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INTERNATIONAL LABOUR OFFICE
INDIAN BRANCH
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Industrial and Labour Developments in May, 1946.

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

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NATIONAL LABOUR LEGISLATION.

Central Provinces and Berar:

Draft Rules relating to Exemptions from
Provisions of Factories Act, 1934.

The Government of the Central Provinces and Berar has gazetted the draft of certain rules which it proposes to make in exercise of the powers conferred on it by Section 43 of the Factories Act 1934. The draft is to be taken into consideration on or after 15-8-1946.

The draft rule enumerates the categories of persons who can be deemed to hold positions of supervision and management or be deemed to be employed in a confidential capacity within the meaning of Section 43 of the Factories Act; defines the conditions under which workers engaged on urgent repairs in factories shall be exempted from sections 34 and 38; and lists the categories of factories and the types of work therein exempted from one or more of the above sections of the Factories Act and the conditions under which such exemptions may be granted.

(The Central Provinces and Berar Gazette,
Part III, dated 17-5-1946, pages 194-195).

SOCIAL POLICY.

Bombay Government's "Statement of Labour Policy".

The broad outlines of the labour policy which it proposes to pursue were announced by the Government of Bombay in "Statement of Labour Policy" issued by it on 22-5-1946. The Statement covers a wide variety of subjects ranging from the encouragement of regular trade unions and measures to deal with illegal strikes to housing, prohibition, social security and industrial health. The following is a summary of the statement.

Creation of a Special Ministry of Labour.- The present Ministry in Bombay is determined to implement in the Provincial sphere the promises made to the working classes in the election manifesto of the Indian National Congress, to the utmost limit of the available resources. As an earnest of this resolve a special Ministry of Labour has now been created in Bombay.

Regular Trade Unions to be encouraged: Proposal to amend Bombay Industrial Disputes Act.- In the interests of both the workers and the industry it is intended, to develop to a further stage the scheme of industrial relations embodied in the Bombay Industrial Disputes Act. Government would not now remain content with just removing hindrances in the way of labour's effort to organise itself. It proposes to supply a very real impetus for the growth of sound organisations of industrial and other workers. Regular trade unions having been accepted as an integral part of the apparatus of civilised administration, the Government of Bombay will do its utmost to strengthen such organisations so that they may perform effectively their function of service to the working class and the community. In this connection, the Government of Bombay proposes to amend the Bombay Industrial Disputes Act with a view to removing certain legal gaps and ambiguities and administrative difficulties which its working had revealed.

Industrial Relations: Simple Machinery for settling Minor Disputes between Employers and Employees.- The Government proposes to explore ways of checking arbitrary dealings on the part of employers and removing delays in the redress of grievances. It is, further anxious to ensure that the course of efficient production is not hampered by thoughtless and needless stoppages of work. To secure these twin objects it is proposed to create some simple type of machinery for prompt and final disposal, by judicial or semi-judicial methods, of the routine and minor differences between employers and employees, which so often create acute bitterness, unrest and lead to heavy loss of production and of workers' earnings. The peaceful settlement of disputes involving substantial issues is also assured by the fact that opportunities for arbitration and adjudication will be made freely available to the parties by the operation of law or through the good offices of Government.

Concern over Frequency of Illegal Strikes.- The Government is concerned at the excessive frequency of illegal strikes in the City of Bombay. While offering to lend every aid in the speedy redress of legitimate grievances, Government wishes to make it plain that the workers who have recourse to illegal strikes should look for no sympathy or help from it. But in case the workers apply for arbitration which is refused by the employer, any strike in consequence,

as long as it is conducted peacefully, would be entitled to full sympathy and support from the community. It will be Government's policy to put down any attempt to break such strikes by force or other undesirable means.

Workers to be associated in Administration of Industry.- The Government considers it desirable to assist the growth of the workers' sense of responsibility towards the industry and the community by securing increasing association of the employees in the administration of the industry especially in matters directly affecting their own health and comfort.

Textile Labour Inquiry Committee Recommendations to be implemented.- The Textile Labour Inquiry Committee appointed by the Congress Ministry in 1937 made an interim report as a result of which 250,000 textile workers in the Province obtained wage increases ranging from 5/4 per cent to 18 per cent. The Committee's final report contains an array of valuable recommendations on which no action has been taken so far. Government is going to take up immediate consideration of the Committee's report with a view to exploring all possible ways of giving the maximum effect to its recommendations.

The Committee has done such important work in connection with the standardisation of wages in the textile industry in the City of Bombay and this part of the Committee's recommendations has now been submitted to the Industrial Court for arbitration. Standardization of wages will soon be undertaken to assure a fair and scale of remuneration to the workers in all occupations in the industry in Bombay and this would be followed by similar reform in other centres of the textile industry in the Province.

Machinery to be set up for Collection of Statistical Data regarding Wages.- To prepare the necessary foundation for a long-range policy for the settlement of wage claims and the fixation of minimum wages, Government has decided to set up machinery for the collection of statistical data in respect of all categories of wage earners in the Province.

Working of Shops and Establishments Act to be reviewed.- The working of the Shops and Establishments Act, which has been in force for the last eight years, will be reviewed and an early endeavour will be made to remove the deficiencies that may be disclosed.

Scope of Protective Labour Legislation to be extended to Small Workshops and Agriculture.- Government hopes to be able to devote much greater attention than has hitherto been found possible, to the needs and conditions of the workers scattered in very small workshops and establishments as also domestic servants, not so far coming within the purview of the factory and other legislation. Government believes also that the stage has arisen when agricultural labour should be brought increasingly within the scope of its measures for the amelioration and protection of the working class. Possibilities in this direction will be explored with the help of the departments responsible for rural administration and uplift.

Employment Procedures in Industries to be overhauled - Central Labour Bureau.- ~~Government hopes to be able to devote~~ To eliminate injustice and corruption and to ensure the continuity of an adequate and efficient supply of labour central labour bureaux based on the "badli" (substitute) control system, the adoption of which in the Bombay City textile mills had yielded good results are to be built up.

Measures to meet Industrial Unemployment.- To meet the menace of industrial unemployment which is increasing in magnitude in several occupations Government will prepare itself by enlarging the existing provision for training of workers for the pursuit of alternative occupations. The Government of Bombay is convinced that the system of unemployment relief by doles will not suit conditions in India and proposes to make itself responsible for providing maintenance through work during periods of forced idleness. Pre-employment training for new entrants is an essential need of industry which has been badly neglected so far. Adequate provision for this will have to be made now. The establishment of labour bureaus will greatly facilitate progress in this same direction.

Welfare-Labour Welfare Department to be expanded.- The Congress Ministry set up a Labour Welfare Department in 1937. The welfare activities of this Department have proved helpful. It is felt, however, that it would be necessary to develop in various directions the content of welfare work undertaken by the Department and to make it a more efficient instrument for raising the level of the workers' life. Efforts will be made to give to the workers, as early as possible recreation parks for providing some relief from the oppressive housing conditions. The statement, however, emphasises that genuine progress is essentially a matter of internal effort sustained by the people's qualities of character, and capacity for struggle and sacrifice. Any form of State intervention or processes imposed by legislation can only be an aid but not a substitute for self-help. In a line with this approach of Government is its desire to promote in various forms the application of the principle of co-operation in solving the workers' difficulties and improving their position in different directions.

Education.- In the field of education, Government is considering how far it would be practicable to make entry and promotion in industry conditional on the passing of a literacy test. Government will strive to make adequate provision of workers and vigorous promotion of adult education will be a part of its welfare programme.

Workers' Housing.- The statement emphasises that the provision of healthy houses for the workers transcends in importance all other plans for improving their standard of life. This problem has been engaging the attention of the Central Government. The Government of Bombay is prepared to do everything in its power to improve housing conditions in co-operation with all those who have an interest in or responsibility for this matter. The question including the Central Government's schemes in this behalf will be taken up for immediate consideration.

Prohibition.- The Government proposes to take early action to enforce a satisfactory scheme of prohibition. This it considers as vital to the well-being of the community.

Industrial Health.- The Government proposes to take up again the work initiated by the Industrial Health Advisory Board which the previous Congress Ministry had set up. It is being widely felt that deficient nutrition has already affected adversely the health and efficiency of the industrial workers. Government proposes to look into this matter and take remedial steps in the interests of the stability and progress of industry.

Social Security.- All-round social security has been accepted as an immediate post-war goal by practically every civilised country, and the Government of Bombay is keenly interested in promoting every scheme for the protection of the working class against such social

hazards as sickness, old-age, unemployment, etc., which may receive legislative shape at the Centre.

To secure the well-being of labour as well as of the community, the statement adds, Government must pursue the parallel objective of ~~and~~ maintaining the continuity of production and bringing about its steady expansion. The Government of Bombay is, therefore, anxious to let nothing come in the way of large-scale mutual good-will and uninterrupted industrial peace based on social justice.

(The Bombay Government Gazette Extraordinary dated 22-5-1946, pages 1715 to 1717).

The Minimum wage Bill, 1946 - Labour Journal's Criticism.

Reference was made at pages 7 and 8 of the report of this Office for April, 1946, to the Government of India's Minimum Wage Bill, 1946. Analysing the main provisions of the Bill an article in the Trade Union Record for May, 1946, makes the following criticisms:-

No Standard laid down to guide Provincial Governments in fixing minimum wages.- Firstly the greatest defect of the Bill lies in its not laying down a criterion on which the Provincial Governments shall fix the minimum wages. The article points out that the AITUC representatives at the seventh Labour Conference insisted on including a clause laying down a standard to be kept in view while fixing the minimum wage. The Commonwealth Conciliation and Arbitration Act, 1904-1934 of Australia, defines the work basic wage as a wage which can meet "the normal needs of the average employee regarded as a human being living in a civilised community". The Court is required to take into account not merely the interests of the parties in the dispute but also of "society as a whole and a certain standard of living below which a worker should not fall". In the absence of some provisions on these lines the Bill will not serve any useful purpose. Fear is expressed that the Bill is likely to give statutory recognition to the present subnormal level of wages in India.

National Minimum Not Fixed.- Secondly the Bill does not even visualise the possibility of having a National Minimum below which no worker will be paid. It permits different minima for different occupations and different localities. If the Bill is to serve the real purpose of raising the wages of the workers and bringing them to a reasonable level it is necessary that such distinctions should not be encouraged and a National Minimum should be fixed.

Big Industries Excluded.- Thirdly, and this according to the article is one of the most serious draw backs of the Bill, well organized major industries like cotton and jute textiles, railways, engineering, printing and press, mines and so forth are excluded from the provisions of the Bill. Though the earlier draft Bill which the Government placed before the Seventh Labour Conference included all these and many other industries. The wages of workers in these industries are also very low and in a number of cases even below the

subsistence standard, and the need for minimum wages in these industries is no less urgent than in others.

A fourth major defect of the Bill, the article proceeds, is that it permits the Provincial Government to exempt any or all industries from the provisions of the Bill. Whatever limited purpose the Bill seeks to serve is likely to be defeated if this power is given to the Provincial Governments.

No Equal pay for Equal Work.- Fifthly, the Bill fails to recognise the principle of "equal pay for equal work" and seeks to perpetuate the difference between wages paid to men and women by permitting different minima for men and women employed in the same occupation.

In conclusion the article urges that the period allowed for fixing the minimum wage is unduly long. The post-war crisis is getting accentuated every day and in the interest of the workers it is absolutely necessary that the minimum wage fixing machinery should come into operation immediately. If this is not done whatever little gains the workers have obtained during war time will be lost. Their wages will go down and then they might be stabilised at that level by the minimum wage fixing authorities.

(Trade Union Record, May, 1946).

9th Session of Standing Labour Committee -
Agenda.

Regulation of employment conditions in business houses and commercial undertakings in urban areas and provision for holidays with pay to workers in unregulated factories and plantations, seamen and dock labourers and local board employed are among the subjects for discussion at the ninth session of the Standing Labour Committee to be held in Madras on 24 to 26-7-1946. The Committee includes representatives of the All-India Trade Union Congress and the Indian Federation of Labour, employers' organisations and the Government.

At present legislation in respect of trade employees is in force in four provinces, viz, the Punjab, Bombay, Bengal and Sind, and the Government of India is understood to be anxious to have uniform legislation in these four provinces and also that other provinces should introduce similar legislation.

As regards provision of holidays with pay, at present there is no such provision in most of the unregulated factories, in ships and dockyards. Discussions with a view to introducing necessary legislation may be held at the meeting.

The Committee will also discuss the advisability of introducing legislation in all provinces on the lines of the legislation in C.P. and Berar for unregulated factories, the provision of the Mines Act with a view to limiting the maximum working hours in mines, the feasibility of introducing a 48-hour week in mines; the revision of the Indian Factories Act, 1934, the Employment of Children Act, 1939, and the scheme of industrial housing.

The Committee will also consider amendments to the constitution of the ILO.

(The Hindustan Times, 31-5-1946).

Madras Government's Attitude in regard to
Industrial Disputes - Statement by Minister.

Mr. V.V. Giri, Minister for Industries and Labour outlined at a Press Conference at Madras on 11-5-1946 his general attitude in regard to industrial disputes and strike in particular.

Mr. Giri ~~xxxxx~~ exhorted both the workers and employers to revise their views in the interest of orderly industrialisation of the province and enunciated the following policy for the settlement of all industrial disputes.

Firstly both the workers' organisations and those of employers must exploit every resource in their power and secure an 'internal settlement' of disputes. Secondly, if the first process became difficult or impossible, the Department of Labour is at the disposal of both the parties in finding ways and means for a just settlement of any trade dispute. Thirdly, if the intervention of the Commissioner of Labour and his Conciliators became ineffective in producing results, Government would utilise Courts of Enquiry, Boards of Conciliation, Adjudicators and arbitrators to secure an impartial settlement.

Mr. Giri emphasised that this policy could succeed only if the workers and their organisations realised their sense of duty to themselves, the Government and the country. A spirit of indiscipline, those of others including employers, acts of intimidation and exhibition of violence must be avoided at all costs, in their propaganda on behalf of themselves, if the active sympathy of Government and public support in the province were sought by them. If, however, workers persisted in lightning strikes and direct action without prior representation and non-utilisation of the channels provided by Government, the Government would refuse to be 'instilled' into taking action on their behalf. Mr. Giri added that the employers should also understand the above implications in so far as it related to them. They must also appreciate that workers were not merely wage earners but that the industrial system, besides providing good conditions of work, should enable the workers to have the higher satisfaction that by doing their work honestly and conscientiously, they were rendering service to the community not as 'slaves' of the system but as 'free men'.

Trade Unions Act to be Enlarged.- Turning to the question of introducing legislation in the matter of settlement of trade disputes, with a view to enlarging the scope of the present Trade Unions Act and the Trade Disputes Act of the Government of India, Mr. Giri referred to the Bill which he had introduced in 1937-38 to make provision for the promotion of peaceful and amicable settlement of industrial disputes by conciliation and adjudication; he proposed to introduce it at an early date with such modifications as might be necessary in the light of new knowledge and experience. It was also proposed to insert in the Bill provisions regarding the recognition of trade unions and suitable methods of enquiry and conciliation.

Social Insurance for Workers.- As regards social insurance legislation for industrial workers, Mr. Giri said that in 1937-38 a proposal was made to introduce a Bill to provide for unemployment insurance for industrial workers. That Bill would again be examined in the light of the new facts that may be available. Mr. Giri added that the Government of India were bringing in a Bill to provide for sickness insurance for workers, and assured the ~~xxxxxx~~ Madras Government's co-operation if the proposed Bill was introduced.

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Plea for Uniform Labour Legislation.- Mr. Giri advocated a co-ordinated and uniform labour policy for all the provinces and said that his intention had always been to confer as frequently as possible not only with Labour Ministers of Congress provinces but also with those of non-Congress provinces in the matter of laying down uniform labour legislation.

(The Hindu, dated 12-5-1946).

New Department to be created to deal with
Railway Personnel.

With the great increase in the volume and complexity of labour and establishment work on Indian Government Railways which may increase still further with the development of legislation in the labour field the Government of India has felt that it has become necessary to introduce a Personnel organisation on all these Railways to deal effectively with this work. The Government of India has accordingly decided to create a distinct Railway Service with its own cadre to be known as the Establishment Department of the Superior Revenue Establishment of State Railways.

The rules for the recruitment and training for this new service have now been published.

(The Gazette of India, Part I, Section 1, dated
4-5-1946, pages 638-642).

CONDITIONS OF WORK.

Hours of Work and Weekly Rest, Etc.

48 Hour Week: Effects on Cloth Shortage.

Reference was made at page 4 of the report of this Office for April 1946, to the Factories (Amendment) Act, 1946. The following is a summary of an article in the April, 1946, issue, of the Indian Textile Journal, on some of the effects the 48 hour week is likely to have on the textile industry.

8-hour Day and Cloth Shortage.-- The article contends that the industry has to a certain extent relieved the cloth shortage in the country by working a 60-hour week and thus increasing the production at least by a minimum of 7 per cent. If the industry has to step down to 48-hour week, the cloth crisis will assume ugly proportions and may present a problem to be again tackled all from the start. The cost of production will invariably be affected and will not be feasible for some time to come. As a direct contrast, on the other hand, prices may show a tendency to shoot up, causing anxiety to the public and offsetting the measures initiated to combat the evil effects of inflation.

Difficulties in way of Treble-Shift System.-- The writer contests the claim put forward by the Government of India that an 8-hour day will lead to increased production of textiles by making possible a three shift working and at the same time provide more employment (vide pages 6-7 of the report of this Office for October 1945). According to the amendment to section 34 of the Indian Factories Act, the majority of the mills in India are working 10 hours per shift. It is incorrect to say that the three-shift system of working with less working hours will act as a means of relieving unemployment, even if such a system of working can be adopted.

Again, only a few mills in India have balanced plants to work three shifts. In fact, some mills are working two shifts in spinning to run their weaving shed for a single shift. The direct adverse effect has been that the average count of yarn spun in India has fallen considerably low.

Another difficulty is that, as it is not possible to work three shifts continuously without stoppages, the mills will be in a position to work for 7½ hours a shift only, if they stop for half an hour between each shift, for alignment of the running machinery, etc. Even with many mills working at 18 hours per day, the industry has to face a labour shortage. This obstacle is more serious in some of the mills in Bombay, Ahmedabad, and the Central Provinces. If the three-shift system is now introduced, the mills will not be finding enough labour to work these shifts, and thereby they might work only 16 hours in two shifts per day which will result in the loss of about 500 to 600 million yards of civilian cloth per annum.

Further, there are cases where mills are being closed for days for want of coal. The object of increasing the production will be defeated if mills were asked to run three shifts and then close them for 4 or 5 days altogether.

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Housing and Spare Parts Shortage.— The article further emphasizes that the organization of the industry on the three-shift system envisaged by the Government of India will create new difficulties with regard to the housing of the additional labour employed and the wear-and-tear of the machinery worked. In a big city like Bombay housing and water-supply have already assumed serious proportions, and to meet the influx of more labour into the city, adequate measures will have to be taken to house them and to keep the sanitary conditions bearable. As regards spare parts, much of the textile machinery has already been worn out and unless these worn-out and time-barred machines are replaced, it is practically impossible to increase production by a three-shift system; rather, it will tend to retard the present efficiency of the machinery installed to suit the old conditions of working.

Difficulty with regard to Night Shift.— Finally under the treble shift system, the last shift will start at about midnight, and adequate transport arrangements will have to be made to see the previous shift workers home, and bring the operatives of the last shift to the mills. In the absence of these arrangements, it will be a practicable impossibility to collect the labour spread out in distant areas for the last shift. The workers in the reeling and winding departments are mostly women, and it will be next to impossible, according to the writer, to get them to work on the third shift as women are prohibited from working during night hours.

(The Indian Textile Journal, April, 1946).

Forced Labour.

Scheduled Castes Federation Conference, Bhatni,
21-5-1946: ABOLITION OF FORCED LABOUR URGED.

A Divisional Conference of the Scheduled Castes' Federation was held at Bhatni, Deoria district, on 21-5-1946, Mr. JAGANNATH PERSHAD JAISWAR, the Chairman, U.P. Scheduled Castes Recruiting Committee, presided.

Among the resolutions adopted was one urging the Governor of the United Provinces ~~अप्रतिबन्धित~~ to take immediate steps to stop the present cruel system of Begar (forced labour) prevalent in these provinces.

By another resolution the Conference demanded that labour wages be fixed at Re. 1 per day for men and As. 12 for women labourers and that the employers who try to exploit the labourers must be punished.

('Bhatni', dated 31-5-1946).

Industrial Disputes.

United Provinces Press Note deprecating Illegal
Strikes.

The United Provinces Government has issued a Press Note reminding employees of industrial establishments in the province that, under the existing law, all strikes and lock-outs are illegal unless they are preceded by at least 14 days' notice to the management. The Press note adds that when such notice is given it becomes possible to resolve a dispute by conciliation or adjudication and emphasises that the Government views with grave disfavour all illegal strikes, and particularly those in essential undertakings producing cloth, electricity, etc.

(The Hindustan Times, 22-5-1946).

General.

Working of Factories Act in Orissa during
1944.

Number of Factories.- There were 107 factories in the province of Orissa at the end of the year 1943. During the year 1944, 5 factories were removed from the list and 4 new factories were registered making the total of 106 at the end of the year. Of these, only 92 factories comprising of 88 perennial factories and 4 seasonal factories, worked during the year. The average number of workers employed daily during the year was 6,262 as against 6,957 during the preceding year. The following table gives the numbers of adults, adolescents and children employed in the perennial and seasonal factories separately.

	Perennial	Seasonal	Total
Adults-			
Male.....	4,682	270	4,952
Female.....	1,088	53	1,133
Total.....	5,770	323	6,093
Adolescents-			
Male.....	117	--	117
Female.....	6	--	6
Total.....	123	--	123
Children-			
Male.....	53	--	53
Female.....	1	--	1
Total.....	54	--	54
Grand Total.....	5,959	323	6,282

Inspection and Conviction.- During the year 91 factories were visited, 36 were visited once, 33 twice and one thrice. The total number of inspections was 125. Sanitary arrangements were generally satisfactory. Provisions were made for ventilation and lighting. No case of epidemic or occupational disease was noticed. Daily wage rates varied from Rs.6 to an unskilled child cooly to Rs. 2-3-0 to a supervisor of skilled labour.

Prosecutions were launched against 4 factories. Two were fined and the results of the other two were pending at the end of the year.

Accidents.- The total number of accidents during the year was 65 as against 43 in the previous year. Of these 4 were fatal, 18 serious and 43 minor.

(Indian Labour Gazette, April, 1946).

Living Conditions of Jute Workers in Bengal:
Survey reveals deterioration from 1928 levels.

A survey on scientific lines of living conditions of jute workers in the Jagatdal area was recently carried out by Mr. K.P. Chattopadhyay, Head of the Department of Anthropology, University of Calcutta.

Deterioration from 1928 levels.— Mr. Chattopadhyay, in his report, states that though final estimates based on data collected have not yet been prepared the preliminary estimates leave no doubt that in the jute industry, the condition of the workers has deteriorated very much since 1928. In that year an enquiry was made regarding their condition, and the evidence which was placed before the Royal Commission on Labour in India, showed that the position was already unsatisfactory in 1928. A deterioration from that level means, therefore, that the conditions are very bad indeed.

Housing and sanitation.— In 1928, in workers' quarters, the size of the rooms varied from 8'x8' to 10'x10'. In nearly all cases the rooms were provided with verandahs 4' wide used for cooking purposes. The rooms were dark and in none of them sunlight ~~was~~ penetrate through. Ventilation was unsatisfactory. Usually three workers occupied such a hut. In 1945, none of the rooms visited in a jute mill bustee were in any way better than those huts. ~~was~~ On the contrary, they had no verandahs for cooking. It was done in the room—unless the men arranged for messing, elsewhere.

A larger survey in 1941 had shown that the living conditions were worse than the 1928 standard. In 1945, the detailed survey made it clear that the huts had not improved but the working population had increased—due to increased demand for labour, and the problem had been 'met' in one important area by housing 7 persons in rooms which were previously occupied by 4 with difficulty. The latrines and water taps which were inadequate earlier had not also been increased in proportion. Local enquiry elicited the information that men and women had to get up at four in the morning to enable them to use the conveniences in order that they might not be late in attendance at the mills.

Food and Clothing, Serious Decline in Standards.— In this sphere, Mr. Chattopadhyay's finding is that the worker's diet in 1945 compares poorly with that in 1928, which in turn was far below the standard laid down by Dr. Aykroyd, the nutritional expert of the Government of India. In 1928, the worker was getting 20 per cent less food in quantity and 60 per cent less of the protein and 40 per cent less of vegetables needed by him. In 1945 owing to high prices and inadequate rise in wages (and dearness allowance), meat and fish had come down to about 25 percent of the recommended amount. Vegetables had been cut down to half the normal requirement. The deficit had been made up as usual by an increased in cereals. At the same time the expense on food increased in 1945 over that in 1941 by about fifteen annas in the rupee. It was the same in the case of clothing. Both for men and women, less clothes (about one third less) were purchased in 1945 than in 1941 but double the amount had to be paid. Hence although the rise in wages, dearness allowance and other concessions increased the earlier total income by nearly two thirds, the standard of living deteriorated considerably.

Recommendations.— Mr. Chattopadhyaya suggests that part of the profits made by the jute industry, which during 1940-1944 averaged 40 million rupees annually, should be used to better the condition of the

workers by (a) increasing wages and dearness allowance, and (b) improving their residences.

Effects of Food Rationing.- As regards workers' food rations, Mr. Chattopadhyay points out that cereals, pulse and a little vegetable are all that the workers can afford to buy and if they are to maintain this inadequate standard they would require at least the 4 seers of cereals each week which they were getting, to make up in part for the lack of the more nutritive elements in their diet. If the ration cut now operating ~~remains~~ remained in force, the workers in light as well as heavy industries would be partly starved. Such a cut would be justifiable according to Mr. Chattopadhyay only if the basic wages and allowances were so increased that the workers in industry could purchase fish, meat or milk and fats and vegetables in adequate quantities for a balanced diet.

(Amrita Bazar Patrika, 14-5-1945).

ECONOMIC CONDITIONS.

Reserve Bank Official to study "Economic Position
of the Country".

The Reserve Bank of India has deputed Dr. N.S.R. Shastri, the Bank's Director of Statistics and Economics, to study the "economic position of the country". Dr. Shastri will collect statistics of essential materials in both producing and consuming centres, and the Bank proposes to publish a general purpose index number of wholesale prices.

(The Times of India, 22-5-1946).

Textile Industry.

Textile Industry in Indian States.

The present position of the textile industry in a number of Indian States and the plans for future development are reviewed in an article in the April 1946 number of the Indian Textile Journal. The following note is based on the article.

Cotton Textiles.- Indian States produce nearly one-third of the total Indian cotton and their share in the production of cotton cloth and yarn, exclusive of handloom products, is about one-eighth. Prominent among the states in the cotton mill industry are Indore and Baroda. The area under cotton cultivation in Indore is about 700,000 acres and the total production per year amounts to about 150,000 bales (of 400 lbs. each), of which the mills consume about 80,000 bales, leaving 70,000 bales for export. The first cotton mill in Indore was established by the government in 1866, and today Indore City has seven cotton mills with 6,361 looms and 213,446 spindles; and the production of cloth is nearly 43 million lbs. In the Baroda State the textile industry is ~~next~~ the largest from the point of view of capital invested, the number of operatives engaged and the value of output. There are 12 large-scale mills and the total capital invested in the industry is over Rs. 66 million. The total number of looms and spindles working in these mills is 7,100 ~~and~~ 332,000, respectively. The total output of the textile industry in Hyderabad in 1943 was 23,900,000 yards of cloth of various kinds, 384,000 hospital sheets and large quantities of other materials. Of the six important textile mills of Hyderabad, the two ~~most~~ most important annually produce between them nearly 10 million lbs. of cloth. Gwalior State produces yarn and piecegoods worth about Rs. 15,000,000 every year. The cities of Ujjain and Gwalior have seven big cotton mills and the total capital invested in these mills amounted to Rs. 14,650,000 in 1940. Besides these cotton mills, Gwalior has 125 cotton ginning factories and 23 cotton presses. Mysore has 9 cotton mills of which 4 are engaged in producing cotton yarn and piecegoods and 3 in the production of piecegoods only. The total output of these mills during 1943-44 was 52,784,797 yards of piecegoods and 27,349,534 lbs. of yarn. Bhavnagar has 11 cotton presses and 11 weaving and spinning factories and textile mills. Other States in which there is a considerable cotton textile industry are Udaipur, Cochin, Rampur, Porbandar, Jaipur, Bikaner, Jaora, Idar, Dewas (Senior Branch), Ratlam, Gondal, Cambay, Mayurbhanj, Barsingarh, Sitamai, Alirajpur, Chhota Udaipur, Wadhwan, Wankaner, Patna, Palitana, Dhar and Jamkhandi.

Regional Specialisation.- Some States specialise in producing particular types of cotton textile goods. For example, Baroda specialises in saris, boskey, poplin, dhotis and voiles; Rampur in dosuti ~~and~~ cloth and dhotis; Indore and Tonk in durries; Nandgaon in mosquito nets and bandages; Datia in dosuti cloth; Sangli in underwear and frocks; Baroda and Indore in newar; Cambay in saris; and Gwalior, Rampur and Datia in tents.

Silk Industry.- Effective measures to develop the silk industry on modern lines have been taken in Kashmir, Hyderabad, Mysore, Travancore, Mayurbhanj, Bhavnagar, ~~and~~ Porbandar, Gudukottai, and Jamkhandi.

In Mysore sericulture supports over 150,000 families. The State is one of the biggest silk producing centres of India, and accounts for half of India's total silk production. The Srinagar Silk Factory in Kashmir State is the biggest of its kind in the world. The State Government has been frequently sending its officers to foreign countries for studying the latest methods of production of silk on economical lines. Kashmir raw silk is used in great quantities for the manufacture of saris in Benares and gold and silver thread in Surat. Hyderabad has five silk factories and other States in which a beginning has been made are Porbandar, Bhavnagar and Travancore.

Woollen Industry.— Kashmir, Baroda, Bikaner, Jodhpur and some other States have long been known to possess sheep producing excellent quality of wool noted for its fineness, resilience and softness. Bikaner's wool enjoy the reputation of being one of the best wools in the world for the manufacture of carpets and is highly valued in American and British markets. Other States producing wool are Mysore, Indore, Kolhapur, Travancore, Cochin, Jaipur, Bahawalpur, Junagadh, Porbandar, Nawanganar, Barauli, Jaisalmer and Rajkot. Kashmir has five mills producing woollen goods, and Mysore has five woollen mills with 9,415 spindles and 167 looms producing 10,296,301 lbs. of goods. The State has also about half a dozen small-scale factories engaged in the manufacture of carpets and druggets. The biggest woollen mill in Kapurthala is the Narang woollen industry. Blankets are manufactured in Baroda, Indore, Jaipur, Jodhpur, Nawanganar, Gondal, Orchha, Benares, Luckhottai and Banada; carpets in Kashmir, Baroda, Travancore, Indore and Benares; and nandas in Jaipur, Jodhpur and Tonk.

State Assistance to Industry.— In order to encourage the growth of textiles and other industries many States have adopted a number of measures such as the grant of technical and financial assistance to private individuals and the dissemination of industrial and commercial information. The Bikaner Government recently announced its decision to grant exemption from customs duty on all machinery imported for purposes of textile and other industries. The State also supplies water and electric power at concession rates and grants land for factories on favourable terms. Baroda has established tax-free zones at suitable railway stations in the State and has extended similar facilities at Port Okha. Jodhpur grants monopoly rights to textile and other industries for a certain period, ranging from 5 to 20 years according to the merits of each case. Hyderabad instituted an Industrial Trust Fund in 1929 with a corpus of 10 million rupees for the establishment of new industries. Before the constitution of this Trust Fund, there were only a few large-scale cotton mills in Hyderabad, but now many industries have been started and the number of textile concerns has risen considerably. Patiala, Rewa, Bahawalpur, Kotah, Cutch, Tonk, Jaora, Rampur, Idar, Dewas (Junior), Partabgarh, Cooch Behar, Junagadh, Nawanganar, Tripura, Rajpipla, Ratlam, Barwani, Morvi, Sangli, Patna and many other States provide all reasonable facilities to capitalists anxious to start textile or any other industries in their territories.

Future Plans.— As regards future development, several Indian States have set up Planning Committees to chalk out plans for the development of industries on scientific lines. Orissa has created a Board of Economic Development which, in addition to the officials and non-officials of the State, includes leading industrialists from British India. Baroda has similarly established a Board to advise the Government on all industrial matters. It has recently suggested the

establishment of a number of cotton textile and woollen mills in the State. Hyderabad intends to expand the textile industry by an addition of 404,540 spindles and 7,111 looms. The development plan envisages the establishment of at least six large-scale textile mills. Bahawalpur has about 500,000 acres of land under cotton of American long-staple variety and is contemplating to set up a textile mill with 500 looms and 25,000 ring spindles. The Government of Patiala is actively considering a proposal of starting a cotton textile mill and a hosiery mill in Patiala City. It has been estimated that these two mills will ~~produce~~ cost a sum of Rs. 6,200,000. The textile mill will produce 15,500,000 yards of cloth annually. Besides, Patiala produces over 7 lakhs lbs. of high quality wool every year. The State is thinking of setting up a well-equipped woollen industry at Bhatinda at a cost of about Rs. 4,000,000.

In order to give an impetus to the silk industry, the Board of Sericulture in Mysore State has drawn up a programme of development of sericulture which involves in the aggregate a capital cost of Rs. 1,000,000 and a recurring expenditure of about Rs. 200,000 per annum. The programme includes the starting of 12 mulberry nurseries, establishment of fully equipped cocoon markets, the starting of a sericulture school, the setting up of a research station, and the development of an efficient sales organization for securing for Mysore silk its due place in the world ~~silk~~ market.

(The Indian Textile Journal, April, 1946).

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AGRICULTURE.

Indian Delegation to Study Cooperative Farming
in Palestine.

The Government of India has decided to send a delegation of officials and non-officials to Palestine to study the progress made there in cooperative farming. The delegation will be led by Dr. I.C. Shirname, Deputy Agricultural Marketing Adviser to the Government of India, and will spend four weeks in Palestine.

~~PHOTOGRAPH~~

(The Hindustan Times, 21-5-1946).

PROFESSIONAL WORKERS, SALARIED EMPLOYEES AND PUBLIC SERVANTS.

Government of India appoints Pay Commission.

In accordance with the announcement made during the Budget session of the Central Legislative Assembly in February 1946 (vide page 45 of the report of this Office for February 1946) the Government of India has appointed a Pay Commission to institute an inquiry into the terms and conditions of service of Government employees.

Composition of Commission.— The following gentlemen are to serve on the Commission:

Mr. ~~Justice~~ Justice Srinivasa Varadachariar, Kt., Judge of the Federal Court, ~~Chairman~~ Chairman;
Mr. Hossain Imam, Member, Council of State;
Mr. N.V. Gadgil, M.L.A.;
Mr. Frank Anthony, M.L.A.;
Lt.-Col. Dr. J.C. Chatterjee, M.L.A.;
Sardar Mangal Singh, M.L.A.;
Mr. H.M. Joshi;
Mr. C.V. Srinivasa Rao.

It is also proposed to appoint one more member to the Commission.

Mr. K.R.P. Aiyangar, M.B.E., Deputy Secretary, Finance Department, will act as Secretary.

Terms of Reference.— The terms of reference to the Commission are:—

"To enquire into and report on—

(a) the conditions of service for the Class I, Class II and Subordinate Central Services as well as establishments now designated as inferior who are subject to the Civil Services (Classification, Control and Appeal) Rules or the Railway Services (Classification, Control and Appeal) Rules and Railway servants, as defined in para 101, State Railway Establishment Code, Vol. I with particular reference to:—

- (i) the structure of their pay scales and standards of remuneration with the object of achieving rationalisation, simplification and uniformity to the fullest degree possible;
- (ii) the extent to which the present leave terms should be altered and simplified; and
- (iii) conditions of retirement and the extent to which the existing regulations in regard to pensions and contributory provident funds require simplification.

(b) the machinery for negotiating and settling questions relating to conditions of service which may arise out of differences between Government and its employees;

(c) the principles on which the remuneration of industrial workers and daily rated employees of Government should be based".

In a Resolution announcing the above decisions, the Government of India explains that the question of instituting an enquiry into the conditions of service of Central Government servants with particular ~~reference~~ reference to the adequacy of their pay scales and standards of remuneration has been engaging the attention of the Government of India for some time. The revised scales of pay prescribed for

Government servants since the retrenchment campaign in 1931, have, in particular, come up for considerable criticism in recent years. While the war was on, it was not possible to embark on any large scale investigation but in order to alleviate the hardships suffered by all grades of Government employees from the rise in the cost of living, grants of Dearness Allowance or War Allowance were authorised. The adequacy of these allowances has been criticised in the Indian Legislature and by Unions and associations of Government employees and representations have also been made for the restoration of the old scales of pay and for the improvement of pensionary rights. Although the ideal course would be to wait till a degree of price stabilisation is attained and to include in a comprehensive enquiry all Government employees, including the services under the Provincial Governments, the Government of India have considered it desirable to appoint a Pay Commission immediately in order to assure their employees that appropriate action will be taken in regard to these grievances.

Also the Government of India hopes that the present enquiry will be of value to the provinces also and trust that the full co-operation of all Provincial Governments and administrations will be afforded to the Commission.

(The Gazette of India, Part I, Sec.1, dated 18-5-1946; pages 709).

Bengal Government Sanctions Interim Increased Rates of pay for Low-paid Government Employees.

With a view to implementing the recommendations of the Bengal Administration Enquiry Committee, the Government of Bengal is, it is understood, undertaking a comprehensive examination of the scales of pay of all Government servants. Pending the completion of this enquiry and without prejudice to the decisions that may be arrived at as a result of such examination, the Government has sanctioned with effect from 1-4-1946 an increase of pay to certain classes of their servants at the following rates:-

- (i) Rs. 3/- per mensem to those drawing pay not exceeding Rs. 20/- a month.
- (ii) Rs. 4/- per mensem to those drawing pay exceeding Rs. 20/- but not exceeding Rs. 35/- a month.
- (iii) Rs. 10/- per mensem to those drawing pay in excess of Rs. 35/- a month, subject to the condition that the pay plus the newly increased pay shall not exceed Rs. 160/- a month.

(Amrita Bazar Patrika, 12-5-1946).

Third U.P. Press Conference, Cawnpore 11, 12-5-1946:
Minimum Salaries for Journalists Proposed.

Resolutions relating to safeguards for the interests of working journalists and development of a free press were passed by the third U.P. Press Conference held under the presidency of Mr. Durga Das, Joint Editor, the Hindustan Times, at Cawnpore on 11 and 12-5-1946.

Demand for Inquiry into Working Conditions in Newspaper Offices.-
A resolution passed by the Conference asked the United Provinces Government to institute an inquiry into the conditions of work in newspaper offices in regard to hours of work, scales of salary and provident fund and pension privileges.

Demand for Minimum salary of Rs. 100 and definite Increment Scales.-
By another resolution the Conference demanded that a journalist should be engaged on a minimum salary of Rs. 100 and that he should get Rs. 200 after two years and that every reporter or sub-editor who had put in five years should receive a minimum salary of Rs. 300. The resolution also advocated a scale of salary of editorial staff beginning with Rs. 200 and going up to Rs. 1,200.

Co-operative Management of News Agencies Proposed.- One of the other resolutions adopted by the Conference, while recognizing the need for ample finance, expressed the opinion that newspapers and news agencies should be run as co-operative enterprises and that their boards of management should have on them representatives of the newspaper-reading public, the working journalists and the proprietary interests in equal proportion.

(The Hindustan Times, 14-5-1946).

Policemen to get Higher Pay in Punjab, N.W.P.P.
and Hyderabad.

The ~~existing~~ Punjab Government has decided to raise the basic pay of constables from Rs. 22 to Rs. 30 per month. In addition they will get Rs. 15 as dearness allowances.

The Frontier Government has also decided that the basic pay of the upper and lower subordinate ranks of its police will be raised to the same levels as those sanctioned in the Punjab for the same ranks. The increase in pay will take effect from 1-5-1946.

The scales of pay for the State police have also been raised in Hyderabad State. Under the revised scales, constables will now receive Rs. 25, Rs. 23, Rs. 21 or Rs. 20 according to the grade in which they are placed. Similarly the salaries of Head Constables have been raised to Rs. 39, Rs. 36 and Rs. 30. This revision is in addition to the dearness allowance of Rs. 9 per month. In addition a Head Constable will receive Rs. 5 and a constable Rs. 3 as house allowance.

(The National Call, 3-5-1946;
The Hindustan Times, 6-5-1946;
The Hindu, dated 15-5-1946).

Bombay Government Employees' Conference,
Bombay, 18-5-1946.

A conference of Government employees held at Bombay on 18-5-1946 under the chairmanship of Mr. H.V. Phadke and organised by the Bombay Committee of All-India Government Employees' Federation, passed a resolution stating that the provincial and Central Governments had failed to help their employees to meet the rise in the cost of living. Other resolutions urged the Government to fix a 38-hour week for all the employees, with a seven-hour day, and to restore all the public and sectional holidays suspended during wartime.

The Conference appointed a Committee to prepare a memorandum to be submitted to the Pay Commission of the Government of India. (Vide pages 27-100 of this Report).

(The Times of India, 20-5-1946).

All Bengal Conference of Primary Teachers, Calcutta,
30-4 to 1-5-1946: Demand For Better Service Conditions.

A conference of 8000 primary school teachers, representing the 100,000 teachers of the province, was held at Calcutta on 30th April and 1st May 1946 under the presidency of Mr. Pramatha Nath Banerjee, Vice-Chancellor of the Calcutta University. The conference was opened by Mr. H.S. Suhrawardy, the Chief Minister of Bengal and was attended amongst others by the Hon. Khan Bahadur Waziruddin Hussain, Bengal's Education Minister.

Teachers' Demands.- The President of the All-Bengal Primary Schools Teachers' Association, then placed before the Conference the following demands on behalf of the teachers:-

(a) A minimum salary of Rs. 50/- and 40/- with a dearness allowance of Rs.15/- for trained and untrained teachers, male and female respectively; (b) the immediate provision of a Provident Fund in every school; (c) the regular payment of salary at the end of every month without deducting the M.O. Commission; (d) no removal without one month's notice previous notice and no dismissal without proper enquiry by an impartial authority; (e) grant in case of removal without any lapse on the part of teachers of as many months' salary as the number of years of their service as the number of their service; (f) leave according to the fundamental rules of the Government; (g) free studentship in aided secondary schools for at least one ward of every primary teacher; (h) inclusion of at least one primary teacher representative from each sub-division in the district school boards and of at least two such representatives in the Education Sub-committee of all other local self-governing bodies; (i) inclusion of at least one representative of the All-Bengal Primary Teachers Association in the Central Primary Education Committee; (j) establishment of more training schools and establishment in every district of at least one such school for female teachers and (k) enhancement of training allowance from Rs. 10/- to Rs. 20/- per month.

CO-OPERATION AND COTTAGE INDUSTRIES.

Special Co-operative Societies for Ex-Servicemen in Madras.

Reference was made at page 52 of the report of this Office for September 1945 and page 66 of our report for February 1946 to certain types of co-operative societies being organised by the Madras Government, specially for the benefit of demobilised servicemen. The following details regarding these societies are given in an article under the caption "Cooperatives and Ex-Servicemen" appearing in one of the recent issues of the Eastern Economist.

Three Types of Co-operatives for Ex-Servicemen.- All men released from the Defence Forces will either settle in urban areas and seek employment in industry and trade or return to their village and settle in agriculture. The Cooperatives already sanctioned or under consideration will cater to the needs of both these groups and fall under three categories—Co-operative Workshops, Land Colonization Societies and Co-operative Labour Contract Societies.

Co-operative Workshops.- Feasible in the case of medium-size industries involving moderate capital investment. Certain suitable industries have been selected such as general engineering, motor repairs manufacture of brass-ware, agricultural implements, constructional goods, textiles and so on. Membership and employment in the societies will be confined strictly to demobilized soldiers. But if owing to paucity of skilled or trained men it is incumbent to engage civilians, they will be taken on the basis of contracts of temporary service. Each member will have to buy at least one share of the value of Rs.50 but no member can subscribe to more than twenty shares. Land, buildings, machinery and other fixed capital will be provided by Government to the societies free of cost whereas working expenses such as cost of raw materials, payment of salaries and wages of staff etc., will be obtained from co-operative central banks as the paid up share capital will not suffice for the purpose, repayment of loans from central co-operative banks will be guaranteed by Government. Expenditure on staff for the first year will be borne by Government. The Board of Directors will be nominated for the first three years by Government and will include a representative of the financing bank. Thereafter the directors will be elected by the members. A definite portion fixed by by-laws will be set apart from profits to be carried over to a reserve fund and interest will be paid to shareholders on their capital at a rate not exceeding 6¼ per cent. The residue will be distributed among the members as bonus in proportion to the wages earned by them.

Some idea of the size of these workshops can be gathered from the fact that the Madras Government had sanctioned the establishment of a co-operative venture at Rumbakonam for the manufacture of brassware at an estimated cost of Rs. 287,000.

The requirements of Government in respect of articles produced by co-operative workshops will be met from their output and quasi-governmental bodies will be induced to extend their patronage to these workshops.

Land Colonization Societies.— These are to be established in certain select regions where there are large areas of Government land—waste, jungles or swamps. Eligibility for membership is restricted to ex-servicemen who are either landless or who do not own an economic holding and who were actively employed in agriculture before the war as cultivators or agricultural labourers. But soldiers who are already members of other co-operative credit societies are debarred from membership. Each member will have to subscribe to at least one share of Rs. 50 but no member will be entitled to buy more than 20 shares. Compact areas selected for reclamation will be assigned by Government to the society as a gift, and the ownership of the land will vest in the society as a corporate body. The initial expenditure will be borne by the government but working expenses will be met by means of loans from the central co-operative bank backed by Government guarantee. The land will be parcelled out into economic holdings of 5 acres of irrigated land or 10 acres of dry land. One member will be entitled to one holding, the total number of members in any society being limited by the number of holdings available. One half of the net profits of the society will be credited to a reserve fund. A sum not exceeding $7\frac{1}{2}$ per cent of the profits will be carried to a welfare fund for objects such as sanitation, education, etc. Out of the balance a dividend not exceeding $6\frac{1}{4}$ per cent on the paid-up value of shares held will be paid to members but the period for which the paid-up share capital was held will be considered in the computation. Of the remainder, a maximum sum of $12\frac{1}{2}$ per cent may be carried to a bad debt reserve. Not more than 10 per cent of the balance will be set apart for the implements fund. The residue, if any, will be allotted to the reserve fund. These societies are to be co-operative in every respect leaving no room for private business. All transactions including even domestic requirements are to be made through the society which will arrange for loans for agricultural as well as domestic purposes. Forty areas have been selected for colonization but for the present a start is to be made with ten societies in the districts of Tanjore, Trichinopoly, Ferozpur, West Godavari, Salem, North Arcot, Cuddapah and Coimbatore. (Reference was made at page 76 of the report of this Office for April 1946, to the Madras Land Acquisition (Ex-Servicemen's Settlement) Act, 1946, which provides for the acquisition by Government of land for such societies).

Labour Contract Societies.— These are intended primarily for that large section of demobilized soldiers who are without capital resources and who make a living by semi-skilled or unskilled labour. They will include such persons as masons, carpenters, fitters, painters, ordinary ~~xxx~~ labourers and so forth. The object of these societies is to organize battalions of workers who by their collective strength can take the place of private contractors, (vide page 66 of the report of this Office for February 1946).

(The Eastern Economist, 5-4-1946).

All-India Village Industries Association's
Scheme for Development of Village Industries.

The All-India Village Industries Association has prepared a memorandum embodying a programme for the development of agriculture and cottage industries. The programme aims at an economic drive for village sufficiency based on village industries and, thus it has been suggested that, such a programme may even entail the levying of a prohibitive duty on all factory products as far as consumer goods and prime necessaries are concerned.

Agricultural Production.-- The memorandum suggests that agricultural production, should be regulated, keeping in mind two main considerations, namely, (1) that each locality must try to produce all its own food requirements and raw materials for primary necessities of life, (2) that it must try to produce raw materials suitable for village industries rather than for factories. Further in order to make the farmers adopt this policy, utilization of land, the memorandum suggests, should be regulated by the Government issuing licences authorizing the farmer to grow certain crops only according to the plans for the province; heavy duties and extra land revenue should be levied on land used to raise money crops. The prices of agricultural products should be made to compare favourably with those of industrial products by suitable controls. For the development of irrigation facilities in the villages a drive for sinking wells, enlarging and dredging tanks, buildings and canals should be launched.

Manure from Compost Matter.-- The memorandum suggests that sweepings, bones and human excreta in the villages should be utilized for making compost manure. Export of oil cakes and bones out of the villages should not be allowed, the use of chemical fertilizers should be discouraged as it ultimately leads to the exhaustion of the land. Besides increasing the quantity and quality of manures, the fertility of ~~existing~~ the soil should be maintained by checking erosion by means of proper drainage, embankments, contour bandings, etc. Selected and improved varieties of seeds should be provided, and ~~their~~ distributed through co-operative societies, which run seed farms under able research workers. Research work should be directed towards improvement of food crops as well as raw materials for factories. The cultivation of food crops should be so arranged that everyone in the villages as well as in the cities gets a balanced diet.

Storage for Grain.-- The memorandum recommends proper arrangements for storage of grain in the villages, ^{estimates} that nearly three million tons a year (an amount equal to the declared deficit of food grains in India during the current year) are lost on account of bad storage arrangements. In big cities and towns cement godowns should be built by the municipalities or private persons and rented for grain storage purposes.

Protection of Village Artisans.-- The memorandum lays down a comprehensive plan for the protection of the village artisan and the promotion of cottage industries. Railway priority for transport of goods and equipment of village industries should be granted. Village-made articles should be exempted from terminal taxes, municipal duties, etc. Research should be directed towards devising suitable implements for the village artisan. Demonstration centres to manufacture and supply implements and tools to village artisans and to introduce improved implements in place of old type ones, to train carpenters and other artisans in the latest methods in industries, to open museums

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showing village exhibits, to carry on industrial and health surveys, should be set up in rural areas. Provincial training centres to carry on research work and run workshops for supply of tools and implements and to train Gram Sevaks should also be set up. The staff employed in these centres may be paid by the State.

Marketing of Village Products.- Co-operative societies for marketing village products, supplying seeds and improved implements, and to act as liaison agents between the Government and the people in the matter of payment and collection of taxes should also be started. Suggestions for improving paddy husking, flour grindings, oil pressing, gur making, cotton and wool spinning, leather tanning, soap and paper making, pottery and other industries have also been made ~~in~~ in the memorandum. It has been suggested that they should be carried on as cottage industries on a co-operative basis. Development of cattle breeding and bee-keeping is also urged.

(The Hindustan Times, 25-5-1946).

Provision of Co-operative Education and Promotion of
Cottage Industries: Bombay Government's Plans.

The Government of Bombay has appointed a Committee, with Sir Janardan Madan as chairman for considering the ways and means of providing co-operative education. The other members are Mr. R.G. Saraiya, Chairman, Bombay Provincial Co-operative Bank, Mr. D.G. Kharve of Poona and Mr. S.M. Ikram, Registrar of Co-operative Societies.

Plans are also contemplated for the promotion of cottage industries including spinning and to consider the possibilities of using the agency of the Department of Co-operation for the manufacture and sale of the ~~products~~ products of village industries. Government also proposes to introduce a comprehensive Bill to amend the Co-operative Societies' Act.

(The Times of India, 1-5-1946).

LIVING CONDITIONS,

Nutrition.

Mobile Canteens for Hyderabad: Government's Schemes to make people Nutrition conscious.

The Nizam's Government has sanctioned a scheme for the establishment of two mobile canteens at a cost of about Rs. 60,000 a year. The rationing department is in charge of the canteens. The object of the scheme is to provide as large a number of people as possible with a balanced diet at a reasonable cost. The food is cooked at a depot under expert medical supervision and is taken to 32 centres of the city. The menu which varies from day to day is so prepared as to cater for vegetarians and non-vegetarians. The food has a caloric value of between 1,500 to 1,400. A meal is served for three annas and over a 1,000 persons daily are taking advantage of these canteens.

Encouraged by public response, the Government is considering a proposal to increase the total number of vans to 12. Another proposal under consideration is the opening of a "Nutrition Restaurant" in each of the ten wards of the city. Each restaurant will cater to a little over 1,000 persons per day. Only the cost price of a meal will be charged and it is expected to be four to five annas.

(The Times of India, 9-5-1946).

EDUCATION.

Report of Education Inquiry Committee of Government of Burma.

The Burma Education Inquiry Committee has submitted its interim report, pertaining to post-war education in Burma. The unification into a single homogeneous system of the three types of English, Anglo-Vernacular and Vernacular schools, the withdrawal of grants-in-aid to private schools and the adoption of a system of schools wholly managed and financed by the State—these are some of its principal recommendations. The committee has suggested that pre-university schools comprising standards X and XI be abandoned and that a year's course as standard X be attached to central secondary schools in the district headquarters to prepare candidates for the matriculation examination.

A proposal to open 4,500 schools shortly is now under consideration and every effort is being made to start at least the arts classes and the theoretical work of the science classes by October 1946.

Accommodation is still a difficult problem, as the number of students seeking admission is likely to exceed by a large margin ~~of~~ the pre-war normal figures. Plans for the opening of the university have received a severe set back ~~owing~~ owing to difficulties in procuring necessary equipment.

(The Hindustan Times, 11-5-1946).

Bombay Government's drive to remove Mass Illiteracy: Voluntary Agencies to be encouraged.

Voluntary Primary Schools in Villages.— In furtherance of its plans to promote general literacy, the Government of Bombay has issued an appeal to voluntary agencies to open primary schools in villages where there are no schools. The Government has also announced further concessions to improve the financial position of voluntary schools. The liquidation of mass illiteracy is one of the top priority questions under the consideration of the Government of Bombay. In pursuance of this policy, the Congress Ministry had launched in 1938 the scheme of Voluntary Primary Schools, under which private associations and individuals interested in rural education were called upon to start single-teacher schools in small villages without schools, particularly in educationally backward areas. At that time there were about 12,693 villages without primary schools, out of 21,668 towns and villages in the province. The Government's appeal to the public in 1938 had an immediate response. Within a year 2,389 schools were started in the province. The number of schools rose steadily year by year until it reached the peak figure of 8,049 on 31-3-1942. Thereafter there was a fall to 7,760 in 1943 and 7,368 in 1944 and the downward

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trend continues. The Government's expenditure on this scheme has risen from Rs. 400,000 in 1938-39 to Rs. 1,300,000 in 1945-46.

Economic Stress.- In the Government's opinion the stress of economic conditions created by the war was mainly responsible for this decline. High prices and prospects of easy employment on more remunerative terms in war jobs induced many teachers to give up these schools. The same economic forces probably drove many parents to remove children from schools and put them into service. Conditions have now changed.

Financial help.- To improve the financial position of voluntary schools, the following type of aid are to be given by Government:- (i) increased capitation grant for backward class pupils and girls of Rs. 8 for each pupil, and for other pupils of Rs. 6; (ii) higher maximum grant to a single-teacher school of Rs. 300 a year; (iii) a bonus of Rs. 4 a month as compensation for the present high cost of living; and (4) bad climate allowance to teachers in backward areas lacking amenities. This allowance has already been granted in the case of about 500 teachers.

(The Times of India, 29-5-1946).

Employment.Factory Employment in British India: Trends during 1944.

The following summary relating to the main trends in factory employment in India during 1944 is based on a note on the subject published in the April, 1946, issue of the Indian Labour Gazette. Table I gives the grand total of the number of workers that were employed in all the factories in India during 1944, compared with the corresponding figures for 1939 and 1943. The trends of factory employment during 1945 were reviewed at pages 35-38 of our report for October 1944.

Table I.
Number of Workers Employed
(in thousands).

				Increase in 1944 over— ('000)		Percentage increase in 1944 over	
	1939	1943	1944	1939	1943	1939	1943
Government and Local-Fund factories.—							
A. Perennial	131	355	420	289	65	220.6	18.3
B. Seasonal	1.4	0.5	0.5	-0.9	0	-64.3	..
Total.....	132	356	420	288	64	218.2	18.0
All other factories.—							
A. Perennial	1329	1783	1805	476	22	35.8	1.2
B. Seasonal	289	298	295	6	-3	2.1	1.1
Total.....	1619	2080	2100	481	20	29.7	1.0
Grand Total...	1751	2436	2520	769	84	43.9	3.4

The total factory employment in 1944 was ~~was~~ in excess of the pre-war level by 769,000 or by 43.9 per cent. As compared with 1943, it marked an increase of about 84,000 or 3.4 per cent. This increase was solely due to an increase in employment in the perennial factories. Employment in seasonal factories, however, showed a downward tendency. The biggest increase was recorded in Government and Local fund perennial factories—65,000 out of a total increase of 84,000.

Government and Local Fund Factories.— Table II gives the employment figures in the more important industry groups of Government and Local Fund factories. The most remarkable rise was in the Ordnance Factories. The number of workers in this group of factories rose from about 31,000 in 1939 to about 131,000 in 1943 and to about 158,000 in 1944. Slightly less marked was the rise in the numbers employed in the railway Workshops. Employment in this group increased from about 56,000 in ~~1939~~ 1939 to about 102,000 in 1943 and to about 115,000 in 1944. The Clothing group which recorded a very high increase in

employment till 1943, an increase of about 15 times over the corresponding figure in 1939, indicated a slight decline in 1944. A continued, rise was noticed in Mints, Dockyards and Engineering Workshops.

Table II

	Number of workers employed ('000)			Increase in 1944 over ('000)		Percentage increase in 1944 over	
	1939	1943	1944	1939	1943	1939	1943
Clothing.....	2	29	25	23	-5	1150.0	-14.5
Dockyards.....	5	13	14	9	1	180.0	7.7
Engineering (General).....	8	23	29	21	6	262.5	28.6
Railway Workshops.....	56	102	115	59	15	10.5	12.7
Ordnance Factories.....	31	151	158	127	27	409.7	20.6
Mints.....	2	7	8	6	1	300.0	14.3

Other Factories.— A similar analysis in respect of other factories is given in Table III. Change in the employment position between 1943 and 1944 has been but little in this class of factories. All the industry groups except Textile, Minerals and Metals, and the Miscellaneous group among the perennial factories and the Food, Drink and Tobacco group among the seasonal factories, recorded increases in employment during 1944. The biggest rise was noticed in the Engineering group. The next big increase, when compared with the pre-war level, was in the Textile group. This group, however, indicated a fall of about 9,000 in the numbers employed between 1943 and 1944. This was mainly due to the set back in the jute industry during the year under consideration. An increase of about 7,000 workers in the perennial factories in the Food, Drink & Tobacco group was almost off set by a decrease of about 6,000 in the seasonal factories. Other rises were in Chemical and Dyes, and Wood, Stone and Glass. Employment in Gins and Presses showed very little change between 1943 and 1944, but as compared with that in 1939, it showed a decline of 20,000.

Table III

	Number of workers employed ('000)			Increase in 1944 over ('000)		Percentage increase in 1944 over	
	1939	1943	1944	1939	1943	1939	1943
<u>Perennial—</u>							
Textile.....	817	1002	985	76	-9	9.3	-0.9
Engineering.....	148	254	265	117	11	79.1	4.3
Minerals & Metals..	55	93	91	36	-2	65.5	-2.2
Food, Drink & Tobacco..	97	125	132	35	7	36.1	5.6
Chemical & Dyes.....	56	83	89	33	6	58.9	7.2
Paper & Printing....	44	51	53	9	2	20.5	4.0
Wood, Stone & Glass..	52	90	96	44	6	84.6	6.7
Gins & Presses.....	26	15	15	-11	0	-42.3	..
Skins & Hides.....	13	34	35	22	1	169.2	3.0
Miscellaneous.....	20	37	35	15	-2	75.0	-5.4

	Number of workers employed ('000)			Increase in number 1944 over— ('000)		Percentage increase in 1944 over	
	1939	1943	1944	1939	1943	1939	1943
Seasonal—							
Food, Drink & Tobacco....	150	168	162	12	-5	8.0	-3.6
Chemicals & Dyes.....	2	2	2	0	0
Mills & Presses.	157	126	128	-9	2	-6.6	1.4

Distribution of Factory Labour according to Provinces.— Table IV gives the number of workers employed in each of the industrially major Provinces in British India. None of these Provinces was faced with any set back during the year with regard to factory employment. The biggest increase in the numbers employed was reported from Bombay, whereas Bihar recorded the least.

Table IV

	Number of workers employed ('000)			Increase in 1944 over— ('000)		Percentage increase in 1944 over	
	1939	1943	1944	1939	1943	1939	1943
Bengal.....	572	695	709	137	14	24.0	2.0
Bihar.....	96	128	129	33	1	34.4	0.8
Bombay.....	466	712	736	270	24	57.9	3.4
C.P. & Berar.....	64	85	101	37	16	57.8	18.8
Madras.....	197	262	266	69	4	35.0	1.5
Punjab.....	78	143	148	70	5	89.7	3.5
U.P.....	150	255	278	118	23	73.8	9.0

(Indian Labour Gazette, April, 1946).

Textile Industry.

Post-War Planning of Cotton Textile Industry: Government Resolution on Recommendations of Textile Planning Committee.

The Committee which the Government of India set up in February 1945 to prepare a plan for the development of the Indian Cotton Textile Industry submitted its report in November 1945. (Reference was made to some of the reported recommendations of the Committee and to the views of the Bombay Millowners' Association thereon at pages 68-70 of the report of this Office for October 1945). The report has now been published and the Government of India has announced its decisions in a resolution dated 4-5-1946.

Recommendations of Post-War Planning Committee.- The Committee's main recommendations are as follows:-

The expansion of India's present productive capacity of mill-made cloth from 4,800 million yards to 7,200 million yards per annum is desirable but impracticable at present because of difficulty in securing the necessary machinery. An expansion of about 2.75 million spindles proposed as the immediate target will produce an additional 1,700 million yards a year, consisting of 510 million yards of fine, and 1,190 million yards of coarse cloth. This production together with handloom cloth, will help to provide approximately 12 yards per head per annum after allowing for exports of 10 per cent of the total Indian production.

Planning must be on an all-India basis.

The Committee is further of opinion that in order to raise the general standard of living, it is necessary for industrial enterprise to be sited not in one or two selected areas but on a countrywide basis. The distribution of new plants and extensions of the existing plants should follow territorial divisions of India as defined in the Cotton Cloth (Movement) Control Order.

Government Resolution: Mill Cloth Production to be stepped up by 1700 Million Yards.- The Government of India in its resolution expresses substantial agreement with the Committee in its view that for the next few years it will not be possible to procure enough machinery to support an expansion of more than 1,700 million yards per annum of cloth. Like the Committee the Government of India would have preferred a greater expansion, but on a consideration of the probable availability of textile machinery in the near future, there is no alternative but to plan for the present on the basis of the target recommended by the Committee. The plan will in the present circumstances be an interim plan and it is the intention of the Government of India to review it when world economic conditions or other circumstances make a review desirable.

Location of Industry.- The Government of India is in entire agreement with the Committee in its view that the expansion should be distributed all over India and has accepted with some minor modifications, the detailed suggestions of the Committee for the allocation of new spindlage in the various zones. In addition to this the Government of India proposes to allot some 130,000 spindles for the purpose of the expansion of small mills in various States in the South deficit zone, and the Rajputana Deficit Zone.

Supplies of Yarn to Handloom Weavers: 25% of New Spindlage reserved for Handlooms.— The Government of India, does not agree with the Committee, however, in its view that the amount of "free" yarn yarn at present available from India's mill production is adequate for the needs of handloom weavers and other consumers of yarn. It thinks it necessary to ensure increased supplies of yarn for handloom weavers and other consumers, and has, to this end, directed that at least 25 per cent of the new spindles installed shall be left uncovered by looms. Each British Indian province and Indian State would, of course, be the best assessor of its own exact needs, and the Government of India proposes, therefore, that the Provinces and States may, if so advised, reserve a larger spindlage for such purposes.

Facilities for Export Trade.— In this sphere, the Committee had recommended a reduction in the duty of foreign cotton, and a full rebate of import duty paid on cotton for the benefit of India's export trade. The Government of India does not consider that these measures are justified in the present non-competitive conditions of world trade, but it will review the matter on the lines recommended by the Committee when competitive conditions return, in order that the Indian export trade may be enabled to compete in world markets on equal terms with other countries.

Import of Machinery: Government Refusal to prohibit Imports of Second Hand Machinery.— The Government of India has also rejected the Committee's recommendation that the import of second-hand-productive machinery should be prohibited. Since it will be some years before India can produce enough cloth for her own requirements, the Government of India has not been able to accept this recommendation; it will allow import licences for second-hand productive machinery for the present if it is fully satisfied that the machinery in question will be serviceable for a reasonable period and suitable for economic production.

Another of the Committee's suggestions that import of certain machinery should be permitted freely from any country in the world has also been rejected by the Government of India on the ground of the existing currency difficulties.

The government of India has further declined to accept the Committee's recommendation that where the replacement of existing by new plant is allowed, the replaced plant should be scrapped. While the Government of India appreciates the force of the Committee's recommendation on this point, it cannot see its way, in the present conditions of cloth shortage, to accepting it in toto. But it will urge on Provincial and State Governments the desirability of preventing the use by mills of inefficient and uneconomic plants.

Finally, the Government of India has accepted the recommendation that it should indicate to manufacturers that priority should be given to orders for expansion and new mills over orders for replacement of existing machinery.

The Committee was presided over by Mr. D.M. Khanna and included among others such prominent millowners as Mr. Kasturbhai Lalbhai, Dewan Bahadur C.S. Ratnasarathi Mudaliar, Sir Shri Ram and Mr. Krishnaraj M.D. Thackersey.

(The Gazette of India, Part I, Sec.1, dated 4-5-1946, pages 656-657; and The Hindustan Hindu, dated 4-5-1946).

Food.

Food situation in Madras: Madras Premier's Survey.

The following note on the present food situation in the province of Madras is based on a statement laid on the table of the Madras Legislative Assembly on 27-8-1946, by Mr. T. Prakasam, the Prime Minister of the Province.

Pre-war position.— The food budget of Madras Province in a normal pre-war year was as follows:

Production	(In Tons)
Rice	4,900,000
Millets	2,800,000
Pulses	250,000
Total	7,950,000

Net Imports	
Rice	451,000
Millets	9,600
Pulses	250,000
Wheat and wheat products..	66,000
Total	776,600

Total Production and Net Imports	
Rice	5,351,000
Millets	2,809,600
Pulses	500,000
Wheat and wheat products.	66,000
Total	8,726,600

Thus the normal consumption of foodgrains, including pulses, in a pre-war year was 8.7 million tons.

Wartime Developments.— The first two years of the war did not materially affect the food position of the Province. The situation, however, changed after the entry of Japan into the war in December 1941 and the subsequent interruption of communications with Burma, Indo-China and Siam. To add to the difficulties other administrations which, like Madras, used to import their rice requirements from these Eastern countries began not only to stop their exports of rice, millets and pulses to Madras, but also supplement their resources by purchase within the Province. Among these were Ceylon, Travancore, Cochin, Mysore, Hyderabad and Bombay which usually previously largely depended on imports from Burma. Owing to this increased demand on its resources, the Province became for the first time in 1941-42, a net exporter of rice to the extent of 155,000 tons while previously it had been a net importer to an extent of over 400,000 tons. In 1942-43, imports from the Eastern countries ceased altogether. There was a heavy draw-off by the neighbouring States and Provinces—the draw-off amounting to a net export of 282,000 tons that year.

	Tons
1943-44	91,342
1944-45	57,302

Early Measures of Madras Government.- The gravity of the food situation was realised by the Madras Government even as early as 1942 and steps were taken to stop indiscriminate exports, to conserve supplies and to make an equitable distribution of them within the Province. The first step taken in these directions was the issue of a notification prohibiting from 1-7-1942 the export of rice outside the Province without permits. The exports to neighbouring Provinces and States as well as to the Defence Services were regulated by a strict system of quotas. The next step was taken in September 1942 where the Government set up the official purchasing agency of Grain Purchase Officer, with the necessary subordinate staff to buy for export outside the Province subject to ceiling prices fixed by the Commissioner of Civil Supplies. In 1942-43, however, an unprecedented famine raged in the three districts of Bellary, Anantpur and Kurnool and this, coupled with the cessation of imports from Burma and other Eastern countries and the heavy demands by the neighbouring Provinces and States, steadily drained off whatever carry-over the producers had with them. From 1943-44 onwards, the Province had to live entirely on its current production supplemented by the limited imports that were received.

Food Control Measures.- The main features of the food policy of the Government of Madras have been (1) the promulgation of an order by Government prohibiting exports of foodgrains outside the Province except under permits issued by the Commissioner of Civil Supplies; (2) the promulgation of an order by the Commissioner of Civil Supplies extending the prohibition against the export of rice from one district to another within the Province to millets and certain varieties of pulses also; (3) the licensing of merchants under the Foodgrains Control Order; (4) the institution of a campaign for growing more food; (5) an intensive procurement drive; and (6) rationing. The last three deserve detailed notice.

Grow-More-Food Campaign.- To close the gap between home supplies and consumption needs, the Government initiated a food production drive on the following lines:- (a) bringing new areas under food crops, increasing double-crop cultivation and cultivation during the off-seasons; (b) diverting areas under non-food crops to food crops; (c) execution of irrigation projects to bring a larger area under irrigation; (d) intensive cultivation by applying more manure and by the use of improved varieties of seeds; and (e) grant of loans on a liberal scale to cultivators for purchases of manure and seeds and to finance agricultural operations generally. As a result the area under foodgrains increased from the pre-war triennial average of 22.5 million acres to 28 million acres in 1944-45. But unfavourable seasonal conditions have prevented these efforts from bearing fruit. The season in 1945-46 has been most unfavourable and the area under cultivation therefore necessarily decreased. It is thus not possible to assess the results of the campaign with reference to 1945-46.

Procurement - Whole Province under Compulsory Procurement.- Seven Grain Purchase Officers were first appointed for procurement of all surpluses of rice from the producing areas for export to deficit areas. In Malabar on the West Coast, which is heavily deficit in all foodgrains and which used to depend primarily on imports of rice from Burma in pre-war years, the entire surplus is procured under an

order which requires all holders to sell their surplus cereals only to the agents appointed by the collector. The system of procurement of surpluses was extended to 6 more districts during 1945 and 4 more districts in 1946 in view of the famine and drought conditions; and in February, 1946, in view of the worsening of the seasonal conditions, the system of intensive procurement was extended to all the districts in the Province including the surplus districts. Officers have now been appointed in all districts whose duty it is to procure all available surplus of cereals from the ryots and distribute them to the statutorily and informally rationed areas according to their requirements.

Rationing extended to Rural Areas.— Statutory rationing is now in force in 83 urban areas. Rice, millets and wheat and wheat products are at present rationed articles. The scale of ration was 1 lb. per adult per day rounded to the nearest local measure. From 17-2-1946 in view of the anticipated heavy deficits in all foodgrains, it was reduced to 12 oz. per adult per day. In the case of heavy manual labourers an additional ration of 4 oz. per day is allowed.

In addition to statutory rationing, it was considered desirable to introduce a more drastic system of rationing in 6 heavily deficit districts. This is called rural rationing. It is more elastic than statutory rationing in that it dispenses with a number of forms, does not provide for penalties for minor irregularities and does not prescribe elaborate formalities. This system of rural rationing was subsequently extended to all the deficit districts and has been or is being introduced in surplus districts also. Thus at present the entire non-producer and insufficient-producer population of the Province which is estimated to be 21.4 millions in terms of adults will get their rations on ration cards. The producers also are in a sense rationed because their requirements for consumption are calculated at 1 lb. per adult per day in estimating the surplus to be procured from them. Thus the scale of consumption by the entire population is under control.

2.1 Million Ton Deficit in Cereals for Current Year: Urgent outside help needed to avert breakdown.— As for the position during the current year, in September, 1946 it was estimated that the Province was deficit in rice by 96,000 tons and in millets by 50,000 tons. The season however turned out to be very disappointing. Consequently the estimate of deficit had to be revised periodically. The latest estimate shows that the production of rice this year is 3,827,000 tons and of millets 1,942,000 tons. The estimated production is short of the normal by 1,039,800 tons in the case of rice and by 640,000 tons in the case of millets making a total deficit of 1,679,800 tons. Compared with the requirements the deficit of rice and millets works out to 1,155,000 and 948,000 tons respectively, i.e., a total of 2,083,000 tons. In view of the difficult conditions of this year, the requirements of the Province have now been revised by allowing only 1 lb. per adult per day to producers and 12 oz. to the rationed population in statutorily rationed areas from 1-3-1946 and 12 oz. to the card-holders in rural rationed areas from 1-5-1946. On this basis the requirements of the Province to maintain the existing ration of 12 oz. up to the end of October amount to 1,272,000 tons.

As against this estimated requirements stocks on hand amounted to 521,000 tons on 2nd May. The Province has been promised imports of rice, wheat and millets amounting to 146,500 tons and the Government expects to procure 336,000 tons of cereals from the surpluses available with ryots. Thus the stocks, imports and anticipated procurement on the most favourable estimate come to 1,004,000 tons against the requirements of 1,272,000 tons leaving a deficit of 268,000 tons to maintain the existing ration to the end of October.

The Province is, therefore, entirely dependent on supplies from outside the Province or from overseas, if widespread starvation is to be averted, and the period of acute scarcity may last at least up to the end of December 1946. The help must come in good time to be distributed over the great areas of the Province before stocks run out.

Immediate Measures.— The statement finally outlines a seven-fold programme to be implemented immediately. The measures proposed are :—

- (i) **Prevention of Waste:** For this purpose the evasion of Rationing rules has to be put down with a strong hand and stringent measures have to be taken to see that no food is wasted in unnecessary entertainments, etc.
- (ii) **Intensive procurement:** All the districts of the Province have now got Government Procurement Organisations which procure all the available surpluses with the ryots. Public opinion has to be created to make all holders of stocks surplus to requirements sell such surpluses to the government agents and not to hoard them for their own use or in anticipation of getting higher prices. It is vital for existence that the target of procurement of 336,000 tons is reached and exceeded as far as possible.
- (iii) **Reduction in scale of rice ration:** As rice is in short supply the rice ration will in future be 10 oz. per adult per day. People will have the option to take the remaining part of the ration, viz., 2 oz. as wheat, wheat products or millets. It will of course be open to them to take the rice contents of the ration in the shape of other rationed foodgrains like wheat, etc. Bread and wheat products have been rationed in some towns and their rationing is being extended to all urban areas and semi-urban areas.
- (iv) **Increased food production:** The Government has already ordered the grant of a bonus of Rs. 15 per acre for the cultivation of short-term crops. A bonus is also given for sinking irrigation wells. Manure and seed are also distributed at concessional rates. Similar measures will be considered to stimulate production of foodgrains.
- (v) **Population of subsidiary foods:** The consumption of sweet potatoes, groundnut, etc., should be encouraged; it will be made available to the fullest extent possible.
- (vi) **Stabilisation of the prices of foodgrains (rice and millets):** These have to be kept at a reasonable level, so that the interests of both producers and consumers may be safeguarded.
- (vii) **Popularisation of unfamiliar Foods:** In order to popularise unfamiliar foods such as wheat and wheat products they will have to be sold cheaper than rice so that even the poor can purchase them without difficulty. It is, therefore, proposed to sell these foodstuffs at half a madras measure cheaper than rice, and maize at the same rate as cholam. Rice imported from outside the Province is also being sold in deficit districts at the same rate at which rice imported from the surplus districts. ~~xxxx~~ in the Province is sold in these districts. It is hoped that the government of India will agree to bear a part, if not the whole, of the loss ~~xxxx~~ involved.

(1/2 a madras measure = about $\frac{3}{5}$ lbs.)

(The Hindu, dated 29-5-1946).

Supply of Food Grains to Scarcity Areas
to be Subsidised Bombay Government's
Proposal.

A scheme for subsidising food grains to be supplied to the scarcity districts in the Province on the basis of the prices prevailing in the neighbouring districts has been sanctioned by the Government of Bombay. It will cost Government nearly Rs. 8,000,000 this year. The districts in question are Ahmednagar, Bijapur, Poona, Dharwar, Belgaum, Satara and Sholapur.

(The Times of India, 15-5-1946).

Post-War Reconstruction.

Assam Proposal to Nationalise Industries.

The Government of Assam has under consideration a proposal to nationalise a number of industries for^{the} establishment of which Assam appears to offer reasonable prospects. A quota for one of these industries, namely cotton textiles has already been allotted to the province by the Government of India, while quotas for the rest are likely to be allotted in due course. A Government communiqué issued in this connection on 4-5-1946 explains that the proposal implies that all ventures in regard to the industries in question will be State concerns to the entire exclusion of private enterprise.

New Industries proposed to be Nationalised.- The industries which are proposed to be nationalised, in pursuance of the above decision, are: (1) bulk generation of hydro-electric power, (2) cotton textiles, (3) sugar and alcohol, (4) jute, (5) paper, wood pulp, chemical, cotton, paste boards, straw-boards, etc., (6) plastics and celluloid, (7) glass, (8) refractories, and ceramics, (9) manufacture of light machinery, (10) nonferrous metals (secondary process) and (11) chemical (heavy chemicals such as caustic soda and coal tar products).

Provision with regard to Established Industries.- The Government has also under consideration a proposal that any new units of certain other industries which already exist in the province should be State concerns. A quota of expansion in the case of cement industry has already been allotted to the province by the Government of India and it is hoped that quotas in regard to other industries will be allotted in due course. The industries in this list are: (1) cement, (2) matches, (3) motor and aviation fuel, (4) sawmills and ply-wood, and (5) leather.

Industries involving more than Re. 1 Million Capital Outlay to be Nationalised.- Apart from the above two types of industries, the Government further proposes that whenever the establishment of a new industry or expansion of an existing industry involves a capital outlay exceeding 1 million rupees the enterprise should be undertaken by the State. In certain cases the Government contemplates as an alternative effective participation in finance and management.

The Government hopes shortly to formulate and announce its policy with regard to each industry and the communiqué announces that any private interests or assets created after the date of its issue falling under any of the above categories will be subject to acquisition by the government fully or partially as the case may be.

(Amrita Bazar Patrika, 6-5-1946).

Industrial Policy of Madras Government:
Emphasis on Self Sufficiency.

Mr. V.V. Giri, Minister for Industry, enunciating the industrial policy of the Madras Government on 3-5-1946 at Madras stated that immediate steps would have to be taken for the establishment of a Provincial Finance Corporation for financing the various industries to be started in the Province and that the Corporation would have to be largely owned by the State. The co-operation of all the provincial interests in the national life such as banks and insurance companies would have to be fully mobilized to place the institution on a firm footing.

Mr. Giri said that the policy of the Government with regard to medium and large-scale industries, would have to be based to a great extent on the principle of self-sufficiency in respect of all industries for which raw materials were available in the country and thus save the drain of millions of rupees to foreign countries and at the same time provide employment for the masses. Imports into India from foreign countries extend to millions of rupees. The Madras Government policy would be firstly, to look to the establishment and consolidation of village industries with a view to make the villages self-sufficient and secondly, to co-ordinate its industrial activities by actively participating in the deliberations of the All-India Planning Committee under the auspices of the Indian National Congress. Mr. Giri held that concentration on large-scale industries alone, would hardly meet the needs of the growing population and mass unemployment. As Madras was mainly dependent on agriculture, a scientific organization of village industries would have to form the basis of industrial planning which would secure for the masses a subsidiary source of income in addition to what they might be able to obtain from agriculture.

Mr. Giri reiterated that the Congress Government would base its policy on the Karachi Congress resolution on fundamental rights and that khadi (hand spun and hand-woven cloth) and village industries which formed the principal plank of the Congress programme would receive full encouragement.

(The Hindustan Times, 6-5-1946).

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Post-war Development Plans in Provinces -
Rs. 830 Million to be spent on Interim Plans.

Reference was made at pages 64-65 of the report of this Office for November 1945 and page 26 of the report for February 1946, to the Government of India's decision to speed up the provincial post-war schemes by calling upon Provincial Governments to furnish the Government of India by the middle of December 1945 with a list of schemes on which they could commence work immediately, and to the special scheme of financial aid to Provincial Governments which it had evolved to assist them to tackle immediately the problems of general employment in the transition period. In pursuance of the above request, collections of selected post-war development schemes, known as Interim Plans, have been submitted by all provincial Governments, excepting the N.W.F.P. The Government of India has undertaken to afford financial assistance in order that the schemes may be carried out without delay.

The total estimated cost of the schemes, most of which have already been examined, having earlier been included in the original five-year plans and approved by the Central Government, is Rs. 833.6 million.

It was the general expectation that the war with Japan would not be brought to an end till 1946 and, accordingly, the Government of India had envisaged that the first effective post-war quinquennium would only begin with the financial year 1947-48. Apart, therefore, from special preparatory measures and special measures for training and re-settling ex-Servicemen, the five-year plans for post-war development, prepared by the Provincial Governments, were not originally scheduled to come into operation till that year.

With the sudden end of the war in the Far East in August, 1945, and the consequent contraction of military expenditure, steps had to be taken to advance the whole programme by one year. It was not possible within the space of a few months to make a full examination of all the provincial plans and to approve them in their entirety. It was decided, therefore, to ask the Provincial Governments to select and send up for approval schemes which could be embarked on forthwith and which were best calculated to counteract any deflation and unemployment that might follow the cessation of wartime expenditure. In making their selection, Provincial Governments were instructed to give preference to :-

- (i) Productive and other schemes of economic importance which would increase the real national income;
- (ii) Schemes which would provide a high proportion of employment relatively to cost; and
- (iii) Schemes which would provide employment for ex-Service Personnel.

With the exception of ^{the} N.W.F.P., all Provincial Governments have selected schemes and sent them up for approval. These collections of schemes are known as the "Interim Plans". Most of the schemes had been included in the original five-year plans, but new ones were added by some Provinces, notably Madras.

The Government of India had already decided to give the Provinces financial assistance for certain special classes of schemes, e.g., in

connection with the Grow More Food Campaign, the Resettlement of ex-Servicemen on the land, the technical training of students abroad and the establishment of Employment Exchanges; but, in order that financial considerations might not stand in the way of the immediate execution of other schemes included in the interim plans, the Government of India offered to the Provincial Governments the following assistance:-

(i) Loans to the extent necessary for projects which the Provincial Governments might decide to debit to loan money;

(ii) Advances equal to the total expenditure actually incurred during the years 1945-46 and 1946-47 on schemes selected and approved. These advances will not be recoverable from the Provincial Governments, but will be debitabie to the grants, which the Government of India proposed to make to Provincial Governments for development during the first post-war quinquennium.

The total estimated cost of the schemes constituting the "Interim Plans" sent up by the Provincial Governments is Rs. 833.6 million. Of this total, it is proposed provisionally to provide Rs. 108.4 million by loans from the Central Government, to take advance amounting to Rs. 360 million from the Central Government and to meet the balance from Provincial resources. The detail by Provinces is given below:-

Proposed Expenditure on Interim Development Plans (1945-47).

(In millions of rupees)

Province.	Irrigation.	Afforestation and Soil Conservation.	Agriculture and Fisheries	Electricity
U.P.	31.8	1.16	1.9	44.5
Madras.	17.66	0.97	7.26	40.04
Bengal.	8.7	1.03	3.77	-
Bombay.	8.8	15.18	-	6.4
Punjab.	8.4	0.5	0.03	4.0
C.P.	2.5	0.06	9.6	14.7
Orissa.	0.26	0.03	0.06	1.5
Sind.	-	-	-	-
Assam.	-	1.0	0.25	-
Bihar.	2.82	-	-	1.98

Province.	Roads and Buildings.	Resettlement of ex-Servicemen.	Industrial Development	Misce-llaneous.	Total
U.P.	63.21	3.95	0.32	34.76	102.24
Madras.	56.0	2.92	6.33	24.93	89.98
Bengal.	49.23	2.29	6.83	68.75	127.10
Bombay.	20.34	0.07	1.1	48.91	70.42
Punjab.	23.35	1.1	4.03	50.19	78.67
C.P.	21.55	0.26	0.6	5.67	28.08
Orissa.	8.92	2.5	0.51	20.32	32.25
Sind.	29.29	-	-	4.71	34.0
Assam.	11.98	-	0.52	17.05	29.55
Bihar.	25.5	-	-	-	25.5

(Figures for Punjab and Sind are not complete).

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The great majority of these schemes have already been examined and approved by the Government of India and it now rests with the Provincial Governments to put them into execution.

In what follows some indication is given of the nature and scope of the schemes included in the "Interim Plans".

Staff Expansion.- It is now widely recognized that during the initial stages of post-war development, men, rather than money, will be the limiting factor. Inevitably, therefore, the "Interim Plans" include a number of schemes for the expansion of staff and for increasing the supply of trained personnel. Such schemes do not in themselves provide such employment; they are not immediately productive and they can only absorb an insignificant number of ex-Servicemen. They must, however, be given high priority if development is to go forward rapidly in the next few years. Hence, with the exception of Sind, which had already embarked on a number of training schemes before interim plans were called for, all the Provinces have made provision in their interim plans for expanding the staffs of their technical services and for improving training ~~xxxxxxxxxxxxxxxxxxxx~~ facilities. Excluding special training schemes for demobilized personnel, the total cost of schemes of this character included in the interim plans amounts to nearly 55 million (staff expansion 30 million and training 25 million). Exact figures for Bihar are not available and are, therefore, not included in this total.

In all Provinces, most emphasis is laid on the increase of the staffs of the Agriculture and Veterinary Departments. Bengal, for instance, will be starting on a scheme designed to ~~xxxxxx~~ increase the number of agricultural demonstrators and fieldmen by over 2,000 in five years, and the U.P. has a scheme for increasing its veterinary staff by over 1,000 in the same period. The C.P. proposes to expand its veterinary organization on a similar scale. The Punjab is considerably adding to the number of its Agricultural Research workers. Several Provinces, notably the Punjab, C.P. and Assam, have schemes for increasing their forest staffs, and most provinces have provided for the expansion of their Co-operative Departments, for more industrial training, and for training more teachers, doctors and public health officers.

So much for schemes to increase the supply of trained personnel. Though unspectacular they are essential. In surveying the remaining schemes, it will be convenient to group them in the following categories answering to the instructions issued by the Government of India:

(i) Productive and other schemes of economic importance; (ii) Schemes which provide a high proportion of employment; and (iii) Schemes providing employment for ex-Service personnel.

Obviously, these categories are not mutually exclusive. It is, however, possible roughly to classify schemes according to whether economic value, the creation of employment or the absorption of ex-Service personnel is their most prominent aspect.

I. Productive Schemes

All Provinces, except Sind, have included in their interim plans schemes which are indisputably productive and/or of considerable economic importance. The expenditure on such schemes up to March 31, 1947, is ~~xxxxxxxx~~ estimated to amount over Rs. 240 million and falls under the following main heads:-

A

(a) Hydro-electric and other electricity schemes (113.1 million); (b) irrigation schemes (80 million); (c) afforestation and soil conservation (20 million); and (d) agriculture and fisheries (22.8 million).

Electricity Schemes.— Most provinces propose to embark on electricity schemes during the Interim period. The U.P. (44.5 million), and Madras (40.0 million) will be expending the largest sums on such schemes. In both provinces, hydro-electric projects of considerable interest and importance are being undertaken. In the U.P. it is proposed to reconstruct the Garda main canal over a length of 12 miles below the head works and to combine a number of falls into a single drop of 60 feet. This will enable 41,400 Kws of electrical energy to be generated. The Garda Hydel power station will be linked up with the thermal station of the Cawnpore Electric Supply Corporation—an undertaking which the U.P. Government propose to acquire. Through this link-up, exchange of power between Cawnpore and the Garda station will be possible. The Garda station will export power to Cawnpore in the monsoon season and import it from Cawnpore during the dry season when minimum water in the canal is low.

By this scheme, electric power will be supplied to towns and large villages in about 10 districts and will also be utilized to provide irrigation for a considerable area by means of tube-wells and pumping plants.

The U.P. Government also propose to set up a thermal generating station of 12,000 Kws capacity at Shahganj.

Madras will be expanding a number of existing electric systems and will be spending 45 million in inter-connecting the Madras thermal station with the Mettur hydro-electric system so as to make possible the economic interchange of energy between the two. A start will also be made on the Nayar hydro-electric scheme.

Punjab Schemes.— Among the Punjab schemes the most important is the Rasul Hydro-electric project in which 22,000 Kws of electric energy are to be generated at Rasul from water to be dropped from the Upper Jhelum Canal to the Lower Jhelum Canal. This energy will provide for extensive electrification of about six districts in the North-West Punjab. It will also be utilized for the operation of a number of tube-wells in areas which are at present suffering from water-logging.

Bombay is embarking on a scheme to rationalize and increase the generation of electricity within the province. This will involve the building of new power stations, both hydro and thermal.

Bihar will be spending money on the a five-year scheme for the electrification of South Bihar and the Jharla coalfields.

Among the more backward provinces, the C.P. hopes to begin on a scheme for establishing a central thermal power station at Kamptee which would provide cheap electric power to the three districts of Nagpur, Wardha and Chanda.

Orissa will be taking the initial steps in a large thermal and hydro-electric grid scheme, estimated to require about 20 years for completion.

The Assam Government, though not yet undertaking any definite scheme, is conducting a survey of the possibilities of hydro-electric development in the province.

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Irrigation Schemes.- Money is being devoted to irrigation schemes by all provinces, except Assam.

The U.P. expects to spend about 30 million on such schemes by March 31, 1947. Roughly, half the U.P. expenditure will be incurred on the construction of 600 new tube-wells, and it is anticipated that these will give an extra yield of 54,000 tons of food grains annually. Quite a number of these wells have already been sunk. The U.P. Government will also spend 6.50 million on the 210 million Bazar Dam Project. When completed, this project will provide irrigation for over half-a-million acres and will also be a source of electrical energy. Approximately 11.6 million are to be spent on a number of other smaller schemes.

Apart from the Rasool Hydel Project, which is partly an irrigation project, the Punjab's expenditure is divided between :-

(i) The Thal Project—a purely irrigation project, which was begun during the war but had to be discontinued owing to non-availability of equipment and machinery; (ii) the Bhakra Dam which, when completed, besides providing irrigation for extensive areas, will also generate 160,000 HRS of electric power; and (iii) a relatively small project for taking out a branch from the Western Jumna Canal to irrigate areas in the Gurgaon district.

Nearly all the 17.6 million which are being devoted to irrigation by the Madras Government will be expended on the Tungabhadra Project. It will take about eight years to complete and will cost over Rs. 80 million.

The Bengal Government will begin work on the Moor reservoir project which involves the construction of a weir at Khatanga to feed two irrigation canals. The total cost is estimated to be 51.9 million and it will take five years to complete.

Bombay will be spending 3.30 million on the construction and improvement of wells and tanks and the erection of pumping plants estimated to bring 15,500 acres under irrigation in a single year. In addition, it expects to spend 5.5 million on the detailed investigation of three rather more ambitious irrigation projects.

Bihar proposes to begin work on a large number of small irrigation and drainage schemes.

The C.P. is to spend money on sinking wells and on the construction and repair of irrigation tanks.

Orissa is to spend .1 million on sinking ~~xxxxxxxxxxxxxxxxxxxx~~ tube-wells and .1 million on power pumping.

A few general remarks may here be made regarding the schemes discussed in the two foregoing paragraphs:

(i) Besides being productive, they will also all provide employment; but the costs are high relative to the employment created, for large sums have to be devoted to the purchase of machinery, equipment and material.

(ii) Though these schemes are undoubtedly productive, most of them will yield no tangible returns till the lapse of at least four or five years. The U.P.'s tube-well scheme is the only important single scheme which will yield quick results.

(iii) Other large-scale projects of this character are under consideration or in progress, e.g., the Damodar Scheme and the Sone River Project; but as they involve more than one provincial

administration, they are not included in the interim plans sent up by the provinces.

Afforestation.- It is proposed to spend a sum of nearly 8.5 million on schemes of afforestation. Nearly all provinces have included such schemes in their interim plans. The Punjab expects to employ 10,000 workmen on the planting of trees along roads and canal banks.

Bombay and the U.P. propose to spend considerable sums (1.5 million and 1.15 million respectively) on schemes of soil conservation and land improvement designed to check erosion, conserve rainfall and to make better use of "culturable waste".

Agriculture and Fisheries.- All provinces are devoting money to schemes for the improvement of agriculture and livestock, but the expenditure on directly productive schemes falling under this head is relatively small (about 22.5 million). The U.P. intends to devote no less than 1.2 million to a scheme for ploughing and harrowing with tractors large blocks of land which are at present lying uncultivated.

Money is to be spent on the expansion of shinchana cultivation by Bengal (Rs. .34 million) and Assam (Rs. .25 million), and on the development of fisheries by Madras (Rs. 1.0 million), Bengal (Rs. 0.9 million), the C.P. (Rs. 73,000) and Orissa (Rs. 60,000).

Bengal also proposes to spend 2.5 million on seed multiplication farms and the C.P. will be subsidizing the distribution of improved seeds, manures and fertilizers.

II. Schemes Providing a High Proportion of Employment.

We may turn now from schemes which are primarily productive to schemes which, though they may add to the economic efficiency of the country, are mainly conspicuous for providing a high proportion of employment.

Schemes involving expenditure on (i) roads, (ii) buildings and (iii) other constructions may be classed as falling under this head. The total estimated expenditure on schemes of this kind, included by the provinces in their interim plans, is Rs. 310 million, of this, about 160 million are to be spent on roads, 110 million on buildings, and 40 million on "other constructions" i.e., mainly drainage and water supply works.

The U.P. (44.3 million), Madras (33.9 million) and the Punjab (17.7 million) propose the largest expenditure on roads, but every province will be spending something on them.

Similarly every province has included in its interim plan schemes which involve a good deal of expenditure on buildings. These take the form of hospitals, schools, colleges, godowns, administrative buildings of all kinds, etc. In most provinces, hospital buildings claim the largest share of the expenditure. The total amount of building works contemplated by some provinces, e.g., Bengal (20.9 million) and Sind (22.7 million), is probably very far beyond what they will in fact be able to execute.

Drainage works and water supply schemes, both for towns and villages, account for the bulk of the expenditure under the head 'other construction'. Only in Madras and Bengal is this expenditure at all substantial.

III. Schemes Specially for Ex-Servicemen.

Ex-Servicemen.- All the classes of schemes so far discussed provide scope for the absorption of ex-Service personnel; and in the case of some of the schemes for staff expansion and training, many provinces intend to reserve for them a definite percentage of the vacancies. In addition, however, to the opportunities afforded to ex-soldiers by these general schemes, all provinces have included in their interim plans some special schemes for their benefit. These may be divided into: (1) Special training schemes (2.7 million), and (2) Resettlement Schemes (20.6 million).

As might be expected, the two provinces which contributed most men to the armed forces viz., the Punjab and Madras, will be devoting the largest sums to such schemes, but complete information regarding the schemes to be undertaken by the Punjab in the interim period is not yet available.

Madras is spending about 8.5 million on land colonies and 4.0 million on district co-operative workshops for ex-Servicemen.

The U.P. intends to spend 1.7 million on land colonization schemes for ex-soldiers and to provide a number of agricultural, educational and social facilities for their benefit and that of their children, or for the benefit of areas with considerable military connections.

Bengal has a large number of special training schemes for demobilized personnel, designed to make them better farmers or to turn them into skilled or semi-skilled mechanics.

Orissa has schemes costing about 2.5 million for re-settling ex-Servicemen on the land and in industry.

IV. Industrial Expansion.

In view of the general public interest in industrial development it is perhaps desirable to indicate how far this is covered by the interim plans.

The development of major industries is intimately bound up with the general fiscal and economic policy of the Central Government. The matter has, therefore, been taken up by the Government of India, and planning is being done with the assistance of a number of panels. These panels are making recommendations which are being considered by the Government of India in consultation with Provincial Governments and the Governments of Indian States.

This being so, no provision is made in the provincial plans for large-scale industrial expansion. The main responsibility of the provincial Governments is for the development of small-scale and cottage industries and for industrial training. With the exception of Sind, all provinces have made provision in their interim plans for the improvement or expansion of such industries, either directly (9.5 million), or by increasing the facilities for industrial training (10.2 million).

Bengal (Rs. 6.8 million) and Madras (Rs. 6.3 million) are devoting the largest sums to industrial development and training. Madras has quite a big scheme for training artisans and proposes to spend nearly 4.0 million on starting technical institutions of the diploma standard to give training in mechanical, electrical, automobile, radio and sound, and chemical engineering. These schemes will cater specially for demobilized personnel. There is also a scheme for the establishment of cotton ginning factories by Co-operative Marketing Societies.

The Punjab is spending money mainly on improving and expanding existing cottage industries.

Nearly all Bengal's training schemes are designed exclusively for demobilized personnel. About 0.25 million are to be spent on the improvement of the leather industry in all its aspects and .2 million on the re-organization of the Ceramic Institute.

In other provinces, most money will be devoted to the expansion of engineering colleges and to starting or expanding industrial schools.

V. Distribution of Expenditure.

It may be convenient in conclusion to set forth concisely the main figures mentioned in this note.

Total estimated expenditure on interim plans.		Million
		833.6
	Million	
1. Training schemes and expansion of staff.	55.0	
2. Schemes of economic importance.	236.5	
3. Radio, buildings and other constructions.	309.3	
4. Special Schemes for Ex-Servicemen.	20.5	
5. Industries (excluding industrial training already included under 1 supra).	9.5	
	<hr/>	
Total	630.8	
	<hr/>	
Balance		202.8

The balance is mainly accounted for by expenditure on schemes falling under the heads: Education, Medical and Public Health, and Co-operation, and expenditure on miscellaneous agricultural and veterinary schemes.

(The Statesman, 26-5-1946).

India to have Self-sufficient Aircraft Industry
in 20 Years: Government Scheme.

On the recommendation of the United Kingdom aircraft mission (vide page 73 of the report of this office for March 1946) consisting of Mr. J.V. Connolly and Mr. L.R. Barrett from HMG's Ministry of Supply and Aircraft Production, and Mr. J.D. North and S.P. Woodley of the Society of British Aircraft Constructors, the Government of India has decided to establish a national aircraft industry in India with a 20-year target of complete self-sufficiency, for building aircraft for the Royal Indian Air Force as well as for civil and aviation. Due to the comparatively small initial demand for aircraft, only one factory is recommended in the first instance; but at a later stage of development, production may be started at other centres. Production will initially be started in the Bangalore factory, which is still a working aircraft unit and has the longest experience of aircraft work and the greatest number of experienced staff and operatives.

The mission attaches particular importance even at the initial stage to the designing of aircraft, as only by this means will the necessary confidence and skill be obtained by Indian staff. The Government has accordingly decided that the design of an original prototype aeroplane specifically suited to Indian conditions should be taken up immediately. Steps are to be taken forthwith for the production of trainer aircraft ~~now~~ required for the RIAF. It is anticipated that the first aircraft will come out of the Indian factory in less than 18 months from now.

Finances.— Dealing with the probable costs, the mission say that ~~the scheme~~ for this industry is in a state which prevents accurate estimates being made until the final programme of production is decided upon. They consider, however, having regard to the assets already available in the Bangalore factory and the probable production programme, that an extra expenditure of Rs. 1,300,000 should meet all the requirements for plant for the next five years. This does not include capital expenditure on engine development which is likely to be heavy, and the matter is being separately pursued. An important part of the general plan for the development of the industry will, however, be to train Indians for filling such posts.

(The Statesman, 31-5-1946).

Provincial Development Ministers' Conference,
New Delhi, May 20-21, 1946.

A conference of Provincial Ministers in charge of post-war reconstruction met at New Delhi on May 20 and 21 under the chairmanship of Sir Akbar Hydari, Member for Planning and Development, to consider questions relating to the financing and execution of the Five-Year Plans of the Provinces.

The main point considered was the basis of distribution to provinces from the proposed Central grants of Rs. 5,000 million from revenue surplus and a further Rs. 5,000 million to be raised by loans.

The details of the various provincial schemes, finally agreed to and termed the "^{State} Indian Plans" have been reported separately at pages 61-69 of this report.

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Those present at the conference included Mr. V.V. Giri (Madras), Mr. L.N. Patil and Mr. D. Desai (Bombay), Mr. K.N. Katju (U.P.), Sardar Baldev Singh (Punjab), Dr. Saiyid Mahmad (Bihar), Pandit D.P. Misra (C.P.), Mr. B.S. Sahrawardy (Premier, Bengal), ~~Mr. B.S. Sahrawardy~~ Mr. Gopinath Bardoloi, Premier, and Mr. Baidynath Mukerjee, Minister (Assam), Dr. Khan Sahib, Premier, and Qazi Attaullah Khan, Minister, (NWFP), Khan Bahadar H. A. Khahro, (Sind), and Mr. H.K. Mahtab, Premier, (Orissa), and representatives of the Planning and Development, the Finance Department and the co-ordination Committee of Council.

(The Statesman, 5 and 21-5-1946).

GENERAL.

India - U.S.A. Agreement on Lend-lease, Reverse
Lend-lease and Surplus Property.

An agreement for the final settlement ~~for~~ lend-lease, reciprocal aid and surplus war property located in India and ~~for~~ financial claims of each Government against the other arising as a result of World War II, has been concluded between the United States and India, it was officially announced on 16-5-1946.

In view of approximately equal interchange of mutual aid which aggregated over \$ 1,000,000,000 in value, it was agreed that no dollar payments would be required in the settlement between the two Governments and all obligations arising out of lend-lease and reverse lend-lease were balanced against each other and cancelled except for the pre-existing agreement under which India will return to the United States silver to the value of 150 million dollars received during the war.

The USA asks nothing for surplus property given to the Government of India, unless it is resold at more than fifty million dollars. America will, in that case, receive payment in rupees of half of all proceeds above that figure and in return agrees to use the rupees so realized for three purposes: (1) purchase of real estate for consular development, (2) promotion of Indo-American cultural relations, and (3) defrayment of consular operating expenses.

(The Statesman, dated 17-5-1946).

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List of the more important Publications received in this Office during May, 1946.

Social Policy.-

Summary of Proceedings of the Eighth Meeting of the Standing Labour Committee held at New Delhi on the 15th and 16th March, 1946: Printed by the Manager, Government of India Press, Simla, 1946.

Conditions of Work.-

- (1) Report on Labour Conditions in the Mica Mining and Mica Manufacturing Industry by B.P. Adarkar.
- (2) Report on an Enquiry into conditions of Labour in the Woollen Textile Industry in India by S.R. Deshpande.
- (3) Report on an Enquiry into conditions of Labour in the Silk Industry in India, by S.R. Deshpande.
- (4) Report on Richshaw Pullers by Ahmad Mukhtar.
- (5) Report on Labour Conditions in the Iron Ore Industry by B.P. Adarkar.
- (6) Report on Labour Conditions in Coir Mats and Mating Industry by Ahmad Mukhtar.
- (7) Report on Labour Conditions in the Shellac Industry by B.P. Adarkar.
- (8) Report on Labour Condition in the Rice Mills by B.P. Adarkar.
- (9) Report on an Enquiry into Conditions of Labour in the Paper Mill Industry, in India, by S.R. Deshpande.
- (10) Report on an Enquiry into Conditions of Labour in the Bidi, Cigar and Cigarettes Industries, by Mr. D.V. Rega, I.C.S., 1946.
- (11) Report on an Enquiry into conditions of Labour in the Gold Mining Industry in India, by S.R. Deshpande.
- (12) Report on an Enquiry into conditions of Labour the Mineral Oil Industry in India, by D.V. Rega, I.C.S.
- (13) Report on an Enquiry into conditions of Labour in the Cement Industry in India, by S.R. Deshpande.
- (14) Report on Labour Conditions in Carpet Weaving, by Ahmad Mukhtar.
- (15) Report on Labour Conditions in the Glass Industry, by B.P. Adarkar.
- (16) Report on Labour Conditions in Potteries, by Ahmad Mukhtar.
- (17) Report on an Enquiry into Conditions of Labour in Dock-Yards in India, by D.V. Rega, I.C.S.
- (18) Report on an Enquiry into Conditions of Labour in Plantations in India, by D.V. Rega, I.C.S.
- (19) Report on Labour Conditions in the Chemical Industry by B.P. Adarkar.

Labour Investigation Committee, Government of India: Printed by the Manager of Government of India Press, Simla.

Economic Conditions.-

Statistical part of the Annual Report of the Director of Industries, Bihar, for the years 1941-42, 1942-43 and 1943-44: Superintendent, Government Printing Bihar, Patna.

Education.-

Report on the Progress of Education in Bihar for the year 1944-45: Superintendent, Government Printing, Bihar, Patna, 1945.

Post-war Reconstruction.-

Indian Posts and Telegraphs Department Post-war Plan, December 1945, Printed by the Manager, Government of India Press, Simla, 1945.