

P.S. Note prepared for M. Daye  
P.S. 7.7-55.

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Note for Industry and Labour

"Go-Slow"<sup>1</sup> Policy in Bihar (India)

In April 1951, the Standing Labour Advisory Board of the State of Bihar, composed of representatives of government, employers and workers, constituted a special committee to go into the question of go-slow in industry. The action that has since been taken by this Committee, the Board and the State Government is summarised below.<sup>2</sup>

First Report of the Committee

The Board considered the first report of the Committee in September 1951. In its report, the Committee stated that there was a general complaint of fall in the productivity of labour in industrial undertakings. In its opinion this might be due to various causes, such as the low level of wages, lack of proper vocational training, lack of welfare and recreational facilities, social insecurity and particularly fear of loss of employment, due to mechanisation, rationalisation or reorganisation, want of proper attention to machinery and managerial inefficiency.

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<sup>1</sup> "Slow-down" in other countries.

<sup>2</sup> Communications from the Director, I.L.O. India Branch Office, New Delhi.

At the same time the attention of the Committee was invited to certain cases in which go-slow tactics appeared to have been adopted by the workers on account of one or the other of the following causes:

- (1) delay in settling an industrial dispute;
- (2) fear of retrenchment;
- (3) non-implementation of agreements or arbitration awards; or
- (4) some local or incidental cause;

and in view of the fact that a strike was not legally possible during the pendency of conciliation or arbitration proceedings.

After taking into consideration all the facts and circumstances, the Committee made recommendations on certain points, including the following:

"(1) Go-slowby workers should be treated on par with strike.

(2) When workers wilfully act in such a way that the production of a factory, or a part thereof, falls below the average normal production, the industrial equipment and levels of the management remaining the same, the workers should be held to have adopted deliberate go-slow tactics. Whenever there was an allegation of go-slow, it should be necessary to investigate and fix the average output of production for each unit or department, and if the production fell below the normal, i.e. average output, everything else remaining normal, it should be considered to be go-slow by workers. The average quantum of production should be calculated on the figures of the preceding five years, excluding any abnormal period. In case of a factory which had not completed five years, the preceding months and years need only be considered in calculating the average production. In case of difference of opinion regarding the figure of average production, the matter should be referred to the Labour Commissioner, who should hold such inquiry, as he thinks fit, take expert advice, if necessary, and give his decision, which should be acceptable to both the parties.

(3) As a general rule, the workers should not resort to go-slow without proper notice. A notice expressing the intention of the workers to go-slow and setting forth the reasons for the same should be served on the management, and the local conciliation officer, with copies to the Labour Commissioner and the Government. The date of commencement of go-slow should not be less than seven days from the date on which the notice is served on the management. The notice will remain in force for four weeks from the date of the service of the notice on the management. It may not be necessary to notify the exact date of starting the go-slow."

The other recommendations of the Committee dealt principally with the procedure to be followed once a go-slow notice had been given.

#### Action on the Committee's Report and Subsequent Action

The Committee's report was approved by the Labour Advisory Board at its Ninth Session held on 22 September 1951, which was attended by a representative of the I.L.O. India Branch Office as observer.

By a resolution dated 1 December 1951 the State Government accepted the recommendations. It also expressed the hope that the employers and workers would give unqualified support to these recommendations for a period of two years, after which the position would be reviewed by the Committee and the Labour Advisory Board.

The question was again considered by the Board during April 1953, upon a further report by the Committee. The Committee expressed the view that, having regard to the results

so far achieved, it did not appear desirable to scrap altogether the procedure previously laid down, unless a suitable law was enacted by the Government to deal more effectively with the problem. While it appeared to the Committee that go-slow by workers was not desirable, it emphasised that the facts had to be faced as they existed and it accordingly recommended that the existing procedure should be continued for a further period of two years with suitable amendments.

#### Recommended Changes

The changes recommended by the Committee involve the substitution of the following clauses for those beginning with the third clause under the former procedure:

"(3) There shall be no go-slow without a proper notice. A notice for go-slow can be served only on the following grounds and that also when other methods of getting the grievances redressed are not available, and all efforts to settle the disputes by mutual negotiation or discussions have failed:

- (a) Non-implementation of any agreement or award or continued breach of law by the management.
- (b) Malpractice by the management.
- (c) Sudden provocation by the management.

(4) The notice expressing the intention of the workers to resort to go-slow and setting forth the reasons for the same should be served on the management with copies to the local conciliation officer, the Labour Commissioner and the Government. The date of commencement of go-slow shall not be earlier than 14 days from the date on which the notice is served on the management.

- (5) Immediately on receipt of a notice the management will invite the representatives of the registered and recognised union and shall also notify the conciliation officer of the area regarding the service of the notice and the commencement of the negotiations, if any.
- (6) If the notice of go-slow is not in accordance with the provisions of clause (3), the Labour Commissioner will immediately advise the union and the workmen concerned to withdraw the notice with intimation to the management.
- (7) The notice of go-slow will remain in force for a period of four weeks from the date of the service of the notice on the management.
- (8) If the notice of go-slow is held to be in accordance with clause (3), the conciliation officer shall take necessary steps for the settlement of the disputes, and further action, if any, will be taken as in case of a notice for strike under the Industrial Disputes Act. The conciliation proceedings must be concluded within three weeks from the date of service of notice.
- (9) If go-slow is resorted to without notice or during the pendency of any conciliation or adjudication proceedings arising out of such notice or for grounds other than those mentioned in clause (3), the go-slow will be deemed to be unjustified.
- (10) If, on inquiry by the Labour Commissioner, the go-slow is held to be unjustified, the workers resorting to go-slow will be liable for punishment prescribed for major misconduct, including dismissal."

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INTERNATIONAL LABOUR OFFICE  
INDIA BRANCH

B. I. T. DEPARTMENT OF NEVA
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Industrial and Labour Developments in April 1955.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - APRIL 1955.

11. Political Situation and Administrative Action.

Andhra: Congress Party forms Government.

A Ministry for the Andhra State formed by the Congress Party was sworn <sup>and</sup> with Mr. B. Gopala Reddi, as Chief Minister, ~~in~~ at Kurnool on 28 March 1955. In the general elections held in February 1955 to the State Assembly (vide page 7 of the report of this Office for November 1954), the Congress Party emerged with an absolute majority having strength of 146 members in a house with a total strength of 196. The members of the Ministers and their portfolios are given below:-

Mr. B. Gopala Reddi, Chief Minister: Finance, Legislature, Information and Broadcasting and Home (Public Services).

Mr. N. Sanjeeva Reddi, Deputy Chief Minister: Home (Law and Order) and P.W.D. (Irrigation).

Mr. D. Sanjeevayya: Co-operation, Commercial Taxes and P.W.D. (Transport).

Mr. Kala Venkata Rao: Planning and Development and Industries.

Mr. K. Chandramouli: Revenue, Registration and Endowments.

Mr. G. Latchma<sup>ann</sup>: P.W.D. (Electricity), Labour and Social Services.

Mr. N.V. Rama Rao: Agriculture, Veterinary and Forests. \*

Dr. A.B. Nageswara Rao: Local Administration and Prohibition.

Tentatively, the Education portfolio will be administered by the Chief Minister, Prisons by the Deputy Chief Minister, Law by Mr. D. Sanjeevayya and Public Health by Mr. Kala Venkata Rao.

\* Since dead

(The Hindu, 29 March 1955 ).

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Madhya Bharat: New Cabinet formed.

A new Cabinet was sworn in for the State of Madhya Bharat at Gwalior on 18 April 1955. The only new addition to the Cabinet is the Chief Minister, Mr. Takhatmal Jain. Mr. V.V. Dravid continued to hold the portfolio of Labour.

(The Hindustan Times, 19 April 1955).

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14. Conventions and Recommendations.

India - April 1955.

Bombay: Application of the Principles of Equal  
Pay for Equal Work for Men and Women Labour:  
Official named to Investigate Cases.

The Government of Bombay has named the Chief Inspector of Factories as the officer who would, whenever necessary, investigate cases on the basis of job-appraisal with the help of the technical ~~and~~ staff under him for the purposes of implementing the principle of equal pay for equal work for both men and women.

This step has been taken in pursuance of the decision of the Ministry of Labour's tripartite committee on I.L.O. Conventions and Recommendations that efforts should be made to promote progressive application of the principle of equal pay for equal work and to this end had suggested, among other things, that both at the Centre as well as the State level there should be a duly designated officer who should, whenever necessary, investigate cases on the basis of job-appraisal with the help of technical persons as may be required by the circumstances of each case, (vide pp. 14-15 of the report of this Office for August 1954).

(Labour Gazette (Issued by the ~~Office~~  
Government of Bombay), March 1955, p. 713).

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Burma: Workmen's Compensation (Amendment) Bill:  
Measure to ensure conformity with the I.L.  
Convention No.17.

The Government of Burma published recently a Bill to amend the Workmen's Compensation Act. According to the Statement of Objects and Reasons appended to the Bill, the Bill has been introduced with a view to enable the Union of Burma, as a member of the International Labour Organisation, to ratify the International Labour Convention No.17 concerning Workmen's Compensation (Accidents). For the purpose of ratifying this Convention, it is necessary for the Government of the Union of Burma to amend the existing Workmen's Compensation Act so as to make the Act cover adequately all the provisions of the Convention. An examination of the Workmen's Compensation Act, as it now stands, shows that the Act covers generally all the provisions of the Convention except the provisions continued in Articles 7 and 10 thereof.

(For details please see pp.            of the report of this Office ).

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25. Wage-Earners' Organisations.

India - April 1955.

The Seventh Session of the Indian National  
Textile Workers' Federation, Sholapur,  
24-25 April 1955: Revision of Minimum Wages  
and Co-partnership demanded.

The seventh session of the Indian National Textile Workers' Federation was inaugurated by Mr. Khandubhai K. Desai, Minister for Labour, at Sholapur on 24 April 1955; Mr. G.D. Ambekar, President, Indian National Trade Union Congress (I.N.T.U.C.) presided. The conference, among other ~~suggesting~~ subjects, adopted resolutions urging revision of minimum wages and co-partnership ~~to~~ the management of the textile industry.

Mr. Khandubhai Desai's address: Plea for a new outlook. - Mr. Desai, inaugurating the session, ~~of the Federation yesterday~~, called on the workers and managements of textile units to change their habits and outlook in conformity with the ~~aspirations~~ *aspirations* and aims of the nation.

"We are living in a new era - an era pledged to ensure ~~xxxxxx~~ economic freedom and social justice for all. The Socialistic pattern of society is our aim and we are working for that end. To achieve this, the employers and employees have their respective roles to play", he said.

Mr. Desai asked employer, not to consider industrial undertakings their personal property for their own benefit, but national undertakings meant for the progress of the nation.

He said the industries in which workers were engaged were theirs, designed to promote not only their welfare, nor alone the welfare of their employers, but of the society.

"If such a new outlook is adopted by the capitalists and workers, there is no room for any closure of industrial concerns and consequent unemployment and misery", he said.

Referring to labour-employer relations, Mr. Desai urged workers and managements to "sit together, understand each other's point of view and evolve an amicable formula" wherever a dispute arose. Such a solution, he said, was not difficult, if only both the parties realised that they worked not for their personal gains, but for the benefit of society. The management should think in terms of serving the people and workers in terms of increasing national wealth. Such an attitude would always help both

the parties to live in harmony. If the management and the workers carried out their duties diligently, honestly and in a national spirit, there would be no trouble, he said.

Mr. Desai opposed strikes and lock-outs. He said workers' demands should be justified by production and conditions of workers in their spheres of life.

Referring to rationalisation, Mr. Desai said it should not lead to unemployment and misery. Rationalisation schemes should be implemented after the management and labour had considered the situation fully.

Mr. Desai said he was not a supporter of appellate tribunals. But when the management and labour could not amicably resolve their disputes, the machinery became inevitable.

*He said: /*  
Overhauling wage structure: Mr. Ambekar's speech.- During the course of his presidential address, Mr. Ambekar urged the revision of the wage policy so that "each one may get the proper return for his labour". / "Our entire wage policy has to be overhauled, our concepts of living wage, fair wage and minimum wage have to be properly defined and remuneration of different categories of workers fixed in such a way that each one may get the proper return for his labour".

"This will lead to greater incentive on the part of the workers and higher efficiency and help the industry ~~to~~ the long run", he added.

Employers should introduce such systems of wage payment that would enthuse the workers to ~~accept~~ accept higher responsibilities and more work consistent with their health, he suggested.

Referring to rationalisation, in industry, Mr. Ambekar said the I.N.T.U.C. would not be a party to the introduction of rationalisation which was likely to displace even a single worker. "Rationalisation will have to be proceeded with gradually and in a manner which will at least maintain the present employment", he said.

Mr. Ambekar said high mechanisation would only add to the problem of unemployment and reduce the standard of living of the masses. Moreover, India in its present stage of economy could not afford to throw away its finances in importing highly mechanised machinery. He said the question of rationalisation should be settled finally either by joint consultation or by a Government directive.



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Urging the abolition of the Labour Appellate Tribunal, Mr. Ambekar said instead of introducing uniformity of principles, The Appellate Tribunal had made confusion worse confounded and helped the ~~small~~ capitalists to exploit the consumers and workers. The bonus formula evolved by the Labour Appellate Tribunal to determine the surplus available for bonus in textile mills had caused great discontent among workers.

Welcoming the recommendation of the Taxation Commission that minimum and maximum per capita income should be fixed in the ratio of one to 30, Mr. Ambekar said: "Even though it does not go as far as our own views in the matter, we welcome this proposal as a step in the right direction".

Mr. Ambekar praised the decision taken by the Indian National Congress at its Avadi session to build up a Socialistic pattern of society in the country. Mixed economy would be tested from ~~this~~ this angle. "Our aim is to progress further and establish the rule of Sarvodaya in which there may be no scope for concentration of wealth and ugly ostentation, he added.

Referring to the progress made under the Five Year Plan the president said, that India had almost become self-sufficient in food and controls had disappeared. The industrial production had increased and in some cases they had passed the targets of the Plan. The country was able to export almost 1,000 million yards of cloth. But the Plan had failed to pay adequate attention to the creation of new jobs for the millions of unemployed and under-employed in the country.

"No Government, however, popular and democratic, can afford to ignore this problem for a long time. Our rural economy has broken down under the heavy weight of the unemployed people". The standard of living in rural areas had fallen to a sub-normal level, he declared.

Mr. Ambekar referred to the "active propaganda carried on by interested parties to explain to consumers that cloth prices retained a higher level due to addition in labour costs by the new burdens of labour legislation", and said the labour costs had, in spite of various labour legislations, remained stationary at about 4 annas in a rupee and in some centres they were even lesser than the pre-war level.

He emphasised the need <sup>to</sup> of drastic improvements in the working and living conditions of workers. He complained about the poor progress made in the provision of houses for the workers. The employers had not taken ~~advantage~~ advantage of the housing scheme for which the Government of India had provided a large amount, he pointed out.

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Mr. Ambekar reiterated the demand made by the INTUC for the extension of benefits of the Employees' State Insurance Scheme to family members of the insured persons. He said: "Unless this is arranged, the scheme will never satisfy the workers".

Decisions: i) Co-partnership in industry.- By a resolution, the conference expressed the view that the principle of co-partnership should be applied to the textile industry through a phased programme. It asked the Government to associate labour with the management of mills and to invest it with rights and responsibilities "in no way less than those of capital".

ii) Wages.- The conference in a resolution criticised the standards and priorities adopted by the Labour Appellate Tribunal while determining the quantum of bonus. Seeking a revision of the wage structure, it said that the existing wage differentials were fixed in an ad hoc manner without any scientific basis before the war. The resolution said that the structure should be so overhauled as to take into account workloads, conditions of service, responsibilities, strains involved in work and the skill required for particular categories. The minimum wage should accord with the definition given in the Fair Wage Committee Report. The conference felt that the wages could be refixed in such a manner that there will be no need for payment of a separate dearness allowance.

iii) Rationalisation.- By another resolution, the Federation requested the Government not to allow labour-saving machinery and other automatic machinery to be installed at least for the next five years to keep employment at its present level. Clarifying its stand on rationalisation of industries the Federation said large-scale machine industries must be restricted to the basic needs of the country to be established and run by the State itself. In the private ~~xxxxxx~~ sector, the Federation said, rationalisation can and may be permitted only to the extent it can be secured without creating any actual or potential unemployment after creating suitable working conditions so that work-load would not be detrimental to the health of the workers and hence given most of the benefits of rationalisation.

Election of office-bearers.- The following office-bearers were elected for the ensuing year: Mr. G.D. Ambekar- President; Mr. Somnath Dave - General-Secretary; Mr. Ramsingh Varma (Indore), Mr. Narendra Tedke (Nagpur), ~~Mrx~~ and Mr. S.G. Athavale (Sholapur) Secretaries; and Mr. G. Ramanujam - Vice-President.

(The Indian Worker, 30 April 1955, pp. 1 and 11;  
The Statesman, 25 and 26 April 1955;  
The Times of India, 26 and 27 April 1955;  
The Hindustan Times, 27 April 1955).

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28. Employers' Organisations.

India - April 1955.

Fifteenth Annual Conference of All India  
Manufacturers' Organisations, Hyderabad,  
26 March 1955.

The fifteenth annual conference of the All-India Manufacturers' Organisation was held at Hyderabad on 26 March 1955, Mr. Murarji J. Vaidya, Chairman, presiding. The Conference was inaugurated by Mr. B. Ramakrishna Rao, Chief Minister of Hyderabad.

Inaugural address.- In his inaugural address Dr. Rao pointed out that abolition of jagirdari and other feudal systems formed the first step towards creating a Socialistic pattern of society. Other legislation had been enacted to promote agrarian reforms. Moreover, certain requirements embodied in the Directive principles of the Constitution, like removal of untouchability and introduction of free <sup>and</sup> compulsory education were pointers in that direction. "What the Avadi session has done was to make a clear announcement on the subject with a view to stimulating interest in the subject and clear the doubts among any section of the people about the objectives of the Indian Government. I personally feel that the Avadi resolution should not, in any way, disturb the equanimity of industrialists and manufacturers of the country but, on the other hand, I find that attempts are being made in industrial circles to adjust their principles to the new trends".

Private and public sector.- Referring to the relative importance of the private and the public sectors in industry, Dr. Rao said that complete nationalisation of industries was unacceptable in the present circumstances and he was sure that not even the most leftist elements in the country desired total nationalisation at this stage of industrial development in the country. The question, therefore, was of adjustment between the private and the public sectors to the matter of industrial advancement. "Both have their place in the country's economy and I hope that in all matters, as in matters of international politics or even of social adjustments, the philosophy of co-existence which has been preached by our great leader, the Prime Minister has a large part to play.

I am confident that the policy of the Government will be formulated on the basis of this philosophy, at any rate for some time to come. There is still large scope for the private sector in the full industrial advancement of the country. Given goodwill on both sides, I think the policy of nationalisation should not cause the industrialists any alarm. The Government of India, I am sure, will proceed slowly in that direction though the principle had been admitted on all sides".

Capital and Labour.- As regards relations between capital and labour, Dr. Rao said that the recent policy of the Government of India as of the State Governments was to create an atmosphere of goodwill and co-operation between capital and labour. They had adumbrated ~~practical~~ policies of tripartite consultations and mutual negotiations for settlement of industrial disputes. Of course labour should also be made to realise that they were also participants in the industrial growth of the country and adopt a more reasonable attitude. The responsibility lay on both sides.

He pointed out that emphasis had to be laid on irrigation and food and development of industries in the Second Five-Year Plan. They could not provide for industrialisation in the First Plan itself as in the "changing economic pattern from agricultural to industrial, any sudden change was fraught with possibilities of dislocation which they should avoid". He hoped that in the formulation of the Second Plan there would exist the best and closest co-operation between Government and industrialists. *Cogniscent* But none/complaint of practical difficulties would advocate complete concentration of heavy industries. The question of unemployment as it faced them today was also to be tackled. There was no possibility of their facing that problem without development of small-scale and cottage industries. Heavy industries had their own place. "But these theoretical controversies should be avoided and a practical approach is what I advocate both for manufacturers and industrialists and for the Governments".

Mr. Vaidya's address.- Mr. Vaidya in the course of his presidential address hoped that the concept of peaceful co-existence would be further enlarged by the leaders of the nations of Asia and Africa due to meet at Bandung. An extension of the beneficial activities of the African-Asian group to the economic sphere would indeed be a logical step forward in the direction of betterment of the life of the people of Africa and Asia. It was necessary that an economic wing of the African-Asian group should be set up to help the nations in these regions to bring about the requisite development of their economies and consequently an improvement in their living standards.

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Mr. Vaidya was happy that one of the recommendations of the All-India Manufacturers' Organisation Industrial Delegation to South and South-East Asia and Japan relating to the establishment of a Payments Union for the countries in that region was receiving the active consideration of the International Monetary Fund. Such a Union would help the countries to bring about a far more rapid development of their commerce and industry than any other single measure.

Economic development during 1954.- Mr. Vaidya referred to the economic development in India during 1954 and pointed out that the most remarkable achievement was the progressively downward adjustment of prices in spite of the large developmental expenditure incurred under the first Five-Year Plan involving deficit financing to the extent of 2080 million rupees in 1954-55 by the Central Government. That proved beyond doubt that the productive activity had more than kept pace with the development expenditure. In spite of the increase in the volume of currency the wholesale price index had gone down. Production in industry as well as agriculture had shown considerable expansion and the value and prestige of the Indian rupee in the free markets of the world was higher than ever.

Mr. Vaidya stressed that a more co-ordinated and co-operative effort on the part of the Government and all sections of the people including industrialists was now called for in view of the emphasis on the development of industries in the second Five-Year Plan.

Private sector of industry.- Analysing the policies of the Government including the decision of the Congress to evolve a socialistic pattern of society Mr. Vaidya expressed the view that the sum total of all the policies would be a gradual elimination of the private sector and as time went on, greater and greater responsibility would rest on the government for establishing new industrial enterprises. The fact that major industries like steel, shipping, electric power, etc., had to resort to borrowing from the governmental or semi-governmental agencies in the immediate past was a sure indication that the Government would have to be the main provider of capital resources even where the State itself was not the entrepreneur and the financier of its own volition as in the public sector. The increasing burden of taxation through Income-Tax, Super-Tax, excise duties, sales tax, cess and the progressively mounting contributions which industry was required to make to the various social welfare measures had resulted in mounting costs of production or where the buyers refuse to pay the higher costs in dwindling down profits both in internal and external markets.

The ~~report~~ return from industry would therefore, progressively decrease and in turn lead to progressive decrease in the incentive for starting or developing industries by the private sector. The recent example of levying ten per cent excise duties on some of the durable consumer goods made it obvious that the Finance Minister was either over-estimating the capacity of the consumer to be a willing contributor to the revenue he wished to collect or that he desired profits of manufacturing industries to be watered down to a very low level.

It must be considered carefully whether the Government could secure the right personnel, whether the system of administration of industries under the Government would prove to be economic in the long run, whether the interest of the consumer and the tax-payer would not suffer in this process and whether the gradual elimination of individual saving as a source of industrial capital would not ultimately lead to a retardation of the pace of industrialisation of the country.

Just as the country had adopted mixed economy as modus vivendi for attaining economic and social objectives within the framework of ~~democracy~~ democracy it would have to adopt a middle course in the manner and method of economic and social betterment. He ~~expressed~~ appealed to the Government to examine each and every step that it took to make sure that it would not give such a shock to the economic system that the hands of the clock might be set back. At the ~~time~~ same time he would ask his brother industrialists to appreciate the force of the arguments on the other side in the context of the need for rapid economic and social betterments and to be prepared to adjust their thinking and way of life to the overall needs of the country.

Unemployment.- Referring to the unemployment problem, Mr. Vaidya said that the rate at which the employables were growing was faster than the rate at which avenues of employment were being created. For example during the ~~next~~ first four years of the first Five-Year Plan four million jobs were created for seven million job-seekers. The need for creating a large number of jobs was greater in the urban areas than in the rural areas because the job seekers from the rural areas trekked ~~away~~ to the towns and aggravated the problem. The first step in this direction was to create conditions in rural areas which would prevent any large-scale migration of the unemployed to the urban areas. That ~~could~~ could be done only if more opportunities for employment were created in the occupations auxiliary to agriculture ~~and~~ and in cottage and small-scale industries.

The Community Development Project and the National Extension Service areas had created some employment but it was essential that a greater emphasis should be laid on cottage and small-scale industries in the areas. People should be encouraged to start one-man or two-men industries on a small scale as was done in Japan. In that country 620,480 industrial establishments, consisted of not more than four persons. That system had to be studied and followed and a successful attempt in that direction had been made by Sir M. Visveswarayya in the Mysore State, where his village industrialisation scheme was originally introduced in a few districts and had now been extended to the entire State. That scheme should be integrated with the Community Development Projects and National Extension Service Areas so that a co-ordinated programme of creating more employment in the rural areas with the resulting increase in the production, could be implemented. It was only through creating more jobs in the small-scale and rural industries in the village areas on the one hand and the development of a large number of heavy and large-scale industries in the urban areas on the other hand that the great problem of unemployment could be tackled.

Resolutions: Amendment to Constitution  
opposed.- The Conference in a resolution said that the Constitution (Fourth Amendment) Bill (Vide pages 42-46 of this Office Report for January 1955), if enacted in its present form, would ~~also deprive individual~~ greatly disturb the economic life of the country. The resolution said the Bill would also deprive individual citizens of constitutional protection of private property.

The Conference disapproved of the proposals "(a) to deny compensation for expropriated property rights to the persons concerned ~~on~~ on grounds of public interests, if technically there was no real transfer of the ownership or right to possession of property to the State; (b) to vest the State with discretionary powers to take over or requisition ~~mean~~ property; (c) to take over management of any property or transfer of an undertaking wholly or partly from one company to another, and particularly strongly objects to the proposal to make non-justiciable the determination of compensation to be given to owners of private property in the event of its compulsory acquisition by the State".

The Constitution of India had been framed, the resolution stated, by a deliberate compromise between different view-points as to the desirable pace of social change and the ways of promoting economic equality and as such, no political party should embark upon major changes in the Constitution without obtaining a mandate from the people as a whole at a general election.

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The Government had already severely curtailed the rights and liberties of individuals and corporate bodies under various laws. In any democratic set-up, the functions of the Legislature, the Executive and the Judiciary should be independent and well-defined and should be such that the Judiciary would act as a check against any misuse of power by the others. The Conference, therefore, urged upon the Government of India to reconsider the amending Bill and not to arrogate the powers of the Judiciary either to the Executive or to the Legislature.

Taxation Commission's Recommendations.— The Conference by another resolution welcomed various incentives proposed by the Taxation Inquiry Commission to develop productive enterprise in the country, particularly, the grant of a development rebate to the extent of 25 per cent of the cost of all new plant and machinery installed for business purposes instead of the present initial depreciation allowance of 20 per cent; the permission to carry forward the loss of business indefinitely, instead of for six years as at present, and to allow a "tax holiday" to industries of special national importance. It, however, advocated a "go-slow" policy in implementing the various proposals made by the Commission for augmenting the revenue by excise ~~duty, etc., etc.~~ duties. In the selection of any commodity for levying excise duty, it said, due consideration would have to be given to ~~the~~ incidence of Sales Tax, special cess or other imposts on the commodity, the State of the industry concerned and the nature of the product and its importance to other industries as raw material. The incidence of the excise duty should in no case exceed three per cent ad valorem and together with the Sales Tax it should in no case exceed six and a quarter per cent of the value of the product.

The resolution stated that in many respects, the recommendations of the Commission were not conducive to the achievement of the task with which the Commission was charged, i.e., the achievement of increased investment on public and private ~~sectors~~ account.

(The Hindu, 27 March 1955 ).



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Annual General Meeting of the Indian Jute Mills Association, Calcutta, 17 March 1955; Chairman's Address: Growing Foreign competition.

Addressing the annual general meeting of the Indian Jute Mills Association at Calcutta on 17 March 1955, Mr. G.J. Gardner, Chairman of the Association, described the year 1954 as a not unsatisfactory year and said that although the background today was more cheerful and less confused, only a brave man could find grounds for real optimism in the present situation. The most that could be hoped for was gradual consolidation of the ground that the industry had regained after the disastrous reverses which had occurred at intervals during the past five years.

The mills had been able to reduce the heavy burden of stock, especially of sacking, and had strengthened their position as sellers. The improvement in offtake last year had been the natural consequence of greater prosperity in all consumer markets and the partial removal of restrictions on the free purchase of jute goods.

The main feature of the year was the marked recovery in sacking exports, from 324,000 tons in 1953 to 430,000 tons in 1954. This had been accompanied by a slight fall in hessian shipments.

Mr. Gardner felt that the mills' present level of production might be "possibly in excess of the present world demand". Heavy sacking shipments in the past six months might have contained a considerable element of restacking, and when this force was spent, "the normal reduction in demand experienced at this time of the year may coincide with a further decreasing influence". There was no need for precipitate action, but trends would have to be studied vigilantly so that action could be taken if production began to run seriously ahead of offtake.

Mr. Gardner referred to the serious inflation in raw jute prices at the end of 1954 and the deterioration of deliveries. The worst of that danger might have passed, but it was "an ominous reminder of problems awaiting solution, which, if not dealt with, will endanger the whole competitive position of our industry".

Between March 1954 and February 1955, there had occurred a 61 per cent rise in the cost of raw material, while hessian prices rose only 15 per cent and sacking only 26 percent. "No industry", Mr. Gardner said, "can face an increase of 61 per cent in the cost of its raw materials without serious economic repercussions. The mills have in fact borne the main loss".

"Even so", he added, "our consumers have been affected and they have been faced with a rise in the cost of jute goods at a time when the general trend of prices of other packaging materials and, in particular, of the agricultural and other commodities which they handle is stable or falling. The situation to which I have referred is by no means an isolated or unusual occurrence. Since World War II the total jute crops in India and Pakistan have varied between 7 million and 11 million bales, while price fluctuations have been equally unstable. There can be few, if any, major manufacturing industries which have to depend for their raw materials on a supply so uncertain and characterised by price movements of such magnitude".

Mr. Gardner said the problem of mills being held to ransom by shortages arising from economic or political manipulation "has not received that continuous and vigorous attention which it deserves".

Foreign competition. - Regarding the growth of foreign competition, Chairman said: "The trend towards greater economic independence in the manufacturing of jute goods continues to develop in many countries and in certain cases our main markets are being invaded from different directions. This tendency is particularly marked throughout the East, which for such a long period has been a consistent buyer of a substantial quantity of our heavy goods. Information has been received of the planning or construction of jute mills in Egypt, Iraq, Iran, Burma, Thailand and the Philippines.

"We have received most valuable information about the Near Eastern countries as a result of the visit paid by Mr. M.P. Birla, who led an official delegation to these areas at the end of the year. There seem, though here our information is very scanty, to have been some additions to the Chinese manufacturing industry, but most serious of all is the case of Japan.

"Japan is in a particularly fortunate position to supply jute goods to the most important west coast markets of the U.S.A., because of lower freights and labour costs, and Indian jute goods have suffered in competition. In recent months Japan has emerged as America's second largest supplier of jute goods after India and, although still relatively small, her steadily increasing exports constitute a serious threat.

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"This is a question which must receive continuous and close attention from the Association, in consultation with the Government of India. The jute industry in Pakistan continues to make steady progress and though there have been considerable delays in its plans, we must recognise it as our most dangerous potential competitor".

Speaking of the prospects of finding new uses for jute goods, Mr. Gardner said: "It must be recognised that with certain exceptions the expansion of our trade along traditional lines is unlikely in such highly developed markets as the U.S.A. On the other hand, the enormous modernisation of agriculture, transport, housing, etc., must surely offer great opportunities.

"Now should we forget that the whole emphasis in country after country at present is on development with an enormous increase in the importance given to road work, irrigation, etc., in which directions it is thought that new uses can be found for jute goods".

Modernisation.— Referring to modernisation of the industry, Mr. Gardner stated: "The jute mills regard themselves with adequate justification as realistic but progressive employers and we recognise with sympathy the apprehensions of those of our many thousands of employees that with the introduction of modern equipment there will be widespread retrenchment in the industry. In reply I can only repeat what I have said before, that it is the general policy of the Association to minimise any such effects on workers by ensuring so far as is possible that any adjustments required will be made by allowing the natural processes of wastage to take effect. Our very existence is dependent on the degree to which we can compete in an international market in which competition is merciless and in which we are often at a severe disadvantage. Other jute manufacturing countries in most cases have a protected market in which they can sell the bulk of their products. Only a comparatively small amount is sold abroad and even then often at subsidised rates. In our case 90 per cent of our production goes overseas. Our main competitor in the open market, the paper bag industry, is an example of a producer equipped with the most modern machinery so highly mechanised that the productive capacity per head of the workers employed is many times greater than it can ever be in the jute industry. We cannot afford, nor in the long run is it in the interests of our employees, that increasing labour costs should force us gradually and continually to lose important markets in competitive manufacturing countries and to substitute packaging materials".

Labour conditions.- Bearing this situation in mind, Mr. Gardner continued, the improvements in the conditions of employment since the end of the war must be regarded as substantial. "It is I think unfortunate that the industry has still to face the outcome of yet another Omnibus Tribunal. The casual reader of the press might get the impression that the normal relationship between employer and employee in this country is one of tension and disagreement frequently punctuated by strikes and other evidence of breakdown in industrial harmony. In the jute industry at least this is certainly not the case. Employers are sometimes concerned at the amount of time which it is necessary to give to labour questions but it is time well spent and the figures which we maintain show what a striking improvement there has been in our ability to settle by peaceful negotiation and conciliation the majority of disputes which arise. This industry was in fact the first in India to set up a Labour Relations Department, and I think that everyone will agree that there have been very few of our activities which have given better or more satisfactory return".

(Capital, 24 March 1955,  
pp. 431-439 ).

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Annual General Meeting of the Indian Tea Association,  
Calcutta, 18 March 1955: Chairman's Address.

Addressing the annual general meeting of the Indian Tea Association at Calcutta on 18 March 1955, Mr. H. Mackay Tallack, the chairman, reviewed the problem of the tea industry during 1954.

Tea prices.- Mr. Tallack said that the rise in tea prices during the year was due to increased demand and hold-up of "a lot of tea which we have produced on its way to markets. Regarded in this light, our prosperity will prove less permanent than ~~is~~ generally expected. It is growing and in which their liabilities are increasing".

Contrary to the general belief, Mr. Tallack said, the production of tea in 1954 was greater than that in 1953. North India produced 508 million lb. compared with 487 million lb. in the previous year. Ceylon, South India and Indoensia had recorded comparable advances and production had kept pace with consumption. But the trouble arose because there was an enormous time-lag between the manufacture of a lb of tea and its arrival in the shop. Indeed, much of the tea produced on member-gardens during 1954 was still either in Calcutta, or in ~~the~~ shipbound for consuming countries, or in the process of being distributed to ~~retailers~~ retailers. The time-lag did not matter when demand was stationary, but it became of immediate significance when demand showed a rapid increase, and when stocks became dangerously depleted, Mr. Tallack said.

Mr. Tallack listed the breakdown of communications due to flood in the docks, London dock strike and the go-slow movement in Calcutta port as factors which influenced the market position of tea in 1954. The gradualness of the release of export rights by the Government of India, coupled with a vigorous demand in the world markets also made the overseas buyers apprehensive. Though one may feel that buyers were unduly anxious it cannot be denied that the earliest possible release of the greatest possible quantity of quota has a most salutary effect on prices ~~of~~ and upon the market's stability, Mr. ~~Tallack~~ Tallack said.

Labour Relations.- Mr. Tallack said relations between employers and employees were generally satisfactory. Inevitably there had been misunderstandings, but even so, there were only 31 strikes in 1954, compared with 281 in 1953, and only 30,642 man-days were lost. Of the strikes, no less than 17 finished the, "and - as is now traditional - in terms of seconds, we have lost under three seconds per worker per day through industrial disputes". Mr. Tallack, however, reported

a deterioration in certain areas in the Dooars during the last three months. This deterioration was the more discouraging in that it followed the recognition on a garden basis of certain of the unions which ~~have~~ had ~~have~~ been ~~xxxxxx~~ operating in those ~~xxx~~ areas.

The chairman regretted that with the increase in wages of workers consumption of liquor has increased enormously. Another disturbing factor was that because wages were higher, many workers limit their day's work.

Concluding, Mr. Tallack, hailed the Government's proposal for introducing a sliding scale in export duty. There are unmistakable signs that consumer-resistance and buyer's resistance were growing. The fall in prices which followed the Ceylon Prime Minister's observations was due to this resistance. The stock position had also improved and most of the buyers realised that some of the causes of the 1954 shortage were of a temporary nature. "We must, therefore, expect that prices will continue to fall", he added.

Mr. H.K. Stringfellow and Mr. J.P.H. Bent were elected chairman and vice-chairman respectively for the ensuing year.

(Capital, 24 March, 1955, pp. 441-442).

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29. International Co-operation.

India - April 1955.

U.S. Technical Assistance to India: Agreements  
signed.

On 19 April 1955, four operational agreements were conducted at New Delhi between the Governments of India and the U.S.A., involving total U.S. assistance to the extent of \$ 720,000. The Government of India's total contribution to these joint projects amounts to 41,261,200 rupees. The projects covering these agreements are for (1) agricultural economic research; (2) determination of soil fertility and fertiliser use; (3) trades training; and (4) ground-water irrigation.

On 24 March 1955, another operational agreement was signed, ~~providing~~ providing for U.S. assistance for a project for augmenting fertiliser supply in India. According to this project it is proposed to acquire about 44,000 tons of fertilisers for which the U.S. contribution is \$ 4 million. The Government of India's contribution for this joint project amounts to 1.2 million rupees which will be used mainly for meeting internal costs of handling and transportation. The fertilisers imported under this project will be sold to cultivators in India. The Ministry of Food and Agriculture is to be responsible for the general administration and execution of the project.

On 30 March 1955 three operational agreements for U.S. aid to India were signed by representatives of the Government of India and the U.S.A. in New Delhi. Under the agreements financial aid amounting to \$ 1.5 million will be given for three projects - agricultural research and education, agricultural and home science extension and training, and, agricultural information, production and training. The Government of India's share of expenditure on these three projects is estimated at 15.7 million rupees.

(The Statesman, 31 March and 20 April, 1955;  
The Hindustan Times, 25 March 1955).

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### 33. Full Employment Policy.

India - April 1955.

#### Rajasthan: Enquiry Committee's Recommendations relating to Measures to relieve Unemployment .

It is understood that the Committee appointed by the Government of Rajasthan sometime back to make a correct appraisal of the growing problem of unemployment in the State and suggest suitable remedial measures has submitted its report suggesting, among other things, check on the rapid growth of population, restricted admission to universities, stepping up industrialisation of the State and scaling down of the age of superannuation. Several short-term measures to alleviate the present intensity of unemployment have also been recommended.

The Committee was appointed under the direction of the Planning Commission asking all States to undertake a survey of the unemployment situation in India. The Committee has, therefore, attempted to make certain overall observations concerning the entire country, but it has also formulated a comprehensive scheme for the economic survey of Rajasthan in particular.

The Survey made by the Committee has by no means been extensive so as to assess properly the nature and extent of unemployment or under-employment. What has been done is to carry out a sample survey of Bharatpur and Kotah by a band of social workers under the guidance of professors in economics of local colleges. The Committee admits that these could hardly be considered as representatives of the situation in the entire State. It has hardly been able to devote much attention to the rural aspect of the problem, although it was fully realised that the problem in the rural area could not be dissociated from that in the urban area and that it was unwise to tackle it on a piecemeal basis as otherwise, unemployed persons would migrate from the village to the town and thus defeat the entire purpose. Therefore, suitable measures had to be taken simultaneously to fight the problem both in urban and rural areas. Apart from the fact that the Committee was hard up for time to ~~take~~ undertake any critical investigation into the rural aspect of the problem, the fact that on the rural side there were large schemes in operation which would add considerably to the employment opportunities, influenced the Committee in concentrating its attention on the urban approach of the problem.





Defective education.- A special feature of this problem in the country was the increasing unemployment amongst the educated classes. The intermediates and graduates turned out by the universities every year increased the number of people seeking white-collar jobs. This was what caused great concern to those interested in seeking a solution of this vital question. The system of education here was too academic and entirely out of touch with the real facts and needs of life and uneconomic conditions of the country which limited opportunities and openings for gainful avocation to educated young men and women.

Increasing pressure of population on land.- There was a chronic under-employment in the sphere of agriculture. In villages people were busy for a very short period in a year, roughly five to seven months depending on whether the lands had any sure means of irrigation or relied on erratic ~~xxxx~~ rains.

Besides these causes for this serious problem of unemployment, the following are considered to be the factors which tended to aggravate it:

(a) The change-over from a seller's to a buyer's market and the ~~xxxxxx~~ reversal of inflationary trend since the beginning of 1952.

(b) Retrenchment that ~~xxxx~~ followed on the liquidation of many departments temporarily created during the war period.

(c) Partition of the country followed by migration of displaced persons.

(d) Lifting of controls, shrinkage in foreign trade and decrease in production in certain industries.

(e) Drift of population from the countryside to the urban area. It is estimated that some 10 million people have moved to urban centres during the 10 years from 1941 to 1951.

Remedial measures.- The four broad preventive measures ~~suggested~~ by the Committee are the following:-

(1) Check in the rapid growth of population.- Unemployment in India was fundamentally a problem of overpopulated, under-developed and predominantly agricultural economy. The Committee is strongly in favour of the control of population with a view to its stabilisation at say 450 million after 15 years, and has urged that the Government must use every means of propaganda at its disposal to make the people family planning minded. There should be a well-equipped family planning centre at every district headquarters. It has further recommended that every effort should be made to find out a safe, harmless, cheap and simple method of birth control and that people should be encouraged to use it.

(2) Restricted admission to the Universities.-

The universities in India turned out every year numerous intermediate students and graduates. There has been an increase in matriculates by about 25 per cent and in that of graduates by about 75 per cent as compared with 1947-48. This had increased the number of people seeking white-collar jobs. The Committee has observed that education ~~was~~ very cheap and inefficient and unrelated to the needs of India's economy and the ideals of her culture. It should be given a vocational bias. Soon after a student has passed his middle examination, he should be provided with vocational guidance and encouraged to take up some vocational line. Every district should have a multi-purpose high school providing teaching-cum-training in a number of important crafts suitable for the area. Students passing their examinations in third class should not ordinarily be admitted to the next higher class and those who failed for two years consecutively should be debarred. While primary education should be expanded so as to become universal higher education should be meant only for the deserving and for those who were prepared to pay its cost in money and work.

(3) Stepping up industrialisation of the country.-

The Committee has opined that undoubtedly economic development alone ~~is~~ held the key to the lasting solution of the major social and economic problems in India. According to ~~industrialists~~ industrialists, economic development had been considered synonymous with mechanisation of the manufacturing process and therein they sought a solution of the unemployment problems as, in their ~~its~~ opinion, the industrial development of the country was not commensurate with the size of the population which had increased at a rapid rate and was not keeping pace with the industrialisation of the country.

(4) Scaling down of the age of superannuation.-

The Committee is of the view that by scaling down the age of superannuation, there would be wide scope for fresh employment and that only in exceptional cases should the Government consider grant of extension and re-employment to any public servant.

Short-term measures.-

The Committee has also suggested certain short-term measures to alleviate the present intensity of unemployment. In agriculture, it recommends soil conservation schemes. Training of secretaries for village panchayats and training and employment of surveyors are suggested for employment in rural areas. Other steps recommended are the training and employment of overseers and sub-overseers, extension of primary schools and social education centres and grant of loans to small-scale and cottage industries.

As regards unemployment in the State, the Committee observes that every effort is being made by the Government to combat this menace. Many development programmes are under way which would go a long way in giving employment opportunities to a large number of the rural population. A very large number of irrigation and road works are in progress - the Bhakra, Chambal and Jawai are the major irrigation projects which have afforded considerable opportunities for employment. There is a heavy road construction programme on which a number of people are employed in various parts of the State. Steps are also being taken to tackle urban unemployment. All Government departments are engaged in devising means to tackle this ~~problem~~ problem.

(The Hindustan Times, 27 April 1955).

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Unemployment in Hyderabad State: Debate in State Legislature.

The Hyderabad Legislative Assembly debated on 15 and 16 April 1955, a report of the Committee of the House on Unemployment and Underemployment, presented by Dr. G.S. Melkote, Labour Minister on September 1954. Mr. Pampen Gowda, Deputy Speaker was in the Chair. The Committee was appointed by the Assembly on 16 July 1952 and submitted a comprehensive report on the problem of unemployment and underemployment and suggested ways and means to solve it.

Mr. Akhtar Hussain (People's Democratic Front) speaking during the debate said that the Government should lay down a definite policy that there would be no retrenchment in <sup>government</sup> their departments and even if it was necessitated alternative employment would be provided as a rule. Mr. Hussain characterised the Government's industrial policy as "bankrupt" and said that the evils of the Managing Agency system had resulted in <sup>mis</sup>management of several concerns and their closure. He felt that the State Government had failed to represent to the Government of India forcefully the necessity of starting a few ~~bank~~ basic industries in the State.

The data available to them regarding the unemployed, he said, was "unreliable". More Employment Exchanges should be opened and the local bodies could form committees in this connection. The huge hydro-electric projects to be started by the Government would be a "colossal waste", if the Government did not evolve schemes for starting heavy industries.

Mr. V.D. Deshpandey, Leader of Opposition, urged that a Cabinet sub-Committee should be formed, which should be constantly in touch with the unemployment situation. An Industrial Development Council should be constituted immediately to take up the question of starting new and useful industries. According to 1951 census, 8.5 millions were employed to the State and 9.6 millions were mostly unemployed. In urban areas the number of unemployed was 0.25 millions and in the rural areas 1.5 millions. The number of underemployed was 2.5 millions. He said, about 10,000 were retrenched from the Government Departments.

Mr. Deshpande said that it was ~~not~~ the Government's duty to see that no factory was closed. The Government should evolve a system of doles to persons during their period of unemployment. <sup>of Rs</sup> 50 million rupees Unemployment Fund should be created.

Mr. V.B. Raju (Congress) stated that the Government must give top-priority to the problem of unemployment. Without proper industrial expansion,

he saw no hope of relieving unemployment. The abolition of certain Government Departments had increased unemployment. The Government must guarantee alternative employment to the retrenched. Unless there was a ~~an~~ planned development, the urban areas would become centres of "unrest".

Mr. Gopal Rao Ekbote, Minister for Education and Local Government, said that the problem of unemployment was common to all States. The situation became grave, if the avenues of employment did not increase, proportionate to the growth of population. An effort should be made to tackle the unemployment problem with an integrated programme. There was no doubt that with the starting of development works in rural areas, the situation had eased. But, there were several educated unemployed persons in urban areas. The system of education was being reorganised with a view to giving it a vocational and technical bias.

Mr. Ekbote said that the educated were unwilling to do manual labour, and wanted always "white-collared" jobs. There must be a change in the approach to work. The Government wanted to extend facilities for technical education. Twenty-eight high schools would be converted into ~~multi~~ multi-purpose schools next year. There was a scheme for training persons in accountancy.

Dr. G.S. Melkote, Labour Minister, who was winding up the discussion on the report, said that the Hyderabad Legislative Assembly was the first to discuss the unemployment situation in detail. The unemployment problem in Hyderabad was accentuated by the demobilisation after the Police Action, and the integration of some State departments with the Centre. The Government was anxious to minimise unemployment. The co-operation of the public was an important factor in removing unemployment.

Dr. Melkote claimed that 32,000 persons were given employment during the last five years. Seventy-five thousand workers had gone back to the rural areas and got employment in the repair of tanks. The Minister pointed out that huge finances were required ~~by~~ for the opening of new industries, which comparatively engaged less number of people than, if the money was invested in irrigating a large acreage of land. He hoped that the major projects like the Tungbhadra and the Nandikonda would afford considerable employment opportunities.

The Chief Minister, Mr. B. Ramakrishna Rao, said that all the ministerial vacancies in Government departments were filled up through the employment exchanges and they would make every effort to see that all the vacancies were notified to the exchanges. The question of making quasi-Government and private bodies recruit personnel only through the employment exchanges, would be considered by the Government. It would not be possible to create any huge fund for solving the unemployment problem. He was sure that the Second Five-Year Plan would include concrete measures to tackle the unemployment questions.

( A copy of the report of the House on Unemployment and Under-employment has been asked for, and would be sent to Geneva on receipt).

(The Hindu, 18 and 19 April 1955).

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34. Economic Planning, Control and Development.

India - April 1955.

Progress in Public Sector Industries: Review for the Year 1954-1955.

Industrial enterprises launched by the Union Ministry of Production maintained steady progress during the year 1954-55, according to an official report of the activities of the Ministry for the year.

The following is a brief account of the progress made by these units:-

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Steel factory.- The ~~Raxk~~ project report was received from the consultant, the German combine, in January 1955. The construction work on the foundations and superstructure for the plant will be started after the report has been examined. Meanwhile, steady progress is being maintained in respect of the essential preliminaries.

Acquisition of land, development of sources or raw materials including iron ore and plans for the installation of a coal washery are also in progress.

Sindri Fertiliser Factory.- The production of ammonium sulphate in the Sindri Fertiliser Factory during the year 1954 amounted to 275,529 tons as compared with 263,704 tons in 1953. Vigorous steps are being taken by the management to stabilise the production at the rated capacity of approximately 960 tons per day which it was found possible to reach fully in October 1954, and maintained more or less, ever since.

Pursuant to the recommendations of the Indian Fertiliser Mission, it has been decided to produce two new nitrogenous fertilisers at Sindri, namely, urea and double salt (ammonium sulphate-nitrate) by utilizing the entire quantity of 10 million c.ft. of gas from the coke oven plant. The Government has approved a scheme estimated to cost about 100 million rupees and the project is expected to be completed in about three years. It will result in the production of 70 tons of urea and 400 tons of double-salt per day.

The existing capacity of nitrogenous fertilisers is inadequate to cope with the growing demand in the country. It has been estimated that by the year 1961, additional capacity to the extent of 250,000 tons of nitrogen (which is equivalent to 1.25 million tons per year if expressed in terms of ammonium sulphate) would be required and it has been decided that as a first step, early action to set up approximately two-thirds of this additional capacity should be taken.



A committee known as the Fertiliser Production Committee has been appointed to go into the various questions connected with the planning of this additional capacity. On the basis of an interim report submitted by the Committee, it has been decided to establish a heavy-water-cum-fertiliser project in the Bhakra-Nangal area. The final report of the Committee is expected to be received by April 1955.

Hindustan Shipyard Limited.- The shipyard has invited a firm of engineers to draw up an estimate for constructing a dry dock at Visakhapatnam. On receipt of the estimates, the terms and conditions under which funds will be made available to the shipyard will be settled. When the dry dock is completed, the need to send ships built at the yards to Calcutta for dry docking will be eliminated and the shipyard will be able to undertake more repair jobs.

Hindustan Machine Tools Limited.- Initial production of component parts of 8 1/2" centre high speed lathe (H22) was begun in October 1954. In addition to the production programme 12 lathes are being ~~assembled~~ assembled from rough imported parts; this will be helpful in giving necessary training to the staff before the parts are all manufactured in the factory. The peak production, viz., about 400 lathes annually is expected to be attained in the third year, i.e. by the end of 1957.

The Hindustan Cables Limited.- The Hindustan cables factory went into regular production on 1 September 1954. The factory has produced 48 miles of cables until the end of December 1954. It is expected to produce 104 miles of cables before the close of the year 1954-55.

Hindustan Antibiotics Limited.- Preliminary experiments in seeding of penicillin were started at the factory on 14 December 1954, with satisfactory results. The factory will start production of penicillin on a large scale by the middle of the year.

Hindustan Insecticides Limited. The factory has virtually been completed and is expected to yield the first quantity of DDT by the end of March 1955. To meet the balance of requirements of DDT it is proposed to increase the capacity of the Delhi plant to about double its present capacity and to set up another DDT factory with a similar capacity in another part of India. Preliminary work in connection with the proposed factory is expected to begin in the financial year 1955-56.

National Instruments Factory.- The implementation of the short-term scheme for the reorganisation of the factory at a total cost of about 8 million rupees is under way. Production during the year 1953-54 totalled 1.754 million rupees. The production during the first nine months of 1954-55 came to 1.586 million rupees which was 31 per cent higher than that for the corresponding period last year. Several new instruments not hitherto manufactured in the country have been developed during the year, some of which are expected to go into production shortly.

Hindustan Housing Factory Limited.- The woodwork department is in full production and orders worth 600,000 rupees have been executed so far and orders worth 1.7 million rupees are under execution. The pre-stressed concrete department went into production during April 1954, and orders worth 100,000 rupees have been executed and orders worth 1.45 million rupees are under execution. Production in all departments could not reach the optimum level for lack of orders for its products some of which are new and need popularising.

Nahan Foundry Limited.- During 1953-54, the foundry switched on to the production of new items, such as centrifugal pumps, paddy threshers, corn shelters and bullock driven pumps. Improvements have also been effected to existing products to make them more efficient. The new products are in the process of establishing themselves among agriculturists.

Synthetic Oil.- In May 1954, the Government set up a committee under the chairmanship of Mr. K.D. Malaviya, then Deputy Minister for Natural Resources and Scientific Research to advise the Government in regard to the desirability of setting up a plant for the production of synthetic oil, taking into account all relevant factors, including the reports already available and the latest technical developments. The committee ~~with~~ which included several scientific experts and also consulted other experts, submitted the report in September 1954, recommending the establishment of synthetic oil plant capable of producing about 300,000 tons of synthetic fuel per annum. As a first step the committee recommended the obtaining of fresh project reports from specialist foreign firms. The Government has accepted the recommendation in principle and has decided to obtain project reports from three firms which when received will be studied by the Government.

(The Statesman, 14 March 1955 ).

Rapid Increase in Tempo of Industrialisation:  
Review of the Work of the Commerce and Industry  
Ministry during 1954-1955.

The restoration of stable conditions in trade and industry and an allround improvement in production, which were the main features of 1953, became more pronounced in 1954, states the report of the Ministry of Commerce and Industry for 1954-55.

Increase in production.- There was a substantial increase in production. The general index of industrial production which stood at 135.3 in 1953 rose to 145 in 1954, while the general index of prices dropped from 399.6 in January 1954, to 367.8 in December 1954.

The increase in production was very widespread. The targets set out in the first Five-Year Plan in respect of cloth and cement were exceeded. Steel production reached an all-time record of 1,226,000 tons of finished steel, which was 200,000 tons higher than the production during ~~the~~ the previous year. The production of jute goods increased by 50,000 tons over the 1953 level.

In the engineering field, 56 out of 62 industries showed increased production. In several cases like sewing machines, transformers, ballbearing, ~~machines~~ hurricane lanterns and wood screws, a number of units found it necessary to work more than one shift.

By and large the demand for goods kept pace with the increase in production or rather the general increase in demand resulting from better crops and economic improvement made the increase in production possible.

New undertakings.- The climate for further development of industry became more favourable in 1954 than in any previous year. There were visible signs of an increase in the tempo of industrial development. In 1953, 182 licences were granted under the Industries (Development and Regulation) Act for setting up new undertakings or substantial expansion of existing ones, while in 1954, 110 licences were granted for the establishment of new undertakings and 226 licences were granted for the expansion of existing undertakings or for starting new lines of manufacture.

Among these, schemes for the manufacture of dye-stuffs, soda ash, and ferro manganese deserve special mention. A review of the licences granted during the previous year shows that generally speaking entrepreneurs are taking steps to set up the industries for which they have obtained licences.

Among the new lines which were started during the year, special mention may be made of all-g geared head lathes 12", motorised benchgrinders, roller-bearings, large size pumps, fuel injection equipment, chloromycetin and staple fibre.

An important step towards rapid industrial development taken during the year was the creation of the National Industrial Development Corporation Ltd. The Corporation is conceived mainly as an instrument of the Government for securing a harmonious development of industries in both the private and public sectors. Subject to the prior approval of the Government, the Corporation will plan and formulate projects for setting up new industries or for developing new lines of production.

Small Industries.- The considerably larger investment in industries which the Government has in view for the second Five-Year Plan is expected to make a significant contribution towards the solution of the unemployment problem. The Government has, however, recognised that the development of large-scale industries alone will not solve the problems and it is necessary to diversify the pattern of the industry and to develop as much medium and small-scale industries as possible. Small-scale and cottage industries, therefore, received special attention during the year.

On the recommendation of the Ford Foundation team the Government decided to set up four regional institutes of technology for small-scale industries, and a marketing service corporation. A Small-Industries Corporation was set up during the year to assist small industries in improving their techniques in obtaining credit and finances, in marketing their goods and in organising production for Government requirements. A Small-Scale Industries Board has been set up to co-ordinate the activities of these institutions and to carry out the programme of development.

The development of khadi and village industries and of handicrafts received special assistance through the All-India Khadi and Village Industries Board and the All-India Handicrafts Board. The production of khadi during the year is estimated at over 30 million rupees as against 14 million rupees in 1953-54.

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There has been an encouraging increase in sales also. The handloom industry - the biggest of cottage industries - received assistance on a very substantial scale. Since 1953, more than 60 million rupees have been sanctioned out of the Handloom Cess Fund for various schemes of development.

The importance attached by the Government to cottage and small industries would be clear from the fact that over 80 million rupees have been given by way of loans and grant for the development of these industries during the current financial year as compared with only 5 million rupees spent during the four years ended 1952-53.

Foreign trade.- ~~It~~ Owing to the comparatively stable foreign exchange position which was reached during the previous year, the policy of removing or reducing the restrictions on the import of several essential commodities and to diversify the pattern of the import trade, could be continued during the year. The import of a large range of industrial raw materials and semi-processed goods rose considerably in value and even more so in volume owing to the fall in prices. Special attention was given to the promotion of exports by the removal of impediments by improvements in the dissemination of information and publicity and by steps to increase the confidence of foreign buyers in the quality of some of the products.

The total value of exports was 310 million rupees higher than in the previous year. The bulk of this was accounted for by the high price of tea, but the fact remains that in spite of the general fall in export prices, the total value of exports of all the commodities except tea was slightly higher than the previous year. This is a measure of the improvement in the volume of trade. Both imports and exports, were higher than in 1953 in volume as well as value. The policy of limited liberalisation of import resulted in a short increase in the number of applications for import licences, from 0.18 millions in 1953 to 0.22 millions in 1954. Most of the applications were disposed of by the end of the year and only about 800 of these awaited disposal.

Continuous vigilance was maintained over the export trade and wherever necessary or practicable steps were taken in time to remove licensing restrictions or to adjust export duties. A number of commodities including handloom cloth, coaltar pitch, etc., were either decontrolled or placed under Open General License; commodities like chrome, kyanites, tyres and tubes and drugs and medicines were placed on the free license list. Items like rice, pulses and ~~rice~~ coal tar, the export of which was prohibited in 1953, were licensed for export during the year.

The year witnessed the formation of two export promotion councils - one for cotton textiles and the other for silk and rayon textiles. The councils sponsored by the ~~Government~~ Government, are being run with the assistance of the industry ~~and~~ and trade. The Cotton Textile Export Promotion Council has evolved a certification mark scheme for certain standard varieties of cloth exported from the country. The scheme provides for ~~the~~ free inspection and certification stamping of export~~of~~ cloth on a voluntary basis.

In order to further help exports, a scheme for the grant of drawback of the Customs duties on imported goods used in the manufactured articles intended for export, has been introduced. Draw-back of duties is now admissible on the export of artificial silk fabrics, automobiles, linoleum, dry radio batteries, etc.

A delegation of tobacco growers and traders was sent to the Far East to investigate the possibility of export of the Indian tobacco to those countries. The delegation succeeded in arranging for the export of 2,000 tons of tobacco to China.

All the trade agreements which were enforced during 1953 were continued during the year. Fresh trade agreements were concluded with China and Rumania and an informal trade arrangements was made with the delegation from East Germany. Immediately after the signing of the agreement with China, formal arrangements were made with the Chinese trade delegation for the export of nine million pounds of tobacco in exchange for 90 tons of raw silk to India.

(The Hindustan Times, 24 March, 1955).

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Lok Sabha approve Central Government's Industrial Policy: Steps to encourage Cottage Industries.

The Lok Sabha passed on 15 April 1955 the demands for grants for the year 1955-56 of the Ministry of Commerce and Industry.

Measures to improve cottage industries.-

Speaking during the debate on 14 April 1955, Mr. N. Kanungo, Deputy Minister for Commerce and Industry said that considerable progress had been achieved in respect of the development of cottage and small-scale industries. It had to be realised, he said, that the development of these industries was the responsibility of the State Governments and the Centre could only aid them but the actual administration and work connected with it had to be done by the States. Since 1953, the Centre had launched upon a programme of extensive and intensive development of the cottage and small-scale industries. For this purpose, a number of boards had been set up which also implemented the programmes with the co-ordination of the States.

Mr. Kanungo said in the sphere of handloom and khadi, the achievement was creditable. Production of handloom had gone up from 1,100 million yards in 1952 to 1,330 million yards in 1954. The sales had also improved. It was reported recently that in Madras State the sales of handloom cloth by co-operatives alone had gone up from an average of 2.1 million rupees per month to 2.7 million rupees per month. The Government's policy had been to give all facilities and inducements so that the largest number of weavers would come within the co-operatives. A rebate of one anna on handloom cloth was being given by fair price shops and consumers' co-operatives. This would result in larger sales.

~~Regarding~~ Detailing the steps taken by the Government to encourage cottage industries, Mr. Kanungo said since 1954, the Centre had disbursed 7 million rupees as loans through the State Governments. The States had been asked to give these loans to the cottage industries on liberal conditions. A Small-Scale Industries Corporation had also been set up early this year. The Government would shortly set up a marketing organisation for small industries in pursuance of the recommendation of the Ford Foundation team. For the marketing of handloom ~~products~~ products, 190 sales depots and 50 mobile vans were already working, which Mr. Kanungo said, would stand in good stead in the organised sales of other commodities also.

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Another interesting project was the setting up of industrial co-operatives. Three such experimental co-operatives had been started in Malabar, in Madras State for the handloom industry. If the experiment succeeded, it would be extended to other parts of the country and other commodities.

Mr. Kanungo said the Central Government proposed to give assistance for suitable housing colonies for artisans. A beginning had been made in the handloom industry where the centre was proposing to give 25 per cent of the cost of each house as an outright grant and 50 per cent as long-term loan.

Referring to the report of the Textile Inquiry Committee, of which he was the chairman, Mr. Kanungo said he did not think that the House would like the bulk of the population engaged in the handloom industry to be content with a pittance of wages. If the condition of the workers was to be improved, they must be given efficient tools and facilities for producing more and cheaply. The Committee's recommendations sought merely to present the type of development where the self-employed labourer would degenerate into a wage earner. To stop modernisation was not only illogical but would mean stagnation and regression of small-scale industries.

Scope of Textile Survey: Mr. T.T. Krishnamachari's reply to debate.- Mr. T.T. Krishnamachari, Minister for Commerce and Industry, replying to the debate on 15 April 1955, said that the textile survey recently ordered was not to rationalise the mills but to find out exactly the state of the machinery and what their needs would be in future so that they could plan the manufacturing of such machinery or allow imports if necessary. Mr. Krishnamachari said that quite a lot of textile mills were working with "worn-out machinery". The Government was freely licensing spinning units and the mills were not able to get the machinery from local manufacturers. "The survey is, therefore, intended to find out exactly what the state of textile machinery in the ~~xxxx~~ various mills is and how to plan India's production of such machinery or allow imports if necessary".

The survey that was conducted in the field of machine tool industry had revealed, he said, that there was no conflict between the private and public sectors as was feared in 1953. "We now find that the Government will have to put up one or two more machine tool factories and the private sector also will have to augment its production of machine tools".



As regards steel production, Mr. Krishnamachari said, the target of six million tons at the end of the second Five-Year Plan might not be reached. "We are thinking in terms of 4.5 million tons. We may expand it later. But this involves haulage of 36 million tons of other material which is baffling the best brains in the country".

He said a number of structural factories would have to be set up in India for taking electricity to the rural and other parts. "In fact", he added, "in consultation with my colleagues who are concerned with the matter, I am thinking of calling for tenders for setting up fabricating units here. We are thinking of reconciling here both the interests of the private and public sectors.

"If the private sector does not come forward, the public sector will take it up. I am thinking in terms of setting up three units with forging and foundry capacity - fairly big - in which any person who is a manufacturer can go and give his designs. The Government is thinking of setting up three units in three different parts of India either in the private sector or public sector or on a half-and-half basis (private sector half and public sector the other half)".

Mr. Krishnamachari said there had been improvement in the development of automobile industry in India. The Hindusthan Motors had been able to manufacture cars with an indigenous content of 65 per cent. The Premier Automobiles had nearly reached 50 per cent level in regard to trucks. The Standard Motor Company had been keeping up its schedule. "We had a meeting of these people to consider their cost of production. They have agreed to an initial reduction of seven and a half per cent of the price".

A committee had been set up to go into the question of spare parts and "we hope to be able before long to bring the spare-part dealers under some kind of regulation and prescribe standard price".

The Government had issued licences for the setting up of three new soda ash factories and he hoped within a measurable distance of time the country would be self-sufficient in this commodity.

He said the Government proposed to utilise the technical assistance offered by a "friendly country" not engaged in the manufacture of dye-stuffs for the development of dye-stuffs in India.

The Minister contended that there was no surplus capacity in the engineering industries. They were all fully booked. All the structural factories were fully booked for the next six or 12 months. For example, the Railway Ministry was planning to get about 22,000 wagons a year. But the maximum capacity of structural firms including new ones was less than 12,000 wagons.

Mr. Krishnamachari said the problem of developing small-scale industries was "really a challenge to the powers of organisation that the Government has. Since the Government of India has not got any big organisation at their command for this purpose they have very largely to depend on the State Governments. We have found from practical experience that such organisation as the State Governments have is not adequate. In fact, it is not a question of the Government of India not being willing to subsidise and otherwise help these industries. But it is more a case of our grants and loans not being absorbed for the main reason that we do not have an organisation at our command.

"The problem of unemployment is so great, our resources so inadequate, our technological development so poor that we can provide employment only by means of encouraging cottage industries to a very large extent. Having recognised this, we have given cottage and small-scale industries a place in the first Five-Year Plan and the Government have set about trying to find out methods by which this policy may be implemented. It is a case of having to do our best in the present circumstances".

Mr. Krishnamachari said his experience had been that in some respects, the organisational aspect cost ~~more~~ more than the subsidy aspect. "Therefore, one has to proceed rather cautiously", he said.

Dealing with unemployment in the country, the Minister said: "We have a legacy of the past. We were functioning under a social structure where unemployment never came to the surface in the villages. In a joint family system nobody knew who was unemployed.

"Unemployment is an industrial concept and a concept of urban civilisation. Educated, unemployment and industrial unemployment come to the surface. It is difficult to evaluate disguised unemployment. Unless the country is fully industrialised there cannot be full employment. It is very difficult to conquer disguised unemployment. But if we remove underemployment, may be, we come to a stage when we will think of dealing with the case of disguised unemployment".

(The Hindustan Times, 15 and 16 April 1955).

Rise in National Income in 1953-1954:  
Central Statistical Organisation Estimate.

The national income of India was 106,000 million rupees in 1953-54 as compared with 98,600 million rupees in 1952-53 and 99,900 million rupees in 1951-52 according to the second issue of the annual paper on national income just published by the Central Statistical Organisation. The per capita income worked out to 267.4 rupees in 1952-53 and 283.9 rupees in 1953-54 as against 274.5 rupees in 1951-52. The estimates for 1952-53 are based on the detailed method followed for the earlier years. The estimates for 1953-54 are, however, based on partial material and are subject to revision.

The national income in 1952-53 showed a decline of 1,300 million rupees or 1.3 per cent relative to 1951-52. If the necessary adjustments were, however, made for the price levels in the two years, an increase in real terms of 3.9 per cent in 1952-53 over 1951-52 would be indicated as compared with an increase of 4.5 per cent between 1952-53 and 1953-54. The corresponding increases in per capita income in real terms would be 2.5 per cent and 3.3 per cent respectively.

On the whole, between 1952-53 and 1953-54 the per capita income rose by some 8 per cent at constant prices.

(The Statesman, 16 April 1955).

Greater Emphasis on Industry: Proposals for of  
the Federation of Indian Chambers of Commerce  
and Industry on Second Five-Year Plan.

The Federation of Indian Chambers of Commerce and Industry, has urged revision of the priorities in the second Five Year Plan to create productive employment opportunities. In an eightyfive page draft note submitted to the Planning Commission, the Federation suggests a much greater emphasis on manufacturing industry, both for the employment creating potential as well as the higher levels of earnings it would make possible.

It has also emphasised the need for allowing both consumption and investment to increase side by side, as it points out that the climate for additional investment not only in consumer goods but also in producer goods depends very much upon the rate at which consumption is rising.

It also urges revitalisation of the agencies, both private and public, which undertake investment in order that the effective rate of investment in the community can be increased materially.

Two main objectives.- The draft note sets two main objectives before the second Five Year Plan, viz., raising of the standard of living of the people and creation of productive employment. It says that the plan must envisage an increase in the per capita income from 246 rupees in 1950-51 and about 262 rupees expected in 1955-56 to about 320 rupees by 1960-61.

Employment.- Referring to the question of creation of productive employment, the note says the problem is that of providing avenues of non-agricultural employment to those that are added to the working force annually. The present rate of increase in population is about four and a half million per year and assuming that about 40 million constitute the working population, the net addition to the number seeking employment is about 1.3 million annually. The problem of employment, therefore, is one of creating new avenues of employment ~~xxxxx~~ at the rate fast enough to absorb directly and indirectly some two million people, to begin with, in non-agricultural employment every year. The draft note lays down a target of additional employment of a little ~~to~~ over 10 million people over the next five years in non-agricultural occupations.

Priorities.- The note analyses the priorities in the first Five Year Plan and the performance so far in various fields, such as, agriculture, irrigation and power, transport, etc. With regard to the performance of private industry, the note points out that the total investment necessary in the private sector was estimated by the Planning Commission to be about 6,130 million rupees made up as follows: investment in the private sector on ~~the~~ expansion, modernisation and replacement - 3,630 million rupees; investment in working capital 1,500 million rupees; current depreciation expenditure not covered ~~by~~ in normal income-tax allowances - 800 million rupees.

Thus the ~~xxxxxxx~~ industrial investment including working capital in the private sector was expected to be of the order of 1,200 million rupees annually.

It is estimated that the average rate of investment in the past four years has been probably a little more than 1,050 million rupees to 1,100 million rupees annually and further that the rate of investment has been increasing in the last two years. With regard to the expansion plans in the private sector, the Planning Commission had estimated that about 2,330 million rupees would be required for financing the expansion plans in the private sector. Of this, about 1,600 million rupees have been spent in the first four years and it appears quite likely that the remaining expenditure would be incurred in the fifth year of the plan and that the target for expansion set in the plan would be realised.

The draft note suggests much greater emphasis on manufacturing industry. This is done for two reasons: first, manufacturing industry apart from creating direct employment also multiples other avenues of employment in transport, commerce, banking, insurance, professions, etc.; secondly, modern large-scale industry makes possible higher earnings to those that are employed both directly as well as indirectly than would be possible in occupations which use inferior techniques or little capital.

In respect of roads, the aim should be to step up the targets for national highways from 12,500 miles in 1955-56 to 20,000 miles by 1960-61 and for state highways from 20,600 miles in 1955-56 to 40,600 miles ~~in~~ by 1960-61 and for village roads, so that no village with a population of more than 1,000 would remain unconnected with the marketing centres and no village should be farther than five miles from a pucca all-weather road. A total outlay of 4,000 million rupees is envisaged on roads.

A provision of 170 million rupees is envisaged for shipping and 200 million rupees for civil aviation.

Besides, 1,000 million rupees should be provided for the development of ports and inland water transport.

The expansion in communications such as, posts, telegraphs, telephones and broadcasting is scheduled to require investment of about 1,600 million rupees.

The total allocations for agriculture and community development, irrigation and village industry, etc., envisaged in the draft note is 12,000 million rupees.

The transformation of the agricultural economy, the note emphasises, should receive a very high priority in the plans and policies of the public sector.

The following table summarises the investments envisaged in the second Five Year Plan period:

	(Million of rupees)	
Industry	---	20,000
Railways	---	12,500
Roads	---	4,000
Road Transport	---	1,000
Ports and harbours and inland navigation	----	1,000
Shipping and civil aviation	--	900
Communications	---	1,350
Power	---	4,000
Irrigation and agriculture (including rural, small-scale and cottage industries)	---	12,000
Social services and housing	--	15,500
Small-scale industries - urban	--	2,500
Total	---	<u>74,750</u>

The total amount of development expenditure is about 75,000 million rupees, but it includes about 3,000 million rupees for replacement outlays in industry and transport. The net investment which has to be financed from internal and external resources will be of the order of 72,000 million rupees.

The concluding section analyses the implications of the programme of the development envisaged earlier in terms of national income, investment and employment.

The total additional employment is expected to be 10.7 millions over the five years.

(The National Herald, 28 March 1955).

Considerable scope for Increased Taxation on  
a Wider Base: Enquiry Commission's Recommendations.

The Taxation Enquiry Commission, appointed by the Government of India in April 1953 under the Chairmanship of Dr. John Matthai, to enquire into the whole of tax policy, has submitted its recommendations recently\*.

The Taxation Enquiry Commission was appointed by the Government of India in April 1953, under the chairmanship of Dr. John Matthai, to examine, inter alia, the incidence of the tax system in India, its suitability with ~~reference~~ reference to the development programme of the country and the resources required for it, and the objective of reducing inequalities of income and wealth; the effects of taxation on capital formation and maintenance and development of productive enterprise; and the use of taxation as a fiscal instrument in dealing with inflationary or ~~the~~ deflationary situations and to make recommendations, in particular, with regard to modifications required in the present system of taxation and fresh avenues of taxation.

The Commission's Report is divided into three volumes. The first volume deals with the tax system as a whole, while the second and third volumes deal with Central, State and Local taxes respectively.

The Commission has briefly given an account of the salient changes in the political and economic fields in India since the last Taxation Enquiry Committee had reported in 1925. In 1925, there was no plan of economic development nor any attempt at building up a welfare state. Cotton and jute were the only two major organised industries and the bulk of the country's requirements by way of manufactures were met by imports. Customs in the Central field and land revenue in the provincial field dominated the revenues. Salt tax in the Centre and excise duties on liquor in the provinces were the second major source of revenue. All this has undergone considerable changes particularly during the War and post-war years. India was ~~not~~ independent but separation of Burma and partition had reduced her area; a number of manufacturing industries had grown up and changes in the pattern of the country's import trade reduced to a great extent the importance of

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\* Government of India: Ministry of Finance: Taxation and Enquiry Commission. Summary of Report, p. 121.

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customs as a source of revenue. Income tax has developed greatly and sales tax have become a principal source of revenue for the States.

Surveying the trends in public revenue in recent years, the Commission points out that the rise in revenues since the war period was largely due to the all round and inflationary increase in money incomes. Although certain new taxes like sales tax had been developed this had been matched by a not inconsiderable loss in revenue from prohibition in certain States. Taxes on income had risen in the scale of importance, while land revenue had ceased to occupy the prominent place it held in an earlier period. Reviewing the progress of public revenues as a measure of the national tax effort, the Commission has come to the conclusion that "broadly speaking and in real terms, there has been ~~xxx~~ very little addition to the national tax effort in average terms over the last two or three decades".

As a result of the increased share of the State Governments in certain Central sources of revenue and the institution of substantial grants from the Centre, the State Governments have now a much greater financial interests in Central revenues than before and, to this extent an integrated treatment of Indian public finance becomes much more in order.

Reviewing public expenditure, the Commission stresses the need for ensuring the most effective utilisation of the existing resources before new and higher burdens are imposed on the public. The Commission has found out how expenditure on defence had dropped from 54 per cent of the Central expenditure in 1938-39 to 48 per cent in 1953-54 and that on administrative services from 13 per cent to 9 per cent. Taking a broad picture of the current public expenditure of all Governments in India for 1953-54, the Commission points out that out of each rupee of the total revenue expenditure of all Governments roughly 9 annas 6 pies was spent on non-developmental purposes, 3 annas 2 pies on social services and 3 annas 9 pies on economic development. The total capital expenditure which was 134 million rupees in 1938-39 had gone up to 2430 million rupees in 1951-52. This is indicative of the Government's role for the implementation of the developmental programme. In the first three years of the ~~Plan~~ Five Year Plan, the total capital outlay was 6,570 million rupees, of which 5,030 million rupees was spent on development schemes. Turning to the economic effects of public expenditure, the Commission points out that in 1953-54 the combined expenditure of the Central and State Governments and local authorities amounted to 11,700 million rupees and formed 11 per cent of the probable level of national income. The role of public expenditure in bringing about reduction in inequalities of economic circumstance



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was, however, modest, both because of the small proportion of the total public expenditure to the total national income and the little significance of expenditure on social welfare or subsidies by way of transfers to lower income groups.

Incidence of Taxation.- The Commission makes a detailed analysis of incidence of taxation in the country and lays down a number of broad conclusions:

1. If ~~we~~<sup>one</sup> take the contribution of the rural and the urban sectors separately, in absolute terms, the rural sector bears a greater degree of incidence as compared to the urban sector. This is because of the fact that the rural population is roughly 80 per cent of the total population. However, the per capita incidence of taxation is much greater in the urban areas than in the rural areas and the Commission's contention is that not only per capita expenditure in urban areas is greater and the proportion of cash expenditure to local expenditure is greater but the proportion of tax to cash expenditure per capita also goes up as a result of a change in the pattern of cash purchases in the direction of more highly taxed articles. As a result of these factors the tax element in the urban areas is greater and the incidence of taxation is therefore higher.

2. The incidence of indirect taxes cannot be expected to be very progressive and India is no exception and since 76 per cent of the total taxes in India are indirect, there is very little progression in the incidence and whatever progression is possible is only ~~now~~ under central taxation, that is customs.

3. The incidence of sales tax and other State taxation shows very little progression.

4. The incidence of both Central and State taxation is higher in the urban sector for each expenditure group because of the higher incidence of sales tax, central excise and import duties.

5. The incidence of land revenue has ceased to be appreciable practically over the whole country and if the land revenue is added to the taxes in the rural area and income tax is added to the taxes in urban area, the relative undertaxation of the rural sector particularly in the higher income groups, becomes very prominent. Therefore, the scope for stepping up tax incidence in the rural areas in the case of higher income groups is very marked and must be tapped.

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6. In the case of rural areas, there is a large sector which may be technically called "non-monetised sector". This non-monetised sector escapes all types of taxes. This sector, however, consists of extremely poor people. If, therefore, new taxes are introduced to the field of comparative essentials, it would be quite advisable because of the knowledge that the great mass of the rural population will still remain outside its bounds. Therefore, in spite of the fact that taxes are on essentials, the tax system would not become more regressive. In general, the part of the population which is more within the frontiers of money economy is relatively ~~ix~~ more able to bear taxation than the part outside it.

7. As compared to the pre-war period, the incidence of taxation has increased more in the urban sector relatively to the rural sector and the main reason is that the rural taxes in the shape of land revenue and water rates have remained unaltered in spite of the very heavy rise in the rural incomes while in the urban areas the taxes have been increasing in the same ratio as the rise in the money income.

8. The Taxation Enquiry Commission is, on the whole, of the opinion that in India the majority of the taxes being indirect there is hardly any degree of progressiveness and therefore there must be a widening of the base for taxation if the Indian tax system is to be made progressive.

9. However, a certain measure of territorial and regional reduction of inequalities is visible in the Indian system of public finance and the Commission has given the following reasons: (i) The Central Government is imposing a large number of taxes on all India basis according to the paying capacity, but a substantial portion of the proceeds of these taxes are granted to the States on population basis. In this way the poorer States but with vast numbers get a substantial relief at the expense of the richer States; (ii) Within the States the disparities between the resources and the needs are reduced because while the majority of the income comes from the urban sectors (which are covered by the money economy and are able to pay) the greater expenditure is on the rural sectors. (iii) An increasing role is being assigned, of course slowly, to social services to diminish the unpopularity of the tax system. (iv) Now that India has adopted the policy of economic development, the proceeds of the taxes will be utilised in the shape of developmental expenditure and this will actually increase the taxable capacity of the people.

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On the whole the redistributive effects of public finance operations in India cannot attain really significant dimensions as long as the ratio of public revenues and public expenditure to national income remain as small as they are at present. This is a reason therefore for increasing the whole volume of taxation as well as that of expenditure in India.

Development Programme and trends in Investment.- The Commission then proceeds to review the development programme and trends in investment. It emphasises the need for the utmost endeavour to enlarge the role of taxation and borrowing in financing development in the public sector and to minimise the role of deficit financing especially in the longer period following the first Five-Year Plan, though there is perhaps a case for a certain measure of deficit financing in the very short period. The Commission does not, however, favour the financing of development schemes through the method of deficit finance as a very suitable method. On the whole for the first three years of the Plan period there was but little inflationary financing of the plan expenditure; now that the role of deficit finance is going to be enlarged, the Commission utters a note of warning.

In respect of the development programme and trends in investment in the private industrial sector, the Commission's finding is that gross capital formation during the ~~first three~~ five year period in the manufacturing sector of all public limited companies is estimated at 1,340 million rupees per annum of which addition to fixed asset was at the annual rate of 630 million rupees. In the financing of industrial expansion during the post-war years, a major part was played by current profits rather than by the issue of fresh capital, that is to say for the purposes of making expansion, companies utilised their own profits rather than to sell shares in the market to get the required capital. This does not however mean that the companies did not issue new shares at all. There was a slight increase in the share capital also and this is visible from additions to paid up capital in the public limited companies at the annual rate of 290 million rupees or 8.4 per cent.

The return to the capital investment in the private industrial sector has been quite satisfactory on the whole and the relative figures of distributed and retained profits indicate that there is a clear tendency to keep the retained profits at a higher rate.

Tax Policy: findings and recommendations regarding incidence and equitability.- No reliable statistics are available to measure the degree of inequalities of income in the country at the present time, but it is true that inequalities of income and wealth do exist in India and that it has increased as a result of war time inflation and its effect on the pattern of distribution of income and wealth among different classes. It is clear that owner-cultivators and the larger agricultural producers, trading and business classes and industrial workers have benefited but the economic position of fixed income earners who generally constitute the middle classes in the urban areas and of agricultural labourers in rural areas has deteriorated. Thus, inequalities in the distribution of income have increased and this is in spite of a considerable progression in income tax. The income tax does not however extend to agricultural incomes and therefore there is greater degree of inequality even because of this reason. Still again there is evasion of taxes on a large scale and this further creates inequalities.

In order to reduce the inequality in the distribution of incomes effectively the Commission recommends an increase in progression in direct taxation accompanied by measures of more effective tax collection and a further increase in taxes on goods of luxury consumption and especially those which are consumed by classes which have benefited from inflation. Incidentally, the Commission adds that such heavier taxation of the consumption of luxuries may not only be a suitable instrument for directly lessening inequalities in consumption but may also release resources for more essential production.

The Commission states that inequality cannot be reduced by mere taxation. The more important methods of reducing inequality is a greater expenditure on the poorer sections of the people. This would require more finance and the Commission justifies ~~the~~ its recommendation for more taxation on this account also. However, the Commission says that there is a serious limitation governing the full exploitation of the tax instrument for the purposes of reducing inequality. This arises from the fact that if any considerable addition is to be made to public revenues, some contribution must come from the masses of the people through ~~the~~ taxes which have a wide base. The need to extend taxation to the masses would, in turn, limit the increase in progression in the tax system which may otherwise be brought about by suitable changes in direct and indirect taxation.

Tax system and development programmes.- The Commission is of the opinion that a tax system which, on the whole, promotes ~~bank~~ capital formation for the purposes of investment fulfills an essential characteristic of a tax system suitable for development programme. The imposition of a tax in itself is no guarantee of the fact that finances will be released for the purposes of economic development because it might be that even otherwise the money now paid in the shape of the tax might have been invested. Therefore only that taxation is conducive to economic development which gets those portions of income which would otherwise either have been consumed or hoarded.

In any community in which the propensity to consume is relatively high there is a greater chance for the taxation to be conducive to economic development and probably the only really effective way to step up capital formation in such an economy is for the Government to assume a major responsibility for securing a diversion of resources from private consumption to public investment.

It follows that the structure of taxation, which will be most suitable and effective for the purpose is a properly diversified scheme of taxation - direct and indirect - which seek to secure the diversion of physical as well as financial resources for consumption to public investment, in forms and on a scale appropriate to the development programme. In other words, the tax system must have an adequacy of both depth and range if it is to promote an accelerated pace of development. Additional taxation of a wide range of luxury or semi-luxury products at fairly substantial rates, accompanied by broad based taxation of articles of main consumption at comparatively low rate is therefore recommended.

If direct taxation is also to be increased higher rates in respect of personal income tax should be accompanied by some relief for income which is saved or invested.

On the whole, the kind of tax system which would be best adopted to meet the requirements of Indian economy appears to be one which would increase the resources for investment available to the public sector with a small reduction in the private sector and which is accompanied by the largest practicable restraint on consumption by all classes. Restraint on consumption of higher income groups must, of course, be greater than in respect of low income groups.

For the purposes of economic development not only taxes but also borrowings can be useful and the Taxation Inquiry Commission recommends that the development expenditure can very well be financed by public borrowings.

Tax system and incentives for capital formation and investment.- The Commission is of the opinion that in India the tax system is not such as to reduce the incentives to save and to invest. There are already good incentives provided by the Indian tax system and an increase in both direct and indirect taxation would not bring about a reduction in the incentives.

Increase in commodity taxation would affect consumption rather than reduce the incentives to save and to invest and that is why indirect taxes are not usually preferable on grounds of equity, yet from the point of view of incentives to save and to invest, they are better. Indirect taxes have the merit of exempting savings from taxation and therefore from the point of view of capital formation, they are better.

The ~~adverse~~ adverse effects of higher taxation on the willingness to work and save are generally exaggerated and the Commission is of the opinion that there is the need for the upper income groups to adjust themselves to the reduction in the money rewards that the changing social and economic conditions of the country necessitate. It might even be suggested that the Government fix ~~a~~ a ceiling on personal incomes and according to the Commission, generally speaking, this ceiling should approximate 30 times the prevailing average per family income in the country. The achievement of this objective will however take time and this cannot be brought about simply by means of taxation. Taxation, of course, will be an important method but ~~other~~ other social changes and especially the right of inheritance and private property would also have to be modified.

Commenting on the relationship of direct and indirect taxes, the Commission has said that "there is no special merit about any particular ratio of direct to indirect taxes as a whole. If the tax system is to yield larger revenue, it seems fairly clear that both higher tax rate and wider tax coverage are necessary and the increase in receipts should be spread over both direct and indirect taxes". The Commission has, therefore, recommended that over and above an increase in direct taxation, reliance will have to be placed on indirect taxation mainly through a further extension of central excises and state sales taxes. Further, greater the ~~increase~~ increase in tax revenues desired, the larger is the part that indirect taxes may have to play in bringing about such an increase.

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Following are the broad recommendations made by the Commission in order to bring more incentives of investment and capital formations: (a) Concerns engaged in selected industries be granted a development rebate by being allowed to charge to revenue 25 per cent of the cost of new fixed assets in the year of installation of the assets. (b) Additional depreciation allowances should be allowed to those industries which are not given the above facility. (c) Amendments are proposed in the Indian Income Tax Act with a view to provide for a complete "tax holiday" for six years from the year in which production begins for all new concerns engaged in the production of goods of special national importance.

Sources of additional tax revenue.— The Commission is of the opinion that the Indian Tax system is such that there is still a lot of scope for further taxation. The tax burden in India is at present between 7 to 8 per cent of the total national income while it ranges from 25 to 40 per cent in many other countries. With regard to central commodity taxes, the Commission has proposed an increase in the rates of duty on kerosene, sugar, matches, tea and all varieties of cloth. The levy of new excise duties on sewing machines, vegetable oils, woollen textile, biscuits, paper, dry and storage batteries, electric lamps, aerated water and varnishes, is suggested.

With regard to direct taxes, the Commission has suggested an increase in income tax and has expressed its views on several individual taxes. In addition to the present income tax there should be introduced an "annual tax on total wealth" at a low rate. According to the Commission the information collected regarding the assets and liabilities from individuals would also be of a great help in checking the accuracy of income, inheritance and gifts received by the tax payers. Social security contributions would be very helpful in the financing of additional development programmes because in the initial years, the net receipts would be much more than the expenditure. The Commission is not in favour of imposition of a special tax on capital gains for the time being because it might discourage capital formation and investment. The excess profit tax may be kept in reserve for possible use in a highly inflationary period. The Commission does not propose the introduction of salt tax both on political and economic grounds.

According to the Commission, there are several inequalities in the incidence of taxation from State to State and therefore the Central Government should take upon itself the task of coordinating tax policies and tax administration of the State, as between the States themselves as well as between the Union and the States. The Commission has therefore recommended the establishment of an All India Taxation Council with a permanent secretariat in the form of a Tax Research Bureau for continuous study of the problems involved. It has also been recommended that, while

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the Government enterprises such as railways and posts and telegraphs should run for public purposes rather than profit, there should be no objection to using travel as a basis of taxation like other services or commodities of general consumption. A tax on travel is not more regressive than several other taxes already imposed at present. The Commission has further suggested that an expert enquiry should be held to look into the possibilities of setting up fiscal monopolies with a view to augmenting public revenues.

Taxation Policy in relation to inflationary and deflationary situations.- One of the terms of reference before the Commission was to examine the use of taxation as an instrument for dealing with inflationary and deflationary situations. According to the Commission there are broadly speaking two ways in which this can be possible: (a) To devise a structure which will automatically counteract economic disturbances as they arise; and (b) changes in the tax system may be made in order to deal with inflationary and deflationary situations.

To take the first method, the automatic capacity of the tax system to cope with economic fluctuations may be increased through greater reliance on progressive direct taxes, the yield of which changes more than in proportion to changes in the tax base as a result of monetary and price variations. The Commission has given the example of the increased use of ad valorem commodity taxes in place of specific duties. Similarly, if there is a greater reliance on progressive direct taxes like the income tax and super tax, during a period of prosperity and inflation, there will be automatically a greater yield and during the deflationary period when the incomes fall, the tax burden would automatically be reduced. The Commission has however pointed out that as a general rule, higher taxation may be suggested as a suitable method of meeting an inflationary situation but the reverse of it cannot be suitable for meeting a deflationary situation. In a deflationary situation an increase in expenditure is more to be relied upon and this is more so in countries in which the tax revenues form a very small proportion of the total income. In a country like India therefore, where the proportion of national income taken away in taxation is of the order of only 7-8 per cent, there is very little that the tax system can do by way of an income effect for mitigating the effects of deflation.

It is during periods of inflation that taxation can play an important role in mitigating the adverse consequences and this is true not only because of the greater effectiveness of the tax system in this respect but also because of the greater difficulty of reducing expenditure during such period, whether they are periods of war when military expenditure dominates or it is a period of rapid economic development



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and expansion the speed of which has to be maintained. When, however, inflation gets beyond a certain level, taxation no longer provides even a partial remedy. In such cases the only effective remedies are either to stop the increase in public expenditure and bring about a radical reduction in the same or to institute a drastic monetary purge by imposing which means in effect a capital levy on the hoardings of money supply or liquid assets; often the two may be required in combination. The Indian tax system already contains in its income tax and commodity taxes important means of counteracting inflationary situations. The income tax is already highly progressive and under conditions of boom or inflation it automatically yields larger revenues and restricts the growth of disposable incomes left after tax. Over and above this, the Government is empowered to raise the rates of the super taxes and in case of need special taxes like the business profit tax and the excess profit tax can be made use of. It is unlikely that a depression may emerge in India in the near future but in the unlikely event of a depression emerging, a reduction in taxation is unlikely to make much difference as the income it will release for private expenditure will be a very small proportion of the national income; the remedy in such a case would be to increase the public expenditure and to finance it by a deficit bill.

In the third volume, the Commission deals with State and Local taxes. In the sphere of State taxation, the Commission first outlines some features of the sales tax and the development of this tax since it was first introduced in 1938 and then goes on to ~~examine~~ examine certain suggestions regarding sales taxation. The Commission then passes on to suggest constitutional amendments necessary to give effect to the policies regarding sales tax outlined by it. Coal, iron and steel, cotton, hides and skins, oilseeds and jute are proposed to be specified in the Central legislation as articles of special importance in inter-State trade. The main condition will be that no State shall have a system of levy other than a single-point tax on such goods. The Commission strongly recommends that no addition should be made to this list without consulting the proposed Inter-State Taxation Council.

Discussing the future pattern of land revenue and agricultural income-tax, the Commission states that, while there are bound to be differences in the land revenue systems of different States, it will be both advisable and feasible to aim at a minimum degree of uniformity in more basic matters like nature of tenure, manner of initial fixation of assessment, method of revision of assessment, place of land revenue vis-a-vis agricultural income-tax, etc.

The Commission is of the view that normally grants-in-aid should be preferred to assignments of shares of taxes as a method of financing local bodies and has laid down certain principles for the system of grants-in-aid. The Commission has also made detailed recommendations regarding property tax and service taxes, betterment taxes and contributions, taxes on transfer of immovable property, land cess, octroi and terminal taxes, taxes on professions, vehicles, animals etc., theatre tax, tolls and tax on advertisements.

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Increased Industrial Production: Development Council set up for Heavy Chemicals (Alkalies).

The Government of India has by a notification dated 24 March 1955, set up a Development Council under the Industries (Development and Regulation) Act, 1951, for the industries engaged in the manufacture and production of heavy chemicals (alkalies). The Council includes members representing employers, technical experts, and consumers; it is also proposed to include two representatives of workers.

Functions.- The following functions have been assigned to the Development Council: (1) recommending targets for production, co-ordinating production programmes and reviewing progress from time to time; (2) suggesting norms of efficiency with a view to eliminating waste, obtaining maximum production, improving quality and reducing costs; (3) recommending measures for securing the fuller utilisation of the ~~existing~~ installed capacity and for improving the working of the said scheduled industry, particularly of the less efficient units; (4) promoting arrangements for better marketing and helping in the devising of a system of distribution and sale of the produce of the said scheduled industry which would be satisfactory to the consumer; (5) promoting standardisation of products; (6) promoting or undertaking the collection and formation of statistics; and (7) promoting the adoption of measures for increasing the productivity of labour, including measures for securing safer and better working conditions and the provisions and improvement of amenities and incentives for workers.

(The Gazette of India, Extraordinary, Part II, Section 3, 25 March 1955, pp.399-400).

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Essential Commodities Act, 1955 (No. 10 of 1955).

The Essential Commodities Bill (vide pp. 12-13 of the report of this Office for March 1955) providing in the interests of the general public, for the control of the production, supply and distribution of, and trade and commerce in certain commodities, as passed by Parliament, received the assent of the President on 1 April 1955 and <sup>was</sup> gazetted on 2 April 1955 as Act No. 10 of 1955.

(The Gazette of India, Extraordinary,  
Part II-Section 1, 2 April 1955,  
pp. 105-112 ).

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36. Wages.

India - April 1955.

Bombay: Application of the Principles of Equal  
Pay for Equal Work for Men and Women Labour:  
Official named to Investigate Cases.

The Government of Bombay has named the Chief Inspector of Factories as the officer who would, whenever necessary, investigate cases on the basis of job-appraisal with the help of the technical staff under him for the purposes of implementing the principle of equal pay for equal work for both men and women.

For details please see p.      of this Report.

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Earnings of Factory Workers during the Year 1953.

During 1953, the average daily number of workers employed in the establishments furnishing returns was 2,135,000 as compared to 2,199,000 in 1952 and the total wages paid to them amounted to 2,070 million rupees as compared to 2,140 million rupees in 1952, according to the data presented by the Labour Bureau in the Indian Labour Gazette for January 1955. The article based on the annual returns collected from establishments by the States under the Payment of Wages Act for the year 1953 from all Part 'A' States and the States of Delhi, Ajmer and Coorg. The provisions of the Payment of Wages Act apply to employees in factories registered under Section 2m of the Factories Act, which covers units employing at least 10 workers, if using power, or employing at least 20 workers, if not using power. The application of the Act is limited to employees whose monthly earnings do not exceed 200 rupees per month. Under the Act the term 'wages' includes all remuneration capable of being expressed in terms of money. It is difficult to say how far the figures of wages returned are affected by the differences in the interpretation of the term 'remuneration' particularly in relation to the computation of the cash value of concessions in kind. The number of establishments furnishing returns fluctuates a bit but not to an extent which would appreciably vitiate trends reflected by the figures of average earnings. The table below shows the total earnings of factory employees excluding those employed in railway workshops:-

(In thousand Rupees)

	1947	1948	1949	1950	1951	1952	1953
Andhra --	-	-	-	-	-	-	38,255
Assam --	13,660	17,022	18,768	21,271	23,549	28,437	27,818
Bihar --	82,920	106,275	123,080	135,102	166,002	160,590	167,442
Bombay --	591,839	713,024	846,271	765,325	799,117*	846,862	810,922
Madhya Pradesh.	42,714	47,010	61,061	62,857	59,197	51,832	55,695
Madras --	123,439	136,153	180,039	185,295	200,713	250,851	182,830**
Orissa --	3,027	4,449	4,554	4,988	8,796	11,805	12,678
Punjab --	14,454	20,282	26,703	34,637	36,812	40,131	39,731
Uttar Pradesh.	153,432	174,352	198,685	190,264	167,790*	164,524	172,151
West Bengal.	337,875	432,025	489,577	480,941	533,408	535,361	506,450
Part 'A' States	1343,360	1630,592	1948,738	1880681	1995374	2089393	2018,542
Ajmer --	3,186	3,971	3,600	4,776	4,946	4,946	4,309
Coorg --	15	11	15	76	111	133	183
Delhi --	26,078	36,426	41,154	42,270	55,336	48,355	47,471
Part 'C' States.	29,279	40,408	44,769	47,122	60,393	53,456	51,963
All-States.	1372,639	1691,000	1993,507	1927803	2055767	2143849	2064,935

\* Excluding figures for defence installations.  
 \*\* Excluding ~~fig~~ Andhra figures.

It may be seen from the table that between 1947 and 1953 the total wage bill for all States increased by about 53 per cent while in the individual States it increased by 50 per cent to 100 per cent.

The table given below shows average annual earnings of workers. It has not been possible to present figures for seasonal industries, because of the difficulty of ascertaining in their cases average daily earnings. The year's wage bill was known but not the number of days worked, which are very considerably short of the normal working days for perennial industries, and hence the difficulty. The data in this table, therefore, relate only to perennial industries in the various States.

States	1947	1948	1949	1950	1951	1952	1953 *
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Andhra --	-	-	-	-	-	-	714.5
Assam --	755.5	795.8	942.8	1018.6	1017.9	1086.5	1265.1
Bihar --	819.8	946.2	985.9	1059.1	1241.5	1422.7	1474.2
Bombay --	977.9	1141.9	1210.1	1170.3	1270.5	1338.8	1346.4
Madhya Pradesh.	572.3	609.2	841.9	936.8	862.0	876.8	898.0
Madras --	560.3	611.8	726.6	591.2	664.9	837.8	804.7
Orissa --	493.6	612.6	527.0	680.6	762.4	847.2	880.8
Punjab --	628.2	675.9	858.7	771.3	756.0	806.4	890.9
Uttar Pradesh.	672.8	887.1	903.0	933.0	960.4	1002.9	1019.6
West Bengal --	567.7	723.9	839.0	877.5	942.3	987.7	963.5
Part 'A' States.	702.4	881.2	886.3	965.8	1030.7	1109.1	1106.2
Ajmer --	445.3	527.2	552.0	660.0	694.2	702.0	603.9
Delhi --	877.7	1047.3	1028.4	1061.6	1292.6	1340.5	1311.6
Part 'C' States.	773.7	961.5	963.4	1003.9	1211.8	1239.9	1196.8
All States --	737.0	889.7	985.9	966.8	1035.6	1112.2	1108.5

\* Liable to minor revisions.

From the data given in the above table it is seen that between 1947 and 1953 the average annual earnings for all States increased by about 51 per cent and that increase in the individual States ranged from 36 per cent in Ajmer to about 80 per cent in Bihar. The increase in the average earnings in Part 'A' States, taken collectively, was by 58 per cent. This percentage was 55 per cent in the case of the three Part C States taken together. The differences in the extent of increases between 1947 and 1953 in the total wages (shown in the previous table) and average earnings seem to be mainly due to the differences in the number of workers employed in the two years.

An industry-wise classification of the average annual earnings of factory workers during 1952 and 1953 for all States is shown below:-

Code No.	Industry	All States	
		1953	1952
23.	Textiles ---	1116.1	1122.0
24.	Footwear, other wearing apparel, etc.	1038.3	1122.0
25.	Wood and cork except furniture.	717.0	667.7
26.	Furniture and fixtures.	883.2	834.4
27.	Paper and paper products.	998.5	1019.3
28.	Printing, publishing and allied industries. --	1123.4	1155.8
29.	Leather and leather products.	879.1	718.9
30.	Rubber and rubber products.	1431.9	1339.6
31.	Chemicals and chemical products.	1036.2	974.2
32.	Products of petroleum and coal.	1407.8	1156.7
33.	Non-metallic mineral products.	824.2	695.9
34.	Basic metal industrial.	1711.4	1532.7
35.	Manufacture of Metal products.	942.5	991.2
36.	Machinery (except electrical machinery). --	1032.1	1030.3
37.	Electrical machinery, apparatus, etc.	1309.1	1296.4
38.	Transport and transport-equipment.	1164.2	1670.9
39.	Miscellaneous industries.	1074.1	885.3
51.	Electricity, gas and steam.	1412.8	1300.2
52.	Water and sanitary services.	898.7	973.3
83.	Recreation services.	919.7	968.8
84.	Personal services.	337.2	327.5
	23 - 84 --	1108.5	1112.2

Generally speaking, the increases were larger in the industry groups in which average earnings were low and the industries with high average earnings showed with a few exceptions only slight increases and in many cases, even a fall. Thus the highest increase of 22.4 per cent was recorded in the industry group, Leather and leather products which had an average earnings of 719 rupees in 1952 and the Transport and Transport Equipment industry which had the highest level of earnings (1,671 rupees) in 1952, recorded a steep fall of 30 per cent.

It is seen from the table that the industries which paid the highest wages in 1953, were Basic metal industries (1,711 rupees), Rubber and rubber products (1,432 rupees), Electricity, Gas and Steam (1,413 rupees), Products of petroleum and coal (1,408 rupees) and Electrical Machinery apparatus and appliances (1,309 rupees). The States with high wage levels within these industries were: Bihar, West Bengal, and Bombay in Basic metal industries; West Bengal, Bombay and Delhi in Rubber and rubber products; Andhra, Delhi, Bombay, Madras and Ajmer in Electricity, gas and steam; Assam, Delhi and Madras in Products of petroleum and coal; and Bombay, Delhi and West Bengal in Electricity, gas and steam. In both the industry groups Textiles (1,116 rupees) and Transport

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and Transport Equipment (1,164 rupees) the States paying the highest wages were Delhi and Bombay. Generally speaking, the average earnings in Bombay, Bihar and Delhi in individual industries are higher than those in the other States. The lowest level of average earnings namely 337 rupees, was to be found in the industry group 'personal services.'

(Indian Labour Gazette, Vol. XII, No. 7,  
January 1955 ).



Hyderabad: Minimum Wages for Persons employed  
in Bidi-making making revised.

By a notification under the Minimum Wages Act, 1948, the Government of Hyderabad has revised the minimum rates of wages of the classes of workers employed in bidi-making in the State, fixed in March 1952. The revised rates, for example vary from 1 rupee 8 annas for making 1,000 bidis in the Municipal areas Aurangabad, Jalna and Vaijapur to 14 annas per 1,000 bidis in certain areas of the State.

(Notification No.B.202/51/209 dated  
4 March 1955; The Hyderabad Government  
Gazette, Part I-D, 17 March 1955,  
pp.375-377 ).

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37. Salaries.

India - April 1955.

Rs.1,000 Per Month should be Ceiling for  
Income for Government Officials: Mysore  
Assembly adopts Resolution.

The Mysore Legislative Assembly adopted on 26 April 1955, unanimously a resolution expressing the opinion that the salary payable to any Government servant in the State including members of the Indian Administrative Service, Indian Police Service and the Public Service Commission and judicial officers should not exceed 1,000 rupees per mensem. The Assembly recommended to the Government to appoint immediately a committee to go into the question and formulate proposals for evolving a salary structure for employees of all grades so as to remove the existing disparity and fix minimum and maximum salaries for all grades of Government employees with a direction to ~~submit~~ submit its report at an early date.

(The Hindu, 27 April 1955).

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38. Housing.

India - April 1955.

Orissa: Committee of Experts on Building Work  
and Low Cost Housing constituted.

The Government of Orissa has constituted a committee of experts for building work in the State, and a study group in connection with cheaper construction of houses with utilisation of local materials. This committee will advise Government on the most suitable designs and the cheapest types of buildings construction which should be adopted for office and residential purposes. The committee consists of 9 members with the Chief Engineer, Public Works, Orissa, as ~~an~~ leader.

The committee will be charged with the following responsibilities: (i) to collect plans, specifications and construction costs of all types of cheap but durable buildings; (ii) to continuously review building costs actively with a view to advising the State Government and if desirable the public, on how to obtain the best value for money; (iii) to draw up an annual consolidated programme of construction of buildings, office, residential, etc., and ~~by~~ the necessary for the purposes; and (iv) any other matter on which the advise of the committee is sought for by the Government.

*an estimate of the  
materials*

(Supplement to the Orissa Gazette,  
8 April 1955, page 123 ).

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39. International Economic Relations.

India - April 1955.

Central Control over Foreign Trade; extended till 1960: Imports and Exports (Control) Amendment Act, 1955 (No.2 of 1955).

A Bill to extend the export and import trade controls till 31 March 1960 was recently adopted by Parliament. The Act received the assent of the President on 16 March 1955 and <sup>was</sup> gazetted as Act No.2 of 1955.

The purposes of the enactment is explained by the Statement of Objects and Reasons of the Bill. The Imports and Exports (Control) Act, 1947, will cease to have effect on 31 March 1955, from which date there will be no legislative sanction for the continuance of export and import controls. The need for the Central Government to have legislative powers to control the foreign trade of the country is, however, as great today as it was in 1947. The balance of payments position, though slightly easier, will need to be watched closely and continuously to ensure the availability of foreign exchange for the purchase of goods required to sustain the rapid industrialisation envisaged in the Second Five-Year Plan. On the export side also, it will continue to be necessary to rely on export controls to safeguard the interests of the consumer in respect of items that are primarily required for home consumption. The Act continued by another 5 years, that is, upto 31 March 1960, the powers at present enjoyed by the Central Government for the control and regulation of exports and imports. Advantage has been taken of this opportunity to extend the Act to Jammu and Kashmir.

(The Gazette of India, Extraordinary, Part II-Section 1, 18 March 1955, pp.59-60; The Gazette of India, Extraordinary, Part II-Section 2, 24 December 1954, pp.781-782).

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

INDIA - APRIL 1955.

41. Agriculture.

Hyderabad: Fixation of Family Holdings:  
Land Commission's Recommendations.

In pursuance of the provision of the Hyderabad Tenancy and Agricultural Lands Act, 1950, the Hyderabad Government appointed the Hyderabad Land Commission in March 1954, to advise it on matters relating to fixation of the extent of basic and family holdings and ~~area~~ delimitation of areas to which they apply for the purpose of assumption of management or acquisition of lands by the Government, prevention of fragmentation and consolidation of holdings and generally, in regard to the agrarian policy formulated from time to time for the administration of the said Act. The first report of the Commission, published recently, contains recommendations relating to the delimitation of local areas and the determination of family holdings, which are summarised below.

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Family holdings.- Under the Hyderabad Tenancy and Agricultural Act, 1950, the concept of family holdings is used in the implementation of several aspects of land reforms such as alienation or transfer of land, assumption of management or acquisition of lands by the Government and prevention of fragmentation and consolidation of holdings, etc. For instance, a permanent alienation or transfer of land cannot be sanctioned, if as a result, the area of land left with the alienor or transferor is less than one family holding, or if the area in possession of the alienee or transferee exceeds three family holdings. Similarly, it has been provided that land held in excess of 4 1/2 times a family holdings can be acquired by the Government for 'public purposes', including settlement of the landless, provided that the breakup of a holding thus necessitated will not lead to a fall in production.

The Hyderabad Tenancy and Agricultural Lands (Amendment) Act of 1954, defines the family holding as an area "which a family of five persons including the agriculturist himself, cultivates personally according to local conditions and practices and with such assistance as is customary in agricultural operations and which area will yield annually a produce the value of which, after deducting fifty per cent therefrom as cost of cultivation, is 800 rupees according to the price levels prevailing at the time of determination".  
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Maximum limits on the extent of family holdings for different classes of land and types of soil have been laid down in the Act.

According to the Commission, the conditions implied in the Act for the determination of family holdings may not necessarily be mutually compatible. Thus, to the extent that cultivation by a family of five involves the idea of a work unit or a plough unit, such a unit may not in a majority of cases yield a gross produce of 1,600 rupees. Similarly, the maximum limits on holdings prescribed under the Act would not in many cases yield a gross produce of 1,600 rupees in view of the recent fall in prices. The Commission, therefore, has not attempted to adhere strictly to the criterion of a work unit or a plough unit or to the limits on holdings prescribed under the Act. It has taken the value of gross produce as the major guiding factor in determining the area of family holdings.

The Act envisages determination of family holdings separately for the two major types of soils found in the State viz., black cotton and red or chalka, and, further, separately for lands with a classification of 8 annas and above, and all others, within each of the two soil types. The Commission notes that in view of the fact that red and black soils are not found in clearly demarcated areas of the State and often exist side by side, the procedure envisaged would result in a multiplicity in the size of family holdings fixed even within a village. Further, in view of the fragmented nature of existing holdings and the different multiples and fractions of the family holding used to regulate the operation of land reforms, the procedure envisaged may prove to be extremely complicated in its practical application and "may lead to avoidable harassment of the ignorant peasantry". The Commission also noted the fact that village records to-day do not contain separate lists of red and black soils, preparation of which would be a lengthy and cumbersome process. Finally, according to the Commission, ~~the~~ colour of the soil, black or red, is not likely to be uniformly related to its productivity, as the latter is equally liable to be influenced by other factors, such as the texture and structure of soils. The annawari scales of land classification, according to the Commission, also fail to reflect correctly the productivity of land at present as they were made 60 or 70 years ago and were devised to give merely the fertility rating of land.

Owing to these limitations, the relationship that is assumed between the productivities of the two types of soils and the two broad classes of land for the purpose of determining family holdings separately for each of them, would be an arbitrary one.

The individual peculiarities of soil types and land-class, therefore, may still not be adequately accounted for in the family holdings fixed on the basis suggested, even after pursuing an extremely complex and cumbersome procedure. The Commission, therefore, observes: "the safest and the best and to our mind the only solution to avoid all these difficulties and the confusion which is likely to result from determination of various sizes of family holdings for a local area is to adopt simple averages ..... When we have successfully managed the most variable and delicate problems of food for millions of people on the basis of averages, there is no reason why we should not assess the effects of varying soils by broad and simple averages". The conclusion is that it is both impracticable and unnecessary to take into account individual peculiarities of soil type and land class in determining the area of family holdings, and, therefore, these factors should be considered only on the basis of the aggregate result produced by them.

The actual procedure followed, as described by the Commission, was, "to review different areas of the State with reference to the prevailing types of soil, climate, rainfall, crop rotations etc., and to grade them in different local areas. For each such grade of local areas we tried to find out an average representative type and class of land and for that land an extent which would normally give a produce of 1,600 rupees". The Commission found that the various factors that needed to be taken into account in delimiting local areas would be generally reflected in the difference between land revenue rates from place to place, as these rates are based on the productivity of land and the differences between them take account of factors such as, climate, position with respect of markets, agricultural skill and the actual condition of the cultivators. These rates, therefore, wherever they were in conformity with other relevant factors such as the annawari classification of land, appear to have been mainly ~~taken~~ used by the Commission in the determination of local areas. Talukas were generally taken as the units for being grouped into local areas, although some talukas were further split up. The extent of land in each local area, which would normally give a produce of 1,600 rupees was determined with reference to the relative importance and the per-acre yields of five major crops, namely, jowar, groundnuts, cotton, paddy and wheat, valued at their prevailing prices.

Pabbhani and Nanded districts and most of the talukas in Gangapur and Aurangabad districts with predominantly black cotton soil, have been placed in the first grade. Taking into consideration the existing crop patterns and the average yields of major crops in this area, the Commission concluded that good lands having a soil classification of 12 annas or more would yield 100 rupees per acre at the present level of prices. They place the average yield per acre in the area, considering the extent of other inferior

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land, at 80 rupees per acre and make a further allowance of 5 per cent for land not used productively. The size of family holdings for the area, thus arrived at, which would yield on an average 1,600 rupees annually, is 21 acres. Then follow talukas of other districts with their grades reduced because of the change of soils from deep black cotton to medium and light black cotton as one goes further and further north or south from the banks of Godavari. At the other extreme, the Commission found that in the arid zone of Nalgonda district a holding of 60 acres would yield a ~~gross~~ gross produce of 1,600 rupees. Altogether 8 local areas are demarcated in a gradad manner with a difference of 3 acres in the size of the family holding between the first and the second, and of 6 acres, subsequently.

The procedure followed by the Commission for determining the size of family holdings, for wet lands, which constitute about 6 to 7 per cent of the area sown in the State, was as under: An acre of irrigated land in a local area is taken to be equal to 6 acres of dry land. For area irrigated under Nizamsagar, Tungabhadra and nineteen other medium sized projects, irrespective of the local areas to which they belong, the size of the ~~family~~ family holding prescribed is 6 acres. Similarly, for all wet lands in Aurangabad, Bhir, Bidar, Parbhani, Nanded, Osmanabad, Gulbarga, Raichur and Adilabad districts, which do not come under project areas, the size of family holding is fixed at 9 acres. The size of family holding for double-cropped wet lands has been fixed at two-thirds of that of single-cropped wet lands. Only those lands irrigated by flow water or under a joint source, are treated as wet lands; lands irrigated by wells are treated as dry lands, in view of the capital outlay, higher costs, the shifting and optional nature of irrigation by wells and the need to further encourage sinking of new wells.

The Government of Hyderabad has generally accepted the recommendations of the Commission regarding the delimitation of local areas and the size of family holdings through a notification dated 2 August 1954. The extent of land that will become available for redistribution ~~as~~ as a result, according to the various provisions of the Act referred to earlier, cannot yet be ascertained as the Census of Land Holdings, work on which is proceeding, has not been completed.

(Reserve Bank of India Bulletin,  
February 1955, pp. 130-133 ).



First Meeting of National Farmers' Convention:  
All-India Farmers' Forum to be set up.

The first national convention of farmers was held at New Delhi from 1 to 5 April 1955. The convention which was inaugurated by the Prime Minister, Mr. Jawaharlal Nehru, was attended by over 400 farmers delegates, including 24 women and 44 visitor-delegates. Dr. Panjab Rao Deshmukh, Union ~~Agriculture~~ Agriculture Minister presided. ~~the~~ The inaugural meeting was followed by a seminar where various subjects concerning agriculture, such as stabilisation of agricultural prices, were discussed.

The convention by a resolution decided to set up an All-India Farmers' Forum. The Forum will initially comprise a chain of study circles and will serve as an agency to represent farmers' views on matters affecting them.

Prime Minister's address.- Mr. Nehru, in the course of his address, said that India was passing through a peaceful revolution and within the next ten years the face of the country would be changed.

He called upon agriculturists to improve their farming methods and increase the yield per acre. National wealth had to be increased. Otherwise only poverty would have to be distributed. Mr. Nehru added that the scientific knowledge about the latest techniques of production in agriculture and other spheres acquired by Indian students in foreign countries should be applied in India after taking into consideration the conditions in this country.

Mr. Nehru said there was a wall separating the farmers and the people who sought to 'advise' them because these advisers had never worked in the farms. In the past, persons returning from foreign countries after training these were appointed <sup>as</sup> high officers. They never did any kind of manual work - or rather thought it below their dignity to do so. In the U.S.A. when he went to an agricultural college he was told by the principal there that the Indian students studying there at first hesitated even to milk a cow.

"Now this kind of aversion to manual work has created a wall between our intellectuals and peasants. This has to be demolished. Any person unwilling to do manual work will hardly be successful in teaching others in improving farming methods. He also loses any capacity to learn from others".

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Mr. Nehru referred to increased agricultural production in India during the past few years and said that under the first Five-Year Plan they had freed themselves to a great extent from the food problem and could now devote their energy and resources for an allround progress of the country. However, there were many land problems some of which were in the process of being solved. Among them an important problem related to ownership of land and the social and economic organisation of the rural society.

Along with the freedom movement in the past 30 years there was also a struggle for eliminating the intermediaries between the tiller of the soil and the State and for the abolition of all vestiges of feudalism. The opposition ~~was~~ to feudal lords was not on any personal basis but because such a social organisation kept the country in a backward state.

"If this country has to progress then it is certain that the burden of feudalism on peasants would have to be removed. Already in some States it has been removed and in others the process is continuing. In some States there has been delay in the abolition of the outmoded feudal system, because the matter went to courts. Now a Bill has been introduced in Parliament and with its passage within the next ten or 12 days there would not be any legal difficulty in ~~the States~~ ending the feudal system in the States where it has not yet ended. This is an important step, no doubt, but not the last stage of our journey. We have to go much further ahead in building up our country".

Mr. Nehru said that Acharya Vinoba Bhave was ushering in a new revolution in India. In other countries revolution had come through blood and tears. Here Mahatma Gandhi led a political revolution based on peaceful and non-violent methods. Acharya Vinoba was following it up with ~~the~~ social revolution on the same pattern.

The Prime Minister said Acharya Vinoba's bhodan movement had also placed certain responsibilities on the Government. It could not be that the Government would remain a silent spectator of it. The bhodan movement had placed a responsibility on the Government to enact necessary legislation for its success and to help it in other ways.

"India was now passing through peaceful revolution. The time had come when the country would take a very big decisive step. This step had to be taken not by a few people but by the whole population. The Five-Year Plan, community projects, ~~xxx~~ etc., were all signs of the shape of things to come. The face of India would change within next 10 to 12 years". Mr. Nehru said agricultural and other projects were being implemented in nearly all

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the States. The whole country had to be raised from centuries of degradation. In doing this they ~~cannot~~ could not think in terms of one region or the other. The country as a whole - all its 360 million people - had to be made partners in the great adventure of building a new India. On the basis of what had been achieved in the past they were confident the country would make rapid progress in future.

Dr. Deshmukh's speech.- Dr. P.S. Deshmukh, in his presidential address called upon the cultivators to form themselves into a self-reliant and broad-based organisation founded on self-help and mutual co-operative assistance.

The organisation, Dr. Deshmukh said, must not at any time deviate from these ~~fundamentals~~ fundamentals. It should not be there merely for the sake of making demands and ventilating grievances. If there were things happening to their detriment the farmers would study them and represent to the proper quarters what they thought was the better course. But that would be only the secondary purpose of the organisation. The organisation should be non-political and non-sectarian and should be guided by the main aim of helping the farmers and developing agriculture. While catering for all types of farmers, it should not be dominated by the bigger farmers, and yet it must not be permitted to be a mass movement for taking out processions. It must, however, deliberate upon every matter of interest to the farmers and express its own views. It should use persuasion as the main instrument and not coercion, struggles and strikes.

Dr. Deshmukh said he was glad to find that the idea to have a farmers' forum had appealed to everyone and the convention was the "climax of the unanimity of that approach." Primarily and essentially, the forum was to be a study circle set up for greater information, better knowledge, larger social contacts and more co-operation. It was also intended that although the farmer had already been giving his best for the regeneration of India, this organisation would enable him to do in a corporate way, still more so as to enhance the nobility of his spirit and the degree of sacrifice behind his actions.

It has also been decided, he said, that farming women should occupy a definite place in the organisation and also have a separate association so that they may make their own contribution in the World Organisation of Country Women. The forum would also include other groups of the farming communities working by themselves as well as in co-operation with others.

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Dr. Deshmukh suggested that a fund be set up by voluntary contributions at the rate of 1 rupee per farmer. This fund, which might easily come to about 250 million rupees, could be utilised to finance agricultural development.

Decisions.- The Convention passed various resolutions. One of these proposed that a Farmers' Forum be set up and that the governing body of the Forum be asked to frame its constitution. ~~By another, it was decided that a "Federation of Agricultural Commodities" be set up to study the condition and requirements of the various agricultural commodities grown in the country.~~

The Convention recommended to the Governing Body of the Forum to constitute an All-India Farmers' Council to make ~~xxxxxx~~ available to it the representative views of the farmers and also help propagate its views and policies in the country.

By another resolution, it recommended formation of panels of experts, both official and non-officials, for the study of various departments of agriculture and to advise the governing body to take such steps as might be beneficial to farming.

It also urged the setting up of a federation of agricultural commodity committees in the country so that the Forum might bring into existence a small and compact organisation to study the conditions and requirements of the various agricultural commodities from the point of view of production. It was hoped it would co-ordinate the work of the various commodity committees and especially the growers' representatives working on them.

(The Hindustan Times, 4 April 1955).

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Integrated Rural Credit Scheme: State Ministers' Conference approves Basic Principles.

The basic principles of reorganisation underlying the integrated scheme of rural credit recommended in the Reserve Bank Committee of Direction's report on the All-India Rural Credit Survey (vide pp. 76-80 of the report of this Office for January 1955) were generally approved and State partnership as a method of reorganising and developing co-operative institutions was accepted, at a Conference of State Ministers held at New Delhi on 16 April 1955.

The conference also resolved that the plans for the development of co-operative credit, and economic ~~and other economic~~ activities be effectively co-ordinated with the plans for the economic development of the rural areas. It urged the State Governments to take necessary steps to ensure planned and speedy progress in the development of co-operative credit-co-operative marketing and processing and other economic activities.

The conference expressed the view that along with the assumption by ~~the~~ the State Governments of the responsibilities involved in this co-ordinated programme of development, it was necessary that the Central Government and the Reserve Bank should afford the requisite assistance for the successful implementation of the schemes.

In this context, the conference welcomed the proposed establishment of the national funds, namely the Long-term Operations Fund and the Agricultural Credit Stabilisation Fund by the Reserve Bank and the Co-operative Development and Warehousing Fund and the Agricultural Relief and Guarantee Fund by the Central Government. It hoped that the State Governments for their part, would make corresponding financial provisions in their respective spheres, besides ~~reorganising and strengthening~~ reorganising and strengthening their co-operative departments and institutions and providing them with trained personnel, so that these might undertake the new tasks facing them efficiently.

State Partnership.- As regards the extent of State partnership and the details of reorganisation generally, the conference thought that a certain degree of flexibility was both necessary and desirable since conditions differed from State to State. Any variations should, however, be such that they did not conflict with the basic objectives of co-operative development underlying the integrated scheme.

Government to set up Development Boards.- Mr.A.C. Guha, Minister for Revenue and Expenditure, announced in the Lok Sabha on 22 April 1955, that the Government of India proposes to set up a National Co-operative Development Board to extend rural credit facilities. Mr. Guha was speaking on ~~Mr. S. N. Das (Congress)~~ moving a non-official resolution of Mr. S.N. Das (Congress) urging that "immediate steps be taken to establish a Central agricultural finance corporation with its branches all over the States to provide credit facilities for agricultural operations in the country".

Moving the resolution, Mr. Das said there was no problem which the Government had neglected so much since independence as that of providing credit facilities to villagers who had been gripped in the clutches of money-lenders. Co-operative system had failed but it had to be made successful.

Mr. Guha said it was no doubt of utmost national importance to provide rural credit facilities. He, however, held that a Central agricultural finance corporation, as proposed, should not work in a vast country like India. A centralised organisation of this nature in a country whose 70 per cent population was agricultural was not a feasible proposition. He recounted the various measures which the Government was taking to provide rural credit facilities, such as the State Bank and the National Agricultural Credit (Stabilisation) Fund. The Minister stated that most of the important recommendations of the Rural Credit Survey would be implemented by the Government.

(The Statesman, 18 April 1955;  
The Hindustan Times, 23 April 1955).

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## 42. CO-OPERATION

India - April 1955.

Second Annual Session of the All India Co-operative Congress,  
Patna, 19 and 20 March 1955; Role of Co-operation  
in Second Five Year Plan stressed

The second session of the All India Co-operative Congress was held at Patna on 19 and 20 March 1955, Mr. R.G. Saraiya presiding. The Conference, among other subjects, adopted resolutions, stressing the role of co-operation in the Second Five Year Plan and urging more State encouragement.

Mr. Saraiya's address; plea for State encouragement;  
Mr. Saraiya in the course of his presidential address said that co-operatives deserved assistance and encouragement from the State. The Co-operative movement would welcome State assistance and even State partnership in certain cases.

Mr. Saraiya said that there had been all-round progress in the development of co-operatives during years 1950-51 to 1952-53. The total number of all types of co-operatives which stood at 1,81,189 in 1950-51 increased to 1,89,486 in 1952-53 while the membership of primary societies recorded an increase of 11.7 per cent. The working capital of all types of societies which stood at 2758.5 million rupees in 1950-51 rose by 15.6 per cent to 3271 million rupees. In the field of industrial co-operation too, there had been some progress. The All India Handloom Board had been periodically reviewing the progress of the industry and that of the weavers' societies and doing useful work in the solution of their problems. The All India Handicrafts Board was also encouraging the adoption of co-operative action by handicrafts workers for the production of their wares. Referring to the important place which the co-operatives have occupied in the First Five Year Plan Mr. Saraiya said that the know-how for agricultural development, as well as the means for it, could not be carried to the door of the individual farmer in India by any centralised agency, or even by an army of officers, unless co-operative organisations were utilised fully for the purpose.

Mr. Saraiya said that the co-operative movement should have properly trained personnel if it was to fulfil its role in the economic development of the country and added that the Executive Committee of the Co-operative Congress had prepared a scheme to train 400,000 co-operative society members.

Decisions; Second Five Year Plan: The Congress adopted a resolution regarding role of co-operatives in the Second Five Year Plan stating that the second Five-Year Plan should be based on a clear-cut policy of allocating to village industries and small-scale industries a specific role for providing employment to the people in tasks which would meet the ascertained need of the people. To this end the adoption of a common production programme, the formulation and support of an integrated price policy, and the active promotion of viable and improving units of co-operative industrial employment should form features of the industrial production and employment schemes ~~should~~ be included in the Second Five-Year Plan. In all these spheres co-operative organisations

had a vital contribution to make, by helping to augment available resources in the shape of voluntary labour and all rural savings; contribution to fuller employment of the people by organising and strengthening labour co-operatives, starting and financing anti-erosion and soil conservation or bunding schemes and by setting up a net-work of industrial and artisans' co-operatives including handloom weavers societies; promoting an all-round increase in production through an increased number of co-operative farming, multi-purpose marketing, processing consumers' housing, forest labour, dairying or milk supply, fishery and transport societies and institutions set up under an integrated system of co-operative credit including mortgage bank; bringing more opportunities to the lower income groups both to increase their incomes and to share in the services provided by the State. The Congress, therefore, suggested that in outlining the plans affecting these spheres specific targets and features of action through co-operatives should be framed, and with a view to enable the Planning Commission to do so, co-operative institutions in each State should without delay form their own plans.

State Assistance: By another resolution, the Congress accepted the principle of State participation in share capital of co-operatives. ~~was adopted by the All-India Co-operative Congress which concluded its two-day session under the presidency of Sri R.C. Saraya.~~ The resolution laid down that the extent and duration of State participation directly or indirectly, in share capital of co-operative institutions would be flexible depending upon needs of institutions at particular times. Such holding of shares should not however entitle the State to have any preponderating voice in their administration. It urged that the form and manner of State partnership should be so designed and regulated as to help preserve the vital principles and essential character of co-operative institutions and the growth of initiative and sense of responsibility of their members.

(Amrita Bazar Patrika, 19 and 20 March 1955)



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CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - APRIL 1955.

50. General.

Labour Conditions in the Jute Mill Industry:  
Labour Bureau Survey.

A review of labour conditions in the jute mill industry in India is contained in the Indian Labour Gazette, January 1955. From the point of view of size and place in the national economy and as a primary foreign exchange earner, the jute industry is one of the most important industries in India. Besides directly employing nearly 300,000 workers, the industry supports nearly 2 million agriculturist families engaged in producing jute and provides employment to a large number of intermediaries in trade. According to the Census of Manufactures the productive assets of 109 units in the industry amounted to 778 million rupees in 1951.

The review<sup>is</sup> based on replies from 109 mills to questionnaires sent by the Labour Bureau, Ministry of Labour, Government of India in January 1954, with a view to bring up-to-date the information contained in the report of the Labour Investigation Committee and the subsequent survey conducted by the Labour Bureau in 1950 (vide pp. 61-71 of the report of this Office for November 1951).

Employment.- ~~Table~~ The table given below shows the number of workers employed as obtained from the returns furnished for 1953 under the Factories Act, 1953:-

State	No. of		Adults		Adolescents	
	Units	Workers employed	Men	Women		
West Bengal --	99	251,921	225,543	26,394	184	
Andhra --	5	7,178	6,035	1,069	74	
Uttar Pradesh --	8	6,610	6,424	186	-	
Bihar --	3	5,839	5,624	215	-	
Madhya Pradesh--	1	794	624	170	-	
All India -	116	272,342	224,050	28,034	258	

Most of the industry comprised of big units. Since 1949, there has been a definite fall in the total employment in the industry. In 1953, the total employment in the industry was only 272,342 as compared to 322,159 in 1949, a fall of 15.5 per cent. The ~~jute~~ decline has been most significant in the case of women and employment of adolescents and children has been practically eliminated.

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The table given below shows employment in units which furnished information in response to the Labour Bureau's questionnaire. These units accounted for approximately 99 per cent of the labour force in the industry.

State	No. of units covered	No. of workers employed directly					Percentage of permanent to total
		Men	Women	Total	Perma- nent	Tempo- rary	
West Bengal ---	101	226,425	28,581	255,006	222,006	33,000	87.3
Andhra ---	2	3,575	419	3,994	3,994	-	100
Uttar Pradesh--	3	6,267	196	6,463	6,257	206	96.8
Bihar ---	2	2,784	64	2,848	2,604	244	91.4
Madhya Pradesh-	1	636	153	789	656	133	83
Grand Total---	109	239,687	29,413	269,100	235,517	33,583	85

As a result of recommendation of an Industrial Tribunal the system of contract labour was abolished in all jute mills in West Bengal with effect from 1 April 1948. At present only 3 units - one in Uttar Pradesh and 2 in Andhra employ contract labour. The total number of such workers was 244 out of which only one was a woman and the rest were men.

Approximately 85.3 per cent of workers employed directly by the mills were permanent. In the Andhra units cent per cent of the workers were permanent. The percentage of permanent workers in other States was as follows: West Bengal 87.3, Uttar Pradesh 96.8, Bihar 91.4 and Madhya Pradesh 83. Comparative figures of permanent workers in 1950 are available in respect of West Bengal and Andhra units. In both these States the number of permanent workers has increased since 1950,; in that year only 85 per cent of the workers were permanent. The information regarding the length of service also shows that the labour force is fairly stable in all the four States. Of the total number, 1.4 per cent had below one year of service, 19.9 per cent between one to five years, 41.1 per cent between 5 to 10 years' service and 37.6 per cent over 10 years.

Recruitment and training.- With the exception of two units in Andhra the system of recruitment in all the units continued to be the same as described in the survey for 1950. In West Bengal, workers were recruited through labour bureaux set up by the mills under the charge of the mill labour officer or members of the supervisory staff. The bureaux maintain registers of badli and gives long term or short term employment to registered badlis in strict rotation.

Units in Bihar also have set up labour bureaux for the purpose of recruitment. At the time the previous survey was published recruitment of workers in the Madras (now Andhra), units was the responsibility of welfare officers of the mills. These units have now set up labour bureaux. In Uttar Pradesh and Madhya Pradesh units the system of direct recruitment prevailed.

All units except those in Uttar Pradesh and one in Bihar stated that they had schemes for training apprentices. The member mills of the Indian Jute Mills Association were formerly giving training to workers in the mechanical department. In 1951 by virtue of ~~the~~ an award of an industrial tribunal a new scheme called the "Jute Mills' Mistries Apprenticeship Scheme" was introduced. The scheme is open to all literate persons between the ages of 15 and 18, though preference is given to sons of employees. During the period of training the apprentices get a maintenance allowance plus the usual dearness allowance granted to other workers. The maintenance allowance is paid at the rate of 16 pies per hour in the first year and is increased by 4 pies every year. After completing the training they are awarded a certificate of efficiency but are not guaranteed any appointment. In both the units in Andhra apprentices were trained for a period of 4 to 5 years. During the first year of training they were paid at the rate of 16.15 pies per hour with an increment of 2 pies every year. After completing the training they could be asked to work as "improvers" when they got pay at the rate of 25.15 pies per hour. In one of the Bihar units training was given to apprentices for 5 years. During the first year of training they were paid 3 rupees 12 annas per week as apprenticeship allowance ~~and~~ and 8 rupees 1 anna and 3 pies as dearness allowance. They got an annual increment of annas 15. The Madhya Pradesh unit also gave training to apprentices for a period of six months but did not pay any allowances, etc.

Hours of work and shifts.— Since the installed capacity of jute mills in India is greater than the normal world demand, the member mills of the Indian Jute Mills Association usually regulate their hours of work by 'Working Time Agreements' in order to curtail production and to avoid cut throat competition between mills. Some ~~and~~ times this measure is adopted to tide over the difficulties created by shortage of raw jute. At the time of the previous survey, the third Principal Working Time Agreement entered into by the member mills of the Indian Jute Mills Association was in force in later part of 1949. Under that agreement working hours of mills were restricted to 42 1/2 per week with 12 1/2 per cent of looms sealed. Mills having 220 looms and under were, however, permitted to work up to 72 hours. In 1951, near famine conditions prevailed in the market for sacking goods

and there was an urgent need for increasing hours of work but due to extremely low stocks of jute, the hours could not be increased; however, mills were suggested to switch over to a maximum number of hessian looms. In November, the Indian Jute Mills Association finally decided to return to 48 hours' working with effect from 10 December. However, due to fall in the demand and continued increase of stock of jute goods during the four months ending February 1952, the Indian Jute Mills Association decided to revert to 42 1/2 hour week with effect from 31 March 1952. Throughout the year 1953 a 42 1/2 hour-week was observed by the member mills of the Indian Jute Mills Association and 12 1/2 percent of looms continued to be sealed. Due to an increase in demand for jute goods it is understood that the Association increased the working hours to 45 on 12 July 1954 and again from 45 to 48 on 19 October 1954.

The daily hours of work in jute mills in the two Andhra units were 9 while in all other units they were 8. The weekly hours of work in all the units were 48. With the exception of the Andhra units, which worked one shift, all other units in Uttar Pradesh, Bihar and Madhya Pradesh worked 2 or more shifts. Of the six units in Uttar Pradesh and Bihar and Madhya Pradesh which have furnished information regarding the system of change over of shifts, two have stated that they transferred workers from one shift to another after a fortnight, one has stated that it transferred workers after every week while another has stated that workers were transferred after every 4 weeks. Two units have stated that they have no system of change over of shifts. None of the units in any of the States paid night shift allowance to their employees.

Working conditions.- There seems to have been no material change in the working conditions since 1950. Only one unit in Uttar Pradesh continued to be air conditioned. In 1950 only two units - one each in Uttar Pradesh and Andhra had dust extractors. Now one more unit in Andhra has stated that it had installed dust extractors. The Indian Jute Mills Association has stated that in majority of its member mills canteens were used as rest shelters and only 20 mills had built separate rest shelters. Formerly none of the units in Bihar had built rest shelters whereas now both the units have provided rest shelters. The number of units in Uttar Pradesh having rest shelters continued to be two. In Madras both the units, which furnished information had built rest shelters. There was no rest shelter in the Madhya Pradesh unit.

All the units provided taps for purposes of drinking water. Formerly only two units in Uttar Pradesh had made arrangements for the supply of cool drinking water in summer. Now West Bengal units also had made similar arrangements.

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Leave and holidays with pay.- All the units followed the provisions of the Factories Act in so far as privilege leave was concerned. Besides privilege leave, some of the units also granted festival holidays and sick leave with pay. The member mills of the Indian Jute Mills Association and the two Bihar units granted 9 festival holidays with pay to their employees in a year. In the Andhra units workers got 10 festival holidays with pay each year. The Madhya Pradesh unit granted 7 festival holidays with pay to its employees. Only three units - one in Bihar and two in Andhra granted sick leave to their employees. In the Bihar unit workers were entitled to 15 days' sick leave on half basic pay and full amenity allowance each year on the production of a certificate from a registered medical practitioner. Employees in the Andhra units were entitled to 10 days' sick leave with full pay each year on production of certificate from a specified medical officer.

Wages.- There has been an appreciable improvement in wages and earnings of workers in almost all the centres of the industry since 1944-45 when the Labour Investigation Committee conducted the survey. In West Bengal which accounts for over 90 per cent of the workers in the industry, in 1945 the minimum basic wage was 2 rupees and 8 annas per week. In the year 1946, increases up to 15 per cent of the basic wages were given to the workers. In 1948, as a result of the award of the industrial tribunal appointed by the Government of West Bengal the entire wage structure was revised and substantial relief was granted to workers. The Tribunal fixed 26 rupees as the minimum basic wage. In November 1951, on a reference in a certain dispute an industrial tribunal revised the basic wages of clerks, mistries and durbans. The wages of other occupations, however, were left untouched.

In Andhra also, as a result of the award of an industrial tribunal in March 1950, the minimum basic wages of workers were considerably increased. In 1944 the lowest basic wage in Nellimarla and Chittivalah was approximately 11 rupees 6 annas in a month of 26 working days. The Tribunal fixed the minimum daily basic wage of workers at 19 rupees 8 annas. By the award of another industrial tribunal in March 1953 this wage was again increased to 23 rupees per month. The tribunal recommended that an annual increment of 1 rupee should be given each year after 1953 so that by 1 January 1956 the basic wage would be 26 rupees per ~~month~~ month.

There has been no appreciable change in the wage structure of workers employed in Uttar Pradesh and Bihar. Wage data regarding the Madhya Pradesh unit in previous years are not available and hence it is not possible to trace the changes in this unit. At present, ~~the minimum~~

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the minimum basic wage in the unit is 17 rupees 12 annas for a month of 26 working days.

Dearness allowance was being paid by all the units, which have furnished information but only in Uttar Pradesh and Andhra this allowance was linked to the cost of living index number.

None of the units in West Bengal paid any bonus. In Uttar Pradesh one unit paid profit bonus (termed gratuity) depending upon the amount of profits earned. The unit also gave efficiency bonus to line mistries in the spinning department only. Another unit in this State paid attendance bonus at the rate of annas eight per fortnight to spinners and annas two to doffers. In Bihar one unit paid production bonus at the rate of 6 1/4 per cent of the basic wage for a minimum production of 133 tons per week. The unit in Madhya Pradesh paid production ~~only~~ bonus only. The rate at which this bonus was paid, however, is not available. As a result of the award of the Industrial Tribunal, Vishakhapatnam the units in Andhra paid bonus for 1950 and 1951 to their employees on the following scale:- Workers - 5/12th of the total basic wages for the year 1951 and 1/5th of the basic total earnings for the year 1950. Staff - 1/3rd of the total basic wages for the year 1951 and 1/5th of the total basic wages for the year 1950. Other units did not pay any bonus.

Housing.- Since 1950 there has been a slight improvement in the housing facilities provided by some of the units in Uttar Pradesh and Bihar. In one of the units in Uttar Pradesh the percentage of workers provided with housing accommodation increased from 28 in 1950 to 42 in 1953. In Bihar the percentage of workers provided with accommodation in the two units in 1953 was 25 and 53 as compared to 16 and 42 in 1950. Comparative figures for other units are not available and hence it is not possible to judge the changes. In 1953, 50 per cent of the employees in West Bengal were provided with housing accommodation. The mills had built 50,767 ~~xxx~~ rooms in their labour lines.

Welfare.- All the units had appointed Labour Officers. In some of the units they were designated as Personnel Officers or Welfare Officers. These Officers were generally responsible for the recruitment of workers, maintenance of their service records and for welfare and recreational activities. They also looked into the complaints of the workers.

Medical facility was provided by all the units of the industry. Most of the units maintained dispensaries usually under the charge of a qualified doctor. Both the units in Andhra maintained a maternity home in addition to a dispensary. One of these units had also opened two welfare clinics. The two units in Kanpur formerly maintained dispensaries. However,

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as the Employees' State Insurance Act had been put into force in Kanpur these units now provided only first aid facilities. To provide additional facilities to workers, the Indian Jute Mills Association usually gives regular donations to hospitals in the industrial areas and also to various hospitals in West Bengal.

With the exception of 5 units in the membership of the Indian Jute Mills Association and one each in Uttar Pradesh and Madhya Pradesh, all the units had canteens. Only Andhra units provided mid-day meals; in the rest ~~the~~ tea and snacks were sold.

Forty-eight units in West Bengal, two in Andhra and one each in Uttar Pradesh, Bihar and Madhya Pradesh maintained creches. From the annual report of the Indian Jute Mills Association it appeared that although the standards of amenities varied from mill to mill in West Bengal, all the creches were popular with working mothers and their wards. The prejudices against the use of creches experienced at the initial stages was ~~disappearing~~ disappearing gradually.

The number of schools run by the individual mills in West Bengal for the benefit of workers' children increased from 30 in 1949 to 32 in 1953. The number of schools attached to welfare centres of the Indian Jute Mills Association continued to be 5. During the year 1953 over 1,000 workers' children were taught in the schools run by the Association. Arrangements for holding sewing and cooking classes regularly for the benefit of girl students were also made in one of the centres. The Association also conducted adult education classes at every welfare centre with a view to removing illiteracy among workers. The report of the Association, however, states that despite all possible endeavour on the part of the welfare centre staff to make these classes popular, the response from workers was far from satisfactory. In Uttar Pradesh only one unit had made arrangements for free primary education of workers' children. In Bihar and Andhra one unit each ran two primary schools while the other units had one primary school. The Madhya Pradesh unit provided no educational facilities.

In 1949 only 10 welfare centres were run by individual mills in West Bengal. This number increased to 22 in 1953. In addition to these, 5 welfare centres were being run by the Indian Jute Mills Association. In these centres recreational and educational facilities were provided to workers and their children. The Association organised sports and games for workers of mills in different zones. Welfare activities specially for women were also organised by it.

Among units in other States only one in Uttar Pradesh had opened a welfare centre. With the exception of one unit (in Uttar Pradesh) all other ~~units~~ units in Uttar Pradesh, Bihar, Andhra and Madhya Pradesh provided recreational facilities. Some of them had regular clubs where arrangements had been made for indoor and outdoor games.

Only one unit each in Uttar Pradesh and Bihar had grainshops; Co-operative Society existed only in one unit in Uttar Pradesh. This society gave loans to its members at a nominal rate of interest.

Provisions for future.- The jute industry is covered by the Employees' Provident Fund Act. However, the Central Government has provisionally exempted all member mills of the Indian Jute Mills Association from the operation of the scheme framed under the Act as a provident fund scheme was already in force in these mills. Under the existing scheme every permanent employee of a member mill of the Association with 12 months' continuous service is entitled to become a member of the Fund. The employees ~~contribute~~ contribute 6 1/4 per cent of salary or wages and an equal amount is contributed by the employers. The total number of subscribers to the fund in the member mills of the Association in West Bengal in May 1953 was 227,607.

In one unit in Bihar, the company's provident fund scheme was amended in the light of the Employees' Provident Fund Scheme. In the other unit a scheme on the lines of the Government of India's scheme has been introduced. In both the Andhra units a provident fund scheme is in force since 1 January 1951. The Government of India has exempted these units from the operation of the Employees' Provident Fund Act. Under the Scheme in force in these units workers contribute 6 1/4 per cent of their wages to the fund and the employers contribute an equal amount.

Only the member mills of the Indian Jute Mills Association and 2 units in Andhra and one unit in Bihar, paid gratuity to their employees.

Industrial Relations.- Compared to other organised industries, the jute mill industry has been comparatively free from industrial unrest. Recently, however, there has been an increase in the number of disputes and the number of man-days lost. The following table shows the number of disputes, workers involved and man-days lost during 1951 to 1953:-

Year	No. of disputes	No. of workers involved	No. of man-days lost
1951	-- 18	29,086	103,791
1952	-- 33	37,482*	150,655*
1953	-- 51	44,838*	350,907*

\*Not known in one case.



The available information shows that Works Committees had been constituted in all the units in West Bengal and only in two units in other States (one each in Bihar and Madhya Pradesh). These Committees were functioning satisfactorily. The Indian Jute Mills Association in its Report for the year 1953 has made the following observations on the working of Works Committees in its member mills: "Works Committees continued to be a useful forum for discussion and settlement of matters affecting labour relations. By and large these Committees have provided an organisation within the mills for bringing labour and management together for discussion and ~~xxx~~ solution of common problems. Experience gained by the workers over the past few years in working these Committees have helped to develop a greater sense of responsibility, and on the whole in the field of joint consultation the contribution of worker-members of these committees has shown an improvement."

Only Bihar and Madhya Pradesh units had constituted production committees. All these units have stated that the Committees were functioning satisfactorily. Standing orders had been framed by all the units of the industry.

Trade Unions.- Complete information regarding trade unions are not available from the replies of the units. However, fuller details about the state of trade unions in the industry are available from returns received under the Indian Trade Unions Act, 1926. The following table based on these returns shows the number of ~~xxx~~ trade unions, their membership as on 31 March 1953 and income and expenditure during the year ending 31 March 1953.

State	No. of unions submitting returns	Membership			Funds			
		Men	Women	Total	Opening balance	Income	Expenditure	Closing balance
					Rs.	Rs.	Rs.	Rs.
West Bengal.	34	45,287	3,893	49,180	1208667	1487577	1899567	1396677
Andhra.	3	2,280	546	2,826	11032	3386	6873	7545
Uttar Pradesh.	2	1,340	20	1,360	1197	1993	2083	1107
Bihar.	5	2,333	194	2,527	596	3349	3352	593
Madhya Pradesh.	1	718	-	718	8	1928	1914	22
<b>Total.</b>	<b>45</b>	<b>51,958</b>	<b>4,653</b>	<b>56,611</b>	<b>1821500</b>	<b>1498233</b>	<b>1913789</b>	<b>1405944</b>

Of the 170,884 workers in respect of whom information regarding the mode of payment was available, an overwhelming majority (70.5 per cent) was piece-rated and only 29.5 per cent was time-rated. In Bombay State, the percentage of piece workers was as high as 84 per cent, while in Madras and West Bengal, they formed only about 20 per cent and 35 per cent respectively. As regards classification into permanent and temporary, data were available only in respect of 65,683 workers. Such classification in respect of the workers in Bombay city and suburbs was not available. Generally speaking, a large majority of workers in all the centres were classified as permanent, and they constituted 84 per cent of the total ~~num~~ of 65,683 for whom data are available. Workers are made permanent, as and when vacancies arise, according to the provisions laid down in the Standing Orders. Permanent workers enjoy certain privileges relating to notice of discharge, leave and holidays with pay, eligibility to become members of the co-operative credit societies, etc.

Recruitment.- Workers are recruited generally either by the mill authorities directly or through employment exchanges. An important development in the system of recruitment in recent years was the introduction by the Government of Bombay of the Textile Employment Decasualisation Scheme for the cotton textile industry in Bombay, Ahmedabad and Sholapur. ~~The scheme is intended to regulate recruitment of~~ A similar scheme has been in force in Kanpur also since April 1950. In Madhya Bharat, a tripartite organisation known as the Central Badli Control Committee was set up at Indore for the purpose of recruitment of textile workers. However, it is reported that recruitment continues to be made on a large scale either directly or through contractors and jobbers. In ~~an~~ a number of units, workers are recruited through labour and welfare officers, who register the names of applicants seeking employment and recommend workers to the various departments according to their requirements.

Training and apprenticeship.- With a few exceptions, there were no special arrangements for the training of new recruits in the cotton mill industry. Generally, new recruits started as badlis and were drawn into permanent vacancies as and when they occurred. Among the few units which provided facilities for training, may be mentioned 27 member mills of the Bombay Millowners' Association, which have a training scheme for their workers in the engineering, ~~mechanical~~ mechanical, spinning, weaving, blow room and cardframe departments.

A comparison of the membership given in the above table with the average daily employment figures shows that, trade unionism was most developed in the Madhya Pradesh unit as nearly 90 per cent of the workers who were members of trade unions was lowest in West Bengal being 19.5. In other States the percentage was as follows: Andhra 39.4; Bihar 42.3 and Uttar Pradesh 20.6.

Income per member was, however, highest in West Bengal being 30.2 rupees. In the other States it was as follows: Madhya Pradesh 2.6 rupees; Uttar Pradesh 1.7 rupees; Bihar 1.3 rupees; and Andhra 1.2 rupees. During the year 1952-53 income exceeded expenditure only in Uttar Pradesh and Madhya Pradesh. In other States expenditure exceeded income and thus the unions had to draw from their general funds.

(Indian Labour Gazette, Volume XII, No.7, January 1953 ).

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Labour Conditions in the Cotton Mill Industry  
in India.

The Labour Bureau, Ministry of Labour, conducted recently a survey of labour conditions in the cotton mill industry in India in order to bring up-to-date the data on this industry contained in the report of the Labour Investigation Committee and a further survey conducted by the Labour Bureau in 1947 and 1950 (vide pp. 59-66 of the Report of this Office for July 1951). The results of this survey has been published in the January 1955 issue of the Indian Labour Gazette.

In order to collect information for the survey, the Labour Bureau addressed questionnaires to 42 selected units including 6 mills in Bombay in April 1953, and of these 34 units sent replies. The Bombay Millowners' Association sent a consolidated reply in respect of all the member mills in place of only six addressed. ~~Thus~~ Thus, the information given in the article relates to units which employed in January 1953, a total of 275,000 workers.

Employment.- The following table shows employment in cotton textiles during 1953:-

State	Average daily No. of workers employed	Adults		Adolescents and Children	
		Men	Women	Male	Female
Andhra --	698	498	194	3	3
Assam --	56	8	2	21	25
Bihar --	1,496	1,410	13	73	-
Bombay --	407,416	379,038	27,965	405	8
Madhya Pradesh. --	29,437	26,126	3,311	-	-
Madras --	98,238	82,105	15,749	320	64
Orissa --	4,117	3,971	106	28	12
Punjab --	4,247	4,102	122	23	-
Uttar Pradesh. --	54,745	54,359	357	29	-
West Bengal --	37,967	36,096	1,633	236	2
Ajmer --	5,805	5,377	428	-	-
Delhi --	14,136	13,963	173	-	-
<b>Total --</b>	<b>658,358</b>	<b>607,053</b>	<b>50,053</b>	<b>1,138</b>	<b>114</b>

It is seen from the table that females constituted only 7.6 per cent of the total number employed. Among the States having an employment of more than 1,000 workers in the industry the proportion of women was largest in Madras (16.4) per cent, Madhya Pradesh coming next (11.2 percent). The proportion of women employed in the industry in Bombay State, which employed the largest number numerically, was 6.8 per cent of the total. The number of children employed was almost negligible.

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Length of service.- A study of the information collected on length of service shows that the workers are more or less evenly distributed in the service groups '1 to 5 years', '5 to 10 years' and 'above 10 years'. There was only a small proportion of the workers (6 per cent) with service of less than 1 year, but a good proportion had service between 1 to 5 years. More than 50 per cent of the workers had a service of less than 5 years in the units in Rest of Bombay, West Bengal, Hyderabad, Madhya Bharat and Travancore-Cochin. In Delhi only about 17 per cent of the total had a service of less than 5 years and in Kanpur and Madras the percentages were 29 and 31 respectively. In Madras, more than 50 per cent of the workers had a service of more than 10 years, whereas in Travancore-Cochin there were no workers at all having that length of service.

Absenteeism varied considerably from centre to centre. For instance, during 1953, it was 9.4 per cent in Ahmedabad while it was as high as 20.5 per cent in Sholapur. However, the rate of absenteeism in the same centre showed little variation from year to year.

Hours of work and shifts.- The working hours in the industry are 8 per ~~month~~ day and 48 per week. The spreadover in the various shifts varies from 8 hours in the continuous shifts to 10 1/2 hours in the general shift. The number of shifts worked varied between different centres. Data regarding the number of cotton mills working one, two, or three shifts are given below:-

Year	No. of mills which				Total No. of mills
	Remained closed	Worked 1 shift	Worked 2 shifts	Worked 3 shifts	
1951 --	19	27	186	141	373
1952 --	13	25	193	153	384
1953 --	17	31	186	158	392

In most of the mills there is a regular change over of shifts. The change over takes place every week in some centres, after a fortnight in some and at longer intervals in others. The workers enjoy periods of rest intervals ranging from 1/2 hour in most cases to 1 hour in a few cases.

Holidays and leave.- In all the centres, workers are given leave and holidays, according to the provisions of the Factories Act. Under these provisions, workers are entitled to a weekly holiday as also to leave with wages after 12 months' continuous service, at the following rate: Adults - one day for every 20 days of work, subject to a minimum of 10 days; children - one day for every 15 days of work subject to a minimum of 14 days. Apart from these

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statutory holidays, individual employers have their own regulations for the grant of different kinds of leave to their workers. Permanent workers in many units enjoy preferential treatment in the grant of certain kinds of leave. It would appear that in certain units of the industry in various centres workers are given casual leave upto 10 days in a year, generally without pay. Units in the various centres also give festival holidays generally with pay. These holidays varied from 3 to 4 days in Ahmedabad; 8 to 9 days in West Bengal; 1 to 6 days in South India and 8 days in Delhi. In Madhya Bharat one unit allowed 2 festival holidays while another gave 12 days.

Wages and earnings.- Since the Labour Investigation Committee conducted its enquiries in 1944-45 there has been a considerable improvement in the wages and earnings of cotton textile workers in all the centres. In most of the important centres of the ~~industry~~ industry the basic wages and dearness allowances of the workers were fixed by the award s of Adjudicators, Industrial Tribunals, etc., during the period 1947 to 1948. In almost all these awards standardised rates of wages for different categories of workers were also fixed. Thus, by 1949, the wage structure in most of the important centres had stabilised and no major changes in basic wages have ~~been~~ taken place in any of these centres, since then. The minimum basic wages for the lowest paid worker in the various centres of the industry are:- 30 rupees per month in Bombay city and suburbs, Kanpur and Delhi; 28 rupees per month in Ahmedabad; 26 rupees per month in the States of Madhya Pradesh, Madras and Madhya Bharat; and in Sholapur and Bhopal; and 20 rupees 2 annas and 5 pies per month in West Bengal.

The minimum monthly basic rates of wages (rounded up to nearest anna) for certain important categories of workers in some centres as fixed by the awards are given in the table below:-

Centre	Doffers		Ring Sliders		Drawing Tenters		Slubbing Tenters		Inter Tenters		Grey Winders		Colour Winders		Reelers		<del>XXXXXX</del> Mazdoors	
	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.
Bombay City.	30	0	34	2	34	3	35	12	38	2	32	8	35	12	N.A.	30	0	
Ahmedbad.	28	1	34	15	33	5	34	5	32	8	30	14	34	2	N.A.	28	1	
Sholapur.	26	0	N.A.		*		32	4	30	8	28	8	32	8	*	26	0	
Madura.	26	0	26	0	27	0	30	0	29	0	26	0	N.A.		27	8	27	0
Nagpur.	26	0	31	5	#		*		*		*		*		*		26	0
West Bengal.	20	2	23	2	23	2	28	2	30	2	24	2	25	2	24	2	20	2
Indore.	26	0	30	0	34	0	34	0	32	0	26	0	30	0	26	0	26	0

~~xxxx~~ \* On piece rate basis. N.A.- Not Available.

Since 1949, minimum wages have been fixed in a number of smaller centres also, like, Gadag, Surat, Beawar, Bhavanagar, etc. The wage rates fixed for the lowest workers ranged from 21 rupees per month in Gadag to 25 rupees per month in Beawar.

Cotton mills in almost all the centres of the industry pay dearness allowance at rates linked to the cost of living index numbers. ~~xxxx~~

The data on earnings compiled from the returns received under the Payment of Wages Act, 1936 are given below:-

Year		Wage Bill (in million of Rupees)	Average annual earnings per worker
		Rs.	Rs.
1949	--	793.3	1,192.9
1950	--	599.6	1,161.7
1951	--	720.5	1,179.3
1952	--	810.3	1,258.8
1953	--	797.7	1,228.7

It is seen from the figures given above, that there was a fall in the earnings of the workers in 1950 and a gradual increase in the two following years. The fall in average earnings in 1950 was due mainly to the general strike in the cotton mill industry in Bombay and the resultant of wages. The average earnings in 1951 improved but did not come up to the 1949 level. In 1952 there was a sharp increase in the earnings due mainly to the grant of bonuses in important centres of the industry to textile workers, as a result of awards of Adjudicators and Industrial Tribunals. There was a slight fall in earnings again in 1953.

Bonus.- The system of paying an annual profit bonus which started after the second world war in some centres of the industry, has now become a common feature in many of the larger centres and units of the industry. These bonuses are generally based on the awards of the adjudicators, industrial courts, etc., although in some cases, they have been the result of voluntary action on the part of employers. The payment of bonus is generally dependent upon certain conditions regarding attendance, non-participation in illegal strikes, etc. It is generally calculated on the basis of basic earnings which are often referred to as basic wages in the awards. The following table gives the scales of annual profit bonus paid in some centres of the industry in the recent years. It will be seen that bonuses form a substantial part of a worker's total earnings in cotton textile:-

		Scale of Bonus in			
		1949	1950	1951	1952
Bombay:					
Bombay City.	1/6th of basic earnings.	15 percent of basic earnings.	1/4th of basic earnings.	15 per cent of basic earnings.	
Ahmedabad.	-Do-	1/6th of basic earnings.	-Do-	-Do-	
Sholapur.	1/12th of basic earnings.	6 1/4 per cent of basic earnings.	-	12 1/2 per cent of basic earnings.	
Baroda.	-	12 1/2 per cent of basic earnings.	2 months' wages to 23 per cent of basic earnings.	N.A.	
Madras:					
Madras.	15 per cent of basic earnings.	N.A.	N.A.	N.A.	
Madurai.	3 months' basic earnings.	3 months' basic earnings.	3 months' basic earnings.	3 months' basic earnings.	
Coimbatore.	(1) 2 months' basic earnings. (28 units).	2 months' basic earnings. (27 units).	3 months' basic earnings. (26 units).	4 months' basic earnings. (5 units).	
	(2) 1 month's basic earnings. (1 unit).	1 month's basic earnings. (1 unit).	(2) 2 1/2 months' basic earnings. (1 unit).	3 months' basic earnings. (16 units).	
			(3) 2 months' basic earnings (1 unit).		
Uttar Pradesh:					
Kanpur.	25 per cent of basic earnings.	25 per cent of basic earnings.	N.A.	-Do-	
Delhi:					
Delhi Cloth Mills.	140 rupees per worker (for 1949-50).	3 months' average basic earnings (1950-51).	3 months' average basic earnings (1951-52).	-Do-	





Provision for the future.- In quite a few of the cotton textile mills in India, some provision for the future of the workers existed either in the form of ~~provident funds or schemes~~ of gratuities or pensions. Payments of gratuities and pensions, however, are made ~~only~~ solely at the discretion of the managements. Cotton ~~mill~~ textile industry is one of the industries covered under the Employees' Provident Fund Act, 1952 and the scheme framed thereunder. The ~~ss~~ scheme came into operation in the various States with effect from 1 November 1952. In the mills in Bombay, as a rule, no pension or gratuity was payable to workers, although gratuity schemes were in operation in 36 mills. The old provident fund scheme in a Delhi mill was revised from November 1952, on the lines envisaged by the Government of India Provident Fund Scheme but a few members contribute 1/12th of their basic pay, the employer contributing an equal amount.

Industrial disputes.- During the immediate post-war years there was a spate of labour unrest in the cotton textile industry all over the country. In 1946 and 1947 the man-days lost due to strikes and lockouts were 5.3 millions and 7.1 millions respectively. In 1948 and 1949 however, there was a gradual improvement in the ~~xxxx~~ situation due possibly to the fixation of minimum wages by awards in most of the centres and the efforts made by the parties to the Industrial truce resolution to implement its recommendations relating to the promotion of cordial relations between labour and management. In 1950, however, the number of man-days lost went up steeply from about 2.6 millions in 1949 to 10.3 millions in 1950. This increase was mainly due to the general strike in the cotton mills in Bombay city which caused a loss of about 9.4 millions man-days. Data of number of industrial disputes, the number of workers involved and the number of mandays lost in the cotton mills industry during the years 1951 to 1953 are given below:-

Year	No. of disputes	No. of workers involved	No. of man-days lost.
1951	221	324,481	1,557,381
1952	227	438,359	1,081,198
1953	121	106,801	574,821

Works Committees or Joint Committees existed in 21 out of the 38 units for which information is available. These committees are bipartite in composition and are advisory in character. It was reported that these committees were working satisfactorily. In Bombay 29 member mills of the Bombay Millowners' Association have set up Joint Committees, but they are said to be active only in 3 mills.

Trade Unions.- Details regarding the number of Trade Unions in the cotton mill industry, their membership, income, etc., available from the returns under the Indian Trade Unions Act, 1926, for the year 1951-52, are shown in the following table. Comparing the figures of membership of ~~the~~ trade unions with those of employment given in Table above ~~one~~, it is seen that the percentage of workers who were members of trade unions was as high as 66 percent in Ajmer; it was 61.5 percent in Madhya Pradesh; 48 per cent in Uttar Pradesh; 38 per cent in Bombay; and 37 per cent in Madras. Women constituted about 10 per cent of the total membership. The proportion of women members was highest in Madhya Pradesh and the lowest in Bihar.

State	No. of unions sending	Membership			Funds			
		Men	Women	Total	Open- ing balance	Income	Expen- diture	Closing balance
					Rs.	Rs.	Rs.	Rs.
Bihar --	3	704	1	705	1	1703	1352	352
Bombay --	34	139,992	17,175	157,167	266434	522021	517655	270790
Madhya Pradesh.	20	15,747	2,357	18,104	23152	30767	18304	35885
Madras --	38	31,879	4,781	36,660	150373	89541	95903	144011
Uttar Pradesh.	20	25,842	287	26,129	11085	53966	52039	13012
West Bengal.	12	10,333	137	10,470	2490	20970	13430	10030
Ajmer --	6	3,565	246	3,811	7501	6243	7241	6503
Delhi --	3	4,766	39	4,085	3706	61816	61425	4097
<b>Total.</b>	<b>136</b>	<b>232,828</b>	<b>25,023</b>	<b>257,851</b>	<b>484732</b>	<b>787027</b>	<b>767079</b>	<b>484680</b>

(Indian Labour Gazette, Vol.XII, No.7, January 1955 ).

63. Individual Contracts of Employment.

India - April 1955.

Working of the Industrial Employment(Standing Orders) Act, 1946, during 1952.

The number of industrial establishments having certified standing orders under the Industrial Employment (Standing Orders) Act, 1946, stood at 3,965 at the end of 1952, as compared to 3,516 at the end of 1951, according to a report on the Working of the Industrial Employment(Standing Orders) Act, 1946, published at pp.703-707 of the Indian Labour Gazette, January 1955.

The Industrial Employment (Standing Orders) Act, 1946 enjoins on the industrial establishments employing hundred or more workers to frame a set of standing orders defining conditions of employment of workers regarding discipline and general conduct vis-a-vis employer and to get them certified by the officers appointed for the purpose. The Act extends to the whole of India excepting the State of Jammu and Kashmir. It also empowers the Central and the State Governments to extend its scope to the class of establishments in any industry employing less than a hundred workers or to any other class or classes of establishments or to exempt any establishment from any or all of the provisions of the Act.

The statement below gives details regarding the progress of certification of the standing orders during the year 1952:-

State	No. of establishments having certified Standing Orders at the beginning of the year.	No. of establishments applying for certification for the first time.	No. of establishments whose Standing Orders were certified during the year.	The total No. of establishments having Standing Orders at the end of the year.
1	2	3	4	5
Assam	585	9	19*	604
Bihar	124**	28	17	141
Bombay	55	73	119	174
Madhya Pradesh	24	1	5	29
Madras	707	65	40	747
Orissa	9	5	1	10
Punjab	38	41	12	50
Uttar Pradesh	468**	53	29	497
West Bengal	937	75	145	1,082

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Table continued:-

1	2	3	4	5
Mysore	-- 76	4	-	76
Rajasthan	-- -	8	5	5
Ajmer	-- 6	1	1***	6
Bhopal	-- -	-	1	1
Coorg	-- 78	2	1	79
Delhi	-- 25	14	4	29
Andamans	-- 1	-	-	1
Central Sphere undertakings.	380	95	51	451
Total	-- 3,516	474	467	3,965

\* Excluding cases not covered by the Act.

\*\* Revised.

\*\*\* The certified Standing Orders for other category of employees already existed for this unit.

The report analyses the progress of certification in industrial States and in the Centre and concludes that compared to the previous year in most of the States the progress of certification was slow. Out of 467 establishments, for which standing orders were certified during the year, 264 i.e. 57 per cent were in West Bengal and Bombay.

From the annual reports received from the administering authorities it appears that the slow progress is largely due to the lack of co-operation from employers. In some of the States workers continued to express their dissatisfaction over the limitations on the powers of the certifying officers to adjudicate upon the draft standing orders submitted by the employers as regards their reasonableness.

Modifications.- The following table shows the number of applications ~~were~~ received for modification of the previously certified standing orders:-

State	Pending at the beginning of the year.	Received during the year.	Disposed of during the year.	Pending at the end of the year.
Bombay	-- 2	3	3	2
Madras	-- 34	29	14	49
Uttar Pradesh.	-- -	2	2	-
Total.	36	34	19	51

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

India - April 1955.

Travancore- Cochin: Payment of Wages Act, 1936,  
extended to Motor Omnibus Services, Docks,  
Wharves and Jetties, Inland Steam Vessels and  
Small Workshops.

By a notification dated 12 March 1955, the Government of Travancore-Cochin has extended the provisions of the Payment of Wages Act, 1936, to the payment of wages to all persons employed in the following classes or groups of industrial establishments:-

- (a) Motor omnibus services.
- (b) Docks, Wharves or Jetties other than the Port of Cochin.
- (d) Inland Steam Vessels.
- (d) Workshops or other establishments, other than factories registered under the Factories Act, 1948, in which articles are produced, adapted or manufactured, with a view to their use, transport or sale.

(Notification No.R.Dis.16216/54/DD dated 12 March 1955; Government of Travancore-Cochin Gazette, Part I, 22 March 1955, page 375 ).

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66. Strike and Lockout Rights.

India - April 1955.

Bihar: Recommendations of "Go-Slow" Committee  
accepted.

Reference was made at pages 1-4 of the report of this Office for September 1951 to the ninth meeting of the Bihar Labour Advisory Board which, inter alia, considered a report of a Committee appointed at an earlier session of the Board to go into the question of go-slow tactics adopted by workers in industries. The recommendations of the Committee were accepted by the Government by a resolution dated 1 December 1951 (vide page 47 of the report of this Office for January 1952).

The question was again considered by the Advisory Board during April 1953 and Committee appointed.

The Government of Bihar has accepted the recommendations of the Committee and has expressed the hope that the employers and workmen would give unqualified support to these recommendations for a period of two years after which the position will be reviewed by the Bihar Central Labour Advisory Board.

In view of the results achieved so far, the Committee did not consider it desirable to scrap the procedure of go-slow altogether unless a suitable law was enacted by Government to effectively deal with this problem. The Committee, while holding the view that go-slow by workers was not desirable, had to face the facts as they existed and recommended that the existing procedure of go-slow should, with suitable amendments, continue to be enforced for a further period of two years.

Among the changes suggested are the substitution of the following clauses:-

"(3) There shall be no go-slow without a proper notice. A notice for go-slow can be served only on the following grounds and that also when other methods of getting the grievances redressed are not available, and all efforts to settle the disputes by mutual negotiation or discussions have failed:-

(a) Non implementation of any agreement or award or continued breach of law by the Management.

(b) Mal-practice by the Management.

(c) Sudden provocation by the Management.

(4) The notice expressing the intention of the workers to resort to go-slow and setting forth the reasons for the same should be served on the Management with copies to the local conciliation officer, the Labour Commissioner and the Government. The date of commencement of go-slow shall not be earlier than fourteen days from the date on which the notice is served on the Management.

(5) Immediately, on receipt of a notice, the Management will invite the representatives of the registered and recognised union and shall also notify the conciliation officer of the area regarding the service of the notice and the commencement of the negotiations, if any.

(6) If the notice of go-slow is not in accordance with the provisions of clause (3), the Labour Commissioner will immediately advise the Union and the workmen concerned to withdraw the notice with intimation to the Management.

(7) The notice of go-slow will remain in force for a period of four weeks from the date of the service of the notice on the Management.

(8) If the notice of go-slow is held to be in accordance with clause (3), the conciliation officer shall take necessary steps for the settlement of the disputes and further action, if any, will be taken, as in case of a notice for strike under the Industrial Disputes Act. The conciliation proceedings must be concluded within three weeks from the date of service of notice.

(9) If go-slow resorted to without notice or during the pendency of any conciliation or adjudication proceedings arising out of such notice or for grounds other than those mentioned in clause (3), the go-slow will be deemed to be unjustified.

(10) If, on enquiry by the Labour Commissioner the go-slow is held to be unjustified, the workers resorting to go-slow will be liable for punishment prescribed for major misconduct, including dismissal."

The provisions may be reviewed after a period of two years when the question of further amendment to the procedure would be considered. The Committee also recommended that the State Government might, in the meanwhile, consider the desirability of framing a suitable law for dealing with this problem.

(Indian Factories Journal, Bangalore, 1 April 1955).



Bihar: Iron and Steel Industry declared  
Public Utility Service.

The Government of Bihar has declared, under the Industrial Disputes Act, 1947, the iron and steel industry in the State to be a public utility service for the purposes of the Act for a further period of six months with effect from 15 March 1955.

(Notification No. III/DI-6012/55L-3290 dated 5 March 1955; The Bihar Gazette, Part II, 23 March 1955, page 935 ).

Madras: Salt <sup>Industry</sup> ~~Industry~~ declared as a Public  
Utility Service.

By a notification under the Industrial Disputes Act, 1947, the Government of Madras has declared the salt industry in the State to be a public utility service for the purposes of the ~~Act~~ Industrial Disputes Act, 1947, for a further period of six months from 1 April 1955.

(G.O.Ms.No.1108, Industries, Labour and Cooperation, dated 26 March 1955; The Fort St. George Gazette, Part I, 30 March 1955, page 437 ).

67. Conciliation and Arbitration.

India - April 1955.

The Working Journalists (Industrial Disputes)  
Act, 1955 (No.1 of 1955).

The Bill to extend the provisions of the Industrial Disputes Act, 1947, to working journalists, as passed by the Parliament (vide pp. 113-113 of the report of this Office for March 1955), received the assent of the President on 12 March 1955 and has been gazetted as the Working Journalists (Industrial Disputes) Act, 1955 (No.1 of 1955).

(The Gazette of India, Extraordinary,  
Part II, Section 1, 14 March 1955,  
pp. 57-58 ).

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

India - April 1955.

Effect of Union Membership on Attitude of Industrial Workers: Result of Survey in an Engineering Factory in Calcutta.

With a view to assessing the influence of trade union membership on industrial morale, an attitude survey of trade union member and non-member workers in a Calcutta engineering factory was conducted by Mr. H.C. Ganguli, Lecturer in Industrial Psychology, Indian Institute of Technology, Kharagpur. The Union was not recognised, though nearly 70 per cent of the workers numbering 1,853 were its members. Out of them, two batches of 269 union members and 111 non-members were selected at random and interviewed. Each interview lasted more than an hour. It was partly based on the previously prepared attitude-scale, but the workers were allowed to express their views freely and go beyond the scope of the questions. To determine the influence of union membership, the two batches of the selected workers were asked questions about the nature and supervision of their work, their emoluments, and policies and practices of the management. The significance of the observed differences was determined by X-test.

Most of the workers of the two groups expressed the opinion that they would not be able to do any other work better than their present one. The union and the non-union workers both were generally dissatisfied about their earnings. Mostly the union group workers alleged that they were not getting their due share from the management, and that there were meagre chances of their getting higher income jobs or increase in their earnings in the same concern. Most of the workers in both the groups held the view that minimum production quota was changed on unfair basis. The two groups differed widely on the question of security of job. Whereas about 43 per cent of the union group workers held the view that they would be deprived of their jobs even if they did their work efficiently, only 33 per cent of the non-union group held such a view. There was a sharp difference in the outlook, ~~xxx~~ between the union and the non-union workers regarding the question of supervision. Compared to non-union members, a much higher percentage of union members, considered their boss to be usually unreasonable, unhelpful and ~~xxxxxxxxxxxx~~ inconsiderate.

Percentage of workers dissatisfied with the general supervision was 33.8 in the case of union group and 22.5 in the case of non-union group. Most of the workers of both the groups were of the view that their section-in-charge always took little interest in their general welfare.

On the questions relating to managements' policies and practizes, most of the union members alleged that the management did not satisfy even their just and reasonable demands and that it was usually unsympathetic to them, while a high percentage of non-union members held the opposite view. More than 50 percent of the workers of both the groups could not say definitely about the adequacy of their leave rules. Union and non-union workers were generally dissatisfied with the ~~factory in which each was employed~~ management of the canteen affairs. To the question whether the factory in which each was employed was a better place to work than other neighbouring factories, 66.9 percent of union members and 67.6 per cent non-union members held the view that it was "to a large extent, better".

Out of 21 questions which were put to the two groups of workers, the union group differed significantly ~~signifi-~~ cantly from the non-union group in its attitude in twelve items. An analysis of these items is claimed to have shown that the workers have a definite attitude towards his employer. The pro-company element was higher in the batch of non-union workers compared to the union workers. A well-knit and militant type of group ~~is~~ like the union adversely affected the attitude and values of the workers regarding objects and situations which concern the union as a whole.

(The Indian Labour Gazette, Vol.XII, No.7, January 1955, pp. 707-708 )

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS.

INDIA - APRIL 1955.

~~Учредительные акты~~

71. Employees and Salaried Intellectual Workers.

The Working Journalists (Industrial Disputes) Act, 1955 (No.1 of 1955).

The Bill to extend the provisions of the Industrial Disputes Act, 1947, to working journalists, as passed by the Parliament (vide pp. 111-113 of the report of this Office for March 1955), received the Assent of the President on 12 March 1955 and has been gazetted as the Working Journalists (Industrial Disputes) Act, 1955 (No.1 of 1955).

(The Gazette of India, Extraordinary,  
Part II, Section 1, 14 March 1955,  
pp. 57-58 ).

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CHAPTER 8. MANPOWER PROBLEMS.

INDIA - APRIL 1955.

81. Employment Situation.

Employment Exchanges: Working during February 1955.

General employment situation.- According to the review of work done by the Directorate General of Resettlement and Employment for the month of February 1955, there was nothing in the reports of the exchanges to suggest that any sort of improvement in the situation in general was to be expected. The number of fresh registrations at employment exchanges during the month declined by nearly 7,500 from the figure for January. The total number of unemployed on the Registers also fell by about 8,000.

Shortages in respect of skilled stenographers and typists, trained teachers, experienced draughtsmen and overseers, compounders and nurses, continued to persist throughout the country. Dearth of engineers, surveyors, midwives, doctors and health visitors was also reported by several exchanges. Clerks, untrained teachers, freshers from schools and colleges, unskilled office workers, carpenters, motor drivers and unskilled labourers continued to form the bulk of surplus categories at the exchanges throughout India. Employment prospects for semi-skilled, motor mechanics, fitters and turners were reported to be unsatisfactory from a number of exchanges.

Registrations and placings.- The following table shows the registrations for employment and placings during February 1955, as compared to January 1955:-

		February 1955	January 1955
Registrations	--	109,464	116,889
Placings	--	12,293	12,548

Registrations recorded a fall of 7,425 as compared to the previous month. ~~xxxxxxx~~ Employment exchanges in all the States except Ajmer, Assam, Bhopal, Madras, Orissa and PEPSU recorded a fall in registrations. A comparatively large decline was, however, recorded in the States of Uttar Pradesh (2,531), Bombay (2,152), West Bengal (1,369), Hyderabad (751), Bihar (429), Punjab (293) and Delhi (252). On the other hand, an increase in registrations was reported by the exchanges in Orissa (526), Assam (234), Ajmer (82) and Bhopal(42).

Placements also recorded a decrease of 255 over the ~~xxx~~ figures of the preceding month. The decline in placements effected was marked in Bombay (333), Travancore-Cochin (271), Uttar Pradesh (224) and Hyderabad (259). Employment exchanges in the States of West Bengal and Punjab, on the other hand reported an increase of 356 and 324 placements respectively. Of the total number of placements effected 9,055 were in Central and State Government establishments and 3,238 were with private employers.

Placings by wage groups.- The table given below shows the placings during the month classified by wage group:-

<u>Wage Groups</u>		<u>Number placed</u>
101 rupees and above	---	1,774
61 rupees to 100 rupees	---	6,286
30 rupees to 60 rupees	---	3,883
Below 30 rupees	---	350

Vacancies notified and submissions.- The number of employers who used the exchanges during the month was 4,435 as against 4,152 during January 1955. The number of vacancies notified by them was 20,094 as compared to 22,390 during the preceding month, i.e. a fall of 2,296. A comparatively large decline in the number of vacancies notified was reported by the exchanges in the States of West Bengal (2,299), Bihar (825), Travancore-Cochin (426), Punjab (356), and Bombay (348). Employment exchanges in Orissa, Madhya Pradesh, Uttar Pradesh, Himachal Pradesh, Madras and Andhra, on the other hand, showed an increase of 944, 325, 301, 280, 269 and 228 respectively. Of the vacancies notified 14,955 were in Central and State Government Departments and 5,139 were in private establishments. There was a decline of 260 vacancies in the public sector and of 2,036 in the private sector. A total of 74,514 applicants were submitted to employers for selection as against 67,302 during the previous month.

Register of unemployed.- The number of persons seeking employment assistance through the exchanges on the last day of February 1955 was 605,933 which was 8,009 less than the figure as at the end of the preceding month. Of these on the Live Register 3,607 were known to be employed persons who desired further employment assistance.

The composition of the Live Register occupation-wise is shown in the table below:-

<u>Occupation</u>		<u>No. on Live Register as on 28 February 1955.</u>
Industrial supervisory	---	4,747
Skilled and semi-skilled	---	54,709
Clerical	---	169,812
Educational	---	17,343
Domestic service	---	20,553
Unskilled	---	303,071
Others	---	35,698
<b>Total</b>	---	<b>605,933</b>

Employment position of special types of applicants.-  
The employment position regarding special types of applicants during February 1955 is shown in the table given below:-

<u>Category</u>		<u>No. of Registration</u>	<u>No. of Placings</u>	<u>No. on Live Register</u>
1. Displaced persons	--	7,373	1,190	50,543
2. Ex-Servicemen	--	6,952	1,231	31,618
3. Scheduled Castes	--	11,784	1,739	59,616
4. Scheduled Tribes	--	1,518	301	4,989
5. Surplus and Discharged Central and State Government Employees--		1,791	953	10,044
6. Highly qualified persons.		623	92	4,699
7. Women	--	4,196	561	22,665

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



### 83. Vocational Training.

India - April 1955.

#### Labour Ministry's Training Schemes: Progress during February 1955.

According to the review of work done by the Directorate General of Resettlement and Employment for the month of February 1955, the number of trainees on the roll of various training institutes and centres on 28 February 1955 was 5,640. There were 4,000 trainees in the technical trades and the remaining in vocational trades.

Training of displaced persons.- The total number of displaced persons undergoing training as at the end of February 1955 was 2,201, of whom 1,819 were in technical trades. The remaining were undergoing training in vocational trades.

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

Training of women.- A total of 460 women were undergoing training at the end of the month under report at the three women's training institutes in New Delhi, Dehra Dun and Madras. In addition, 17 women at the industrial training institute, Kakinada, 61 at the industrial training institute, Ajmora, 27 at the industrial training institute, Alambagh, Lucknow and 4 at industrial training centre, Orissa Poor Cottage Industries, Cuttack were also undergoing training.

Training of craft instructors and supervisors.- In the fourteenth regular session ~~of~~ 97 craft instructors and supervisors were receiving training at the end of the month under report.

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

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Assam: Report of the Committee on Artisans' Trade Tests.

The Committee on Artisans' Trade Tests, appointed by the Government of Assam in December 1953, for the purpose of laying down the qualifications of artisans and the machinery, regional or otherwise to undertake trade tests for the purposes of the Minimum Wages Act, 1948, has submitted its report recently. The Committee was tripartite in character, with Mr. P. Chetia, State Deputy Minister for Labour, as chairman.

The Committee in its report lays down detailed trade tests for carpenters and joiners, blacksmiths, bricklayers (mason), wiremen, fitters, engine drivers and drivers.

The Committee has also recommended that the tripartite regional committees should be set up immediately and these committees would be directed to conduct these trade tests. It suggests as procedure for conducting the tests that tea garden employees claiming to be artisans may, individually or through a registered trade union of which they are members, submit their claims to the garden managements concerned and the latter if not satisfied with the claims so made should make a reference to the Government member of the regional committee concerned who will then arrange trade tests in consultation with the other two members of the committee. Notice will then be served on the claimants concerned to appear at the trade test at such places and time as may be decided upon. The regional committees will submit periodical reports to Government giving particulars of claims admitted and claims rejected.

(The Assam Gazette, Part II-A, 13 April  
1955, pp.659-664).

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CHAPTER 9. SOCIAL SECURITY.

INDIA - APRIL 1955.

VI. Compensation in case of employment injury or  
Occupational disease.

92. Legislation.

Burma: Workmen's Compensation (Amendment) Bill:  
Measure to ensure conformity with the I.L.  
Convention No. 17.

The Government of Burma published recently a Bill to amend the Workmen's Compensation Act. According to the Statement of Objects and Reasons appended to the Bill, the Bill has been introduced with a view to enable the Union of Burma, as a member of the International Labour Organisation, to ratify the International Labour Convention No. 17 concerning Workmen's Compensation (Accidents). For the purpose of ratifying this Convention, it is necessary for the Government of the Union of Burma to amend the existing Workmen's Compensation Act so as to make the Act cover adequately all the provisions of the Convention. An examination of the Workmen's Compensation Act, as it now stands, shows that the Act covers generally all the provisions of the Convention except the provisions contained in Articles 7 and 10 thereof.

The Bill provides that in cases where the injury results in incapacity of such a nature that the injured workman must have the constant help of another person, additional compensation equivalent to twenty five per cent of the compensation payable in respect of the injury shall be paid to the injured workmen.

Also where the injury sustained is of such a nature as would entitle the injured workman to the supply and renewal by the employer of such artificial limbs and surgical appliances as are recognised to be necessary, the injured workman shall be paid a lump sum compensation representing the probable cost of the supply and renewal of such appliances. This sum, which shall not exceed ten per cent of the compensation payable in respect of the injury, shall be decided at the time when the amount of compensation payable in respect of ~~the~~ the injury is settled or revised.

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93. Application.

India - April 1955.

Working of the Maternity Benefits Act in India  
during the Years 1951 and 1952.

A review of the working of the Maternity Benefit Act in the various States of India during 1951 and 1952 is given at pp.698-703 of the Indian Labour Gazette, January 1955. Most of the States in India have adopted legislation to give maternity relief to women factory workers. All the Part 'A' States have their own Maternity Benefits Acts. Among Part 'B' States only Hyderabad, Mysore and Travancore-Cochin and among Part 'C' States, Ajmer, Bhopal, Delhi and Tripura have such an Act. Besides, there is the Central Mines Maternity Benefit Act of 1941 for the benefit of women employed in coal mines, quarries, etc. As regards women workers in Plantations, only Assam, West Bengal and Travancore-Cochin have extended this benefit to them under the State Acts.

The following table gives figures for 1951 and 1952 relating to the average number of female workers employed in each State, number of claims made and paid and compensation paid:-

State	Year	Average No. of women employed.	No. of claims made.	No. of claims paid.	Total amount paid.	
1	2	3	4	5	6	
					Rs.	
Assam	--	1951	210,683	45,177	44,273	1,896,743
		1952	231,708	44,492	43,577	2,475,696
Bihar	--	1951	11,636	854	884	75,110
		1952	11,963	893	888	81,187
Bombay	--	1951	52,823	4,501	4,288	175,612
		1952	49,065	4,255	4,006	173,374
Madhya Pradesh.		1951	17,874	577	561	30,758
		1952	18,593	527	508	25,315
Madras	--	1951	86,869	4,167	3,851	148,861
		1952	92,655	4,328	4,045	159,274
Punjab	--	1951	2,551	22	22	1,344
		1952	2,451	14	14	733
Uttar Pradesh.		1951	1,005	68	61	5,699
		1952	1,255	83	78	6,630
West Bengal.		1951	94,713	15,299	13,964	908,046
		1952	92,624	16,381	14,933	991,215
Total,		1951	478,154	70,665	67,874	3,241,175
		1952	500,314	70,973	68,049	3,913,464

Table continued:-

State	Year	Average No. of women employed.	No. of Claims Made.	No. of Claims paid.	Total Amount paid.
1	2	3	4	5	6
					Rs.
Hyderabad	-- 1952	7,328	542	523	35,794
Mysore	-- 1952	2,091	373	372	31,582
Travancore- Cochin	-- 1952	12,572	1,307	1,158	34,560
Total.	1952	21,991	2,222	2,053	101,936
Ajmer	-- 1951	1,424	40	40	847
	1952	886	27	25	524
Bhopal	-- 1951	175	5	5	304
	1952	209	6	6	161
Delhi	-- 1951	564	12	11	340
	1952	485	16	14	325
Tripura	-- 1951	N.A.	N.A.	N.A.	-
	1952	1,489	322	317	3,928
Total	-- 1951	2,163	57	56	1,491
	1952	3,069	371	362	4,938
Mines:					
Coal	-- 1951	40,498	4,558	3,818	142,375
	1952	37,599	4,798	4,208	176,070
Others	-- 1951	54,381	3,405	3,463	133,597
	1952	60,610	4,756	4,898	187,273
Total	-- 1951	94,879	7,963	7,281	275,972
	1952	98,209	9,554	9,106	363,343

N.A. - Not Available.

Note:- The data for Orissa are not available and hence not been shown.

Reports from the States generally indicate that the employers' attitude to the Act specially of those employing large number of female workers is one of co-operation and understanding. The administration of the Act did not entail any great difficulty, as the employers were, in general, well aware of the statutory obligations. Grievances were voiced as in 1950 in certain quarters for non-payment of maternity allowance at the scheduled rate in some of the small concerns in Assam. Payment, however, was made later on at the scheduled rate on the intervention of the Assam Government.

(The Working of the Maternity Benefit Act in India during 1950 was reviewed at pp.85-88 of the report of this Office for February 1953 ).

(Indian Labour Gazette, Vol. XII, No. 7, January 1955 ).

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Employees' State Insurance Scheme comes into  
force in Hyderabad.

The Employees' State Insurance Scheme under the Employees' State Insurance Act, 1948, was extended to the cities of Hyderabad and Secunderabad from 1 May 1955. Addressing the inaugural function held in Hyderabad on 25 April 1955, Mr. Khandubhai K. Desai, Union Minister for Labour stated that it was the intention of the Government of India to extend the scheme to all major industrial areas throughout the country before the end of this year.

Lieut-Colonel V.M. Albuquerque, Director-General of Employees' State Insurance Corporation ~~and~~ said that ~~and~~ till now about 700,000 of workers had come under the scheme. It was his hope that the scheme would be put into effect in South India by the end of this year. It had been decided to introduce it in seven industrial centres in Andhra and in Madras City shortly. Attempts were being made to bring it into force in Bangalore and Travancore-Cochin also. The Director-General added that the Corporation would set up Regional Boards of local Committees and regional Medical Councils in suitable areas. Employers and ~~workers~~ employees of the area would be represented on such Boards, Committees and Councils.

The Employees' State Insurance Scheme will come into effect in Hyderabad and Secunderabad including Sahatnagar on 1 May and will benefit about 20,000 employees including 3,000 women. For providing free medical treatment for insured factory workers, the State Government has set up three fulltime dispensaries manned by eight full-time Doctors with auxiliary staff. Facilities for treatment have also been arranged for workers residing in sparsely populated areas at the nine other existing Government and Cantonment Board dispensaries.

(The Hindu, 26 and 27 April 1955).

CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

INDIA - APRIL 1955.

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

Madras: Maximum Weight to be handled by Workers: Amendment to Factories Rules.

By a notification dated 22 March 1955, the Government of Madras has amended the Madras Factories Rules, 1950, made under the Factories Act, 1948, providing that no man, woman or young person shall, unaided by another person, lift, carry or move by hand or on head, any material, ~~which~~ article, tool or appliance exceeding the maximum limit in weight set out in the following table:-

Persons	Maximum weight of material, article, tool and or appliance.
<del>-----</del>	
	LB.
Adult male	165
Adult female	65
Adolescent male	65
Adolescent female	45
Male child	35
Female child	30

(G.O.No.1062, Industries, Labour and Co-operation, 22 March 1955; Rules ~~the~~ Supplement to Part I of the Fort St. George Gazette, 6 April 1955, pp. 115-116 ).

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LIST OF THE PRINCIPAL LAWS PROMULGATED DURING THE  
PERIOD COVERED BY THE REPORT FOR APRIL 1955.

INDIA - APRIL 1955

CHAPTER 3. Economic Questions.

Imports and Exports (Control) Amendment, Act, 1955 (No.2 of 1955); The Gazette of India, Extraordinary, Part II-Section I, 18 March 1955, pp. 59-60.

Essential Commodities Act, 1955 (No.10 of 1955); the Gazette of India, Extraordinary, Part II-Section I, 2 April 1955, pp.105-112.

CHAPTER 7. Problems Peculiar to Certain Categories of workers.

The Working Journalists (Industrial Disputes) Act, 1955); The Gazette of India Extraordinary, Part II, Section I, 14 March 1955, pp.57-58.



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RECORD OF PRINCIPAL DECISIONS ON LABOUR AND  
ALLIED SUBJECTS

INDIA - APRIL - 1955

CHAPTER 3. ECONOMIC QUESTIONS.

Development Council for Heavy Chemical (Alkalis) Industry.

"In exercise of the powers conferred by section 6 of the Industries (Development and Regulation) Act, 1951 (LXV of 1951) the Central Government hereby establishes for the scheduled industry engaged in the manufacture and production of heavy chemicals (Alkalis), a Development Council which shall consist of the following members .....

1

"The Central Government hereby assigns the following functions to the said Development Council, namely:

- (1) recommending targets for production, co-ordinating production, programmes and reviewing progress from time to time;
- (2) suggesting norms of efficiency with a view to eliminating waste obtaining maximum production, improving quality and reducing costs;
- (3) recommending measures for securing the fuller utilisation of the installed capacity and for improving the working of the said scheduled industry, particularly of the less efficient units;
- (4) promoting arrangements for better marketing and helping in the devising of a system of distribution and sale of the produce of the said scheduled industry which would be satisfactory to the consumer;
- (5) promoting standardisation of products;
- (6) promoting or undertaking the collection and formulation of statistics; and
- (7) promoting the adoption of measures for increasing the productivity of labour, including measures for securing safer and better working conditions and the provision and improvement of amenities and incentives for workers".

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1. Notification No. S. R. O. 661- 1DRA/616 dated 24 March 1955. The Gazette of India, Extraordinary, Part II Section 3, pp. 399-400.

BIBLIOGRAPHY.INDIA - APRIL 1955.Chapter 3. Economic questions.

- \* (a) The Board of Economic Inquiry Punjab, Publication No. 24, Oil seeds crushing industry in the Punjab, 1954, pp. 100.  
Publication No. 21, Family Budgets, 1950-51 of twentysix cultivators in the Punjab, pp. 80.  
Publication No. 22, Farm Accounts in the Punjab 1951-52, pp. 25.
- \* (b) Government of India, Planning Commission, Five Year Plan Progress Report for April-September 1954, April 1955, pp. 110. (One copy sent to Geneva vide this Office Minute No. D.1/619/55 dated 27 April 1955).
- \* (c) Economic and Social Survey of Mehasana District. (The Indian Society of Agricultural Economics, 46-48, Esplanade Mensions, Mahtama Gandhi Road, Bombay, Price Rs. 7-0-0).

Chapter 5. Working Conditions and Living Standards.

- \* Annual Report of the Chief Inspector of Mines in India for the year ending 31st December 1951. Indian Mines Act, 1923. Manager of Publications, Delhi, 1954. Price Rs. 17-14-0, pp. 244. (One copy sent to Geneva vide this Office Minute No. D.1/604/55 dated 23 April 1955).

Chapter 12. Industrial Committees.

Technical Development in Textile Industry.  
The Textile Association (India), Bombay-12.

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\* Publications received in this Office.