follows: (a) At the request of the Central Government, to advise, in the light of all relevant matters and of such conditions as may be specified, what prices, or price limits, should be fixed for commodities the price of which is controlled by the Central Government or by a provincial Government; (b) to keep under constant review the movements of commodity prices in India so as, whether at the request of the Central Government or of its own volition, to advise the Central Government whether the price of any commodity not controlled should be controlled, and, if so, what prices, or price limit, should be fixed for that commodity.

The ~~first~~ first list of commodities that will be referred to the new body will comprise food, cotton and cloth.

Announcing the decision to set up the Board, a Government resolution, dated 6-2-1947, states: Government has for some time been conscious of the paramount importance in view of the present economic situation in the country, of the particular price levels chosen for those commodities the

prices of which are fixed under statutory powers. It is essential to maintain a reasonable relationship between the prices of cash crops and the prices of foodgrains, on the one hand, and between agricultural prices and industrial prices, on the other, if producers and consumers alike are not to be put under a constant sense of grievance and agrarian and industrial unrest is to be prevented. In this difficult task of fixing prices, Government feels that it will be greatly assisted by the advice of a body of experts, charged with the special duty of maintaining a continuous review over the prices of all commodities and of advising Government what prices, or price levels, to fix for controlled commodities so that the best interests of the community may be ~~best~~ served.

(The Gazette of India, Extraordinary,  
dated 7-2-1947;  
The Times of India, dated 7-2-1947 ).

The Sind Sales Tax Bill, 1947, gazetted.

The Government of Sind has gazetted on 15-2-1947 the Sind Sales Tax Bill, 1947. The Statement of Objects and Reasons, appended to the Bill, points out that the object of the Bill is to levy a tax of half an anna in the rupee on the turnover of all registered dealers, whose annual turnover exceeds Rs. 5,000. It is proposed to completely exempt certain articles consisting mainly of necessities of the poorest classes—agricultural implements, school text-books, etc., and goods already taxed under other enactments.

In broad outline the Bill follows the provisions of the Bihar Sales Tax Act. While the standard rate is half an anna, Government is empowered to raise the rate to a maximum of two annas on such goods as it may notify from time to time; this provision is designed to ~~enable~~ make consumers of luxury goods pay more. The tax is intended to assist in raising the funds required for Post-War Development plans, these plans involve very large sums: Rs. 3 million annually for agriculture, Rs. 2.5 million for education, Rs. 2 million for medical and public health and nearly Rs. 8 million for roads; such large recurring commitments can only be financed from new resources.

Sales Taxes are already in operation in one form or other in the Provinces of Madras, the Punjab, Bengal, Bihar, and Bombay.

(The Sind Government Gazette, dated  
15-2-1947, Part IV, Bill No. XVIII of  
1947, pages 143-160).

United Academy of Sciences for India:  
Scientific Consultative Committee's  
Decision.

The first meeting of the expanded Scientific Consultative Committee (vide page 16 of the report of this Office for December, 1946) was held at New Delhi on 9-2-1947, under the presidentship of Mr. C. Rajagopalachari, Member for Industries and Supplies in the Interim Government. The meeting was attended, among others, by Sir C.V. Raman, Sir S.S. Bhatnagar, Sir John Sargent, Education Adviser to the Government of India, Sir K.S. Krishnan, Sir J.C. Joshi, Prof. Birbal Sahni, and Dr. Bhabha.

United Academy of Sciences.— When the subject of providing scientific and research machinery for the whole of India was discussed, several speakers pointed out that the existence of three separate scientific Academies in India—the National Institute of Sciences at Delhi, the Indian Academy of Sciences at Bangalore and the National Academy of Sciences at Allahabad—was creating a bottleneck in India's scientific progress. It was, therefore, agreed that attempts should be made immediately to remove the separate existence of these Academies and that there should be one United Academy for the whole of India. It was, however, decided that the three Academies ~~may~~ continue as branches of the proposed United Academy of Sciences of India.

Explaining the far-reaching effects that this development is likely to have on the progress of science in India, Sir C.V. Raman said it was obvious that United Academy would go a long way in enabling Indian scientists to stand on their own feet, rather than be constantly looking to the Royal Society in London for inspiration and guidance. The Royal Society today, in spite of its distinguished past, was unfortunately tending to become more of a political than a purely scientific body. Some of the officials of the ~~Royal~~ Royal Society seemed to be more interested in maintaining the British connection with India than in any purely scientific research.

(The Hindustan Times, 10 and 11-2-1947).

State to Control Motor Transport in Delhi:  
Transport Member's Proposal.

Dr. John Matthai, Transport Member in the Interim Government, replying to Sardar Mangal Singh in the Central Assembly on 7-2-1947, said that it was proposed that the management of road motor transport in the urban and suburban areas of Delhi should be entrusted to a company or other concern owned by Government or in which Government would have a controlling interest. For the present, Government proposed to take over tramways at an early date. A connected question, namely whether tram and bus services should be amalgamated and on what footing they should be amalgamated were matters still under consideration of Government.

(The Hindustan Times, 8-2-1947).

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Nationalisation of Transport Services: N.-W.F.P.  
Government's Scheme.

Road transport services in the ~~Northwest~~ North-West Frontier Province are to be nationalised; the process will be spread over a number of years. As a beginning, the Government is purchasing 50 buses which are expected to be on the roads before the end of April, 1947. With these, a skeleton bus service will be run on the province's main routes.

(The Statesman, 14-2-1947).

Nationalisation of Bus Services: Motor Vehicles  
(Amendment) Bill, 1947 passed by Bombay Legislative  
Assembly.

A preliminary step in the direction of nationalisation of motor bus services in rural areas of the Bombay Province was taken by the Bombay Government on 25-2-1947, when Mr. Morarji Desai, Home Minister, moved in the Bombay Legislative Assembly the first reading of a Bill to amend the Motor Vehicles Act, 1939, in its application to the Province (vide pages 29-30 of the report of this Office for January, 1947). The effect of the amending Bill, gazetted on 12-2-1947 by Government, will be to permit the Government, or a Municipality or a local body so authorised by Government, to operate transport services for hire and profit and to eliminate private operators completely.

All three readings of the Bill were passed by the Assembly on 27-2-1947.

(The Bombay Government Gazette, dated  
12-2-1947, Part V, L.A. Bill No. XIX of  
1947, pages 94-97;  
The Times of India, dated 26 and 28-2-1947).

Nationalisation of Motor Transport in Madras:  
Private Companies' Views.

Madras

The Cabinet Committee on Nationalisation of Motor Transport (vide page 20 of the report of this Office for November, 1946) conferred with the representatives of the motor transport operators in Madras province on 27-1-1947, and invited their views on the various issues connected with the problem, such as the procedure to be followed, the period to be allowed before which nationalisation could be completed and payment of compensation.

Mr. T. Chengalvarayan, representing the Madras Provincial Motor Unions Congress, speaking on behalf of a number of operators belonging mostly to the districts, pointed out that the transport business had just emerged from difficult conditions brought about by the war and the present was not the time when it should be driven out of existence. Sufficient time should be ~~allowed~~ given to the operators to rehabilitate their position and also to make adjustments in the light of the proposed nationalisation. An interval of five years between now and nationalisation might not be considered too much to allow in the circumstances. In the meantime, the operators would suggest, the Government might run their own transport on new routes or where additional facilities were needed by the public, and gain knowledge and experience in the transport business. If, on the other hand, the scheme of nationalisation, could not be definitely postponed for five years it could be worked out on a progressive scale, taking over twenty per cent of the operating units each year and completing nationalisation at the end of the five-year period. Meanwhile, new permits for small operators should not be issued.

(The Hindu, dated 28-1-1947).

Textile Industry.

Rs. 5 Million Textile Research Institute for  
India: Cotton Textile Fund Committee's Decision.

The Cotton Textiles Fund Committee has decided to set up an up-to-date textiles research institute in India at an estimated cost of approximately Rs. 5 million. The institute, which will be run by the Committee under the aegis of the Government of India, will carry on both fundamental and applied research in all branches of the textile industry. In the initial stages, however, emphasis will be laid on the development of the technique of mechanical processing of cotton and allied ~~fibres~~ fibres.

(The Times of India, 10-2-1947).



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EMPLOYMENT, UNEMPLOYMENT AND VOCATIONAL TRAINING.

Training of Teachers for Technical and Vocational Schools:  
Instructors' Institute set up by Labour Department.

The Labour Department of the Government of India has drawn up a scheme for training experienced technicians to become efficient instructors in their own trades. No such institution exists in India at present and the instructors working in the various technical and vocational schools in the country are not trained men.

The scheme will entail an initial expenditure of Rs. 700,000. The Instructors' Institute will be located in Delhi and is expected to train between 500 and 600 instructors each year. For the first year or so, the instructors trained under this scheme, will be absorbed by the Labour Department in its own technical and vocational institutes. Thereafter, it is proposed to extend to the provinces, the Indian States, and later on, private industry the right to send their technicians for training as instructors. Instructors at the Institute will be trained not only in engineering and building trades, but also in vocational trades.

(The Hindustan Times, 16-2-1947).

Rs. 120 Million Plan for Four Technical Institutions:  
Annual output of 4000 Engineers envisaged by 1951.

Immediate steps to put into operation the Government of India's decision to establish the Eastern and Western Higher Technical Institutions—two of a series of four—to ensure an adequate supply of high grade technical personnel required for post-war industrial development were envisaged by the Co-ordination Committee of the All-India Council for Technical Education, which met in New Delhi in the second week of February 1947, under the chairmanship of Mr. Nalini Ranjan Sarker. The sites provisionally selected for these two institutions in the neighbourhood of Calcutta and Bombay, respectively, were approved.

The establishment of four such Higher Technical Institutions, one each in the East, West, South and North of India, was recommended by the Sarker Committee, set up in 1945, and this recommendation was later endorsed by the All-India Council for Technical Education, which has been set up to advise the Government on matters relating to higher technical education (vide page 22 of this office's May 1946 report).

Each of these institutions is expected to cost Rs. 30.5 million <sup>by way of</sup> capital expenditure and about Rs. 4.4 million recurring, and will provide facilities for instruction for about 2,000 under-graduates and 1,000 post-graduates and research students. The main subjects that will be taught in these institutions are Electrical, Mechanical and Aeronautical Engineering, Civil and Sanitary Engineering, Chemical Engineering, Architecture and Town and Regional Planning, Marine Engineering, Textile Technology, Metallurgy, Meteorology, Geology and Geophysics. These institutions will also provide wide facilities for training men for ~~fundamental and~~ industrial researches in engineering and technological subjects.

The post-graduate classes in these institutions will commence as soon as possible to meet the present shortage of high grade engineers and technologists. It is estimated that for the successful execution of India's post-war plans, the educational facilities should be so developed by the year 1951 as to ensure an annual output of about 4,000 engineers, whereas, the existing supply is estimated to be somewhat less than 1,500. This target figure will be attained when all the four higher technical institutions are established.

(The Hindustan Times, 10-2-1947).

AGRICULTURE.Principle of Abolition of Zamindari System:  
Motion Accepted by Madras Council.

On 3-2-1947, the Madras Legislative Council adopted a resolution moved by the Revenue Minister, Mr. K.R. Karanth, accepting the principle of the abolition of the Zamindari system. The resolution recommends to the Government that legislation to achieve this object, providing for payment of equitable compensation to zamindars and other intermediaries whose rights are to be acquired, be brought forward at an early date.

Moving the resolution, Mr. Karanth, the Revenue Minister, explained how the Zamindari system came into existence in this country and said that the peishkush was fixed somewhere about two-thirds of the revenue derived by the Zamindars. While Peishkush remained constant, the Zamindars went on increasing rents from time to time and this was sought to be stopped by the Land Recovery Act of 1865. Even that proved futile and in 1908 what was called the Madras Estates Land Act was passed. This Act secured ~~permanently~~ permanency of tenancy, but did not give any relief to the cultivators in respect of rents. So when the Congress accepted office in 1937, the Prakasam Committee was appointed and a report of this Committee was submitted to both the Houses. The Government were directed to bring in legislation on the lines of the report, but in the meanwhile the Ministry went out of office. Mr. Karanth drew the attention of the House to the recommendation of the Flood Commission on the abolition of Zamindaris in Bengal and pointed out that the Famine Commission of ~~1945~~ or 1944 had also gone into this question. The Congress had in its election manifesto last year made it clear that the land system would be altered. This was an advance over the 1937 Manifesto which spoke only in terms of reducing rent or revenue. The Working Committee of the Congress had also framed proposals for the abolition of Zamindaris by payment of equitable compensation. In pursuance of these proposals, the Congress ~~Ministers~~ Ministers in Bihar, the United Provinces and the Central Provinces and Berar had approved motions on the lines of the one before the House. The Zamindari system had outgrown its usefulness and it must be abolished. The system touched every aspect of the tenants' life and ~~that~~ at every turn the ryot population was being rack-rented.

(The Hindu, dated 1 and 4-2-1947).

Agrarian Problems in Cochin State: Enquiry Committee  
appointed.

The Government of Cochin has appointed a committee to study agrarian problems in the State and recommend the lines on which legislation, if necessary, should be enacted. Among the specific points, referred to the committee are: the economic conditions of agriculturists; tenancy laws; effect of fragmentation of holdings; rack-renting; fixation of fair rent; alienation of agricultural lands to non-agriculturists; the place of the cooperative movement in rendering help to agriculture; and the steps to be taken to make agriculture a paying profession.

(The Eastern Economist, 14-2-1947, page 339).

Bombay Agricultural Debtors Relief Bill, 1947,  
Gazetted: Debt Adjustment Boards to be replaced  
by Civil Judges.

On 12-2-1947, the Government of Bombay gazetted the Bombay Agricultural Debtors Relief Bill, 1947. The Statement of Objects and Reasons, appended to the Bill, points out that the Bombay Agricultural Debtors Relief Act was passed in 1939. It was introduced in one or two selected talukas of eight districts in 1942 and in half the Province in 1945. Government extended it throughout the Province with effect from 1-2-1947. Debt Adjustment Boards established in 1942 were manned by retired officers such as Sub-Judges and Deputy Collectors. The chairmen of Boards established in 1945 were recruited through the Bombay Sind Public Service Commission from practising pleaders. Experience has shown that the present procedure is not satisfactory. The Bill repeals the 1939 Act, dissolves all existing ~~boards, and in addition~~ Boards; instead, Civil Judges, in addition to their ~~other~~ other duties, are entrusted with the duty of administering the Act.

(The Bombay Government Gazette, 12-2-1947  
Part V, pages 43-66 ) .

The Bengal Bargadars Temporary Regulation Bill, 1947,  
Gazetted: Apportionment of More Equitable Share of  
Produce to Cultivator.

On 22-1-1947, the Government of Bengal gazetted the Bengal Bargadars Temporary Regulation Bill, 1947. In the Statement of Objects and Reasons, appended to the Bill, it is pointed out that the question of regulating the barga system of cultivation, which plays a large part in the agricultural economy of Bengal province, has been engaging the attention of the local government for some time. The Land Revenue Commission also had discussed the problem in detail and made certain recommendations in the matter. Pending a more comprehensive measure which Government proposes to provide in the Bill for acquisition by the State of rent receiving interests, it is considered expedient to have temporary legislation enacted for the continuance of <sup>the</sup> system under certain circumstances and for a more equitable apportionment of the produce between the bargadars and the owners of lands. The Bill defines a bargadar as a person who under the system generally known as adhi, barga or bhag cultivates the land of another person on condition of delivering a share of the produce of such land to that person. Under the Bill, a bargadar can retain for his own use half the produce of the land he cultivates, in cases where manure, plough-cattle, ploughs and other agricultural implements are supplied by the owner of the land; and two-thirds of the produce in cases where such assistance and facilities are not provided by the owner.

(The Calcutta Gazette Extraordinary,  
dated 22-1-1947, Part IV-A, pages 37-40).

The Bengal Acquisition of Waste Land Bill, 1947,  
gazetted: landless labourers to benefit.

On 31-1-1947, the Government of Bengal gazetted the Bengal Acquisition of Waste Land Bill, 1947. The Statement of Objects and Reasons appended to the Bill points out that large areas of cultivable waste lands in the Province have been lying fallow for a variety of reasons such as want of irrigation, drainage and embankment facilities, negligence of owners or their incapacity to incur the necessary capital expenditure, depopulation due to malaria, etc. It is proposed to acquire and develop these lands with a view to utilise them for : (i) relieving the present excessive pressure of population on cultivable lands and increasing the production of foodgrains in the Province; (ii) settlement with ex-servicemen, people who have been displaced from their holdings, petty cultivators, bargadars and landless labourers; (iii) provision of model village sites with better agricultural facilities and sanitary arrangements so as to bring about an improvement in the standard of living of the cultivators; (iv) the setting up of the co-operative system of farming and the introduction of mechanised cultivation wherever possible; and (v) afforestation. The only legal machinery now available for acquiring lands belonging to private persons is the Land Acquisition Act, 1894, which, apart from the lengthy procedure it involves, is not suitable for large scale acquisition of this nature expeditiously and on payment of reasonable compensation. It is, therefore, considered necessary to have a special legislative measure enacted for the purpose.

Compensation to be paid is to be calculated on the basis of the income from the land; if the land acquired did not fetch any income, the immediate owner will receive by way of compensation an amount equivalent to five times the annual raiyati rent for an equal area of cultivated land in the ~~net~~ neighbourhood. In cases where the land fetched an income, the amount of compensation will be ten times the net annual income to be determined in a manner prescribed or ten times the annual raiyati rent for an equal area of cultivated land in the neighbourhood. In either case, ~~the~~ The superior landlands will be compensated by an amount equivalent to ten times their respective net annual incomes from such land determined, on the basis of the rental value of such land.

(The Calcutta Gazette, Extraordinary,  
dated 31-1-1947; Pt iv-A, pages 57-62).

Bombay Fragmentation (Prevention) and consolidation of Holdings Bill, 1946, referred to Select Committee.

Reference was made at page 36 of the report of this Office for August, 1946, to the Bombay Government's Bill to provide for the prevention of fragmentation of agricultural holdings and for their consolidation. After the first reading of the Bill in the Bombay Legislative Assembly on 12-2-1947, it was referred to a Select Committee.

No Expropriation Intended.- Mr. Morarji Desai, Revenue Minister, outlined the objects of the Bill and said that it was proposed to consolidate "fragments" into standard units which might be not larger than ~~more~~ one acre in the case of irrigated lands and five acres in the case of non-irrigated lands. Stressing the urgent need for checking fragmentation, Mr. Desai said records of the Satara and Ratnagiri districts bore eloquent testimony to the depredations of the process of subdivision of land. In one case only 25 acres of land were sub-divided into 125 individual holdings. In another case 19 acres of land were owned by 126 different farmers. This happened because on the death of each farmer, his property had to be partitioned among his heirs. There was at present no legal bar on the subdivision of land to any low level. He assured that in determining new ~~standard~~ ~~area~~ standard areas Government would seek non-official advice.

Tracing the history of the Bill, Mr. Desai said ~~is~~ that a similar measure was brought before the old Bombay Legislative Council in 1927. It then aroused strong opposition, and although it emerged from Select Committee with some changes, it had to be dropped ultimately. The present Bill was modelled on the old one, but differed from its predecessor in many respects. Determination of the area for a minimum agricultural holding was to have been carried out by a committee with representatives of local boards on it under the old Bill. But the new Bill provided that Government, after holding an inquiry, should determine the minimum area. In the old Bill, the owners of neighbouring land had the pre-emptive right to buy fragments. In order to prevent the owners of fragments from being defrauded by combines of neighbouring owners, who might offer less than a fair value for such land, provision had been made in the new Bill for Government to step in and purchase such land for a fair price. Consolidation of agricultural land could not be carried out under the old Bill without the consent of the owners of one-third of the total area of land in a particular area or one-fourth the total number of land-owners. Consolidation schemes could be made applicable to any area by Government by a notification under the new measure.

The present Bill was divided into two parts, first aimed at preventing fragmentation, and the second at consolidation of holdings. There was no question of expropriation. There might have been expropriation. Consolidation would be carried out in a fair and equitable manner. There was no question of achieving this at one stroke, and, initially, the measure would be applied to a few villages, where the atmosphere was favourable for such reform. What would happen was that, wherever the Act would be applied, the farmer, instead of holding small pieces of land scattered about the village, would have all his land in one compact area. That would enable him to develop and cultivate his land more profitably. It would also enable farmers who were neighbours to go in for joint farming. If agricultural production was to be improved the land owned by a farmer must not shrink to proportions so small that it could not ~~properly~~ be cultivated with profit.

Communist Demand for Redistribution of Large Holdings.- Claiming to speak not only on behalf of the Communists, but also a large section of Congressmen, Mr. S. A. Dange (Bombay Textile Labour) opposed the Bill. His claim was based on a report of the Legislation Committee of the Provincial Congress Committee, which, he said, wanted provision not only for the enlargement of fragments, but also for re-distribution of large holdings. The aim of such legislation, Mr. Dange said, must be to give more land to the peasant who did not get a profitable living out of his holding. His first objection to the Bill was that it was not capable either of solving the problem of fragmentation or giving the peasant a standard or economic holdings. The Communist member remarked that the re-distribution on the ~~xx~~ basis he advocated must not entail on the revenues of the province a liability to compensate those whose holdings would be taken away; such a procedure could not be regarded as expropriation in view of the profits made in the past by holders of such lands.

(The Times of India, 13-2-1947;  
The Bombay Chronicle, 17-2-1947).

The Central Provinces Revision of the Land Revenue of Mahals Bill, 1947, gazetted: landlords to pay 75 per cent Revenue Tax.

The Central Provinces and Berar Government gazetted on 25-2-1947, the Central Provinces Revision of the Land Revenue of Mahals Bill, 1947. The Bill seeks to enhance the land revenue to 75 per cent in respect of mahals (agricultural village lands). The Statement of Objects and Reasons, appended to the Bill, explains that under the malguzari system the fraction of village assets left to the malguzar (village head) as compensation for ~~the~~ the trouble and expenses of village management has been determined from time to time by empirical considerations in the initial stages and, later, with a decided bias in favour of the landlord—but not by any reason or well thought out theory of taxation. The Settlement Act of 1929 stereotyped this tendency and gave it statutory sanction. The system has resulted in retardation in the growth of revenue and has tended to shift the burden of settlement on the tenantry. The evil has been aggravated by the artificial limitations imposed on the calculation of assets and the freedom left to the malguzar to capitalize land values. The illogical nature of the arrangement is ~~illustrated~~ illustrated by the fact that the landlord is permitted to retain not only a moiety of the tenants' rents, but also of the rental value, calculated on the same principles, of his own home-farm, and of the miscellaneous income of the village collected by him, usually without any great trouble. The control of rents primarily intended for the benefit of the tenant has facilitated his expropriation and the enlargement of the home-farm of the malguzar without any adequate benefit to the tenant. The object of this Bill is to enable Government to take a larger share of revenue from the malguzar without enhancing tenancy rents, so that it may carry out various schemes for the benefit of the rural population.

(The Central Provinces and Berar Gazette, Extraordinary, dated 25-2-1947, page 64).

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PROFESSIONAL WORKERS, SALARIED EMPLOYEES AND PUBLIC SERVANTS.

Delhi Teachers' Strike called off: Almost all demands conceded.

The three-week-old Delhi Teachers' strike (see page 42 of the Report of this Office for January 1947) was called off on 2-2-1947 as the demands of the teachers have been substantially met by the authorities. Salaries of all grades of teachers are to be revised as from 1-1-1947; it is the intention of the Government that ~~any~~ teachers in private schools should work under the same conditions of service as apply to teachers in Government service; dearness allowance, grain compensation allowance and interim relief at rates sanctioned by Government are also to be granted with retrospective effect from 1-7-1945. (The salaries and grades of teachers are to be totally revised after consideration by Government of the Pay Commission's Report). Clerical and menial staffs in schools will also benefit from ~~in~~ these concessions.

(The Statesman, 3-2-1947;  
The Hindustan Times, 3-2-1947). ]

Revision of Teachers' Salaries in Madras.

Reference was made at page 28 of the report of this Office for November 1946 to the Madras Government's proposal for the revision of salaries of teachers in the province. The Government has recently sanctioned increased scales of salaries for teachers in elementary and secondary schools. The revision has cost the Government nearly Rs. 25 million per year.

Revised Scales.- Some idea of the increases sanctioned can be had from the new scales for certain representative categories of teachers in the Madras Education Department.

Higher Grade Teachers.- (Teachers in primary schools) - New Scale - Rs. 50 - Rs. 55 per mensem, for those who know a 'craft'. (Old scale - Rs. 20-Rs.30).

Secondary Grade Teachers.- (Middle school teachers) - New Scale - Rs. 45 to Rs. 75, for those who know a 'craft'. (Old scale - Rs. 30-Rs.55).

Licentiates in Teaching.- (High School Teachers) - New Scale - Rs. 85 - Rs. 240, for those who know a 'craft'. Selection to the first grade, previously confined to 20 per cent, has been enhanced to 33 $\frac{1}{3}$  per cent, so that all normally efficient teachers can reach the maximum of Rs. 240 without difficulty, and have chance to become District Educational Officers and Divisional Inspectors, some of the highest posts in the Education Department. (The reference to 'crafts' in the qualifications of teachers, is to trades like weaving, spinning, carpentry, leather work, etc., instruction in which figures prominently in the Wardha scheme of Basic Education sponsored by the Congress (vide pages 33-34 of the report ~~in~~ of this Office for January, 1938).

Local Board Teachers.- Large increases have also been given to the local board teachers and grants to elementary schools have also been substantially increased.

(Madras Information, 8-2-1947, page 34 ). ]



Better Pay for Teachers in Gwalior.

According to a Gwalior Gazette notification, primary school teachers in the State are to receive higher scales of pay. Their ~~positions~~ <sup>status</sup> on a time-scale, after the revision, ~~range~~ <sup>start</sup> from Rs. 25-1-35 per mensem for the lowest grade, plus the usual dearness allowance. Higher grades of pay and the time-scale have been sanctioned for the trained middle-passed, matriculates, intermediates, graduates and specialist teachers. These changes, which become effective from March 1947, are expected to cost the State exchequer an additional sum of over Rs. 500,000 *annually*.

(The Statesman, dated 27-2-1947). ]

NATIVE AND COLONIAL LABOUR.

Amelioration of the Conditions of Life and Work of 'Eligible Communities' in Madras Presidency: work of Labour Department in 1945-46\*.

Looking after the welfare and conditions of work of some 88 communities classified as 'scheduled' castes (depressed classes) by the Government of Madras is one of the functions of the Labour Department of the Government. These communities now termed 'eligible communities', are descendants of India's aboriginal tribes and form the lowest strata socially and economically; hence, the provincial Government is specially concerning itself with the work of their uplift.

The ameliorative work during the year, consisted of: (i) provision of house-sites, (ii) maintenance of schools, grant of scholarships, stipends, boarding grants, grants for the purchase of books, etc., and grants to private educational institutions for the benefit of these communities mentioned in Appendix A, (iii) provision of wells, tanks, etc., for the supply of drinking water, (iv) provision of sanitary amenities, pathways and burning or burial grounds, (v) grants to private bodies engaged in social and economic uplift of the eligible communities, and (vi) assignment or lease of land for cultivation.]

House-sites.- During the year, 286 (154) house-sites covering an extent of 7.67 (11.05) acres of land were provided in the various districts of the province. The total number of house-sites provided since the commencement of the operations of the Labour Department up to the end of the year was 47,483. House-sites are provided by assignment of land at the disposal of Government or by acquisition of private lands.

Education.- In the field of education, the facilities provided consisted of: (i) maintenance of elementary schools, (ii) provision of scholarships, boarding grants and grants for the purchase of books and clothing and for payment of fees, (iii) grant of stipends for the training of teachers, (iv) maintenance of free hostels at important centres and (v) grant of financial assistance to private bodies engaged in the maintenance of hostels, schools, etc., for the benefit of the eligible communities. The report period started with 1,082 elementary schools. 38 schools were newly started and 8 schools were closed.

1. The figures in brackets relate to the previous year.

\* Administration Report of the Labour Department on the Work Done for the Amelioration of the Eligible Communities for the year ending 31st March 1946; Printed by the Superintendent, Government Press; Madras, 1946; price 8 annas, pages 26.

There were thus 1,112 schools working at the end of the year. Of these, 1,111 were day schools and one a night school. These schools, staffed by 2027 teachers, provided instruction for 43,447 (56,568) boys and 25,398 (18,732) girls. To improve the working conditions of teachers in these schools, Government recently ordered that 50 per cent of the teachers' posts in the various grades be made permanent; necessary action is being taken to confirm suitable teachers in those posts. (~~The figures in brackets relate to the previous year.~~)

All the 1,111 schools, except one located in an area where scarcity of food grains was very acute, supplied mid-day meals to their pupils. The number of pupils of the eligible communities fed in these 1,110 schools was 64,000 and the expenditure incurred under this head came to about Rs. 803,890.

6,092 (6,580) non-residential scholarships for ordinary general education involving an expenditure of Rs. 97,255-8-0 (Rs. 101,064-14-0) were sanctioned during the year. The number of scholarships granted for commercial courses of study in Shorthand, Typewriting and Book-keeping was 4 (8) involving an expenditure of Rs. 180 (225). ~~xxxxxx~~ 135 (121) industrial scholarships, involving an expenditure of Rs. 4,438-6-0 (Rs. 3,928-12-0) were sanctioned for courses of study in carpentry, cabinet-making, spinning and weaving, engraving, enamelling, black-smithy, fitting, drawing, painting, knitting, ~~xxxxxx~~ electric wiring, metal work, paper making, etc. 12 (10) pupils who successfully completed their courses of training with the help of the Industrial scholarships were granted bonus involving an expenditure of Rs. 156 (Rs. 84).

Wells and Sanitation.- Wells are constructed and repaired and other amenities are provided by special labour staffs or through the Revenue Department. The total expenditure incurred on the construction and repair of wells was Rs. 2,43,440-7-4 (Rs. 151,132-3-3). Expenditure on the provision of pathways, burial grounds, latrines, drains and other sanitary amenities amounted to Rs. 12,891-4-9.

Assignment of lands.- The ban imposed by the Government on the permanent assignment of lands reserved for the communities eligible for help by the Labour Department for the duration of the war continued during the year. Poverty of the assignees, want of proper irrigation facilities, poor quality of the soil of the land assigned, absence of the assignees from the villages, and reservation of land for pasture, have been cited as the main reasons for the non-cultivation of lands assigned in the several districts during the years.

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Les p/p 55-57 (Coopération)

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V. T. 2/4/17

LIVING CONDITIONS.

Nutrition.

Meeting of Central Nutrition Advisory Committee  
of Mysore, Bangalore: Nutrition Restaurants  
recommended.

Nutrition problems of Mysore State were discussed at the first meeting of the Central Nutrition Advisory Committee, held recently at Bangalore. As sufficient quantities of liquid milk were not available and stocks of milk powder were limited in the State, the Committee decided to distribute available stocks in the worst food scarcity areas, as determined by a rapid nutrition survey. The Committee also decided that the Director of Public Health should be requested to draw up a detailed scheme for distribution of milk to children in primary schools in the rural areas, to obtain the sanction of the Government for the scheme, and to prepare a draft scheme for a Food and Nutrition Publicity Organisation for the consideration of the Committee. The Mysore Government was requested to set up a Nutrition Restaurant, first, in Bangalore City and then to train some staff for touring the mofussil areas, in order to establish nutrition feeding centres.

(Nutrition, January, 1947, pages 27-28).

Housing.

Cheap Housing for Industrial Labour:  
Bombay Government Scheme for 15,000  
Houses.

The Government of Bombay is planning to build 15,000 workers' houses in Bombay, Ahmedabad and other industrial centres; the rent for these houses will range from Rs. 8/- to Rs. 11/- per month. The houses will be of two main types: hostels with rooms for single persons, tenements for family units. The family units will differ in size according to the size of the family.

Speaking at a meeting of the Workers' Housing Consultative Committee, Mr. Gulzarilal Nanda, Minister for Labour and Housing, pointed out that considerable money had been spent in the past by the Government of Bombay for workers' housing, but as no attempts were made to consult the wishes of the workers who are to live in the houses, the housing schemes had failed to give satisfaction in many respects to the workers. The Housing Consultative Committee has been set up to repair this omission by consulting the workers', and more particularly the house-wife's, needs.

(The Times of India, 18 and 19-2-1947).

2,000 Houses for Industrial Labour: Hyderabad  
Government's Rs. 8 Million Scheme.

Industrial housing in Hyderabad State has received particular attention from the Government. A programme is reported to have been drawn up to build over 2,000 houses in the industrial areas in Malakpet, Mushirabad, Khairatabad, Amberpet, Dhoolpet and other places at an estimated cost of over Rs. 8.5 million. Preliminary work in connection with the construction of 280 tenements in Malakpet and Dhoolpet has started and land is being acquired in the areas for construction of 1,000 houses.

(The Hindu, dated 18-2-1947).

General.

Labour Welfare and Housing Schemes: Approved by Standing Finance Committee.

At the meeting of the Standing Finance Committee of the Central Legislature held at New Delhi on 15-2-1947, several schemes sponsored by the various Departments of the Government of India entailing expenditure from Central revenues came up for approval. Among these were a number of schemes for the promotion of labour welfare, submitted by the Department of Labour; the more important of these are briefly noticed below.

Labour Welfare Fund for Central Industrial Undertakings.- The Standing Finance Committee approved a proposal to constitute a labour welfare fund in central industrial undertakings other than establishments under the Railway Board and Port Trust. It is intended that the welfare fund should be utilised to provide recreation, sports, games, dramas, cinema shows, reading rooms and provision of beds, etc., to workmen employed in such undertakings, including clerical and other staff attached to it. Purely administrative officers attached to the undertakings will fall outside the scope of the scheme.

The needed funds will be ~~derived~~ derived from government grants. The recurring expenditure has not yet been estimated precisely, but it is expected to be Rs. 250,000 in the first year, which works out at a Government contribution of one rupee per worker. It is proposed that in the second and third years, the Government grant will be annas 8 per worker per year, in addition to an amount equivalent to the employee's contribution subject to a limit of annas eight per worker.

Housing Scheme for HMI Dockyard Workers.- A project for the provision of housing for workers of HMI Dockyard, Bombay, was also considered by the Standing Finance Committee. The conditions under which the dockyard workers are now living are considered in most cases appalling, and the dockyard at Bombay, due to rapid expansion under war conditions, has lagged behind modern development in regard to workers' welfare. A site near Ghatkopar (14 miles from Bombay) has been selected for the purpose of providing houses for workers. The site will be made healthy by anti-malarial measures and the project when completed would also provide educational and hospital amenities. The schemes will be spread over a number of years and will provide housing for 75 per cent of the married and 50 per cent of the single workers borne on the permanent establishment.

Central Bureau of Psychology.- The proposal for the establishment of a Central Bureau of Psychology under the Central Government was also approved. This proposal was made by the Central Advisory Board of Education. The object of the Bureau will be to conduct research in selection methods and ~~research in~~ standardising tests of various types in the educational field; ~~and~~ the purpose is to measure the progress made by boys in their classes in the schools without the exclusive aid of examinations as at present. The idea is to be able to train the right type of teachers and to build up the right type of institutions to achieve this objective.

( 'Dawn', 18-2-1947;  
'Vanguard', 23-2-1947;  
The Hindu, 17-2-1947 ).

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Workers' Organisations.

25th Half-Yearly Meeting between Railway Board and  
A.I. Railwaymen's Federation, New Delhi,  
6-2-1947.

The 25th half-yearly meeting between the Railway Board and the All-India Railwaymen's Federation was held at New Delhi on 6-2-1947. The Federation's deputation was led by Mr. S. Guruswami, General Secretary, and included 23 representatives from various affiliated unions. The Railway Board was represented by Col. R.B. Emerson, Chief Commissioner of Railways, and other Members of the Board.

Welcoming the representatives of the Federation to the meeting, Col. R.B. Emerson emphasized that the need for co-operation between the Railway Board, the railway administrations and the Unions was greater today than ever before. The great task before the administration and the Unions was to get the staff to give a full day's work for a full day's pay. He hoped that as a result of the Pay Commission's recommendations (vide pages 29-50 of the report of this office for May, 1946) and the Adjudicators Award (vide pages 43-46 of the report of this office for June, 1946), Government will be in a position to offer conditions of service to railwaymen which will leave them no excuse for not putting their whole heart into their work and ~~thus~~ thus, maintain the operation of railways at a high level.

Subjects discussed.- The following subjects were then discussed: 1. The Industrial Employment (Standing Orders) Central Rules 1946. 2. Extension of the service conditions of Indian Government Railways to other Indian Railways. 3. (a) Compensation to railwaymen for expenses incurred in evacuating their families from vulnerable areas during the war period. (b) Payment with ~~ret~~ retrospective effect, of enhanced rates of military ration allowance and Railway dearness allowance to militarised staff. 4. Acting allowances to employees officiating in higher posts. 5. Conditions governing the examination for promotion in respect of Accounts Staff. 6. The future of railway grain shops. 7. Facilities for representatives of recognized Unions to attend meetings of Unions and of the Federation. 8. Discharge of Railway employees as a result of court convictions.

Decisions.- Some of the more important decisions reached at the meeting are noticed below. On the question of extension of the service conditions in force in State Railways to other Indian Railways, the Chief Commissioner, stated that, excepting in the case of extension of the Hours of Employment Regulations, Government had no statutory power over railway administrations which were not owned, managed or worked by Government. He would, however, address the administrations concerned advising them to extend State railway service conditions to their employees also. On the question of suspensions, which were unduly long in many cases, the Chief Commissioner promised to look into the matter with a view to fix a maximum period beyond which an employee may not be suspended unless his case was before a court of law.

Regarding the future of railway grain shops, the Chief Commissioner said that, though there was difficulty in adequately ~~having~~ stocking grain shops in unrationed areas, the shops will be ~~be~~ continued for some time more till the food situation eases, and that, in the meanwhile, unions of railway ~~employees~~



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employees will be granted representation in the management of the shops.

(The Hindustan Times, 7-2-1947;  
The Railway Herald, 10-2-1947,  
pages 44-45 ).

22 nd Annual Session of All-India Trade Union Congress,  
Calcutta, 15 to 19-2-1947: Demand for Living Wage and  
Insistence on Rights to Strike.

The 22nd annual session of the All-India Trade Union Congress, held at Calcutta from 15 to 19-2-1947; the Silver Jubilee of the All-India Trade Union Congress was also celebrated at the session. The session, presided over by Mr. Mrinal Kanti Bose, President of the A.I.T.U.C., was attended by about 1100 representatives from some 600 affiliated unions. At the session, a number of resolutions embodying the more important demands of the working classes regarding minimum wages, provision of better housing, the right to strike, etc., were adopted.]

Presidential Address.— The following is a brief summary of the presidential address of Mr. Mrinal Kanti Bose:

Socialist State-Objective of A.I.T.U.C.— Dealing with the ultimate political objective of the A.I.T.U.C., Mr. Bose said: The A.I.T.U.C. must stand forth as a party of the working class with a definite objective. In fact, even its present constitution defined its objective as ~~the~~ a Socialist state. This objective, so long as the British held power, had been a dim and far distant goal. Now when a National Government was coming to occupy the old place of the British, the A.I.T.U.C. must make Socialism its immediate objective and must be prepared to work for it on a well-thought-out plan. There had been or might be complete transfer of power from British to Indian hands, Another transfer of power was yet to take ~~the~~ place—the transfer of power ~~was~~ to the masses. Only a tremendous politico-social revolution of a violent or non-violent character can end the present social inequalities and ensure transfer of power to the people.

Constituent Assembly's Task.— Dwelling on the task of the Constituent Assembly vis-a-vis the labour problem, Mr. Bose remarked: The first and foremost problem that faces millions in India is more economic than political. The soundness of any constitution that may be proposed is, therefore, to be judged by the test whether it helps or hampered the liquidation of the poverty of the masses or ensures or does not ensure a considerable improvement in the standard of life of the workers. Any constitution that failed to pass this test must be rejected as being altogether unsuitable to the needs of the people of the country.

Labour Legislation—Minimum Wages, Social Security and Assistance.— Discussing the Interim Government's five-year plan of labour legislation (vide ~~pages 11-15 of the Report of the Office for October, 1946~~), Mr. Bose said that he had nothing but admiration for the sincerity of purpose of Mr. Jagjivan Ram, Labour Member of the Interim Government, who is in charge of the Five-Year Scheme for workers. His programme is both legislative and administrative. The question of minimum and fair wages, the question of improving the housing conditions of the workers, and the question of social security, have been engaging his attention. The principles of these measures have our whole-hearted attention. He has, however, to see that the minimum wage is really a fair wage. The Question of living wage

is an all-important one and provincial wage-boards may be created at once to fix wages in relation to the cost of living. Mere preparation of schemes was not enough; India had a plethora of paper schemes. The Government must find money to implement these schemes, and if necessary loans should be raised and taxation on higher incomes should be increased. If there was a will behind the ~~xxx~~ policy, all difficulties could be got over in the shortest possible time, and social security and assistance could be assured to the workers.

The Right to Strike: Industrial Disputes Bill.- Referring to the Industrial Disputes Bill, as introduced by the Government of India and the Governments, he said that these were open to grave objection, inasmuch as they ~~violated~~ violate some of the cherished principles of trade unionism. These bills propose to deprive the workers of their right to strike or the right to withhold their labour. There have been misguided strikes no doubt, but generally speaking, workers are fully aware of the loss inflicted on the industry itself and the general body of consumers. Labour cannot agree to the new restrictions sought to be imposed on the right to strike and before legislation on the subject is completed the authorities should consult the A.I.T.U.C.

Need for Organising Agricultural Labour.- Dealing with agricultural labour, he said that the A.I.T.U.C. should concern itself to a greater extent with this category of workers. The question of wages of landless labourers, so long neglected must be taken in hand at once; the A.I.T.U.C. should have a Board or a committee to go into the question and a machinery to persuade the state to give effect to well-considered schemes.

Labour and Communalism.- Dealing with the need for keeping labour aloof from the taint of communalism, he referred to the recent riots in Calcutta and elsewhere and said that it was an abiding testimony to the solidarity of the working class that workers attached to trade unions, generally speaking, kept themselves aloof from insensate communal rioting. But the situation had still great potentialities for danger. The vast number of workers yet unorganised, industrial and non-industrial, have to be educated and brought under the banner of the A.I.T.U.C. The workers must be taught that two full meals a day and a considerably improved standard of life, and not religion, was the issue before them.

International Labour Movement.- Referring to the association of the Indian working class with the international labour movement, he referred to the World Federation of Trade Unions which has been granted by the U.N. the right to introduce items on the agenda of the Economic and Social Council of U.N., and hoped that it would be possible for the A.I.T.U.C. to devise economic sanctions against South Africa through the Federation.

Resolutions.- The A.I.T.U.C. adopted a number of resolutions embodying vital demands of the working class, namely, fixation of a minimum wage provision of better housing, unfettered right to strike, etc. None of the resolutions evoked much controversy and almost all of them were unanimously carried. In order to voice effectively these and other basic demands of the working class, the A.I.T.U.C. by a resolution fixed March 18 as "Basic Demands Day" throughout India when meetings and other demonstrations would be organised and resolutions would be adopted and forwarded to both Provincial and Central ~~Governments~~ Governments. The more important of the resolutions are briefly noticed below:

Minimum Wage must be a Living Wage.- Mr. Shibnath Banerjee (Bengal) moved the resolution regarding "Wages of Industrial Workers", which pointed out that recent increases in money wages varied from 25 per cent in the case of minerals and metals to about 125 per cent in the engineering industry, while the cost of living had gone up by about 200 to 250 per cent. The A.I.T.U.C. urged that the wage level should be substantially raised over the pre-war level of real wages. The resolution also urged Government to initiate legislation to ensure that the minimum wage of a worker should also be ~~fixed~~ a living wage.

Holiday with Pay.- A resolution pointed out that, according to the existing legislation, the annual holiday of 10 consecutive days for adults and ~~14 for~~ of 14 for children, can be enjoyed only by workers in perennial factories, as only workers who had worked continuously for the 12 months preceding were entitled to the holidays. The resolution demanded extended application of the principle of holidays to cover workers in seasonal factories also.

Industrial relations Bill: The Right to Strike.- Mr. S.A. Dange moved the resolution on Industrial Disputes Legislation of the Government of India. The resolution requested Government ~~to legislate immediately~~ to legislate ~~for~~ immediately for a minimum wage and decent working conditions and not to pass the Bill in its present form. It further pointed out that if the Bill was passed into an Act, without carrying out fundamental changes, it would not be acceptable to the Trade Union Movement.

Nationalisation of Industries.- Mr. Fazal Ellahi Quorban moved the resolution on "Nationalisation of Industries". The resolution urged that industrialisation of India should be based on nationalisation of land and all key industries, such as coal, iron, steel, petroleum, shipping, airways, heavy engineering and basic chemicals, thus removing the profit motive from strategic spheres of production. Without such nationalisation of key industries, it was pointed out, Indian economy could not be geared to the needs of the people.

Employment Exchanges.- Mr. Manik Gandhi moved the resolution on "Employment Exchanges", ~~urged~~ urging upon Government to desist from supplying black leg labour during strikes through these exchanges and to give greater representation to workers' organisations on different Advisory Committees of the ~~the~~ Exchanges.

(The Amrita Bazar Patrika, 17 and 19-2-1947).

SOCIAL CONDITIONS.

Bombay Hindu Divorce Bill, 1947: Referred to  
Select Committee, 25-2-1947.

On 25-2-1947, in the Bombay Legislative Assembly a Bill, introduced by the Government, providing for the right of divorce for all communities of Hindus, went through its first reading and was subsequently referred to a select committee. The Statement of Objects and Reasons, appended to Bill, points out that divorce, as such, is unknown to Hindu Law as marriage according to Hindu religion is a sacrament and not a contract. In the lower castes of Hindus, particularly among Sudras, divorce is granted by Courts on the ground of being "a custom" having the force of law prevailing in a particular community. Hindu Law, however, permits polygamy and the husband was free to take any number of wives till the Bombay Prevention of Hindu Bigamous Marriages Act, 1946, was passed (vide page 60 of this Office's report for July, 1946). With further social advance it had become necessary to provide some legal remedy for permitting divorce among Hindus when it becomes obvious that the relations between parties to a marriage are quite unhappy and the only effective remedy is to dissolve the marriage in the interest of the parties and the society in general. The Bill permits divorce among Hindus ~~xxx~~ on grounds of impotence; desertion or disappearance for 7 years; lunacy or ~~leprosy~~ leprosy extending to 7 years; the first wife is entitled to divorce if her husband has married a second wife. ~~xxx~~ The second wife or any subsequent wife will not be entitled to divorce from the husband because he had another wife at the time of marriage even though he has concealed the fact of having another wife already. In the case of leprosy, provision is made for judicial separation if the party so desires.

(The Bombay Chronicle, 27-2-1947;  
The Bombay Government Gazette,  
dated 12-2-1947, Part V, pages  
76-79 ).

Sind Government to prohibit Drinking of Liquor  
by Youths.

Drinking of liquor by persons of and below 21 years of age will shortly be made an offence in Sind. Outlining the ~~future~~ Sind Government's measures in connection with the proposed launching of gradual prohibition in the province during 1947-48, Pirzada Abdul Sattar, Minister for Excise and Revenue, said on 14-2-1947 at a press conference that this measure would be the first step in Government's prohibition plan.

(The Hindustan Times, 15-2-1947).

Social Service Scheme for Hyderabad State.

The Government of Hyderabad has established a Social Service, consisting of gazetted and non-gazetted posts, which will function as a separate branch of the Revenue Department. The newly constituted Social Service will concentrate exclusively on rural areas. Baron C. Von Furer-Haimendorf, Adviser to Government for tribal and backward classes and Professor of Anthropology in the Osmania University, will be at the head of the new Social Service.

In many countries with backward populations, such as Australia, Oceania and Africa, social anthropologists have for long been associated with the administration, the present step taken by Hyderabad Government constitutes one of the first instances in India of an attempt to apply scientific principles to social planning and to create a direct link between academic sociological research and the administrative services of the State.

The primary function of the Social Service officers will be to act as a link between the backward rural populations and Government. They will investigate the difficulties and grievances of such populations and work out proposals for their redress, and they will interpret Government's policy and aims to the illiterate villager. Special treatment for tribal and other backward communities is not being regarded as a permanent feature of the administration. It is only during a transition period that they ~~may~~ require the care and guidance of personnel trained in the complex problems of cultural re-adjustment. Officers of the Social Service are to give such guidance until the time when the new backward classes, educated and freed from their present disabilities, can as self-reliant and self-respecting citizens take their rightful place in the greater community of the State.

(The Hindu, dated 28-2-1947).

Anti-begging Legislation in Indore.

A Bill, which seeks to provide for the prevention of begging, for the detention, training and employment of beggars and their dependents in certified institutions, and for the custody, trial and punishment of beggar offenders in Indore State will be moved at the next session of the Indore Legislative Council.

The statement of objects and reasons states that the proposed legislation intends to be reformatory so far as indigent and helpless beggars are concerned and provides for their training and equipment for gainful employment, after expiry of the period of detention.

(The Statesman, 15-2-1947).

Orissa Temple Entry Authorisation and Indemnity Bill:  
Passed by Assembly.

The Orissa Temple Entry Authorisation and Indemnity Bill, authorising temple trustees to throw open temples for worship by Harijans, introduced in the Orissa Legislative Assembly by Mr. Hare Krishna Mehtab, the Premier, was passed by the Assembly on 14-2-1947.

(The Hindu, dated 17-2-1947).

Madras Hindu Bigamous Marriages Prohibition and Divorce Bill, 1947 : Introduced in Assembly .

A bill to prohibit bigamous marriages and to permit divorce for Hindu husbands and wives in Madras province was introduced on 12-2-1947 in the Madras Legislative Assembly by Mr. A. Kaleswara Rao. The Bill was gazetted on 18-2-1947.

The Statement of Objects and Reasons, appended to the Bill, points out that polygamy is an obnoxious custom still prevailing in Hindu society. A Hindu wife has not only to tolerate a co-wife or ~~co~~-wives, but also at times concubines; she is also helpless if her husband ~~desires~~ deserts her or subjects her to cruel ~~unbearable~~ treatment. Legislation is long overdue to suppress polygamy and to provide the woman a remedy in the other cases. The present bill prohibits the marriage of a man or woman with another while the wife or husband is alive and makes such marriage punishable under the Indian ~~and~~ Penal Code. It also permits the aggrieved man or woman to seek divorce in a court of law, in cases where it becomes impossible for a man and woman to continue to live as husband and wife. It further permits the man or woman to re-marry after the lapse of six months ~~from~~ the dissolution of the marriage because it restores them to the status of bachelor and spinster. When divorce is granted by a court it is provided that the court may make suitable provision for the maintenance of the woman in all cases in which she is not the offending party ~~and~~ or till she chooses to re-marry, as well as for the custody, guardianship and maintenance of minor children born of the dissolved marriage. The Bombay Provincial Legislature has ~~an~~ already passed an Act as a Government measure prohibiting bigamy among Hindus in the Province of Bombay and the Home Minister of the Bombay Government has said in the Legislative Assembly that a Divorce Bill was also under consideration. The objects of this

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bill are included in the Hindu Code prepared by the Rao Committee. But, as that Code seeks to introduce radical changes in all the complicated branches of Hindu Law it will necessarily take a very long time for being taken into consideration.

(The Hindu, dated 15-2-1947;  
The Fort St. George Gazette,  
18-2-1947, part IV-A, L.A. Bill No. 6  
of 1947, pages, 109-111 ).

Backward Classes' Welfare Branch in Orissa:  
Advisory Board set up.

The Government of Orissa has recently created a separate branch under the Planning and Reconstruction Department which will deal with matters relating to the welfare of the backward classes.

With the object of associating popular support and co-operation in the work of uplift of the backward class and to secure popular advice on various matters relating to the administration of Partially Excluded Areas (areas mainly inhabited by aboriginal tribes and ~~backward~~ backward classes) of the Province, Government has decided to constitute an Advisory Board for the welfare of the backward classes. The ~~Executive~~ Board is constituted for a period of one year in the first instance, with effect from 1-1-1947.

(The Orissa Gazette, Supplement,  
dated 7-2-1947, page 55 ).

PUBLIC HEALTH.

All-India Medical Institute Committee Inaugurated.

The first step in the implementation of one of the major recommendations of the Health Survey and Development Committee (vide pages 50-60 of the report of this office for March 1946) was taken on 6-2-1947, when Mr. Gazanfar Ali Khan, Health Member, Government of India, inaugurated the All-India Medical Institute Committee at Delhi. The Committee will advise the Central Government regarding the practical steps to be taken to establish an All-India Medical Institute which would be a sort of "Super" Medical college to produce professors and research workers of the highest quality.

The Health Member, addressing the Committee, stressed the need for setting up an All-India Medical Institute and gave figures illustrative of the paucity of the existing health services in India. In 1941, the death-rate in India was 21.9 per 1000 compared to 9 per ~~cent~~ 1000 in Australia and New Zealand. The proportion of doctors to the total population was 1 for 8,000 and of nurses 1 for 43,000, the corresponding figures for United Kingdom being 1 for 1000 and 1 for 300. During the next 25 years, India had to increase the number of her doctors by about 400 per cent and to multiply the number of qualified nurses and mid-wives by about 100 per cent, if the country were to have the minimum adequate personnel for ~~staff~~ staffing her hospitals and catering to the needs of her vast and growing rural population. The training of more doctors presupposes the expansion of medical colleges and a ~~subsequent~~ consequent increase in the number of professors. The quality of teaching had also to be improved and adequate arrangements had to be made for research work. It was for this purpose that Government had decided to make a beginning with an All-India Medical Institute, which will impart medical education of an advanced type and provide facilities for research workers of the highest order.

(The Statesman, 17-2-1947;  
"Dawn", dated 17-2-1947 ).



Expansion of Medical Relief in Hyderabad:  
Hospital Facilities and Health Staff to  
be strengthened.

The expansion of medical services in the Dominions is under contemplation by the Hyderabad Government. Existing institutions will be reorganised and fresh ones will be started. The expansion programme has four main parts: (1) increased of medical facilities in the capital, (2) development of medical services in mofussil areas, (3) encouragement of indigenous medical systems—Unani (Muslim) and Ayurvedic (Hindu), and (4) expansion of Public Health Services.

The Government's programme for Hyderabad City, the capital, includes provision of a children's hospital, a fever hospital, an ear, nose and throat hospital, and a chronic diseases hospital. So far as medical relief in the mofussil areas is concerned the Government's plan appears to be to establish big regional hospitals, each of the sub-areas, like Gulbarga, Warrangal, Aurangabad etc., with 300 beds each. Each district headquarters will have a hospital with at least 50 beds each. The Government has also taken up the question of providing a network of Unani, Ayurvedic and Homoeopathic dispensaries all over the State to serve the needs of particular localities.

Public Health.— With the creation of <sup>a</sup> separate Public Health Department, the Government contemplates the inauguration of a Public Health Institute for the training of the auxiliary personnel with special bureaux in charge of prevention of epidemics, health paropaganda, maternity and child welfare work, etc. Government also has plans to improve the district health organisations effectively. Considerable attention is to be paid to the needs of the rural areas both from the ~~health~~ point of view of public health and medical relief.

(The Hindu, dated 27-2-1947).

EDUCATION.

Psychological Bureau to be set up in Allahabad:  
U.P. Government's new Venture.

The U.P. Government had decided to start in July 1947 a Psychological Bureau at Allahabad; this is quite a new type of educational institution for India, and its cost is being met by the Government of India as part of its post-war plans.

The Bureau will organize and work out psychological and vocational tests for the children of the province and will serve as a laboratory for educational experiments as well as for study of delinquent children. It will also function as an advisory body. The methods evolved by it are expected to be of considerable help to ~~senior~~ senior students in selecting their courses of study and to parents and guardians in choosing suitable careers for their wards.

In this connection, it has been suggested that the present system of examinations, which has been severely criticized by advanced educationists, should be substituted by more valid and reliable tests.

(The Hindustan Times, 19-2-1947).

Educational Reform: Indian Languages and Research Work  
to be Developed.

The broad lines of educational reconstruction contemplated by the Government of India were outlined by Maulana Azad, Education Member in the Interim Government, at a press conference in New Delhi on 18-2-1947. Education, he emphasized, should have the highest priority in the national budget and should take its place immediately after food and clothing. In fact, a proper ~~systems~~ system of education was necessary in order to tackle satisfactorily even those problems. Some of the main items to be taken up in the near future were the setting up of a national ~~musik~~ museum, better provision for fundamental research work, preparation of a guide for teachers for the new scheme of education, preparation of a generalized curriculum, grants to educational experimental institutions, development of archaeological studies and fullest utilization of new media of mass education such as broadcasting and the films.

While acknowledging the valuable work done by missionary societies in spreading modern education and in contributing to the development of Indian languages, Maulana Azad referred to the "vexed question of conversions and especially conversions en masse". On the questions of religious instruction in schools, on which divided counsels prevailed in the committee appointed by the Central Advisory Board of Education, the Education Member expressed the view that this can be more effectively done, if the State takes charge of ~~the question~~ than if it is left to private initiative. On the subject of medium of instruction, he pointed out that the experiment

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of imparting instruction in the mother tongue up to the matriculation standard has been already tried with success and that the time has come when the process must be extended further and all education in the land made accessible to the people in their own language.

(The Statesman, 19-2-1947;  
The Hindustan Times, 18-2-1947).

Improvement of Medical Research: 72 Foreign  
Scholarships to be awarded in 1947.

The Government of India, have decided to send in 1947, 72 medical graduates to U.K. and ~~the~~ U.S.A. for advanced studies in medicine. Of these, 25 places have been reserved for candidates nominated by the Central Government, 40 for those recommended by the provinces and 7 for those sent up by Indian States. It is the intention of Government to place these scholars, on their return, on the teaching and research staffs in the various medical institutions in the country. Before leaving India they would be required to execute a bond undertaking to serve, if required to do so, the Central or Provincial Government for 5 years on their return.

(The Statesman, 24-2-1947).

Foreign Study Scholarships for Indian Students:  
Education Member outlines Government's Plans .

The various measures taken or contemplated by the Government of India in connection with its schemes for sending Indian students abroad, mainly to the United Kingdom and the United States of America, for higher technical training in connection with various post-war development schemes and general industrial expansion (vide page 60 of ~~the~~ our December 1944 report) were reviewed by Mr. Abul Kalam Azad, Education Member, Government of India, at a press conference in New Delhi on 31-1-1947. A brief summary of the points made by the Education Member is given below:

Selection of Students for Foreign Study.- The selection was entirely on merits and the number of candidates with low qualifications had been falling every year. In 1945, the total number of applications received was about 10,000; in 1946, about 4,500, and in 1947 a little above 2,000; in spite of this fall, the number of first-class candidates has not diminished materially. There have been complaints that the students selected were not competent to benefit by post-graduate instruction and that some of the professors in foreign universities had reported that the quality of some of the students was unsatisfactory. The Deputy Educational Adviser, Overseas, who visited many of these universities, has reported satisfactorily about the students. The criticisms are, therefore, not justified.

Conditions for Scholarship: Obligations to Government.- At present scholarship-holders are required to pledge themselves to serve the Government for a period of five years after completion of their training. Such a bond may at times prove harsh on a scholar if the government is not in a position to offer him suitable employment during the five-year period. A possible solution would be to fix a period during which the Government would have the first call on the services of the trained scholar. If the Government is unable to find him employment, ~~as long as~~ <sup>during</sup> ~~period is laid~~ this period, the scholar would be free to accept suitable employment elsewhere.

Extension of Subjects of Study: Needs of Pure Science.- Scholarships have so far been confined exclusively to technical scientific subjects. The necessity for a large personnel of trained scientists and industrial technicians is obvious, as lack of such trained personnel has been one of the main hindrances to the development of the economic and industrial life of the country. A balanced system of national education, however, requires not only trained technicians and applied scientists, but also workers in the fields of pure science and the humanities. In future there should be a percentage of scholarships earmarked for study in such cultural subjects.

More Scholarships for Women.- The number of women who have secured scholarships under the scheme has been very small. The main reason has been that scholarships were confined to technical and industrial scientific subjects. The expansion of the scheme to include both pure science and the humanities will allow women greater scope. If even this fails to enlarge the ~~xxxx~~ number of women scholarship-holders a percentage of scholarships will be earmarked for women.

Strengthening of Welfare Organisations in U.K. and U.S.A.- It was proposed to strengthen the organizations in the U.K. and U.S.A. for dealing with the students' problems as quickly as possible. In the U.K. particularly a separate welfare branch will be set up in the Education Department of the High Commissioner's Office to help the students in regard to accommodation and also their welfare generally. The Government has already set up two hostels for students, one in London and the other at Edinburgh, and it is proposed to establish another hostel in London to serve as a reception and transit camp.

(The Statesman, dated 18-2-1947;  
The Hindustan Times, 18-2-1947).

CONTROL MEASURES.The Bengal Consumer Goods Control Bill, 1947  
gazetted.

The Government of Bengal has gazetted on 1-2-1947 the Bengal Consumer Goods Control Bill, 1947. The Statement of Objects and Reasons, appended to the Bill, points out that the Bengal Consumer Goods Control Ordinance, 1946 (vide page 67 of the report of this Office for October, 1946) will cease to operate shortly. The Provincial Government considers that it is necessary in the public interest that the control of certain consumer goods should be continued for some time to come, since normal conditions of trade, commerce and industry have not yet returned. This Bill has, therefore, been drafted to provide Government with the same powers for the control of certain consumer goods as were available to them under the Ordinance.

The consumers' goods so controlled are ~~to be~~ listed in a schedule; additions may be made to the list as occasion arises. The present schedule lists some fourteen varieties of consumers' goods including bicycles, fans, watches, umbrellas, fountain pens, art silks, radios and crockery.

(The Calcutta Gazette, Extraordinary,  
dated 1-2-1947, pages 67-69 ).

Textile Industry.

Stepping up Production of Cloth and Yarn: 'Ad hoc'  
Departmental Committee to examine rationalisation  
schemes.

Reference was made at page 62 of the report of this office for January, 1947 to Government of India's proposal to appoint a Committee to go into the question of fixing fair prices for cloth and yarn. According to a press note issued on 27-2-1947, the Government of India has decided that schemes proposed for rationalising production of mill cloth should be referred to the ad hoc Departmental Committee, which is being constituted to advise Government on the steps to be taken for increasing the production of yarn and cloth and to settle a basis on which the Commodity Prices Board (vide pages of this report) could recommend rationalised and economic prices.

It is expected that the Committee, consisting of Mr. Dharam Vira, Textile Commissioner to the Government of India, Mr. G.R. Ramat, Joint Financial Adviser (Supply), Bombay, and Mr. T. Saivasankar, Secretary, Development Department, Government of Madras, will report its findings to Government in about a month.

(The Hindu, dated 28-2-1947).

Food.

Grain Imports fall short of India's Expectations:  
Meeting of Standing Committee on Food of Central  
Legislature.

Presiding over a meeting of the Standing Committee on Food of the Central Legislature, held at New Delhi on 15-2-1947, Dr. Rajendra Prasad, Food Member, Interim Government, briefly reviewed the food position in India, with special reference to wheat and rice. The Food Minister said: India's expectations in the matter of imports had not fully materialized. This was responsible for a reduction in the wheat content of the cereal ration which, however, was maintained at its present scale. The position regarding rice had eased considerably for the present, but the Central Provinces, normally a surplus rice area, had this year no rice to export and the internal situation in Burma, from which India was to get the bulk of her rice imports, was at present uncertain.

The members of the Committee emphasized inter alia the need for an increasing measure of self-reliance on internal production in view of the continued disappointment over imports. They referred to the fall in ~~product~~ production in most provinces, to the inequality of progress in compulsory procurement in different provinces and to the change of composition in the cereal ration which in some cases amounted to a cut in the ration. On the question of compulsory wheat rations in rice-consuming areas and vice versa, it was explained that this distribution had been forced on Government by the over-all shortage in the country of wheat or rice at a particular point of time, and with increased rice procurement, it might be possible to give rice-eaters their whole ration in rice. As regards wheat, the present shortage would continue till the new harvest in May, 1947.

(The Hindustan Times, 17-2-1947).

India allotted 85,000 Tons of Turkish Wheat.

As a result of negotiations in London between Sir Robert Hutchings, Secretary, Food Department, Government of India, and the British Government regarding stepping up of shipments of cereals from Turkey, 85,000 tons of Turkish wheat has been allotted to India. Under the original plan 67,000 tons of Turkish wheat were allotted to the United Kingdom to be diverted to India, but this has been increased to 85,000 tons in view of the greater demand of cereals from Northern Indian districts where wheat is preferred to rice.

Maj.-General A.C. Arnold, Regional Food Commissioner, who had been to Turkey to obtain wheat supplies from there, returned to Karachi on 12-2-1947; interviewed by the press, he said that three shipments of Turkish wheat would arrive in India before the end of February, 1947, and that five more ships were expected to reach in March, 1947.

(The Hindustan Times, 15-2-1947).

Demobilisation and Resettlement.

1.25 Million personnel demobilised from Indian Army Services, upto 31-12-1946.

From V.-J. Day to the end of December, 1946, 1,252,765 personnel were released from the armed forces. The Navy figures for December 1946, consisted of 24 officers, 50 ratings, and 32 officers and auxiliaries of the W.R.I.N.S. The total decrease in the strength of the Navy since demobilisation began is 1,727 officers, 15,792 ratings and 689 members of the W.R.I.N.S. From V.-J. Day to the end of December, 1946, the net reduction in the strength of the Indian Army amounts to 1,215,157 men and women. Of these 21,012 were British and Indian officers, 9,643 were officers and auxiliaries of the W.A.C.(I), 32,063 were British other ranks serving the Indian Army and 1,132,807 Indian ranks including 33,986 civilians attached to the Indian Army. Total R.I.A.F. releases since V.-J. Day now amount to 234 officers, 9,048 airmen, 9,054 enrolled followers and 84 non-combatant technicians.

(The Hindustan Times, 8-2-1947).

Resettlement of Ex-Servicemen: 60 Advice Offices to close.

Nearly 50 Resettlement Advice Offices all over India started early in 1946 by the Directorate-General of Resettlement and Employment, Labour Department, Government of India (vide page 69 of the report of this Office for January, 1946), to advise demobilised service personnel securing employment in civilian life will virtually cease to function from April, 1947. The staff of the resettlement advice offices now comprises a director-general, a chief resettlement advice officer, 6 deputy chief officers, 116 officers, 6 deputy chief officers, 116 officers, 150 assistant officers, and 197 extra officers.

The resettlement advice service was started by government initially for a period of one year during which period demobilisation was expected to be completed. It is understood that demobilisation has proceeded according to expectations and with its completion, the resettlement advice offices will also practically close down.

(The Times of India, 8-2-1947).



Post-War Reconstruction.

Reconstruction Needs of Far East Countries; U.N. Secretariat Reports survey of Post-war Conditions.

The United Nations Secretariat has recently issued a report on the post-war economic reconstruction of Asia for the use of the United Nations Sub-Commission concerned with the reconstruction of devastated areas. The following information about the post-war reconstruction needs of the countries of the Far East, principally China, Indo-China, Malaya, Burma, India, the Netherlands, East Indies and the Philippines, is taken from a summary of the report cabled to the Indian press by Reuter.

Modernisation of Production - The Main Need.- The main point made out in the report is that the economic re-construction of "the devastated areas of Asia and the Far East and rapid and substantial improvement of their living standard" are matters of utmost importance to the success of United Nations policy. It points out that in these areas, there has not yet been that progress in re-building production and trade which the world requires, and stresses that such recovery is a pre-requisite for sound world trade relations.

Emphasising the need for modernising the production methods of Asia, the report points out that the pre-war economic and social situation in Asia was one in which the thin veneer of industrial modernisation only partially overlaid ancient pre-industrial societies and the living level of the mass of the people was one of poverty, and that today the need is for a new and much more rapid and comprehensive effort to modernize production methods throughout Asia and the Far East with the object of bringing tools of modern technology within the reach of all people. At the same time, it says that this does not mean that Asia should copy today's industrially advanced countries in every respect. What is needed is a fundamental transformation of the whole economy, sowing seeds of industrialisation from resources within the region for use locally or for trade and building new and more equal economic relations with the rest of the world.

Dealing with important post-war changes, the report directs attention to (1) rise of the synthetic rubber industry; (2) vacuum left by the disappearance of Japan as a supplier, consumer and competitor and (3) independence of the Philippines and the projected independence of Korea. Listing the more important political changes, the report states: "China is no longer hampered by extraterritoriality and unequal treaties. Indo-China, the Netherlands East Indies, Burma, Malaya and India all recently acquired or are in the process of acquiring a new political status."

While stressing that the most significant factor in the situation is the powerful demand of the peoples of Asia for industrialisation and modernisation of economy, the report directs attention to the dangers inherent in a policy of partial or unbalanced modernisation, and says that such a policy can be dangerous for Asia and most of the United Nations for two reasons: First, increase in population in densely settled areas; and, secondly, the economic and political power generated by the rapid process of technological development may be usurped by anti-democratic and militaristic groups.

Survey of Developments in Far East.- The report closes with a survey of significant recent development in the countries of the Far East:

China.- The report estimated that in China 9,000,000 were killed in the war and an enormous number were injured or died from disease. China's exporting capacity, it says, is greatly reduced mainly because the high cost of production has been aggravated by civil strife and rises in wages and costs due to inflation.

Indo-China.- On Indo-China, the report says that the damage caused by internal strife is immeasurably greater than that caused by the Japanese.

Malaya.- On Malaya, the report says that the total loss of rubber is estimated at 93,000,000 dollars and in tin at about 35,000,000 dollars. Since the return of the British, considerable progress has been made towards recovery.

The Philippines.- In the Philippines, the report estimated the damage excluding shipping at about 8,000,000,000 dollars. Economic activity was still substantially below the pre-war level.

Burma.- In Burma, 6,000,000 acres of rice-land have gone out of cultivation. Complete disruption of the transport system was the most ~~of~~ ~~the~~ ~~transport~~ serious obstacle to recovery.

The Netherlands East Indies.- In the Netherlands East Indies, the total damage was estimated at 5,000,000,000 dollars. Recovery was retarded by internal conflict.

India.- On India, the report says : "Despite great suffering, India made great gains during the war which are probably more significant than losses. Many new industries have been created in India which may be vital factors in a general industrial programme which will have far-reaching effects for India and Asia as a whole". The report considered that, although India emerged from the war as a creditor nation "it would be over-optimistic to expect India to make a major contribution to the immediate reconstruction needs in devastated areas in Asia".

Conclusion.- Summing up, the report states: "The greatest obstacle to economic reconstruction in Asia has been and continues to be political conflict, coupled with social unrest. The shortage of trained personnel is the most important single factor which handicaps Asiatic countries. The lack of foreign exchange is also a limiting factor, with the exception of India. Economic reconstruction ~~is~~ is particularly hindered in China by tremendous inflation."

(The Hindustan Times, 17-2-1947).

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Implementation of 'Nagpur Plan' of Road Development  
demanded: Indian Road Congress, 11th Annual General  
Session, Trivandrum, 5-2-1947.

The 11th annual general session of the Indian Road Congress was held at Trivandrum on 5-2-1947. Col. J. Chambers, Chief Engineer to the Bengal Government, presided.

Progress of Road Development in India: Presidential Address. - In his presidential address, Col. J. Chambers demanded the implementation of the Nagpur plan for all-India road development (vide pages 54-56 of the report of this Office for March, 1944), the setting up of an independent Road Board and Advisory Council more or less similar to the Railway Board and the earmarking of road revenues exclusively for the financing of road development. Referring to the niggardly way in which the various Governments in India were allocating funds for road development, he stated that while the Central Government frowned upon the idea of appropriating railway revenue to the general revenue pool, it regarded "as extremely unorthodox to earmark road revenues for road". He pointed out that progressive countries of the world never were bound by such orthodoxy. The only way to develop road communications in India, without waste and overlapping, was on a national basis and based on assured funds.

Quoting figures for the past 20 years, ~~xxx~~ he revealed the progress of road development in India: between 1926 and 1942 India's road mileage increased by only 13½ per cent—from 199,140 to 226,093, which was less than the rate at which the population increased, reducing the mileage of 789 per million persons in 1926 to 764 in 1942. Civilian petrol consumption increased from 57,000,000 gallons in 1930 to 98,000,000 in 1940, yielding the Central Government almost 250 per cent increase in revenue (from Rs. 29.7 million to Rs. 72.9 million). Additional revenues accrued to provincial Governments from sales and other taxes on petrol and motor vehicles. yet, during the decade, metalled roads increased by a meagre 3.7 per cent only.

Referring to the Nagpur Road Plan, he said that the plan would be best effected by a Road Board. If there were serious objections to the setting up of such a Board by the Government of India, then it was for Government to suggest an alternative form of machinery. The plan was not beyond India's capacity. As regards India's immediate needs, emphasis should be first on the construction of simple all weather surface roads and bridges aimed at increasing the length of ~~usable~~ usable roads. No road should be built to a higher specification ~~than~~ than necessary until the majority of the important ~~kutch~~ roads had been provided with an all-weather surface. Provinces which had a good network of roads should give priority to bridge building over rivers to enable the roads to be used all the year round.

Government's Assurances. - Dr. John Mathai, Transport Member, Government of India, in a message to the session of the Congress, assured that the Government of India was convinced of the necessity for rapid road development co-ordinated throughout the country and for utilising to the full the principles and technique of the road-making science. The Government of India, and the Governments of the Provinces and most Indian States had accepted the principal recommendation contained in what was called the "Nagpur Report." It was the intention of Government to press on with the construction of national highways (vide pages 62-63 of the report of this Office for November, 1945) throughout India, subject to the availability of the necessary funds from the Centre.

(The Hindu, 6 and 8-2-1947).

X

Measures to improve Planning Machinery in India:  
Advisory Planning Board's Report.

The appointment of a Planning Commission of three to five members under the Central Government, a consultative body of 25 to 30 members, establishment of a Central Statistical Office, the planing of the Tariff Board on a permanent basis with wider functions and nationalisation of defence industries and certain basic industries like coal, iron and steel and transport services are among the main recommendations of the Advisory Planning Board, which was set up in October, 1946, under the chairmanship of Mr. K.C. Neogy, M.L.A. (Central), to review the planning which has already been done and to suggest improvements (vide page 72 of the report of this Office for October 1946). The Board's main recommendations relate to:- (i) The future machinery of planning, (ii) Agriculture, (iii) River development and electric power projects, (iv) Industries, (v) Mineral development, (vi) Supply of trained personnel, and (vii) Railways.

The main recommendations of the Board are briefly summarised below:

General Objectives of Planning.- ~~XXXXXXXXXXXXXXXXXXXX~~ The general objectives of planning are discussed in the report and are described broadly as "to raise the general standard of living of the people as a whole and to ensure useful employment for all". The attainment of these objectives, the report says, "requires that the resources of the country should be developed to the maximum extent possible and that the wealth produced should be distributed in an equitable manner". It also requires a certain degree of 'regionalisation', i.e., a dispersal of industrial and other economic activity, so that, so far as physical conditions permit, each distinct region of the country may develop a balanced economy. Such development, it is said, "would ipso facto make the country better prepared for defence, and this may be regarded as a subsidiary objective of planning".

As regards the future machinery of planning in India, the report points out that it must be devised with reference to the functions which are to be performed. These functions, so far as the Central Government is concerned, are at present limited, seeing that constitutionally a very considerable portion of the whole field of development falls outside its sphere. The Central Government, ~~it~~ however, can by persuasion and advice, by the part which it plays in organising research and by its control of banking and credit, tariff, foreign trade, railways and railway freights, profoundly influence the whole economic development of the country. Furthermore, under the existing constitution the Central Government can, by legislation, bring certain industries and minerals under its direct control, and at the moment it does, in fact, exercise such control by virtue of war-time powers which are still in force. The Board hopes that the Government will arrange for the continuance of such control.

Functions of Planning Machinery.- The Board considers that, in the light of the above, the following would appear to be the functions of any planning machinery established under the Central Government:- (i) scrutiny and co-ordination of Provincial plans and plans of Central departments; (ii) making recommendations to Government as regards the allocation of Central funds for development purposes; (iii) formulating plans for the development of major industries and important minerals; (iv) making recommendations to Governments regarding various forms of State aid and State control to be extended to industries; (v) making recommendations to Government regarding trade, both foreign and internal; (vi) making recommendations regarding monetary and financial policy, including currency

and credit at home and abroad, as affecting the planned development of the country; (vii) watching and stimulating progress in regard to the execution of the plans referred to in (i) and (iii) above, compiling and publishing statistics relating to them, suggesting adjustments and modifications in them and initiating new plans; (viii) allocating material resources which are in short supply so as to ensure that due regard ~~is~~ is paid to priorities; (ix) examining the implications of scientific research and discovery on special welfare.

Planning Commission.- For the discharge of these functions, the Board recommends a single, compact, authoritative organization, which should be responsible directly to the ~~next~~ Cabinet (or a Committee of the Cabinet) as a whole rather than to any one member, and which should devote its attention continuously to the whole field of development. The Board suggests a small whole time Planning Commission composed of not more than five and not less than three members with secretariat facilities and appropriate technical assistance. In regard to many matters it would be necessary for the Planning Commission to call in other persons for advice and consultation and to set up committees of experts to assist it. It might even be made obligatory on the Commission to consult representatives of the interests concerned in the development of agriculture, industry, transport, etc. In regard to the planning of industries which relate to Defence recruitments, it will be essential for the Commission to work in close contact with the Defence Committee of India.

Central Statistical Office.- The proposed Planning Commission would have to be in close touch with the activities of the Scientific Consultative Committee, the Tariff Board which should be a permanent and not ad hoc body with wider functions so as to include within its scope all forms of State ~~and~~ aid and a Central Statistical Office, which the Board considers ~~that~~ is vitally necessary for planning. With regard to the Scientific Consultative Committee (vide page 16 of the report of this office for December, 1946), the Board suggests that one of the first functions of this body should be to conduct a brief review of all the research that is going on and advise regarding the research that should be taken up and encouraged.

Priorities Board.- The Board urges the immediate establishment of a Priorities Board to make allocations of certain basic resources in the light of the development plans of the country as a whole, and that, if a Planning Commission, as proposed by them, is appointed, it should discharge the functions of a Priorities ~~Board~~ Board in addition to its other duties.

Consultative Body.- In addition to the Planning Commission, the Board recommends the setting up of a Consultative Body of 25 to 30 members which should include members of the Planning Commission, representatives of the eleven provinces, Indian States, agriculture, industry, commerce, labour, science and other interests. The Planning Commission would lay before the Consultative Body progress reports and matters requiring co-operative action by voluntary agreement.

Agricultural Planning.- According to the Board, the objective of agricultural planning in India is to increase the agricultural production on a scale sufficient to provide food at a satisfactory standard of nutrition for the whole population and, at the same time, to ensure an adequate volume of cash crops (such as cotton and jute) to serve as the raw materials of industry. It is also necessary to see that the increase in production improves the general standard of living and does not pass into the hands of intermediaries, whether landlords, money-lenders or traders. The Board quotes figures to show that the existing food production falls short by 99 million tons of what is required in order to provide a balanced

diet for the whole population. Cereals are short by 10 per cent (6 million tons) and the Agriculture Department has suggested aiming at producing an additional 4 million tons of cereals by 1951-52. This target includes one million tons to ~~be produced~~ produced in Indian States and is designed to secure that the production of cereals keeps pace at least with the growth of population. The Board points out that "from the nutritive point of view, this target is obviously inadequate", but it is not sure whether a higher target would be practicable. The Board, therefore, suggests that each Province and important State should now be requested to state the quantity which it will endeavour to provide towards the realization of the All-India target of an extra four million tons of cereals, frame its plans accordingly and set itself to achieve measurable increase in production.

Technical Education.- According to the Board, the present provisions for industrial training and training in engineering are insufficient. The Board, therefore, recommends that a small sub-committee of the All-India Council for Technical Education be set up at once specially to review plans for education and training in engineering. Engineers, who appear to be inadequately represented on the ~~All-India Council~~ All-India Council, should be fully represented on the sub-committee. The Board urges that in view of the shortage of trained staff, there should be selection of areas for concentrated development, in which all the different items of the development programme can be tested out simultaneously. The Board considers it will be necessary to import foreign technicians to assist various industries in varying degrees, but adds that it will be highly desirable that the training of local personnel should be made one of the terms of such employment. Industrialists should be consulted without delay on the need and possibility of devising a scheme to replace the Bevin scheme for training personnel to fulfil supervisory posts, while the Education Department's scheme for sending young men abroad for university training should be continued. There must be no less emphasis ~~for~~ further practical training in workshop, management and supervision, in methods of production and in the laying out and running of a modern factory. The Industries Department should be associated with the labour and Education Departments in the selection which should be made, as far as possible, from men already working in industry. These men should be trained with a view to their undertaking some definite job on their return.

State ownership of Industries.- On the question of State ownership and management of industries, the Board is of the opinion that if at the present juncture the State attempted to take into its ~~own~~ own hands the ownership and management of a large number of industries, the industrial development of the country might not be very rapid. Nevertheless, the Board recommends that it should be the policy to bring at least a few of the basic industries of the country under State ownership and management, and that the execution of such a policy should form part of the development plans. It recommends, therefore, that apart from defence industries and any industry or branch of any industry which might be found desirable to start as a State enterprise through the reluctance of private capital to undertake it, the nationalisation of the following should be considered: coal, mineral oils, iron and steel, motor, air and river transport.

Protection of labour by comprehensive legislation.- To safeguard the interests of labour in the new scheme of industrial development, the Board recommends that comprehensive legislation should be introduced without delay in respect of industries, whether centrally or provincially controlled.

Mineral Policy.- The Board thinks that the following principles can and should be accepted at once as the basis of an all-India mineral policy: (1) Minerals should be owned and exploited by nationals of the country and not by foreigners; (2) All mineral development should be regulated by Government whether Central, Provincial or State; (3) In respect of certain minerals (such as uranium and thorium-bearing minerals, coal, petroleum, mica, beryl, chromite, ilmenite, sillimanite, manganese ore, monazite, ~~xx~~ rare earth minerals and ~~xx~~ piezoe quartz], ~~these~~ should be Central co-ordination and regulation in order to ensure their wise utilisation in the general national interest.

The Board emphasises the importance of increasing the production of coal and urges that action be taken immediately on the report of the Coal-fields Committee (vide pages 37-38 of the report of this office for October 1946), which has dealt comprehensively with this subject.

Other Recommendations.- The Board recommends that railway projects should be given the highest possible priority and that Government should keep a close watch on their progress. The Board also emphasises ~~development~~ ~~and~~ ~~the~~ importance of road and port development, river development and power projects.

(The Hindustan Times and the Hindu, dated 2-2-1947 ).

GENERAL.

Inter-Asian Relations Conference:  
Due to start at New Delhi on  
23-3-1947.

The Inter-Asian Relations Conference, an unofficial conference convened by the Indian Council of World Affairs, is scheduled to start at New Delhi on 23-3-1947. China, Iran, Iraq, Palestine, Syria, Afghanistan, Burma, Nepal, Ceylon and several other Asiatic countries have agreed to participate. Besides these, the Governments of Australia, New Zealand, the Philippines, and Turkey, and the Institute of Pacific Relations have intimated that they will send observers to the Conference.

The agenda of the Conference includes such subjects as national movements ~~such as~~ for freedom in Asia; racial problems with special reference to the root cause of racial conflicts; policies for transition from colonial economy adopted primarily by national interests, but with due regard to international co-operation; problems of industrial labour and industrial development; cultural problems, with special reference to education; scientific research and literature; and women's movement in Asia.

Mrs. Sarojini Naidu, prominent Congress leader, is the Chairman of the Reception Committee of the Conference.

(The Hindustan Times, 20-2-1947).