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

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

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NATIONAL LABOUR LEGISLATION.

Bihar:

Bihar and Orissa Factories-Rules: Draft
Amendment prescribing 48 hour Week.

The Government of Bihar has gazetted this month the draft of certain amendments it proposes to make in the Bihar and Orissa Factories Rules. The amendments proposed seek to give effect to the reduction in the daily and weekly working hours ~~prescribed~~ and increase in the rate of pay for overtime work prescribed by the Indian Factories (Amendment) Act, 1946, (vide page 4 of the report of this Office for April 1946).

The draft is to be taken into consideration on or after 24-10-1946.

(The Bihar Gazette, dated 24-7-1946,
Part II, page 638).

Central Provinces and Berar:

Proposal to extend Payment of Wages Act to
Coal Mining Labour.

A notification dated 27-8-1946, issued by the Government of the Central Provinces and Berar, announces that the Government proposes to extend the provisions of the Payment of Wages Act, 1936, to persons employed in coal mines in the Central Provinces and Berar.

The proposal is to be taken into consideration on or after 29-11-1946.

(The Central Provinces and Berar Gazette,
dated 30-8-1946, Part I, page 610).

Madras:

Madras Trade Disputes Adjudication (Temporary Provision)
Bill, 1946.

The Government of Madras gazetted on 29-8-1946, the Madras Trade Disputes Adjudication (Temporary Provision) Bill, 1946. The Bill seeks to provide for the reference of trade disputes to adjudicators whose awards would be binding on both parties and is to be enforce for one year.

The Statement of Objects and Reasons, attached to the Bill, points out that before the war, trade disputes were sought to be settled by conciliation or arbitration under the Trade Disputes Act, 1929. The awards of conciliators or arbitrators were not, however, binding on the parties to the dispute and, as it was essential during the war that all trade disputes should be settled expeditiously, a rule, viz., rule 81-A, was

inserted in the Defence of India Rules, so as to provide for the reference of trade disputes to adjudicators whose awards would be binding on the parties. The Defence of India Rules, however, will cease to be in force on the 1-10-1946 and it is necessary for the Government to use the machinery of adjudication during the interregnum between the ~~expiry~~ expiry of those rules and the passing of new legislation; the Government considers that pending the enactment of the new legislation, legislation on the lines of rule 81-A should be brought into force. The Bill gives effect to the above object.

Debate in Legislature.- The Bill was introduced in the Madras Legislative Assembly by Mr. V.V. Giri, Minister for Industries and Labour, on 5-9-1946. Replying to the debate on the Bill, Mr. Giri explained that the measure was only a temporary one in order to tide over the period before comprehensive legislation was enacted. The present provisions of the Trade Dispute Act regarding the appointment of Conciliation Boards and Courts of Enquiry were not working quite satisfactorily as the findings of these bodies were not binding on either party to the dispute. Personally he was against the provision of a compulsory machinery to settle disputes between employers and employees and he preferred the English method of settlement. But trade unionism in India had not advanced very far and representations were made to him on behalf of labour stressing the need for such a measure. His experience was that most of the labour workers were anxious for the method of adjudication. He gave the assurance that he would place before the Legislature a comprehensive bill dealing with industrial disputes, industrial courts, recognition of unions ~~regulation~~ regulations and standing orders and in short all matters relating to industrial workers.

The Bill has been referred to a Select Committee of the Assembly, with Mr. K. Bhashyam, Minister for Law, as chairman.

(The Fort St. George Gazette Extraordinary, dated 29-8-1946, Part IV-A, pages 19-20; The Hindu, dated 6-9-1946).

United Provinces:

United Provinces Shops and Commercial Establishments Bill, 1946.

A Bill, to regulate the hours of employment and certain other conditions of employment in shops and commercial establishments in the province viz., the United Province Shops and Commercial Establishments Bill, 1946, was gazetted by the Government of the United Provinces on 2-8-1946.

The Statement of Objects and Reasons, attached to the Bill, points out that though the hours and conditions of work of industrial workers have been regulated by suitable legislation from time to time, shop assistants and employees in commercial establishments have not enjoyed any such protection in the United Provinces so far. Before the Congress Ministry went out of office in 1939 they had ready for introduction in the legislature a bill known as the United Provinces Shops Bill, 1939. It could not however be introduced as the ministry went out of the office. The Bill has now been revised and tries to integrate the best features of the Bombay Shops and Establishments Act, 1939, the Punjab Trade Employees Act, 1940, and the (Central) Weekly Holidays Act, 1942, as also provisions analogous to those made in the Factories Act for annual

holidays with pay and provisions ~~therein~~ as regards payment of, and deductions from wages and fines on the lines of similar provisions in the Payment of Wages Act, which applies to factory workers.

The Bill extends to the whole of the United Provinces, *but is to apply in the first instance to specified urban areas.*

Hours of Work.- The Bill provides that no shops and commercial establishments (except those belonging to a few categories specified in a schedule) shall open before 7 a.m. or keep open after 10 p.m. on any day. It provides further that no employer shall allow or require any employee to work for more than nine hours in any day, exclusive of intervals allowed for rest or for meals, and prescribes a remuneration for overtime work at one and a half times the normal rate. Such overtime work is, however, limited to 20 hours in the aggregate in any year. For young persons (persons between fourteen and seventeen years of age) the Bill ~~prescribes~~ prescribes a working day of eight hours. As regards rest interval, it requires that every employees shall be allowed during the period of a days' work an interval or intervals for rest of meals which, in all, shall not be less than one hour. Also no employee is to be required by the employer to work for more than six hours without an interval for rest or meals of at least half an hour.

Holidays and Leave.- As regards holidays, the Bill provides for a weekly paid holiday to every employee and a paid leave of at least ten days every year to every employee who has been in continuous employment for a period of one year.

Wages Deductions and Notice of Discharge.- Under this head, the Bill stipulates that wages shall be payable only in cash to the employee by the employer for periods not exceeding fifteen days. Wages have to be paid within seven days of the date when they fall due and during any wage period the fines levied should not exceed an amount equal to one anna in the rupee of the wages due. It is further provided that no employer shall discharge any employee from his employment unless a notice of at least one calendar month, has been given to him, or unless in lieu of notice the employer has paid to the employee wages, for at least one calendar month; similarly no employee shall terminate his employment unless he have given to his employer a notice of at least one calendar month.

Child labour.- Finally, the Bill requires that no employer shall employ a child in any shop or commercial establishment except as an apprentice, a child being defined as a person who has not completed his fourteenth year.

The Bill contains provisions for its enforcement and prescribes penalties for the violation of its provisions.

(Government Gazette of the United Provinces, Extraordinary, dated 2-8-1946, pages 1-7).

4.

Provinces
United Trade Disputes Bill, 1946.

The Government of United Provinces gazetted, on 8-8-1946, the United Provinces Trade Disputes Bill, 1946, seeking to provide for powers to avoid strikes and lock-outs and to settle trade disputes.

The Statement of Objects and Reasons, attached to the Bill, points out that before the Congress Ministry went out of office in 1939 it had ready the draft of a provincial Trade Disputes Bill modelled on the Bombay Trade Disputes Act, 1938 and incorporating some other features. The Bill could not be introduced in the Assembly as the ministry relinquished office. During the war, in order to keep up the tempo of war production, use of rule 81-A, Defence of India Rules for the avoidance of strikes and lock-outs. The Defence of India Rules will expire on 30-9-1946. But there have recently been a few major strikes and the labour situation is still not easy. The public interest requires maximum production in India's mills and factories and industrial concerns of all kinds to relieve common want and misery. The United Provinces Government, therefore, feels strongly that the loss of every working hour is a source of suffering all round—to workers, most of all. In these circumstances, it is considered essential that Government should have powers for maintaining industrial peace and production and for amicable settlement, if necessary, by adjudication of trade disputes and continuing adjudication awards which have been enforced under rule 81-A, Defence of India Rules. The Bill provides for such powers. Avowedly, the Bill is a temporary measure and if necessary and feasible, the provisions of the Bill are later to be incorporated in comprehensive legislation which the Provincial Government proposes to enact.

Bill referred to Select Committee.— Moving the Bill in the United Provinces Legislative Assembly on 15-8-1946, Dr. K.N. Katju, Minister for Justice, stated that the Government's intention was that trade disputes of serious nature should be referred to Industrial Courts. These courts would normally be presided over by judicial authorities. Members representing labour, however, attacked the Bill as being solely in the interest of millowners. The Bill was finally referred to a Select Committee of the Legislature.

(The United Provinces Gazette Extraordinary,
dated 8-8-1946, pages 30-33;
The Hindustan Times, 15-8-1946).

5

SOCIAL POLICY.

Congress Working Committee Statement on Labour
Unrest: Support for Adjudication.

The Working Committee of the Indian National Congress in a statement issued on 15-8-1946, expresses sympathy with the working class in its struggle to improve its economic condition and urges the Government and employers in the country to take early steps to satisfy the legitimate needs and aspirations of the working class.

Hasty Strikes Depreciated: Conciliation and Arbitration Supported.- Referring to the recent wave of strikes and widespread labour unrest in India, the statement urges Government and employers in the country to take early steps to satisfy the legitimate needs and aspirations of the working class and remove every cause of genuine discontent by arranging for impartial examination of conditions and complaints of employees and by prompt settlement of disagreement by a process of conciliation and arbitration. The statement, however, adds that it is necessary in the general interest to point out that avoidable strikes cannot have the backing of public opinion, in view of the dire need of the country for more goods and services. Hasty or ill-conceived stoppage or refusal to take advantage of available means of settlement by negotiation, conciliation and arbitration constitute a distinct disservice to the community and the working class itself. It emphasises that, in particular, industries and services, which are essential for the existence of the community and on which the community and public administration depend, should be immune from dislocation by strikes and lock-outs, and disputes between employees and employers (including Government) should be finally settled by arbitration and adjudication. After noting with regret the growing lack of discipline and disregard of obligations on the part of workers which have become evident in some recent labour disputes, the statement emphasises that respect for the rights and requirements of others and of the community as a whole is an indispensable foundation of a strong trade union movement and the basis of orderly social life.

Need to check Inflation.- Finally, the statement declares that the Committee is convinced that the inflated level of prices which still persists is retarding the restoration of normal economic conditions, and is leading to a vicious race between prices and wages, accentuating the existing difficulties; no lasting solution of these difficulties will be available so long as a definite policy regarding a future price structure does not take shape and an orderly and just basis is not provided for the economic relations in the country. While these fundamental problems can be handled only by a Central Government, the Committee feels that such integration of policy and action in this matter as is possible in the provincial sphere should be attempted immediately.

6

CONDITIONS OF WORK.

Forced Labour.

U.P. Government Circular to end Forced Labour.

The United Provinces Government, by a recent circular, has ordered all district magistrates to investigate promptly into complaints of exaction of compulsory labour and take suitable steps for the prosecution of the offenders. The magistrates have also been asked to submit reports to the Government on the number of complaints received, investigated and the number of prosecutions and convictions. The circular draws the attention of the district magistrates to complaints received by the Government regarding the prevalence of begar (forced labour) in many districts of the province.

(The Hindustan Times, 19-8-1946).

Welfare.

Government Labour Welfare Centres in U.P.: Review of Progress during 1945.

Reference was made at pages 8-9 of the report of this Office for April, 1945, to the activities of the various labour welfare centres established by the United Provinces Government. The following is a summary of the sixth annual report on the working of the Government Labour Welfare Department in the United Provinces for the year 1945.

General.- Throughout the period of the war the Labour Welfare Department has maintained a steady increase in its activities in spite of difficulties of procurement of building material and medical and other materials. Workmen have come to appreciate the facilities offered at the Labour Welfare Centres and are taking an increasing interest in their organization and direction. Attempts have also been made to consolidate and reorganize the various facilities which are being provided at the welfare centres. The conditions of service of the staff employed at the Labour Welfare Centres have been improved. Additional staff was sanctioned and appointed during the year at various centres with a view to provide extra facilities to the workers and to improve the working of the centres.

Establishment of Centres: Co-operation of Employers.- The co-operation of the employers and district and local authorities has been freely sought and secured in most of the industrial towns for the improvement of the facilities offered at the welfare centres. Steps are also being taken to construct permanent buildings and play fields for the better organization of welfare work, especially at Agra, Cawnpore and Goradabad. At the latter place a Labour Welfare Dispensary for the benefit of a large population of poor workers engaged in the brass industry of that town, has been started. A number of big employers including Sir Padampat Singhania, Messrs Begg Sutherland & Co, the U.I.C. Paper Mills and Sir J.P. Srivastava and Sons have cooperated with the Department in the establishment of Welfare Centres by placing at its disposal the buildings, etc., necessary for various welfare activities.

Liaison between Department and Welfare Workers.- With a view to establish personal contacts and liaison between welfare workers belonging to the various factories and establishments in Cawnpore and the Welfare Department, managements of all the local mills were requested to permit their welfare staff to meet the officials of the Labour Department periodically to exchange views and to discuss matters of mutual interest; and a couple of very successful meetings were held in the Labour Office at which the senior officers incharge of Welfare work in the important local mills and establishments took part. Besides affording valuable opportunities of learning ways and methods followed by different concerns in the same field these meetings have helped to establish personal contacts which it is expected will go a long way to knit together and co-ordinate the welfare activities of the Labour Department with those of the various mills and establishments.

Medical Inspection and Welfare Dispensaries.- Arrangements made last year with the Director of Public Health and the Director of Child Welfare and Maternity Section of the United Provinces Branch of the Indian Red Cross Society for inspection and supervision of the maternity work conducted at the labour welfare centres continued satisfactorily during the year. A number of inspections of welfare centres in Cawnpore and outside were made both by the Director as well as by the Lady Doctors and Supervisors attached to the Red Cross Society. Dispensaries

attached to the welfare centres continued to do good work. The Department maintained 6 Allopathic and 14 Homoeopathic Dispensaries during the year each under the charge of a fully qualified whole time Medical Officer, except in Lucknow where part-time Homoeopathic Medical Officers are maintained by the Moti Lal Memorial Society. The total number of treatments given at the dispensaries including both new and old cases was over 500,000. Over a thousand visits were made by the Medical Officers to attend workers at their own homes on account of serious illness. The Medical Officers attached to the welfare dispensaries also rendered useful services during the last cholera epidemic in Cawnpore by giving 5,414 inoculations at the centres and also by arranging inoculations of workers at various mills.

Activities: Cinema Shows and other Entertainment.- During the year under review there were 4 "A" Class Centres, 5 at Cawnpore, and 1 at Agra; 14 "B" Class Centres, 4 at Cawnpore, 3 at Lucknow and 1 each at Aligarh, Bareilly, Moradabad, Hathras, Saharanpur, Allahabad and Mirzapur; and 10 "C" Class Centres, 5 at Cawnpore and 1 each at Saharanpur, Aligarh, Hathras, Ferozabad and Bareilly. Some welfare work is also conducted at the Government Litho Press, Roorkee, which gets a grant-in-aid from the Department. Open air cinema shows were organised by the department for 10 days every month at the various local centres, and at other towns. Radio sets have been installed at all labour welfare centres in Cawnpore and outside. The All-India Radio programmes are well attended by the workers. Music and dramatic clubs have also been organised at the important labour welfare centres in Cawnpore and outside to provide amusement and to encourage talent amongst workmen. Part time ~~music~~ musicians have been engaged by the Department both at Cawnpore and the other towns to assist such clubs and musical instruments have also been provided. A number of dramas and musical parties were organised at each centre during the year. Some parties were organised exclusively for the benefit of women which were very well attended and in which working class women took an active part.

Boy Scouts and Girl Guides.- The scouting movement was reorganised at the welfare centres and two scouts' training camps were organised at the labour welfare centre, Juhi and Parshapurwa at which Organisers, Assistant Organisers and other staff attached to the centres were given special training as Scout Masters and Girl Guides along with workmen under the personal supervision of the Assistant Provincial Organizing Commissioner and the Provincial Organizing Commissioner for Girl Guides. The staff thus trained has been able to organise Rover, Girl Guides and Scout troop at all the principal centres in Cawnpore. Training in Brigade work under the St. John Ambulance Brigade was also organised for the benefit of workers at Juhi.

Maternity and Child Welfare.- The Department maintains 16 midwives who attended to 1,190 delivery cases during the year free of charge. The midwives also paid personal visits to the homes of working class families for giving general advice regarding the up-bringing of children, diet, cleanliness, etc. 968 maunds of milk was distributed to 6,623 including 1,709 patients, 440 nursing and expectant mothers and 4,474 children. About 65,000 children were attended to at the centres during the year. The attendance of children at the outdoor and indoor games was over 200,000. Special programmes like baby shows, story telling, ~~musical competitions (debating societies)~~ music parties and lectures were also organised during the year.

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Industrial Classes.- Sewing and knitting classes were started as an experimental measure at 3 labour welfare centres in Cawnpore and at one centre at Agra. During the year, such classes were introduced at all the ~~centres~~ "A", "B" Class centres maintained by Government. These classes are becoming very popular amongst working class women who attend in large numbers. Some of their handiwork is exhibited and Government has sanctioned during the year a sum of Rs. 4,000 as a commercial operations grant to enable the Department to purchase cloth, knitting yarns, etc., to enable women attending these classes to produce marketable goods which are sold to the working class families at moderate prices. The learners are paid remuneration for their work out of the profits. The total number of trainees at these classes was 1,741. The total number of garments prepared by the trainees out of materials supplied by the Department was 987 in addition to 2,426 garments produced out of materials brought by the trainees themselves.

Outdoor Games and Physical Culture.- Facilities for outdoor games and physical culture were also extended during the year to all centres and the number of persons taking interest in such activities has considerably increased especially amongst children. The organization of outdoor games is, however, handicapped by the absence of proper playing fields at most welfare centres. Arrangements have, however, been made to make use of playing fields attached to schools and public parks. Increasing interest is being taken by workmen's children in organised games both at the welfare centres and in mills' settlements, and annual sports and tournaments are organised.

Libraries and Adult Schools.- Libraries and reading rooms are maintained at all "A", "B" and "C" class Labour Welfare Centres. Generally only Urdu and Hindi books and Papers are supplied to the centres except in the "A" Class Centres where one English daily paper is also being subscribed. The number of visits at the reading rooms maintained at the Welfare Centres was about 500,000. Over 30,000 books were issued to the members and 40,000 to non-members. Every centre now gets a supply of additional new books every year. Adult schools are maintained at several labour welfare centres where books and stationery are supplied free of charge. A number of lectures and debates on various topics including health, hygiene, social, religious and literary subjects were arranged at the various centres. Mushairas and Kavi Sammelans ("Musical Evenings") were also organised from time to time in which workers took active interest and competed with well known authors and critics invited from the public.

(Labour Bulletin, Jan./Mar., 1946).

Meeting of Coal Mines Welfare Advisory Committee,
Dhanbad, 30-7-1946.

A meeting of the Coal Mines Welfare Advisory Committee held at Dhanbad on 30-7-1946, under the chairmanship of the Hon'ble Mr. S. Iall, Secretary, Labour Department, Government of India, examined schemes for further improving the health of Indian coal miners and for the provision of better housing.

It approved a scheme for building houses for miners in the Jharia and Raniganj coalfields, sanctioned scholarships for nurses and reviewed the progress of malaria control and many other welfare activities, including the construction of hospitals and increase in the water supply.

(The Bombay Chronicle, 24-7-1946;
The Statesman, dated 13-8-1946).

11

General.

Conditions of Work in Indian Railways during
1944-45: Annual Report by Railway Boards.

The following information regarding the conditions of work of railway employees in India, during the year ending 31-3-1945, is taken from the Annual Report for 1944-45, (Volume I) on Indian Railways, issued by the Railway Board.

Effect of the War on Railways: Rail-Road Transport Schemes to relieve congestion on Railways.- The contribution of Indian Railways to the war effort rose steadily throughout the year under review and, resources being limited, there was a further curtailment of rail capacity for civilian use. Great difficulty was experienced in the procurement of stores of all kinds, and maintenance, already overdue in most cases, had to be further deferred, with the result that the travelling public was put to much inconvenience. The coal situation also continued to cause anxiety. Supplies were insufficient and poor in quality with the result that for a time the number of engine failures became unduly large and loss of time by trains was a common occurrence. The necessity for increased supervision was only partially met, as the Army and other Departments could not spare the services of many experienced railwaymen on loan to them for work directly connected with the war.

The capacity of railways being fully taxed and the demand for the carriage of goods and personnel continuing to rise, consideration was given to various means of relieving the congestion and of providing some alternate form of public transport. Rail-road transport schemes, designed to deal with traffic that could not be moved by rail, were, therefore, introduced by a number of Railways.

Increase in Number of Railway Employees.- The total number of employees (permanent and temporary) on all Indian Railways and in the office of the Railway Board and other offices subordinate thereto (excluding staff employed on construction) at the end of the year 1944-45, was 962,009 as compared with 884,003 at the end of the 1943-44. The total route mileage at the end of the year was 40,509. The following table shows the number of employees by communities on the 31-3-1944 and 31-3-1945.

Government of India Railway Department (Railway Board): Report by the Railway Board on Indian Railways for 1944-45 - Volume I : Published by the Manager of Publications, Delhi; Printed by the Manager, Government of India Press, Calcutta, 1946: Price: Rs. 2-2 or 3s. 6d.; Pages vi + 64.

	31st March, 1944*	31st March, 1945
Europeans.	1,747	1,634
Hindus, other than Scheduled Castes.	495,312	535,668
Scheduled Castes.	130,806	144,659
Muslims.	208,014	230,429
Anglo-Indians and Domiciled Europeans.	12,286	12,284
Sikhs.	9,330	9,725
Indian Christians.	22,093	23,388
Parsis.	1,589	1,613
Other Communities.	2,826	2,609
Total.	884,003	962,009

* Note.- Revised figures due to changes made by the Railway Administration in the figures published last year and exclusion of figures of Railway Collieries having been placed under the administrative control of the Department of Supply.

The total number of staff employed on the open line of Indian Government Railways increased by 66,336 during the year, while the number of construction staff increased by 1,914. The total cost of staff including that of staff on loan from the Indian Audit and Accounts service increased by Rs. 66,241,269 during the year. Increase were recorded both in the numbers and cost of staff on Indian Government Railways. The general increase in numbers was due to employment of additional staff to cope with the increased traffic and the rise in cost was due to the grant of enhanced rates of dearness allowance and revised rates of travelling allowance and to increase in the minimum scales of pay of certain categories of subordinate staff on certain Railways.

Progress in Indianization of Staff.- 82 appointments were made to the Superior railway services by direct recruitment. As recruitment in the United Kingdom has been suspended due to the war all the recruits were Indians. 25 Lower Gazetted Service officers and Subordinates were promoted to the Superior Services during the year; of these 5 were Europeans, 11 Hindus, 3 Muslims, 5 Anglo-Indians or Domiciled Europeans and 1 belonging to the Parsi Community. 25 promotions were made to the Lower Gazetted Service in the various Departments. Of these 7 were Europeans and 9 Hindus, 1 Muslim, 6 Anglo-Indians or Domiciled Europeans and 2 Indian Christians. The percentages of Indians among the gazetted officers on Indian Government Railways rose from 58.84 in 1934 to 64.61 in 1944 and 67.15 on 31-3-1945. Among the Indian officers the percentages by communities were as shown below:-

Communities.	Indian Government managed railways.
	Percentages.
Hindus other than Scheduled Castes.	38.79
Scheduled Castes.	0.11
Muslims.	9.93
Anglo-Indians and Domiciled Europeans.	10.71
Sikhs.	2.30
Indian Christians.	2.91
Parsis	0.19
Other Communities.	0.16

Among subordinate staff on scales of pay rising to Rs. 250 per mensem and over in the old scales of pay, and to Rs. 200 per mensem and over in the new scales of pay, the percentage of Indians on Indian Government managed railways was 92.09 in 1945.

Representation of Minority Communities in Subordinate Services.- The percentage of Muslims on Indian Government railways in the combined figures of permanent and temporary recruitment for subordinate services was 22.7 while their percentages in the permanent cadre and temporary posts were 17.7 and 25.1 respectively. During the year under review, members of the Muslim, Anglo-Indian and Domiciled European and Scheduled caste communities failed to obtain their prescribed percentages of permanent and temporary posts. In all cases, the shortage in recruitment of minority communities was due to the poor response received to advertised vacancies, attributable to candidates belonging to these communities having been attracted to various kinds of war services.

North Western Railway Service Commission.- The Subordinate Service Commission continued to function satisfactorily during the year under review and has been redesignated North Western Railway Service Commission. The life of the Commission which is on an experimental basis was extended for a further period of two years up to 15-7-1946. The Railway Board have now considered the future of this organization and in view of its successful working are considering making it permanent and the desirability of setting up similar Commissions on other railways or groups of railways.

Anti-Corruption Drive.- The drive against bribery and corruption on Railways was continued during the year under report with a considerable measure of success. The Special Railway Staff continued to assist the Special Police Establishment in detecting cases which were investigated and sent up for trial in Courts or before the Tribunals. During the year under review 115 cases were taken up by the Special Staff, 85 of which were sent up for trial in Courts or before Tribunals resulting in the conviction of 55 persons.

Meetings with A.I.R.F.- During the period under review, two meetings were held between the Railway Board and the All-India Railwaymen's Federation, the ~~twenty-third~~ twenty-third half-yearly meeting on 19-9-1944 and a special meeting on 24-2-1945. The following subjects were discussed at the meeting held on the 19-9-1944: (a) dearness allowance and grain shops, (b) the Railway Board's war-time policy regarding scales of pay, and (c) grievances of temporary staff. The subject of dearness allowance to railway staff was again discussed at the special meeting held on ~~the~~ 24-2-1945. In addition to the meetings mentioned above, there was also an informal meeting between the President of the Federation and the Chief Commissioner of Railways on 22-8-1944.

Grain and Grocery Shops: Average Relief of Rs. 10 per month per cardholder.- During the year under review, the grain shops on Railways ~~continued~~ continued to perform the useful purpose for which they had been introduced. For the benefit of staff a number of new shops were opened on all railways. There was also an expansion of the extent of the relief afforded in that, the selling prices of commodities sold from the grain shops were reduced by another 10 percent, with effect from the 1-10-1944, thereby bringing the prices roughly to the level of those which obtained in the spring of 1942. The benefit was also extended to a larger number of dependents. The range of commodities dealt with in the grain shops was increased from 18 to 20 by the addition

of Chappals for low paid employees and woollen goods. At the close of the year the number of railway grain shops had risen to 729 (557 static and 172 mobile shops); the number of ration card holders at the end of March 1945 stood at 869,000. Foodstuffs to the extent of 14,512,000 Maunds (1 Md.=82 lbs.) were sold by the shops during the year, with an average of 1,209,000 maunds per month or 1.43 maunds per month per ration card holder. The value of sales during the year totalled about Rs. 150 million, rising from Rs. 10 million in April 1944 to Rs. 17 million in March 1945, giving an average sale of about Rs. 12 million per month or Rs. 14.4 per ration card holder per month. The cost of all the commodities sold during the year amounted to about Rs. 240 million, while the cash realised by the sales to employees at concessional prices was Rs. 150 million, so that the loss incurred by affording relief in kind to the staff was approximately Rs. 90 million. The relief afforded to staff measured in terms of the difference between the railway selling prices and the local market prices during the year was Rs. 101 million with an average relief per ration card holder per month of Rs. 10.0, the lowest figure being Rs. 7.1 in April 1944 and the highest Rs. 12.6 in March 1945. The grain shop facilities helped greatly in stabilising the railwayman's cost of living and relieved him from the constant anxiety of not being able to cope with the high market prices of foodstuffs. The per capita basis of distribution enabled every railway employee to obtain relief in proportion to his actual needs.

The arrangements for opening cost price grocery shops on Railways, to provide for the more varied necessities of life for higher paid railwaymen, were completed in July 1944 (vide page 13 of this Office report for April 1945) and in the course of the remaining months of the year 50 grocery shops were opened at important centres on Railways. These shops supplied consumer goods such as provisions, medical products, toilet requisites, stationery, haberdashery, cleaning materials, etc., at reasonable prices. The procurement arrangements provided for the exploitation of indigenous manufacturing sources to the greatest possible extent, imports being restricted only to those necessities which were either not manufactured in the country or of which sufficient supplies could not be obtained.

Dearness Allowance.— Owing to a further rise in the cost of living the rates of the allowance were twice increased during the period under review, once from 1-7-1944 and again from 1-1-1945. Moreover the scope of dearness allowance was considerably extended and made applicable to gazetted staff as well.

The rates after the second revision, which had effect from 1-1-1945, were:—

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| <p>Gazetted officers including members of the Defence of India units.</p> <p>(1) Married Gazetted officers on pay up to Rs. 1,500 per mensem.</p> <p>(2) Married Gazetted officers on pay of more than Rs. 1,500 per mensem but not more than Rs. 2,000 p.m.</p> <p>(3) Single Gazetted officer on pay up to Rs. 1,000 per mensem.</p> | <p>Allowance.</p> <p>17½ per cent of pay subject to a minimum of Rs. 50 p.m. Rs. 265 per mensem with marginal adjustment upto Rs. 2,263 per mensem.</p> <p>7½ per cent of pay subject to a minimum of Rs. 50 p.m. with marginal adjustment up to Rs. 1,075 per mensem.</p> |
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Allowance.

Whole-time Non-gazetted servants.	For Non-Defence of India personnel.	For Defence of India personnel.
(1) ^{area-} 'X' Bombay, Calcutta and Cawnpore and such of their suburbs as have been included therein.	17 1/2 per cent of pay subject to a minimum of— Rs. 20.(a) Rs. 19.(b)	10 per cent of pay subject to a minimum of Rs. 12 per mensem.
(2) ^{area-} 'A' other than area-X within the municipal limits of a city having a population of not less than 250,000 inhabitants according to the census of 1941, or an area specially so declared by the Governor General in Council.	17 1/2 per cent of pay subject to a minimum of— Rs. 19.(a) Rs. 17.(b)	10 per cent of pay subject to a minimum of Rs. 12 Rs. 12 P.M.
(3) ^{area-} 'B' within the municipal limits of a town having a population of 50,000 or more but less than 250,000 inhabitants according to the census of 1941 or an area specially so declared by the Governor General in Council.	17 1/2 per cent of pay subject to a minimum of— Rs. 16.(a) Rs. 14.(b)	10 per cent of pay subject to a minimum of Rs. 10+8 p.m.
(4) ^{area-} 'C' not included in (1) to (3) above.	17 1/2 per cent of pay subject to a minimum of— Rs. 14.(a) Rs. 12.(b)	10 per cent of pay subject to a minimum of Rs. 9 p.m.

N.B.— (a) Stands for persons drawing Rs. 40 and above.
 (b) stands for persons drawing below Rs. 40.

Introduction of Weekly rest for gangmen.— When the Washington and Geneva Conventions were implemented by the amendment of the Indian Railways Act and the Railway Servants Hours of Employment Rules made thereunder, permanent way staff were given the periodic rest on a scale less than that laid down for other continuous workers, viz., "in every calendar month at least one period of rest of not less than 48 consecutive hours or two periods of rest of not less than 24 consecutive hours each". This action was then taken in view of the difficulty of regulating the hours of employment of men widely dispersed and because, in some cases, infrequent periods of rest exceeding 24 consecutive hours were given to such staff in order to allow them to visit their homes. Some Railways, however, already gave their permanent way staff the weekly rest day and on investigation the Railway Board accepted the principle of a calendar day's rest so that the facility previously enjoyed by them for visiting their home should be continued. The rule has, therefore, been amended and the new rule provides that such Railway servants shall enjoy in each week commencing on Sunday a calendar day's rest or at the discretion of the Railway Administration, an equivalent number of consecutive days up to a limit of three.

Railway Staff and the War.— Owing to the general intensification of the war effort, the release of Railway staff, both officers and men, lent to the War and other Departments, which had been progressing satisfactorily during the latter half of 1944, came to a standstill towards the end of the period under review. This, coupled with the increased demands placed on railways for the transport of men and munitions to the Eastern Frontier, taxed their resources to the utmost. The production of Munitions continued to be undertaken in Railway workshops during the period under review, the number of Railway staff solely engaged on this work on 31-3-1945, remaining the same as on the same date last year, i.e., 18,000. The scheme for the training of staff for Railway Military Units continued to function, though with less intensity, since the War Department decided to close down some of the training centres. About 58,000 men had, however, completed their training up to the end of March 1945. The scheme for training technical staff on behalf of the Labour Department also continued during the period under review, though to a lesser extent, the number of men under training in March 1945 being 2,446. The total number of men who had completed their training up to the end of the year was 14,383.

(The Staff and Army Report 1945-46, page 107).

Conditions of Work in Tobacco and Tannery Industry:
Court of Enquiry set up in Madras.

The Government of Madras, has appointed Dr. B.V. Narayanaswami Naicker as a court of enquiry to submit to the Government, —a comprehensive picture of the working conditions of labour in tobacco curing, ~~beedi~~ ~~beedi~~ beedi, cigar, tannery and snuff industries in the Province, with a view to standardising them and to frame issues for submission to the Government.

A press communique issued by the Government of Madras announcing this decision states that the Government has received several representations regarding the improvement of the conditions of workers in tanneries and in mundies and other similar establishments in the Madras City which handle hides and skins, in tobacco curing concerns and in industries engaged in the manufacture of beedies, cigars and snuff. It has been suggested that the time has come for Government to take steps to standardise, as far as possible and practicable, the conditions of workers in these industries in regard to wages, hours of work, sanitation, ventilation, lighting, etc., besides holidays, leave with pay and other beneficial measures. The Government has, therefore, appointed the Court of enquiry to have a comprehensive picture of the conditions of service of the workers in these industries in the Province in order to standardise them as far as possible.

(The Hindu, dated 11-8-1946).

Textile Enquiry Committee set up in C.P. and Berar.

The Government of the Central Provinces and Berar has appointed a Committee called the C.P. and Berar Textile Enquiry Committee, for the purpose of making a fresh survey of the problems of textile labourers on the lines of Textile Labour Enquiry Committee of 1941, to ascertain to what extent conditions in the textile industry in the Province have changed during the past five years. The enquiry will be presided over by Mr. Justice W.R. Puranik. The members are, Mr. D.V. Rege, Commissioner, Jubbulpore Division and Prof. B.E. Dakhchandji.

The Committee will examine, among other things, the question of increases in the basic wages and dearness allowances as claimed by the C.P. and Berar Textile Workers' Federation and recommend measures to increase efficiency and production in the industry.

(The Bombay Chronicle, 28-8-1946;
The Hindustan Times, 27-8-1946).
(The C.P. and Berar Gazette dated 30-8-1946,
Pt. I, page 107).

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ECONOMIC CONDITIONS.

Economic Conditions in India during the Year ended 30-6-1946: Reserve Bank of India Review*.

The following information regarding economic conditions in India during the year ended 30-6-1946, is taken from the Report of the Central Board of Directors of the Reserve Bank of India presented at the 12th General Meeting of the Bank held at Madras on 5-8-1946.

General Economic Conditions.- With the end of the war in Europe and the East, India was faced with the problems of reconversion and relaxation of controls ~~and~~ and of ~~the~~ coping with the legacies of the war in the shape of shortages and price and wage adjustments. The tackling of the transition problem of replacement of India's over-worked industrial equipment and the launching of her long-range plans of reconstruction were delayed mainly on account of her inability to import capital goods. There was also an acute shortage of consumer goods, particularly in respect of textiles and food. Early in the year, cloth rationing was introduced in many urban areas, and ~~several~~ measures were taken to step up the production of cloth; the export of cloth was banned for a period of 2½ months from the 17-5-1946. On account of the failure of the monsoon in large tracts of the country and the consequent poor outturn of crops, the acuteness of the scarcity of food supplies increased during the year. While a certain measure of relief was forthcoming from imports, inadequate allotments and delays in shipments continued to keep the food situation precarious.

Monetary Policy.- In the monetary field Government continued the policy of withdrawing surplus purchasing power through a vigorous loan policy ~~and~~ and the small savings campaign, while the reduction in public expenditure and a comparative improvement in the import position in respect of consumer goods served to counteract the inflationary pressure to some extent. With a view to checking black market operations and tax evasions two Ordinances were issued on the 12-1-1946, demonetising notes of the denominational value of Rs. 500 and above (vide page 58 of the report of this Office for January 1946).

Prices.- The Economic Adviser's general index number of wholesale prices (average of weekly figures) fluctuated between 242.2 and 247.1 between September and December 1945 and between 250.2 and 255 from January to May 1946. The food index indicated an upward tendency and rose from 236.6 in July 1945 to 244.6 in April 1946. The Bombay cost of living index rose from 240 in July 1945 to 249 in May 1946. The improved supply position during the early part of the year, particularly in respect of imports, enabled Government to relax some of the war-time controls over distribution and movement of goods, though price controls continue to be maintained. Commodity prices in the early part of the year declined ~~wholesale prices~~. This was due to an improvement

* Report of the Central Board of Directors, Reserve Bank of India, for the year ended 30-6-1946, presented to the Shareholders at the Twelfth Annual General Meeting held at Madras on 5-8-1946, pp. 27.

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in the supply position of some of the imported products. There was also the expectation that larger imports of consumer goods and limited imports of capital goods would be rendered possible towards the end of 1945 and in a larger degree in 1946. There was, in addition, an increase in the share allocated to civilian use of such articles as cement, iron and steel, hardware, electric fans, bulbs, etc. On account of these factors, control over distribution regulated by the Consumer Goods (Control of Distribution) Order and other specific Orders was removed in respect of a large number of commodities. With a view to encouraging imports of essential goods in short supply, the Open General Licence, instituted in March 1945, was extended in January 1946 to cover additional articles. Reductions in official prices were effected in regard to a number of goods including textiles. With some improvement in the transport situation, regulations governing internal movement of goods by railways were liberally modified. The latter part of the year, however, witnessed a reversal of this trend and an upward movement in the index number, mainly owing to a rise in the prices of agricultural commodities and the persisting shortage of certain essential articles such as sugar, cereals and cloth in regard to which the supply position deteriorated during the period.

Foreign Trade: Improvement in Balance of Trade.— On the cessation of hostilities, the Government of India undertook to liberalise its import and export controls so as to secure a larger flow of imports from the sterling area and the maintenance at a high level of exports developed during war-time. As a result, the foreign trade of India showed a substantial expansion, the aggregate value of seaborne trade in private merchandise during the nine months ended March 1946 being Rs. 5894.9 million or Rs. 585.1 million more than the corresponding figure for the previous year. About a third of the increase was accounted for by a rise in imports. The total value of imports went up by about 13 per cent from Rs. 1566.3 million to Rs. 1773.9 million. Exports recorded a much greater increase than imports, their total value showing an improvement of 22 per cent from Rs. 1745.5 million to Rs. 2121.0 million. The balance of trade in private merchandise showed an appreciable improvement at Rs. 347.1 million as against Rs. 179.2 million for the corresponding period of the previous year. The figures for the first nine months show a marked increase in imports, under "Manufactured Articles" which increased from Rs. 489.9 million to Rs. 753.0 million and a slight increase under 'Food, drink and tobacco' which improved from Rs. 155.7 million to Rs. 176.1 million; while there was a decline under 'Raw Materials' by Rs. 89.2 million to Rs. 810.2 million. There was a distinct rise in exports under 'Raw Materials' from Rs. 475.9 million to Rs. 690.4 million; under 'Food, drink and tobacco' from Rs. 416.8 million to Rs. 517.7 million; and a small rise under 'Manufactured Articles' from Rs. 825.1 million to Rs. 868.1 million.

The termination of the war did not result in any change in the existing system of Exchange Control; India remained a member of the sterling area and restrictions on the sales of currencies of countries outside the sterling area were continued.

Sterling Assets:— The sterling assets of the Reserve Bank continued to increase during the year, the net accretions during the accounting year being Rs. 2719.5 million as against Rs. 4205.9 million in the previous twelve months and Rs. 16,248.1 million since the beginning of the war. The total holdings in the Issue and Banking Departments, as on 30-6-1946, amounted to ~~Rs. 12,708~~ £1,270.8 million or Rs. 16,945.9 million, which are maintained in the form of cash and investments in short-term British Government Securities renewed from time to time.

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With the end of the war, however, additions to the sterling assets have been slowed down, and with defence expenditure on His Majesty's Government's account estimated at Rs. 415.6 million during the financial year 1946-47 as against Rs. 3470.7 million (revised) in 1945-46, a further substantial reduction in the rate at which these assets have been accruing might be expected.

Resettlement and Post-War Development Plans.- As regards demobilisation and resettlement of ex-servicemen and war workers, the Government opened a number of employment exchanges widely distributed over the country and set up a Directorate of Resettlement and Re-employment. Arrangements were also made for pre-release training for servicemen at various military centres.

During the year under review several interim and long-term plans were evolved and are awaiting execution. The provinces were called upon by the Central Government to furnish by the middle of December 1945 a list of development schemes that could be executed immediately and of these, schemes costing about Rs. 800 million have been selected to be completed by the 31-3-1947 as far as possible. With a view to assisting the execution of these schemes the Central Government has agreed to make advance grants upto Rs. 350 million to be adjusted against final grants to be allocated to the provinces for post-war developments and also to make loans upto Rs. 150 million. Of the 29 industrial panels set up by Government in 1945, those of textiles, cement, sugar and vegetable oils have submitted their reports. Plans for the establishment of an Industrial Finance Corporation are in an advanced stage, and the planning of investment with a view to securing the maximum utilisation of the country's resources is under examination. The Labour Department has prepared a housing scheme for industrial workers envisaging erection within a period of 10 years of some 2 million dwellings for workers, and the scheme provides for a subsidy upto 12 1/2 per cent by the Centre to local bodies and industrial employers who would undertake the construction of such houses, provided the provincial Governments concerned also agree to make an equivalent grant. The scheme is expected to involve an expenditure of approximately Rs. 400 million during the next two years. The all-India Health Survey Committee's report outlined a 10-year plan at an estimated cost of Rs. 10,000 million.

Tariff Protection to Industries and Lend-lease Agreement.- As regards industries started in India during war-time, Government appointed an Interim Tariff Board to investigate the claims of such industries for protection and decided to maintain the status quo in regard to protective duties on sugar, wood pulp paper, cotton and silk manufactures, etc., Government also decided to impose additional duties, by executive action in cases where a recommendation to that effect was made by the Interim Tariff Board.

According to an agreement between India and the United States of America, for the final settlement in respect of lend-lease, all obligations arising out of lend-lease and reverse lend-lease were cancelled, except the obligation to return in kind to the United States the lend-lease silver amounting to 226 million ounces received by India during the war, provision having been made in regard to the disposal of surplus stores in India.

Continued

Repatriation of Sterling Debt.— Repatriation of operations on a limited scale, ~~control~~ during the year under review, ~~was~~ the amount repatriated being £177,614. This reduced the outstanding amount of sterling debt on 30-6-1946 to £10.38 million (excluding the liability for British Government 5 per cent War Loan (1929-47) taken over by India as part of the contribution for the last war). Rupee counterparts created during the year amounted to only Rs. 83,719. The aggregate sterling liabilities ~~under~~ redeemed since repatriation first began in 1937 upto the end of June 1946 are ₹323.14 million.

Activities of the Agricultural Credit Department.— The activities of the Agricultural Credit Department received the careful attention of the Board throughout the year. The Department continued to study the problems connected with the co-operative movement, land mortgage banks, marketing, agricultural credit, etc., with special reference to the post-war period. The services of the Department were, as in previous years, utilised by co-operative banks, Registrars of Co-operative Societies and Governments. A credit limit was sanctioned to one Provincial Co-operative Bank against bills or promissory notes drawn for financing seasonal agricultural operations or the marketing of crops at a special concession rate of 1/2 per cent below the Bank Rate. Another Provincial Co-operative Bank was granted accommodation against Government securities at the Bank Rate.

The Banking Companies (Inspection) Ordinance, 1946.— On 15-1-1946 the Government of India promulgated an Ordinance called the Banking Companies (Inspection) Ordinance, 1946 under which the Central Government is empowered to direct the Reserve Bank to undertake an inspection of the books and accounts of any banking company and to report thereon to the Central Government. Under the Ordinance, if, in the opinion of the Government, a bank's affairs are being conducted to the detriment of the interest of its depositors, the Government may prohibit the bank from receiving fresh deposits or, refuse its inclusion ~~from~~ in the second schedule or, if it has already been so included, direct its exclusion from the schedule. The Ordinance further prescribes penalties for contravention of certain provisions of the Ordinance on the part of the banking company and empowers the Central Government to publish the whole or any part of the inspection report of the Reserve Bank after giving reasonable notice to the banking company concerned. The Ordinance will be operative until the enactment of the Banking Companies Bill (vide page 16 of the report of this Office for March 1946).

New Department of Banking Operations Set up.— Owing to the continued increase in the work of the Banking Section of the Agricultural Credit Department and with a view to providing the administrative machinery that would be necessary to undertake the several duties and responsibilities especially in the matter of receiving returns from banks, inspection and liquidation, which will devolve upon the Reserve Bank when the Banking Companies Bill becomes law, the banking section was organised into a separate department of the Central Office, styled as the Department of Banking Operations from the 1-8-1945. This Department deals with all problems relating to the scheduled and non-scheduled banks, such as fixing credit limits for the scheduled banks, carrying out on behalf of the Central Government inspections of banks applying for inclusion in the second schedule and of those which prima facie appear to be unsuitable for retention in the schedule, studying the balance sheets and other returns submitted by banking companies, rendering advice on banking and financial matters to banks and Governments, banking legislation, etc. Lately, the Department has also been carrying out inspections of banking companies as directed by Government under the provisions of the Banking Companies (Inspection) Ordinance, 1946.

Department of Research and Statistics.— This Department started to function from September 1945 onwards on the lines of the organisational set-up mentioned in the last year's Report (vide page 13 of the report of this Office for August 1945). The Division of Monetary Research was organised into sections based broadly on a classification of subjects of study. In addition to the usual work of preparing the Bank's Reports on Currency and Finance, etc., this Division is engaged on the study, among others, of problems relating to (i) banking in India and in particular of the ownership of demand deposits, the investment portfolio and capital structure of banks, (ii) functioning of the stock-exchanges, (iii) financial implications of post-war reconstruction schemes, and (iv) full employment policy in various countries with particular reference to statistics required for framing a full employment budget for India.

The Division of Statistics is compiling the Bank's monthly Statistical Summary. Preliminary work for the construction of the following four index numbers is progressing: (1) wholesale prices, (2) industrial security prices, (3) industrial production, and (4) profits of joint stock companies.

The Division of Rural Economics is studying, among other things, problems relating to (i) the stabilisation of agricultural prices in India, (ii) rural insurance, (iii) income parity, (iv) the post-war plans of the Provinces and States, and (v) the war-time trends in agricultural co-operation in India. The Director of Rural Economics was appointed a member, to represent the Bank, on the Marketing Sub-Committee of the Policy Committee on Agriculture, Forestry and Fisheries, appointed by the Government of India.

India's Representation on the Directorates of the International Monetary Fund and the International Bank for Reconstruction and Development.— India was represented on the Boards of Governors of the Fund and the Bank at the first inaugural meeting of the governing bodies of the two institutions held at Savannah (Georgia), by Sir Chintaman D. Deshmukh whose report on the proceedings of the inaugural meeting has been submitted to Government. During the Savannah Conference, when the election of the Executive Directors took place, the U.S.S.R., which was one of the five largest quota holders, not having joined, India automatically became one of the five countries entitled to appoint an Executive Director on the Fund and the Bank and was, therefore, precluded from standing for election. There was, however, the possibility of the U.S.S.R. joining the two institutions within the extended time allowed to the original participating countries, viz., the 31-12-1946, in which contingency India would cease to be one of the five largest quota holders. The question was examined by a special committee at India's instance and certain proposals to secure for India an Executive Director's post on each of the institutions were made. It was, accordingly, decided by the Executive Director of the two institutions that India which had once appointed her Directors, could not be deprived of her representation until the next election even though a country with a larger quota joined within this period. In view of these decisions India will have her Executive Directors on both the Fund and the Bank till the next election in September 1948, when she can elect her representative on each of these institutions on the strength of her own votes.

Future of India's Currency and Trade: National Planning
Sub-Committee suggests Devaluation of the Rupee.

Need for Devaluation.- The Sub-Committee of the National Planning Committee in its report on India's trade prospects, released to the press in the first week of August, suggests that some degree of devaluation of the rupee would be necessary in order to put the Indian economy on a reasonable competitive basis as compared with the economics of other countries. An unduly high exchange ratio would mean frittering away of India's sterling balances exactly as after the last war. It would exercise a deflationary pressure on India's trade and industry.

Direction of Trade: Trade with Non-Empire Countries Likely to Increase.- Discussing the trend of India's trade during the war period, the Sub-Committee observes that conditions which governed India's trade were, firstly, the obvious distinction between the Allies and enemies, secondly, the internal condition prevailing in different European countries, thirdly, the availability of shipping and, fourthly, the operation of exchange control. A further change has been a relative decline in the share of India's exports going to the United Kingdom as compared to other Empire countries. While the total share of non-Empire countries in our exports has declined significantly, there has been a rapid increase in the position taken by the U.S.A. on the import side. The share of non-Empire countries has shown a tendency to increase at the expense of Empire countries during the last two years. The ~~Committee~~ Sub-Committee, however, points out that the entire question of the direction of trade is likely to remain fluid for some years to come, during which all countries will try to rehabilitate their economic systems and to restore normal conditions. But ~~the whole~~ it appears that India's trade with non-Empire countries is likely to increase in the near future.

Balance of Payment.- As regards the question of balance of payment, the report says: "Our sterling debt which stood at 358 million pounds sterling in 1939 to 1940 has been almost entirely wiped out and we have to our credit today balances to the tune of Rs. 16,000 million. It is evident that this transformation of India from a debtor to a so-called creditor country is a result of external circumstances. It does not reflect an improvement in the productive capacity, leaving behind a surplus for lending abroad. On the other hand, this transformation from a debtor to a creditor for a politically dependent country may lead, the Sub-Committee warns, to the adoption of policies, not in the interests of the country. While determining the parity of the rupee, the Government of India should keep in mind the need for creating a net surplus so as to make possible a repayment of the sterling balances."

Repayment of Sterling Balances.- As regards repayment of India's sterling balances, the Sub-Committee suggests that the problem of transfer could be made easier if the British commercial investments in India were transferred to the country in repayment of a part of the sterling balances. The proper use of them, according to the Sub-Committee, is by way of fostering industrialisation of this country through imports of ~~max~~ capital goods, equipment and plant.

Trade and Tariff Policy.- Finally, the Sub-Committee says that the above problems, including the question of maintaining a proper parity of the rupee, are in turn linked up with another issue, namely, India's trade and tariff policy. The main criterion for India is clear enough, says the Committee, "Indian industries must be developed so as to make good the well known deficiencies in her industrial structure. This implies the retention and even an extension of protective tariff".

In this connection, the Sub-Committee expresses the fear that in the near future India may be called upon to adjust her policy to that of the Anglo-American combination. ~~Indian~~ India's primary need, the Sub-Committee urges, is to have an integrated economic plan and her participation in monetary commercial and other international arrangements, must not impair her capacity to put through such a plan.

(The Hindustan Times, 4-8-1946;
The Bombay Chronicle, 6-8-1946).

New Currency for Burma: Currency Board to be set up.

According to a recent announcement by the Burma Government, Burma is to sever her joint monetary arrangements with India and establish her own currency managed and controlled by a currency board situated in London. The Currency Board which will be set up from ~~September~~ 1-10-1946, will consist of five members, two of whom will be Burmese.

The exchange value of the Burma rupee, in terms of sterling, will remain the same as the present rupee, and one Burma rupee will equal one India rupee.

(The Times of India, 29-8-1946).

India to manufacture Road Rollers: Report of Road Roller Mission.

As a result of the recommendations of a Road Roller Mission which visited India early this year and the negotiations carried on by the Government of India with the representatives of British concerns, it has now been decided that 1000 steam and 600 diesel road rollers of the British type will be manufactured by Indian ordnance factories and certain Indian firms in co-operation with manufacturers in the U.K.

In a press note announcing this decision, the Government of India points out that this will go a long way to meet the large demand for road rollers in connection with the road development schemes of the Central and provincial Governments and Indian States and pave the way for the eventual manufacture of complete units of road-making machinery in the country.

The entire scheme will cost about Rs. 44,000,000, nearly 40 per cent of which will be incurred in the Indian ordnance factories and the rest in Indian and associated British concerns. Deliveries are expected to start early next year for completion within two years.

(The Statesman, 3-8-1946).

Estate Duty Bill: Indian Merchants' Chamber's Complaint.

The Committee of the Indian Merchants' Chamber in a lengthy memorandum on the Estate Duty Bill (vide page 24 of the report of this Office for March, 1946) which it has forwarded to the Finance Department, Government of India, is reported to have complained that the introduction of the Estate Duty Bill in the last session of the Central Assembly was most inopportune because of the fact that the country was on the threshold of far-reaching constitutional changes. The Committee opines that it would be premature to rush through the Bill when a Committee on taxation was likely to undertake a thorough and comprehensive enquiry on the entire structure of taxation.

Criticism.- The Committee fears that the effects of Estate Duty are bound to be damaging to savings, investments and enterprise in a country like India. The proposed Estate Duty Bill will dissipate and divert capital from business channels ~~xxxx~~ at a most critical moment and thereby seriously affect the future of trade and industry. The Committee maintains that an attempt ~~xxxx~~ at levying a uniform estate duty in respect of the different systems of Hindu and Muslim Law at present in force in India will result in inequity in actual operation.

Finally, the Committee proposes that the Bill should be examined by an Expert Committee of Indian jurists from the point of view of the fundamental legal issues involved because of the close relationship between Estate Duties and the laws of inheritance and the complex succession in this country.

(Note: This is a copy of the report of the 'Dawn', dated 23-8-1946). See also the report of the Indian Merchants' Chamber, dated 1945, as compared with the report, 1945.

Indo-China Trade: Report of Indian Trade Mission.

The report of the Indian Trade Mission which visited China early this year (vide page 17 of the report of this Office for February 1946 and page 22 of the report for April 1946) has now been published.

The main recommendations of the report are:

- (1) The fixation of the Chinese National Currency-Rupee exchange rate in the interests of trade development, and financing trade between the two countries, by means of a "special accounts arrangement".
- (2) Should experience reveal that traders in India are unwilling to enter into transactions with China because of specially heavy risks involved in such business during the transition period, Government guarantee of the risks by means of an insurance arrangement on the lines of the Export Credit Guarantee Insurance Scheme operating in the U.K.
- (3) Removal of delays in the grants of visas and the absence of adequate facilities for the speedy postal, telegraphic and air mail communications.
- (4) Relaxation of restrictions on the free movement of goods between the two countries, particularly in the case of exports of cotton, tobacco and jute. The report estimates that China will be able to absorb about 7 to 10 million lbs of Indian tobacco now and in the years immediately ahead.
- (5) Appointment of an India Government Trade Commissioner in Shanghai with an Assistant Trade Commissioner subordinate to him at Hongkong.
- (6) India's own

regular shipping and air services to China, and a larger share of the shipping trade for Indian bottoms.

The report, in conclusion, says that there are bright prospects for both Indian banking and insurance companies in China for the latter particularly in the re-insurance field.

(The Hindustan Times, 10-8-1946;
~~11-8-1946~~, 11-8-1946).

Manufacture of Engineering Plants: U.P. Government
to encourage Indian industry.

A press note issued by the United Provinces Government in the last week of August states that the U.P. Government desires that equipment and plant for various engineering works in the province should as far as possible, be manufactured in India. With a view to encourage this manufacture Government departments have been asked to reduce the import of such equipment and plant to the minimum. They have further been directed to encourage suitable Indian firms and contractors who are prepared to take up works of engineering nature.

(The Hindustan Times, 27-8-1946).

Working Class Cost of Living Index for Various
Centres in India during
December, 1945.

The index numbers of the cost of living for working classes in various centres of India registered the following changes during December, 1945, as compared with November, 1945.

Name of Centre	Base = 100	November, 1945	Dec. 1945.
Bombay	Year ending June 1934	242	242
Ahmedabad	Year ending July 1927	202	--
Sholapur	Year ending January 1928	206	204
Nagpur	August 1959	270	272
Ludhiana	1951-55	394	409
Cawnpore	August 1959	317	310
Patna	Average cost of living for five years preceeding 1914	319	305
Jamshedpur	Ditto	372	323
Jharia	Ditto	398	350
Madras	Year ending June 1936	225	224
Madura	Ditto	255	244
Coimbatore	Ditto	258	258

(Monthly Survey of Business Conditions in India for December, 1945).

AGRICULTURE.

Enquiry into Rural Indebtedness in Madras, 1946:
Report of Economist.

In pursuance of a letter dated 5-3-1945 addressed by the Reserve Bank of India to the provincial Governments urging the need for a comprehensive enquiry into the effects of the wartime rise in agricultural prices on rural indebtedness and a similar letter dated 29-2-1944 addressed by the Government of India to the provincial Governments, the Government of Madras appointed in December 1944 an Economist for Enquiry into Rural Indebtedness with the following terms of reference: (1) To find out the extent to which cultivators are repaying their debts to co-operative societies and others as a result of the present rise in the price of agricultural produce; (2) to investigate and report on the extent of the remaining agricultural indebtedness. The report of the Economist has now been published (a copy of the report was forwarded to the Montreal Office with our Minute G.1/720/46 dated 29-7-1946).

Rs. 815 Million reduction in Rural Debts.— On the basis of a direct investigation into the debt position of 8,550 families, living in 160 villages, selected at random both for 1939 and 1945, the report calculates that in 1939, the aggregate rural indebtedness of the Province should have been about Rs. 2,719,164,000 and in 1945, about Rs. 2,177,115,000. The following table shows not only the total indebtedness but also per family and per capita debt in the Province for both the years:—

	Total debt of the Province.		Difference	Percentage reduction.
	1939	1945		
Total debt	2,719,164,000	2,177,115,000	- 542,049,000	19.9
Per family	318.8	255.5	63.3	19.9
Per capita	51.0	40.8	10.2	19.9

During recent years, however, the richer classes of landholders have borrowed money to purchase land and the report estimates the debts contracted for the agriculturists for the purchase of lands and productive investments at about Rs. 273,555,000. ~~Debt~~ ^{Debt} these debts incurred recently for productive investments, the report estimates the balance of prewar debts in the Province at about Rs. 1903.6 million and the gross reduction during the war period at about Rs. 815.6 million. Of this reduction the report attributes Rs. 99.5 million to the operation of the Madras Agriculturist's Relief Act passed in 1938, Rs. 468.7 million to sales of land mostly by medium and small-landholders in order to take advantage of the wartime rise in the price of land to clear off their prior debts and the balance of about Rs. 247.4 million to the wartime rise in prices.

Debts owed to Co-operative Societies.— According to the report, the available data with regard to the cooperative primary agricultural societies and land mortgage banks show, especially at the beginning of the year 1945-44, a gratifying reduction in debts and interest outstanding. But the report emphasises that it is a mistake to generalise from the experience of the working of the cooperative institutions as the borrowers from cooperative institutions are a superior class of solvent

debtors whose solvency has been sifted and assayed by the authorities of the Co-operative Department.

Effects of War on Different Classes of Agriculturists: Increase in Debts of Tenants and Landless Labourers. - As regards effects of the wartime rise in prices on the different classes of agriculturists, the report classifies the agriculturists in Madras into the following five classes :-

Extent of land wet and dry owned.	Classes.
25 acres and above	(1) Big landholders
Between 5 and under 25 acres	(2) Medium landholders
Under 5 acres	(3) Small landholders
Nil.....	(4) Tenants
Nil.....	(5) Landless labourers.

With regard to the per capita debt, the report reveals that it has fallen by as much as 59.9 per cent in the case of the big landholders. The second and third classes come next with a reduction of 24.6 per cent and 12.3 per cent, respectively. The debt per head of the fourth class of tenants has risen by about 4 per cent clearly showing that war years have hit relatively hard the tenants, as against the registered landholders. The case of landless labourers is even worse with a rise of 45.6 per cent. Owing to the scarcity of agricultural labour, employers of agricultural labour are now more willing to advance loans to them with a view to tying them down to their work, and this tendency the report fears may develop, given certain circumstances, into something like indentured labour.

Effect on Family Budgets. - Deducing its conclusions from an examination of 150 family budgets in each of the five classes, the report estimates that the increase in the cost of living varies from 88.2 per cent in the third class to 123.5 per cent in the first class. Although the cost of living has risen, more or less uniformly among all the classes, the surplus of income over expenditure has not shown any uniform change, (surplus is taken to be Total Income Minus Cultivation and Living Expenses). The big landholders, with considerable surplus of their agricultural produce for sale at enhanced prices have acquired the largest surplus income. From an average of Rs. 652.7 it has gone up to Rs. 1,118.1. The second class shows slight decrease, the average surplus falling from Rs. 121.4 in 1939 to Rs. 117.2 in 1945. On the other hand, the surplus of 1939 has been turned into a deficit in 1945 with regard to the third and fifth classes. The greatest deficit is experienced by the tenants in whose case the slight deficit of Rs. 1.9 in 1939 has grown to Rs. 44.1 in 1945.

The report, therefore, concludes that the capacity to save and liquidate debt has been strengthened only in the case of big landholders. The second class has just managed to scrape through with a slight loss of about Rs. 4 in its surplus.

Recommendations. - Among the more important recommendations made by the Economist are (i) cooperative consolidation societies in each village or group of villages with compulsory membership of all landholders and specifically charged with the duty of creating economic holdings; (ii) abolition of the zamindari system and a thorough revision of the tenancy system; (iii) stabilisation of agricultural wages at such a level to give agricultural labourers a chance to raise their standard of living by a minimum wage Act, if necessary; (iv) subsidies for effecting agricultural improvements; (v) crop and cattle insurance;

(vi) legal prohibition of money lending directly without the intervention of a cooperative society and compulsory membership in local cooperative societies of all money lenders; (vii) conversion of cooperative land mortgage banks into Government land mortgage banks; (viii) abolition of interest on land mortgage bank loans and a maximum 3 per cent interest rate on agricultural loans; (ix) machinery for quick liquidation of existing debts; (x) stabilisation of agricultural prices; (xi) an income tax on all agricultural incomes above Rs. 3,000; and (xii) the creation of an Economic and Statistical Department for the province with District Economic Offices and Taluk Economic Guides.

(Summarised from the Report of the Economist for Enquiry into Rural and Indebtedness, 1946).

Government of India's Plans for Improvement of India's Cattle.

It is understood that a plan worked out by the Imperial Council of Agricultural Research for the improvement of cattle breeding and the development of the dairy industry in India has been launched by the Government of India in cooperation with provincial Governments.

Cattle Research Farms to be set up.— The Central Government proposes to have within the next few months a network of research farms which will be used as a nucleus for improving the local breeds by grading and crossing them with better quality breeds imported from other provinces and acclimatised on the farms. It is learnt that the first farm of this type will be located near Jubbulpore, where some 5,000 acres of land have been acquired for the purpose. Another farm will be started in the United Provinces.

Dairy Development to be subsidised.— The Central Government has also taken up the question of improvement of goshalas (dairies) which number about 3,000 and are estimated to be in charge of some 600,000 head of cattle. Preliminary inquiries have revealed that at least 20 per cent of the herds are of good dairy type and another 20 per cent are suitable for breeding purposes. The immediate plan aims at providing about 25,000 males fit for use as stud bulls and about 50,000 female calves every year. With this end in view, the Government has suggested that productive animals in goshalas should be segregated from unproductive animals which should be removed to reserved areas in forests. These goshalas will be supplied with improved pedigree bulls as basic stock for grading cows and will be subsidised in order to enable them to establish dairy and breeding sections. Training centres for equipping the workers are also to be started.

The provincial Governments have been requested by the Government of India to appoint dairy development officers who can be entrusted with the duty of starting Government dairy farms. It is further suggested that private dairies should be subsidised by Government and co-operative societies should be started in rural areas with the object of collecting milk and sending it to urban areas.

Reference: Memorandum dated 1-11-46, p. 10; Report of the Committee on the Dairy Industry, dated 21-11-46.

Salvage of Dry Cattle, Central Government to extend Financial Help.- Provincial Governments have also been urged to take a special interest in the salvage of dry cattle in view of the rapid diminution of India's cattle wealth. A survey recently taken revealed that out of 500,000 best milch cattle despatched every year from rural areas to towns, hardly 25 per cent are returned, the rest finding their way to slaughter houses after they become dry. In order to enable provincial Governments to finance the work, the Central Government has agreed to bear half the cost of salvaging the dry cattle.

(The Times of India, 7-8-1946).

Bombay Government's Bill to Regulate Money-lending Transactions.

The operations of money-lenders in Bombay Province are sought to be controlled by the Government of Bombay through a bill called the Bombay Moneylenders Bill, published in the Government Gazette of August 19.

The statement of objects and reasons attached to the Bill states that if a concerted attempt is to be made to improve the economic condition of the bulk of the rural population and the poorer sections of the population in towns and cities, it is necessary that adequate measures should be taken to protect these persons from exploitation by other sections of the community.

In the case of the agrarian population, the Agricultural Debtors Relief Act will adjust and liquidate existing debts, but controlled credit must be provided in future for short-term and long-term agricultural finance in order to secure that the agrarian population will not get hopelessly into debt again. Similarly, ~~the~~ in towns and cities a large ~~wide~~ section of the labour and lower middle class population are exploited by many unscrupulous money-lenders and it is, therefore, necessary to control the operations of the latter all over the Province.

Broadly speaking, the provisions of the Bill aim at securing the following: (1) Registration and licensing of money-lenders; (2) Maintenance of accounts by licensed money-lenders in prescribed forms; (3) Furnishing of periodical statements of accounts to debtors; (4) The enforcement of the rule of *dandapat*; (5) Limitation of the rates of interest; (6) Prohibition against taking any unlawful charges for expenses, etc.; (7) Making the provisions of the Act applicable to persons to whom money-lenders may assign their interests in the loans after the coming into force of this Act; (8) Applications to Court by debtors for taking accounts due from them determined; (9) Provision to entitle a debtor to deposit at any time in a court of law an amount in part or full payment of the loan to be ~~repaid~~ paid to his creditor; (10) Prohibition against leaving blanks or omitting to enter or incorrectly entering the amount of the loan in any document; (ii) Protection of debtors from molestation and intimidation; and (12) Freedom from arrest or imprisonment in execution of a money decree so far as agricultural debtors are concerned.

The Bill was introduced in the Bombay Legislative Assembly on 3-9-1946 by Mr. Morarji R. Desai, Home Minister, Bombay.

(The Bombay Government Gazette, Part V, dated 19-8-1946, pages 83-98; The Bombay Chronicle, dated 21-8-1946).

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Farmers' Colony in Kanara: Bombay Government's Experiment.

According to a staff correspondent of Times of India, a scheme to settle 150 colonists from Bombay Province as farmers in a new agricultural colony to be launched by the Government of Bombay at Indoor Village, lying in up-ghat region of Kanara District, is being worked out. The opinion of district organisations is now being invited by the Minister of Agriculture, Mr. M.P. Patil, to see whether the scheme will receive popular support and adequate response from would-be colonists.

The scheme contemplates the clearing of jungles and reclaiming 1,500 acres of cultivable paddylands. Intensive anti-malaria measures, including spraying of D.D.T., already started in Kanara, will be extended to the new colony which will be fenced off to keep wild animals away. The colony will be developed and modern amenities, such as water for drinking and irrigation, dispensaries and schools, will be provided. Agricultural operations in the first one or two years will be carried under the supervision of trained agricultural staff provided by Government.

Parcels of ten acres of land will be given to each of the 150 colonies who will be fed and housed at Government expense in the early stages of the experiment.

Actually, the scheme is part of the post-war development of the province and was intended to serve ex-Servicemen only but the present Government has decided to throw it open to civilians as well.

(The Times of India, 7-8-1946).

U.P. Assembly Votes for Abolition of Zamindari System.

On 8-8-1946 the United Provinces Legislative Assembly adopted a resolution moved by Mr. Rafi Ahmed Kidwai, the Home Minister, proposing the abolition of the Zamindari system.

Speaking on the resolution Mr. Govind Ballabh Pant, ^{the Premier} said, that the fundamental problem behind the resolution was how "we can improve the lot of those five and a half crores of human skeletons with sunken eyes and cheeks engaged in breaking the soil and exposed to the wind and rain and disease". Eighty per cent of these inhabitants of the province made their living from the land so that the abolition of the zamindari system, which sought to insure the people not only economically but spiritually, came first on the agenda of social revolution.

(The Hindustan Times, 9-8-1946).

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Bombay Fragmentation (Prevention) and Consolidation
of Holdings Bill, 1946.

The Government of Bombay has gazetted this month the text of a Bill it proposes to enact to provide for the prevention of fragmentation of agricultural holdings and for their consolidation, viz., the Bombay Fragmentation (Prevention) and Consolidation of Holdings Bill, 1946.

Objects.- The statement of objects and Reasons attached to the Bill states that agriculture in Bombay Province suffers seriously from the evils of excessive fragmentation and sub-division of holdings. These include waste of time and labour in moving implements, seed, bullocks and equipment from one fragment or sub-division to another; waste of a substantial area which has to be left uncultivated as boundary strips; and hindrances to permanent improvements like bunding, fencing, etc., as the fragment or the sub-division so protected is too small in area to make the undertaking of the improvement economically worthwhile.

Measures to Prevent Subdivision.- The Bill falls broadly into two parts and it provides for the following steps to prevent subdivision of holdings: (1) Settlement, determination and prescription of standard area and registration of fragments below this standard area; (2) Prohibiting transfers of registered fragments except to the holders of contiguous plots and prohibiting creation of fragments in future; (3) Partition of an estate shall be effected by dividing such estate so as not to create any ~~fragment~~ fragment.

Measures to Promote Consolidation of Holdings.- To promote the consolidation of agricultural holdings the Bill provides for: (1) The preparation and publication of a scheme of consolidation of holdings for any village, mahal or taluka or any part thereof; (2) Amalgamation, where necessary, of roads, streets, etc., with holdings in a scheme of consolidation; (3) Equitable adjustment of small differences of area and quality by the award of compensation, if and when necessary; (4) Grant of certificates showing that the consolidated holding has been allotted to a particular person in pursuance of a scheme of consolidation under the Act; (5) Grant of remission of land revenue and of loans to enable owners to carry out a scheme of consolidation; and (6) Prohibition of alienation and sub-division of consolidated holdings.

(The Bombay Government Gazette,
dated 26-8-1946, Part V, pages
127-140).

NAVIGATION.

All-India Seafarers' Federation recognised
by London Committee of British Shipowners.

Mr. Aftab Ali, President of the All-India Seafarers Federation announced on 28-8-1946 that the London Committee of British shipowners—a body which represents mercantile organizations employing Indian seamen—has recognized the All-India Seafarers' Federation (vide page 41 of this office report for April, 1946).

This recognition follows a conference between British shipowners, the National Union of Seamen of Great Britain and Indian representatives.

(The Statesman, 30-8-1946).

(The Statesman, 30-8-1946).

Minutes and Proceedings of the Board of the State of India
for the month of August 1946.

The Special Committee appointed by the Council of the State of India (vide page 40 of this office report for July 1946) has reported a certain number of recommendations regarding salaries and allowances of officers and employees and the structure of their organizations in various forms. The Committee has also recommended that a special committee be appointed to study the conditions of service of the officers and employees of the State of India. The Committee has also recommended that the conditions of service of the officers and employees of the State of India should be generally improved and that it is only the removal of the existing conditions of service which would be a step towards the improvement of the conditions of service of the officers and employees of the State of India. The Committee has also recommended that the conditions of service of the officers and employees of the State of India should be improved and that it is only the removal of the existing conditions of service which would be a step towards the improvement of the conditions of service of the officers and employees of the State of India.

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PROFESSIONAL WORKERS, SALARIED EMPLOYEES AND PUBLIC
SERVANTS.

Rs. 55 Million Interim Relief for Lower Grade Staff:
Central Governments' Announcement.

The Government of India announced in the second week of August an immediate interim relief of about Rs. 35 million during the current financial year to lower grades of staff in the civil departments other than Railways and Posts and Telegraphs. All Government servants drawing up to Rs. 40 per month will be eligible for an additional pay at a flat rate of Rs. 3 per month and those drawing between Rs. 40 and Rs. 250 per month will receive an additional pay at a flat rate of Rs. 4-8 per month. This will have retrospective effect from 1-7-1945. In certain areas where the Government has not been able to arrange the supply of foodstuffs at concessional rates, Government servants drawing up to Rs. 500 will get a compensatory allowance of Rs. 8-12 per month. This concession will also have effect from 1-7-1945. Government servants in towns which are at present graded as Class "C" will, in addition, receive dearness allowance at the increased rate admissible in Class 'B' towns. The minimum rates of dearness allowance in existing 'C' Class areas will thus be increased from Rs. 14 to Rs. 15 for Government servants drawing below Rs. 40 and from Rs. 15 to Rs. 18 for those above that pay limit.

(The Hindustan Times, 14-8-1946).

Rights and Privileges of Employees of Commercial Firms:
Bombay Chamber of Commerce Recommendations.

The Special Sub-Committee appointed by the Bombay Chamber of Commerce (vide pages 49-50 of this Office report for July 1946), has formulated certain recommendations regarding salaries and conditions of service of employees and has circularised these recommendations to member firms. The following are the main recommendations: Clarial Staff
(A) Remuneration : The Committee considers that a reasonable starting pay for a junior clerk to-day is Rs. 95/100 a month, 'inclusive' of dearness allowance. Privilege Leave : The Committee favours graduated scale and is of the opinion that accumulation for a period of two years should ordinarily be allowed subject, of course, to the exigencies of business. It is generally agreed that if only for reasons of health employees should take annually the leave to which they may be entitled, but in some cases, particularly of married men who do not feel able to bear the cost of taking their families away with them every year, the option to accumulate is of value. The Committee suggests a graduated scale with the recommendation that for those who do not feel disposed to adopt the graduated scale the normal period of annual privilege leave should be three weeks with option to accumulate up to six weeks.

Casual Leave.- The Committee believes that most members of the Chamber treat their staff generously when casual leave is needed for special reasons and they, therefore, make no recommendations as to any minimum period for this leave.

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Sick Leave.- The Committee recommends that not less than 14 to 21 days sick leave with pay should be allowed each year. For any periods in excess of that the question of pay, etc., should be entirely at the discretion of the employer.

Subordinate Staff: (A) Remuneration.- Under this head the Committee refers only to men of 21 years of age or more; not 'chokras'. The starting pay recommended is Rs. 49/50 per month, 'inclusive' of dearness allowance. This, in most cases, consists of: substantive salary Rs. 25 per month, and dearness allowance Rs. 24/25 per month. As regards privilege leave, casual leave and sick leave, the Committee's recommendations are the same as for clerical staff in regard to the periods of leave with pay.

Hours of Work.- The Committee considers it reasonable that a full working day should be 8 hours with one hour off for 'tiffin' and on Saturdays 3 1/2 hours, making a total of 38 1/2 hours per week, exclusive of the hour allowed for 'tiffin'.

Superannuation.- By far the greater number of members who have supplied information to the Chamber in the past two years have in operation some scheme for the long term benefit of all employees on their permanent staff. These schemes take the form of Provident or Pension Funds, or both, or Gratuity Funds, and it is considered desirable that all employers, who have not already done so, should institute one or other of these schemes.

Finally, the Committee feels that so far as is practicable, there should be some uniformity in commercial establishments in respect of salaries, dearness allowances, and leave rules, particularly at the present.

(The Bombay Chronicle, 14-8-1946).

Rangoon Police Force Demand Higher Pay.

A resolution demanding increase of pay and allowances and the removal of discrimination in grades in service between indigenous races and foreigners was adopted at a mass meeting held by members of Rangoon police, early in August, under the presidency of Mr. U Wan Maung. The meeting urged the formation of a service board for promotion, suspension and dismissal and asked the government for permission to join non-political organizations and form an all-Burma police service society to safeguard the interests of the police.

It is understood that fifty per cent of the Rangoon police force refused to draw their July salaries as a protest against low wages and allowances paid to them, and emphasized in a memorandum submitted to the authorities that low wages encouraged them to accept bribes from the public. At present the basic salary of a police constable is Rs. 27-4, and with allowances totals Rs. 60 a month.

(The Statesman, 11-8-1946;
The Hindustan Times, 9-8-1946).

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All-Burma Postal Employees' Conference, Rangoon,
11-8-1946.

A Conference of Burmese and Indian postal workers of all grades representing 34 districts in Burma was held at Rangoon on 11-8-1946, under the presidency of Mr. Thakin Mya. The resolutions passed included demands for higher scales of pay, 60 per cent of pay as interim relief, compensation for losses due to war operations and benefits like war gratuity for all postal workers with military service. It was also resolved that if the resolutions were not considered sympathetically by the Government, the Supreme Council of the All-Burma Postal Union would consider the question of going on strike.

(The Bombay Chronicle, 13-8-1946).

New Scale of Pay for Bombay Primary School Teachers.

The Government of Bombay has sanctioned a new pay scale of Rs. 30-1-50 with a selection grade of Rs. 50-2-70-5/2-75 for 15 per cent of the trained primary school teachers. In addition, the primary teachers will be entitled to dearness allowance at full rates applicable to Government servants and local allowance up to Rs. 5 per mensem for municipal and expensive areas. The dearness allowance rates have been given retrospective effect from 1-7-1944. All the teachers, recently got the benefit of an increase of Rs. 4 per mensem in the dearness allowance to Government servants (vide page 25 of this office report for June, 1946).

The minimum pay of untrained teachers whether qualified or unqualified, permanent or temporary, has been raised to Rs. 25 and qualified teachers, if they are not given facilities to get themselves trained within the first five years, will get an annual increment in the scale of Rs. 26-1-30.

Besides, the children of all primary teachers in the province are now exempted from payment of fees in primary schools.

(The Times of India, 9-8-1946).

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Emoluments of Lower Paid Government Servants:
Madras Ministry Appoints Cabinet Inquiry Committee.

The Government of Madras has appointed a Cabinet Committee to enquire into the question of the emoluments of Government servants in receipt of salaries not exceeding Rs. 200/-. The Committee consists of the Hon'ble Mr. K.R. Karanth, Minister for Revenue, Chairman, and the Hon'ble Mr. M. Bhakavatsalam, Minister for Public Works and the Hon'ble Mr. Daniel Thomas, Minister for Local Administration, Members, and Dr. D.V. Dodwell, Secretary, Finance Department, Secretary. It is anticipated that the Committee will be able to make its recommendations within a period of two months.

(Madras Government Press Note No. 99 dated 17-8-1946).

No Re-employment of Retired Men: Madras Government's Move.

The Madras Government has issued instructions to Heads of Departments and Departments of the Secretariat regarding replacement of retired officers re-employed in the Public Services of this Province.

The Government has instructed all Heads of Departments and Departments of the Secretariat to replace all retired Government servants re-employed by Government with qualified and suitable persons as soon as such persons become available. They have also been informed that there is no obligation to retain retired persons in service to the end of the period for which they have been re-employed and that their service may be dispensed with on a month's notice.

(The Hindu, 2-8-1946).

Madras Government Employees Demand Better Service Conditions: Non-Gazetted Officers Conference, Madras, 25-8-1946.

A Conference of the Madras Non-Gazetted Government Officers' Association, attended by about 1,500 delegates from all part of the Presidency, was held at Madras on 25-8-1946 under the presidency of Mr. Kannankutti Menon. The Conference was opened by Mr. V.V. Giri, the Provincial Minister for Industries and Labour.

Grievances of Subordinate Government Servants. - In his presidential address Mr. Menon pointed out that the essential requisites for a contented labour were food and clothing for the wageearner and his family, a house to live in and leave and holidays together with amenities for recreation and amusement. But the pay and allowances of the non-gazetted subordinate employees of the Madras Government he alleged were absolutely inadequate even to lead the lowest standard of life expected of them. The problem of housing had never been tackled properly in the past nor was there any sign that it would be in the near future. Leave and holidays and amenities for recreation and amusement were equally essential and a liberalised grant of leave was absolutely necessary.

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In this connection Mr. Menon referred to the following demands which a deputation of the subordinate employees of Government had placed before the Premier of Madras on 20-7-1946: (a) a cent per cent increase in the pay, in addition to the existing emoluments, in respect of persons who draw less than Rs. 50 and in respect of those above, a flat rate of Rs. 50, this increase to be given with retrospective effect from 1-1-1945; (b) Government requisitioning of houses, such houses to be let out to Government employees at a rents not exceeding 10 per cent of their pay or a flat rate of Rs. 10 per mensem as house allowance; and (c) reservation of at least 50 per cent of the vacancies in Government service to acting incumbents, the other 50 per cent being reserved for ex-servicemen.

Referring to the pension system as prevailing at present, Mr. Menon stated that only a very small percentage of the non-gazetted employees lived to draw their pension and pleaded for the introduction of a system of contributory Provident Fund, the recognition of the right of a retiring Government servant to commute his pension and the grant of compassionate gratuity on a more liberal scale.

Finally Mr. Menon reiterated the repeated request which the Association had made for the appointment of a committee of enquiry to investigate into the conditions of living, pay and service of the N.G.O's with at least one or two representatives from the Association in that committee.

Resolutions.— One of the resolutions adopted by the Conference, authorised the Central Association to launch direct action on any day as may be fixed by it after giving a month's notice. Other resolutions adopted related to grievances in respect of promotions, leave privileges, provident fund facilities, etc.

(The Hindu, 25-8-1946).

Revision of Government Servants Pay: U.P. Ministry
Appoints Committee.

The U.P. Government has appointed a Committee to go into the question of the revision of scales of pay of Government servants, with Mr. Sampurnanand, Minister for Education and Finance, as its chairman, and various representatives of the legislature as members.

The Committee, according to its terms of reference, is to inquire into the present scales of pay and allowances in all branches of Government service ~~in~~ and to make suggestions for their revision, having regard to present circumstances and those likely to obtain within the next decade or so. In making its recommendations, the Committee will keep in mind the ~~necessary~~ necessity of preserving a reasonable parity among the emoluments paid in the various departments so as to attract talent to all branches of public service.

The Committee will be expected to make recommendations which will ensure a decent living wage to public servants in consonance with the nature of the duties they are entrusted with, while not putting a strain on the provincial finances which they may not be able to bear in view of the heavy expenditure which national-building activities will necessarily involve. It will recommend model scales of pay for essential non-Government services, such as the employees of local bodies and teachers in recognized schools and consider the advisability of introducing in lieu

CO-OPERATION AND COTTAGE INDUSTRIES.

Bombay Government Appoints Non-official Committee for Cottage Industries.

The Government of Bombay has appointed a non-official committee with Mrs. Gosiben Captain as the chairman for co-ordinating the work of developing and intensifying cottage industries in the Province.

The Committee will be responsible for the submission of detailed plans of work and estimates of expenditure for various cottage industries as well as for the execution of the schemes. It will co-ordinate the work of the various workers in cottage industries and put up concrete proposals to the Government for grant of technical and financial assistance and see that the assistance granted is utilised effectively for the purpose of the development of the cottage industries concerned.

(The Bombay Chronicle, 30-8-1946).

The following is a summary of the extent of relief provided to the unemployed under the various schemes of the Government and the relief which schemes, in each of the provinces and States.

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LIVING CONDITIONS.

Nutrition.

Relief Measures for Vulnerable Groups.

The June and August, 1946, issues of the Nutrition published one article on the relief measures so far adopted in India, to provide protective food to the 'vulnerable groups' among the population, such as, expectant and nursing mothers, children, etc.

The article classified the organised methods of relief existing in India into (a) Maternity and Child Welfare Centras, (b) School Feeding Schemes and (c) Priority Milk Scheme.

Mothers and Children.- The maternity and child welfare schemes have been sponsored under the auspices of the Medical and Health Departments and are run in close collaboration with the departments.

School Lunch Schemes.- School lunch or mid-day meal, schemes on a payment basis have been in existence in a small number of secondary schools in some of the Provinces within the last 20 or 25 years. Due to the effects of food shortage caused by the recent World War, some of these schemes had to be stopped and others considerably curtailed.

The following is a summary of the extent of relief afforded to the 'vulnerable groups' under the ~~various~~ categories of free school meal and priority milk schemes, in some of the Provinces and States.

Bombay Province.- In the City of Bombay and its suburbs, children up to the age of 10 years and expectant and nursing mothers receive 8 ounces of milk a day at half the prevailing market rate. Over 260,000 priority consumers are reported to be taking advantage of this subsidised milk ration, out of which 55,988 are children below two years, 75,961 children between 2 to 6 years, 53,482 children between 6 and 10 years, 9,225 expectant mothers, and 1,846 nursing mothers. Each priority consumer is issued with a milk ration card. A scheme is under consideration to give separated milk tablets reinforced with vitamins 'A' to 'D' to school children between the ages of 5 and 10 attending compulsory education schools. Under this scheme 150,000 pupils will be taking advantage of this relief besides the supply of milk at subsidised rate. A priority Milk scheme has been started in the City of Poona for children below 2 years, expectant and nursing mothers. The scale of milk ration is 8 ounces per head per day at the subsidised rate. The Government of Bombay has also sanctioned a scheme under which Shark Liver Oil will be given to children in the East Khandesh District in primary schools in ~~children in the East Khandesh~~ dispensary towns. About 26,000 children will receive 7,000 international units of vitamin 'A' and 20 international units of vitamin 'D' with groundnut oil as the diluent.

Madras Province.- In the City of Madras, tested milk is being distributed free of cost to infants and toddlers up to 2 years of age, and to mothers during the last three months of expectancy and first three months of the nursing period, from families whose income is below Rs. 50/- per month. The Scale of milk ration is as follows:-

Infants	0 to 5 months	4 oz. Daily
	3 to 6 months	8 oz. Daily
	over 6 months	12 oz. Daily
Toddlers		8 oz. Daily
Expectant and nursing mothers.		12 oz. Daily

Recently free milk supply has been extended to toddlers upto 5 years of age at the rate of 8 oz. of milk for each child daily. The Corporation of Madras provides free mid-day meals to about 6,600 children of the primary schools for about 220 days in the year on an approximate cost of ~~about Rs. 225~~ ~~approximately Rs. 225~~ ~~approximately Rs. 225~~ ~~approximately Rs. 225~~ ~~approximately Rs. 225~~ 1 1/2 anna per child. The mid-day meals consist of rice 6 oz., dal (pulses) 1 oz., vegetable oil 1/10 oz. and vegetables 2 oz. This meal provides approximately 700 calories. The cooking is done at a central depot and the meals are sent by motor lorries to the different schools. Another scheme costing Rs. 4.9 million has been sanctioned by the Government for extension ~~and~~ of mid-day meals in rural areas during the year 1946-47. Under this scheme, Government is making necessary grants to the District Boards to supply cooked rice, pulses and vegetables to about 200,000 pupils at a cost of Rs. 0/1/9 per pupil per meal. Out of this amount Rs. 0/1/6 is to be spent ~~per~~ on food and Re. -/-/3 pies only on overhead charges.

Bangalore.- On 1-1-1945, a scheme to supply children under the age of 2 years with 1/2 lb. of milk daily, at subsidised rates, was started in the Civil and Military Station of Bangalore. In February, 1946, a revised scheme was introduced, whereby undernourished children, expectant and nursing mothers belonging to families with a monthly income of less than Rs. 50/- are given 1/2 lb. of milk daily free of cost. With effect from 1-3-1946, in addition to the milk subsidy scheme, a quantity of soya bean milk prepared at the Indian Institute of Science is being issued to selected children now receiving cow's milk. 1/3rd of the children will continue to receive cow's milk, 1/3rd will be given a portion of cow's milk mixed with soya bean milk and 1/3rd pure soya bean milk.

Cochin State.- The Cochin State is issuing free milk to infants, expectant and nursing mothers, and children below 5 years. The State has also distributed milk powder multi-vitamin tablets. A Health Centre has been opened, where advice is given on correct diets, supplementary diets such as milk and shark liver oil for infants, expectant and nursing mothers, and all other subjects relating to better nutrition.

Travancore State.- About 40 milk canteens have been opened throughout the States for about 30 to 40 thousand children under 5 years of age who are given milk and multi-vitamin tablets. Expectant and nursing mothers are also encouraged to visit these centres and get milk and multi-vitamin tablets. A large number of welfare centres have been organised in urban and rural areas where the state of nutrition has deteriorated, in ~~order~~ order to provide children, expectant and nursing mothers with milk, shark liver oil, iron, etc.

The distribution to a card holder is as follows:-

- 8 Ozs. Condensed milk (diluted)
- 8 ozs. separated milk (reconstituted)
- 1 or 0 multi-vitamin tablets.



ORGANISATION, CONGRESSES, ETC.

Employers' Organisations.

Annual General Meeting of United Planters' Association of South India, Coonoor, 15 and 16-8-1946.

The 53rd annual general meeting of the United Planters' Association of Southern India was held at Coonoor on 15 and 16-8-1946, under the presidency of Mr. F.H. Farmer. Lady Nye, wife of the Governor of Madras, opened the meeting.

Presidential Address.- Reviewing the general position in plantation in his presidential speech, Mr. F.H. Farmer stated that during the year crops, with the exception of the cardamom crop, ~~had~~ had been satisfactory. Tea and coffee prices had been maintained but the price of rubber had been subject to Government control with somewhat arbitrary fixation of prices. There was every necessity for the payment of a fair price for Indian rubber comparable to the price paid to Ceylon producers, and while Government continued to control the price, it was reasonable to expect this claim to be accepted.

Bright Future for Canteens for Workers.- The food problem had started a new sphere of estate management, the provision of a daily meal to workers from canteens. These canteens were now a regular feature on many estates. Mr. Farmer added that the important point, so far as estates were concerned, whether canteen feedings ^{was} of real value of the estate workers. Reports received from estates which had started canteen feeding indicated an exceptionally favourable reception by the workers, who clearly appreciated a good meal well cooked and with a cup of tea, at a cost which competed most favourably with prices of shopkeepers in the area. Initial success with this new project indicated that comfortable and well run canteens would remain a popular and helpful branch of labour welfare long after this time of food scarcity.

Strikes and Labour Unions.- Referring to the strike situation in the country, Mr. Farmer said that there was great activity with the formation of unions throughout the country. As regards unions, however, estate labour had not yet started in many districts, and the recommendation of the Rege Committee was that wage boards with official representatives for the workers would meet the situation in a more satisfactory manner for the time being. This recommendation might not prevent the formation of the unions, and District Planters Associations as well as Central Associations should be prepared to deal with the unions as and when they became active. The planters, were concerned for the general welfare of the labour and questions affecting their pay and welfare, Mr. Farmer emphasized, were kept under continuous examination by the Labour Advisory and Executive Committees.

The Association had passed through a favourable year, its membership having increased by about 9,000 acres during the year, so that they now represented 271,000 acres. The Association had continued to give useful assistance to members in problems connected with supplies of estate transport, quinine, fertilizers, building materials, agricultural tools and machinery, etc.

Tea Section's Resolutions.- The Tea Section, under the chairmanship of Mr. H.C. Boyd adopted the following resolutions:-

"Resolved that the Association strongly favours a 10 per cent extension to all owners of existing acreage under tea and requests the Government of India to take early steps for a suitable amendment of the International Tea Agreement and connected legislation to give effect to this proposal".

"Resolved ~~that~~ also to request the Government of India that the ~~in~~ permissions to extend sought in the previous resolution may be grouped and utilised by a company or individual proprietor of tea estates for an extension anywhere in the same Province or State."

(The Hindu, 16 and 19-8-1946).

There were 177 unions of mill and transport workers with a membership of 19,500 (31,151); 716 of leather workers with a membership of 20,000 (15,517); 121 of engineering workers with a membership of 2,200 (1,216); 111 of printing press workers with a membership of 24,000; and 2121 unions of workers in all other industries with a membership of 14,451 (11,964). The total number of registered trade unions is 24,810 (32,000) as an increase of 21.2 per cent over the previous figure for the previous year. A major percentage of trade unions had their membership ranging from 100 to 500.

Madhya Pradesh and Jammu & Kashmir had the largest number of unions with eleven each. The number in Bombay was the highest, viz., 11,011. Female membership during the year stood at 27% (1937), having declined by 3.2 per cent. Female membership was confined to workers in transport, printing and the miscellaneous groups spreading over 100 unions.

Social Security Benefits by Unions.- In order to available benefits only 200 unions reported which amount to the extent of 22.50. A sum of Rs. 112 was paid by 200 unions as unemployment benefits. As many as four of the unions distributed Rs. 100 as advances and residence benefits. In one case a sum of Rs. 50 was given as old age pension. Compensation for disablement amounting to Rs. 50 was also awarded by two unions.

Only 15 unions represented the grievances of their workers to the employers and for the labour department, interests would have been achieved in 30 per cent cases. For obtaining relief under the various labour Acts help was rendered to the workers by 8 unions.

One of the 15 unions the demand for the 11th pay band should be considered.

(The Hindu, 16 and 19-8-1946).

* Figures in brackets are those for the previous year.

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~~WORKERS~~
Workers' Organisations.

Progress of Trade Unions in U.P. during 1944-45.

According to the annual report on the working of the Trade Unions Act 1926, in the United Provinces during 1944-45 there were 37(33)* trade unions on the register at the beginning of the year 1944-45. Eleven (25) new unions were registered during the year and one union was restored to the register in consequence of the order cancelling its registration ~~or~~ having been set aside on appeal, bringing the total to 49. Of these the registration of 6(19) trade unions was cancelled for failure to submit their annual returns as required by section 28 of the Act.

There were 9(7) unions of railway and transport workers with a membership of 19,977 (31,151); 7(6) of textile workers with a membership of 20,309 (19,377); 3(2) of engineering workers with a membership of 1,337 (926); 1(1) of printing press workers with a membership of 594 (625); and 23(21) unions of workers in miscellaneous industries with a membership of 14,431 (11,964). The total number of workers in registered trade unions was 56,648 (36,023) or an increase of 57.3 per cent over the previous figure for the previous year. A major percentage of trade unions had their membership ranging from 100 to 500.

Cawnpore and Gorakhpur had the largest number of unions with eleven each. The membership in Cawnpore was the highest, viz., 21,811. Female membership during the year stood at 670 (692) having declined by 3.2 per cent. Female membership was confined to railway and transport, textile and the miscellaneous groups spreading over six towns.

Social Security Measures by Unions.— According to available information only one union rendered death benefit to the extent of Rs. 10. A sum of Rs. 116 was paid by two unions as unemployment benefit. As many as four of the unions distributed Rs. 330 as sickness and accident benefits. In one case a lump sum of Rs. 50 was given as old age pension. Compensation for victimisation amounting to Rs. 65 was also awarded by two Unions.

Only 16 Unions represented the grievances of their members to the employers and for the Labour Department, success having been achieved in 33 per cent cases. For claiming relief under the various Labour Acts help was rendered to the members by 8 Unions.

Out of the 45 unions the financial position of only 12 could be said to be satisfactory.

(The U.P. Labour Bulletin, Jan./Mar., 1946).

* Figures in brackets are those for the previous year.

SOCIAL CONDITIONS.

Prohibition reintroduced in Madras and Central Provinces.

In the Madras Legislative Assembly, the Prime Minister, Mr. T. Prakasam, announced on 5-8-1946, that prohibition would be reintroduced this year in eight out of the twenty-four districts of the province. The C.P. Ministry has also decided to introduce prohibition in the Central Provinces and Berar, from 1-10-1946. The Prohibition Act of 1938 will be extended to seven specified areas. It may be recalled in this connection that in both these provinces prohibition had first been introduced in 1938, when responsible popular ministries were functioning, but was withdrawn later on during the period of Advisers' Government.

It is understood that the Sind Government also has decided to introduce total prohibition of toddy and opium in the Province from 1947 in pursuance of its gradual prohibition policy. Simultaneously bars selling foreign liquors will also be reduced in number.

(The Statesman, 6-8-1946;
The Hindustan Times, 13-8-1946;
The Hindu, dated 26-8-1946).

Bombay Bill to prevent "Unequal Marriages".

A Bill to provide for the prevention of unequal marriages in the Province of Bombay is ~~now~~ published in the Bombay Government Gazette.

The Bill is by Mrs. Lilavati K. Munshi, who, in the statement of objects and reasons, says; "The practice of persons over the age of 45 marrying minor girls is in considerable vogue in the Presidency. Public conscience has been awakened for long against the iniquity of such marriages. This Bill proposes to make such marriages penal. Legislative enactments similar to this have been accepted by Indian States like Mysore, Baroda and Kotah."

(The Times of India, 3-8-1946;
The Bombay Government Gazette,
Part V, dated 2-8-1946, pages 78-79).

PUBLIC HEALTH.

Bombay Government's Scheme to control Malaria in Rural Areas.

A large-scale scheme—the first of its kind in India—for controlling malaria in rural areas by using DDT insecticide has been launched by the Health Department of the Government of Bombay in the malaria-affected areas of the districts of North Kanara and Dharwar.

The scheme covers all villages in Kanara District with a population of over 100 each and all villages in Dharwar District with a population of over 200 each. The scheme is operated by seven units, each in charge of about 100 villages, and involves spraying every ~~house~~ house with DDT, adequate quantities of which have been obtained from the Army surplus stores, by means of stirrup pumps fitted with special nozzles.

The scheme, estimated to cost Rs. 400,000 annually, will benefit a population of nearly one and a quarter million. The census reports have shown that there has been a progressive decline in the rural population in Kanara District from decade to decade mainly due to malaria and the scheme is expected to arrest this decline.

(Bombay Information, 10-8-1946).

Measures for protecting health of children. The conference also stressed the importance of maintaining the physical well-being of children including adequate diet and medical care etc., should form integral part of national education and measures should be taken to include in the program of primary and secondary, both boys and girls' education.

Plan for centralised control of salaries of teachers. In some of the States the Government have decided to fix the salaries of teachers. Where primary education is controlled by local bodies and the Government had decided to take control of it, and since in the province the Government have the control of primary schools, the Government are prepared for all matters of local administration. It was agreed that local cooperation and supervision was to be sought to meet the requirements of compulsory primary education of boys and girls. The Government will also have to be satisfied in regard to control of the salaries of teachers.

EDUCATION.

Provincial Education Ministers' Conference,
Poona, 30 and 31-7-1946: All-India Policy
for Basic Education.

A Conference of Provincial Ministers in charge of Education convened by Mr. B.G. Kher, Prime Minister, Bombay, met at Poona on 30 and 31-7-1946 to consider the policy provincial Governments should follow in the matter of basic education and discuss problems connected with the introduction of compulsory primary education. The Conference was attended by five Provincial Education Ministers, Mr. Badrinath Varma, Mr. S.V. Gokhale, Mr. Avinashilingam Chettiar, Mr. L. Misra, Mr. Mohamed Yahya (N.W.F.), and amongst others by the Secretary of the Government of India, Education Department, and Dr. Zakir Hussain, one of the originators of the scheme of 'Basic Education'.

Support for Basic Education: English teaching to be eschewed.- The general opinion at the conference was that basic education (vide pages 33-34 of the report of this Office for January 1938) was no more in an experimental stage and it should now be adopted as a general policy for primary and secondary education and be implemented gradually. It was also agreed at the conference that English should have no place during the whole course of basic education extending over a period of seven years unless it be the mother tongue of the pupils concerned. On this subject the conference adopted the following resolution "This Conference is of opinion that the Basic Education has passed the experimental stage and therefore recommends that Basic Education be introduced in all the provinces and necessary steps be taken to put it into practice. The Conference further recommends that a provincial board of education be formed of officials and non-officials interested in basic education with preferably the Education Minister as the Chairman to put basic education into practice, that English should not find a place in the curriculum of education of any child until it has gone through the full course of at least 7 years—whether basic or non-basic,—unless English is the mother tongue of the child".

Measures for Protecting Health of Children.- The conference also adopted unanimously a resolution urging that physical well-being of children including adequate diet and medical care etc., should form integral part of national education and necessary steps should be taken to include it in the programme of primary and secondary, both basic and non-basic education.

Need for Centralised Administration: Salaries of Teachers.- As regards administration the conference agreed that the present system where primary education is controlled by local Bodies was not efficient and has resulted in much wastage of effort and money. In one province it was stated that the salaries of primary teachers had been kept in arrears for 15 months by local bodies. It was agreed that local cooperation and enthusiasm must be sought to make the introduction of compulsory primary education effective but at the same time some form of centralised administration to end the present state of inefficiency will also have to be devised. In regard to scales of pay for primary

teachers, discussions at the Conference revealed that nowhere except in the Bombay Province does the primary teacher get more than Rs. 50 per month with dearness allowance. In one province the pay was as low as Rs. 7 for an untrained teacher and Rs. 12 for a trained teacher. The scales were, however, being reconsidered by the Governments concerned,

(The Bombay Chronicle, 1-8-1946; Amrita Bazar Patrika, 3-8-1946).

Bombay Government's Educational Programme.

A statement released to the press in the last week of August by the Director of Information, Bombay, gives a comprehensive picture of the Bombay Government's general education programme and policy. The following is a summary of the statement.

Compulsory Primary Education within 12 Years.- The statement declared that the Government will give the foremost priority to the introduction of compulsory elementary primary education in the whole of the Province. It aims at doing so in the course of 10-12 years instead of the 40 years envisaged by the Central Advisory Board of Education. As regards the necessary finance, the statement recognises that it is unlikely that Local Boards will be able to spend very much more than what they are doing at present towards the additional expenditure necessary. The Local Authorities of Municipalities should, however, be in a position to bear their half share of the expenditure on primary education. It is estimated that on the previous pay scales of primary teachers the additional ultimate cost in introducing compulsory elementary primary education will be over 50 million rupees. With the rise in the pay scales just sanctioned the cost will further increase by about 10 million ~~more~~ more.

In introducing compulsory education, the Government proposes to follow the programme chalked out at the Education Conference convened by the Prime Minister on 22 and 23-6-1946 (vide pages 35-36 of the report of this Office for June 1946). Children are to be got under compulsion progressively taking the age group of 6-8 in the first year and carrying it to 6-11 in the fourth year; ~~and~~ also compulsion is to be introduced first in villages with a population of 1,000 and over; and it then extended to all other areas.

Basic Education.- Basic education was introduced in the Province in the year 1958 and at present Government runs 54 special basic schools. It is necessary, declares the statement, to extend the application of the application of the principle of education through purposeful activity. For this purpose, Government has decided as a first stage to introduce craft training in all primary schools and also extend the syllabus of training colleges to cover basic education also.

Adult Education.- Simultaneously with the extension of compulsory primary education, a drive is to be made to remove adult illiteracy. In this connection, the Government proposes to assist in a larger measure the Bombay City Adult Education Committee which has hitherto made literate about 100,000 adults. As regards rural areas, Government will particularly bear in mind the need for elasticity in any adult education programme and give fullest scope to local initiative and local variations of methods to suit local conditions.

Industrial, Technical and Vocational Education.- In this sphere, the Government proposes to re-examine the whole question quickly to ensure that every district has at least one well organised industrial or technical school. Similarly Government will specially encourage the study of such subjects as Agricultural Engineering which are vital to further agricultural development.

Central Education Board to be set up to advise Government.- At present a number of Provincial Boards of Education exist in the Province. The Board for Primary Education is a statutory body. Boards dealing with Secondary, Basic, Adult, Physical and Hindustani Education are formed by executive orders. The Education Conference of June 1946 recommended and Government proposes to set up a Central Education Board consisting of the Chairmen of the various Boards for advising Government periodically on all aspects of education.

Among the other items figuring in the Government's educational programme are schemes to establish Central and Regional Libraries, expansion of visual and art education, reform of secondary education and the present matriculation examination system, and the establishment of separate regional universities for the Maharashtra area, Gujrat and Karnatak.

(The Bombay Chronicle, 29-8-1946).

Hyderabad State to Introduce Compulsory Primary Education.

It is understood that compulsory primary education is to be introduced with immediate effect in Hyderabad State. Initially it is to be enforced in the city of Hyderabad, the headquarters of each subas (Hyderabad State is divided into four subas), any two district headquarters and in some taluks and rural areas where conditions are favourable. The regulation issued in this connection provides for compulsory primary education of boys, but it may be extended by a notification to cover also education for girls. Every guardian in a particular area, where the Regulation is enforced is under obligation to get his ward admitted to school and arrange for his proper attendance unless reasonable ~~cause~~ ~~is shown~~ cause is shown for acting otherwise. A local Committee of Attendance will be set up in each area where the regulation is enforced. Parents or guardians found guilty of not sending children to school after warning from a magistrate are liable to a fine of Rs. 2 in the first instance, but the fine may be extended to Rs. 20 for repetition of the offence. The Regulation also prohibits employment of boys in private service during school hours.

(The Times of India, 1-8-1946).

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National Planning Committee: Sub-Committee
Report on Education.

Reference was made at page 21 of the report of this Office for July 1946 to the decision of the National Planning Committee to release to the press summaries of the reports of a number of its Sub-Committees. The report of the Sub-Committee on dealing with technical and scientific education which outlines a national system of technical education and scientific research in India, was released to the press early in August.

The report emphasises that the first problem in educational reconstruction is the liquidation of illiteracy, and accept the Wardha scheme of primary or basic education (vide pages 33-34 of this Office report for January, 1938), as the first stage in the whole system of education.

Primary Education.- The report proposes that certain points in the Wardha scheme should be modified, where necessary, to suit the present requirements. The point of the Wardha scheme that a child should learn a craft by the end of the school career to start a vocational life is, in the opinion of the Committee, spiritually harmful to the child as vocation becomes the principal object of education. While accepting the syllabus for the primary schools under the Wardha scheme as satisfactory, the Committee suggests that algebra should be taught side by side with arithmetic, and British units of length, area, volume, weight and currency may be avoided and Indian units substituted. The report is not in favour of what is known as the exchange motion under the Wardha scheme, according to which current expenditure of the school is expected to be met by the sale of the goods produced in the technical section by the students and the State is not required to contribute any money towards the maintenance of the school. The report emphasises that these schools should be a direct burden on the State. Primary education covering a period of seven years, according to the report, should be free and compulsory of all children and such schools may be co-educational, the medium of instruction being the mother tongue.

A regular sifting of students is to be made after completion of the primary school career. Only those intellectually fitted will enter the secondary schools, and the rest will enter what are called "continuation schools" for training in arts and crafts and industries such as drawing, artistic designing, general economics civics, accounts and physical culture.

Later Stages.- As regards secondary schools, the report states that after the primary course of seven years, secondary schools of general arts and sciences of a three or four years' course should be established, and these three or four years should prepare students for admission into the university or higher technical or professional courses. Secondary schools, admission to which is not to be compulsory, should provide for the study of western languages, preferably English, the medium of instruction remaining the mother tongue.

The second stage in technical and professional education will begin after the completion of the secondary school course and will be of the university standard. From the secondary schools students will enter either the universities for arts and science courses or engineering or technology institutions or medical and other professional lines. After University education, which will take about four years, there will be provision for post-graduate and research work.

(The Times of India, 5-8-1946).

THE TRANSITION FROM WAR TO PEACE.

Wages.

Rs. 35 Million Interim Relief for Lower Grade Staff:
Central Government's announcement.

The Government of India announced in the second week of August an immediate interim relief of about Rs. 35 million during the current financial year to lower grades of staff in the civil departments other than Railways and Posts and Telegraphs. All Government servants drawing up to Rs. 40 per month will be eligible for an additional pay at a flat rate of Rs. 3 per month and those drawing between Rs. 40 and Rs. 250 per month will receive an additional pay at a flat rate of Rs. 4-8 per month. This will have retrospective effect from 1-7-1945. In certain areas where the Government has not been able to arrange the supply of foodstuffs at concessional rates, Government servants drawing up to Rs. 500 will get a compensatory allowance of Rs. 3-12 per month. This concession will also have effect from 1-7-1945. Government servants in towns which are at present graded as Class "C" will, in addition, receive dearness allowance at the increased rate admissible in Class 'B' towns. The minimum rates of dearness allowance in existing 'C' Class areas will thus be increased from Rs. 14 to Rs. 16 for Government Servants drawing below Rs. 40 and from Rs. 16 to Rs. 18 for those above that pay limit.

(The Hindustan Times, 14-8-1946).

Punjab Government Employees' Allowances Increased.

In view of the prevailing high level of prices in Lahore, the Punjab Government has decided that employees of the Government drawing salaries of Rs. 200 and below and living within the area of the Lahore Municipal Corporation, will get an increase of forty per cent in their dearness allowances.

(The Hindustan Times, 23-8-1946).

Increased Dearness Allowance for C.P. Government Servants.

The Government of the Central Provinces has decided to increase the present rate of compensatory cost of living allowance, sanctioned to all Government servants, by Rs. 4 per month. This will cost the Government Rs. 2,250,000 per annum. Those drawing pay up to Rs. 59 per month will get Rs. 20 by way of allowance if residing in Nagpur or Jabulpore, and Rs. 18 elsewhere in the Province. Those drawing Rs. 40 or more will get Rs. 22 per month by way of allowance in Nagpur or Jabulpore, and Rs. 20 elsewhere in the Province.

(The Times of India, 16-8-1946).

The Central Provinces and Berar Gazette, dated 16-8-1946, Pt. I, Page 578)

Hours of Work.

Bombay: Wartime Exemption from Factories Act Cancelled.

By a notification dated 10-8-1946, the Government of Bombay has cancelled the exemption from section 34 (Weekly Hours) of the Factories Act, 1934, which it had granted in June 1942 to all cotton, spinning and weaving factories and all ~~and~~ bleaching and dying factories in the Province.

(The Bombay Government Gazette, Extraordinary, dated 15-8-1946, Part IV-A, page 95).

THE GOVERNMENT OF BOMBAY
NOTIFICATION

(The Bombay Government Gazette, Extraordinary, dated 15-8-1946, Part IV-A, page 95)

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Control Measures.

The Calcutta Rent Bill, 1946.

The Calcutta Rent Bill 1946 was gazetted^{by} the Government of Bengal on 22-7-1946. It extends to the whole of Calcutta, and the provincial Government may, by notification, extend the Act on any specified part thereof to any other town or local area in the province. It is to come into force on 1-10-1946 and remain in force for a period of three years, but the provincial Government may by notification direct that it shall remain in force for a further period not exceeding 3 years.

The Statement of Objects and Reasons appended to the Bill, points out that the Calcutta House Rent Control Order, 1943, the Bengal House Rent Control Order, 1942, and the Hotels and Lodging Houses Control Order, 1942, will cease to be in force after 30-9-1946, as these Orders were made under the Defence of India Rules, which will themselves cease to be in force after that date. The housing situation has not noticeably eased in spite of the fact that the war ended nearly a year ago. The demand for accommodation far exceeds the supply, and unless house rents and hotel charges are controlled on the lines of the existing Orders there will be an immediate rise in such rents and charges after the 30-9-1946. The Calcutta Rent Bill, 1946, has accordingly been drawn up with this end in view, on the lines of the provisions of the existing Orders under the Defence of India Rules and the Calcutta Rent Act, 1920.

(The Calcutta Gazette Extraordinary,
dated 22-7-1946, Part IV-B, pages
iii to xiv).

C.P. and Berar Regulation of Letting of Accommodation
Bill, 1946.

The Government of Central Provinces and Berar, gazetted, on 25-8-1946, the C.P. and Berar Regulation of Letting of Accommodation Bill, 1946. It extends to the whole of the Central Provinces and Berar, is to come into force on 1-10-1946, and is to remain in operation for a limited period of 3 years.

The statement of Objects and Reasons, attached to the Bill, points out that the influx of a large population to towns as a result of war conditions necessitated the promulgation of the Central Provinces and Berar House Rent Control Order, 1942, under the Defence of India Rules. It, further, points out that the Defence of India Rules will, however, lapse at the end of September 1946. The abnormal conditions created by the war still persist and are not likely to subside for some time. Rent control measures will, therefore, continue to be necessary and Government proposes to take powers for regulating house rents in urban areas by new legislation.

(The Central Provinces and Berar Gazette,
dated 25-8-1946, Part II, pages 93-94).

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Madras Essential Articles Control and Requisitioning
(Temporary Powers) Bill, 1946.

The Government of Madras gazetted, on 29-8-1946, the Essential Articles Control and Requisitioning (Temporary Powers) Bill, 1946. The Bill extends to the whole of the province of Madras, and is to come into force on 1-10-1946. It is to remain in force for two years, but the provincial Government may, from time to time, by notification, extend this period by periods not exceeding two years in the aggregate, if, in ~~this case~~ the opinion of the provincial Government, it is expedient so to do.

Explaining the need for the Bill, the Statement of Objects and Reasons points out that the Defence of India Act, the Defence of India Rules and the control orders issued thereunder, will expire on the 30-9-1946. In spite of the termination of the war, it is very essential that the power which the Government now possesses to control production, supply and distribution of essential articles and trade and commerce therein, should continue for some time longer as otherwise the general economic system and the welfare of the Province are likely to be seriously affected. The Government, therefore, considers that it should possess the power to continue the existing controls subject to relaxation of modification as circumstances render it permissible. The intention of the Government, it is stated, is to confine the operation of this measure to such of the essential articles as are not covered by the India (Central Government and Legislature) Act, 1946, recently passed by Parliament, which confers on the Central Legislature also power to legislate with regard to foodstuffs, textiles and certain other articles. But the Bill has been so framed that if for any reason Central Legislation is not enacted before the 1-10-1946, the Madras Government will be in a position to exercise control in respect of such articles also. The essential articles on which control is sought to be exercised are listed in a schedule appended to the Bill and include firewood, eggs, fish, manures, electrical energy, dyes used for textile industry, artificial silk yarn and motor vehicles.

The Bill was introduced in the Madras Legislative Assembly, on 5-9-1946, by Mr. T. Prakasam, the Prime Minister, and is now before a Select Committee, of the Legislature.

(The Fort St. George Gazette Extraordinary,
dated 29-8-1946, pages 7-12;
The Hindu, dated 6-9-1946).

Madras Buildings (Lease and Rent Control) Bill, 1946.

The Government of Madras gazetted on 29-8-1946, the Madras Buildings (Lease and Rent Control) Bill, 1946. It applies to the City of Madras, all municipalities within the Province and such other areas as may be notified by the Provincial Government; and is to come into force on 1-10-1946; it is to remain in force for two years but the provincial Government is empowered to extend it, by notification, up to a further maximum period of two years.

The Statement of Objects and Reasons, attached to the Bill, points out, the Madras House Rent Control Order 1945 and the Madras Non-residential Buildings Rent Control Order 1945 are due to lapse on 1-10-1946 when the Defence of India Rules cease to be in force.

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The position with regard to housing has not improved since the termination of the war and in the opinion of the Government, is not likely to improve for some time to come. It is therefore necessary to continue control of rent and eviction till such time as the situation improves. The Bill seeks to give effect to these objects. As considerable difficulty is experienced in securing accommodation for Governmental purposes, opportunity has also been taken to introduce a provision requiring landlords to give notice to the Controller whenever a building falls vacant so that the Government may take such building on lease, if it thinks it necessary to do so. Provision has also been made for increase of rents above the rates prevailing before 1-4-1940 with a view to prevent hardship to landlords.

The Bill was introduced by the Government in the Madras Legislative Assembly on 5-9-1946, and was referred to a Select Committee.

(The Fort St. George Gazette Extraordinary, dated 29-8-1946, part IV-A, pages 15-18; The Hindu, dated 6-9-1946).

U.P. (Temporary) Control of Rent and Eviction Bill,
1946.

The Government of the United Provinces gazetted, on 7-8-1946, the United Provinces (Temporary) Control of Rent and Eviction Bill, 1946.

The Statement of Objects and Reasons attached to the Bill, points out that enquiries made from District Officers reveal that there are still several thousands of persons on the waiting lists for accommodation in the larger towns of the Province; the continuance of control to prevent eviction and excessive enhancement and, in some districts, to regulate future letting is, therefore, considered essential. However, with the lapse of the Defence of India Rules on 30-9-1946, these control orders will also lapse and Government has already received representations emphasizing the hardship which will follow if unrestricted right of eviction and of enhancing rent is revived on 1-10-1946. This Bill has been prepared to obviate the confusion and hardship which will undoubtedly follow the complete decontrol of residential and certain other accommodation in certain ~~urban~~ urban areas of the Province.

(The Government Gazette of the United Provinces, Extra-ordinary, dated 7-8-1946, pages 1-2).

Food.

All-India Food Ministers' Conference, New Delhi, 9 and 10-8-1946.

Provincial Food Ministers and representatives of leading Indian States, numbering 60 in all, attended an All-India Food Ministers' Conference, convened at New Delhi, on 9 and 10-8-1946, to survey the present food situation in India and the prospects for the next four months. Sir Robert Hutchings, Food Member, Government of India, presided.

The Conference discussed the problem of food on the basis of a united India. The provincial and State Ministers gave an estimate of ~~their~~ their demands and assured their Government's support in fighting the food ~~menace~~ menace. The Government of India's representatives gave an overall picture of India's demand and supply.

Need for Imports.- The general feeling among the delegates to the Conference was that while there was no reason for undue pessimism, the situation could not ~~not~~ be met without substantial imports from foreign countries. The Conference, therefore, called on the Government of India to leave no stone unturned to secure a greater allotment of food grains for India from abroad and especially put strongly India's case in this regard to the Emergency Food Council.

No Further Ration Cut.- After discussing the possibility of a cut in the present level of rations, the Conference adopted unanimously a resolution stating that "the present overall ration of 12 oz. is already inadequate and a further cut is bound to have disastrous consequences on the health and life of the people."

Monopoly Procurement Recommended.- The Conference also adopted a resolution urging the introduction of system of monopoly procurement of food grains throughout India. The resolution states that the time has now come when in every province and State, surplus or deficit, procurement of rice and wheat shall be by Government monopoly, and by compulsory levy wherever necessary and possible. Where other cereals are important, they should also be procured by similar Government monopoly. Only by such steps can the resources of the country be best mobilized.

(The Hindustan Times, 10-8-1946;
The Hindustan Times, 11-8-1946).

National Planning Committee: Report of Fisheries Sub-Committee.

The report of the Fisheries Sub-Committee set up by the National Planning Committee (vide page 21 of the report of this Office for July 1946) was released to the press in the first week of August.

Need for Central Organisation.- The Sub-Committee in its report recommends the setting up of a central organization for the full development of fisheries in the light of the data collected and results obtained in the course of 40 years of fisheries administration in the country.

According to the Sub-Committee fisheries as a food-producing industry, when fully developed, should rank equal to agriculture.

Five-Point Plan.- The Sub-Committee observes that the future development of fisheries on an all-India basis must conform to five fundamental principles. Briefly stated, they are: ~~for~~ Firstly, the definition of the functions of the centre and provinces. Secondly, fishermen are not to be deprived of their livelihood by any sudden revolutionary reform. Up-to-date methods are recommended for deep-sea fishing and for internal trade, neither of which should affect indigenous industry. Thirdly, planning and execution of plan should be entrusted to a thoroughly well-qualified officer, with local experience. Foreign experts are to be employed for specific technical jobs. Fourthly, plans must be based on the data collected and results obtained in the course of 40 years' fisheries administration and research in the provinces and States. Fifthly, it is suggested that the middleman's profit may be tapped by the levy of a cess or sales tax.

Fisheries Executive Council.- ~~Fisheries Executive Council at the Centre~~ Consistent with the five cardinal principles, the Sub-Committee ~~proposes~~ proposes the establishment of a Fisheries Executive Council at the Centre, a Fisheries Advisory Board, a Commissioner of Fisheries and his staff and a Central Fisheries Institution and a fishing fleet. In addition, the five existing provincial fisheries stations will have to be subsidised and brought into line with the all-India scheme. The report also urges the establishment of fresh water fisheries research stations. The report suggests that fresh water fisheries research stations be located in Bengal, as the ~~entire~~ entire population eats fish, and as the network of rivers and canals in that province provide ample facility for ~~fresh-water-fishing~~ fresh-water-fishing developments. It will be necessary to have a subsidiary station in South India to be located in Madras since most of the fresh-water food fish there is of a different species.

(The Hindustan Times, 3-8-1946).

Indonesian Rice for India.

It is learnt that Dr. Van Mook, Lieutenant-Governor-General of the Netherlands East Indies, has agreed to the arrangement between Dr. Sutan Shariar, Premier of the Indonesian Republic, and Mr. K.L. Punjabi, Joint Secretary of the Government of India, Food Department, to export husked rice to India. It is understood that the agreement provides for the shipping of 700 tons of paddy of "fair average quality". The price fixed is Rs. 14-14-4 per 220 pounds. The value of paid supplies is to be set against the amount due to the Government of India for consumer goods including textiles, yarn, agricultural implements, motor tyres, tubes, cooking utensils, to be supplied to the Indonesian Republic.

According to the agreement, the Indonesian Republic is to pay lighter and labour charges in the first instance and recover them from the Government of India in rupees at a rate of exchange to be mutually agreed. The Government of India is trying to arrange shipping and endeavouring to supply additional lighters and tugs and motor transport.

(The Statesman, 1 and 12-8-1946).

factory will produce some 900 tons of calcium carbonite sludge per day, it is also proposed to start a cement factory which will not only utilise that bye-product as a raw material but will cater for the big demands for cement which will arise in that area when the Damodar Flood Control Scheme comes to be carried out.

A scheme is also under consideration for erecting a coke oven suitable for coking second class coal.

(Indian Information, 15-8-1946;
The Statesman, dated 2-8-1946).

Provincial Industries Ministers' Conference, Poona,
31-7-1946 and 1-8-1946: Objectives of Economic
Planning Formulated.

A conference of Provincial Ministers of Industries (including Village Industries) convened at Poona on 31-7-1946 and 1-8-1946, by Mr. V. Mehta, Bombay's Finance and Village Industries Minister, considered the policy that should govern the plans of economic development of the popular ministries. The conference, which was addressed by Mr. Gandhi, was attended by Mr. Bhimsen Sachar, Minister for Finance and Industries, Punjab, Mr. Jityanand Kanungo, Development Minister, Orissa, Dr. Ansari, Minister for Industries, Bihar, a number of Ministers of the Bombay Government, and over 60 industrial experts.

Plans of Economic Development to centre round Farmer.— As regards the policy that should govern plans for economic development in India, a resolution adopted by the Conference states that in view of the acute scarcity prevailing in the country with respect to primary requirements of the people, especially food and clothing, plans for economic development should centre round the farmer and agriculture, and should be motivated with the object of providing a balanced diet, adequate clothing and other articles of primary human need for every citizen in the land; and that for this purpose steps should be taken to ensure that the land available for cultivation is distributed, by proper regulation such as licensing, between various crops needed by the community and in the required proportion.

Emphasis on Regional Self-Sufficiency.— The Conference was, further, of opinion that in order to achieve real democracy it is necessary to organize contiguous areas—village or a group of villages—on a self-sufficient and self-governing basis, through multiple-purpose co-operative societies and grain banks which will plan their economic life on a decentralized basis, reducing external trade to proved surpluses.

(The Hindustan Times, 8-8-1946;
The Times of India, 1-8-1946).

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Development of India's Power Resources:
Report of the National Planning Sub-Committee
on Power and Fuel.

The Report of the Sub-Committee on Power and Fuel set up by the National Planning Committee, released to the press in the first week of August, emphasizes the need for a definite national power policy by the State and explains the implications of the industrialization policy adopted by the National Planning Committee. The report considers power development to be the most vital factor in India's industrialization. State Control of power development and the electrification of railways in India to achieve greater efficiency and to conserve the limited coal resources are among the main recommendations of the report.

Case for State Control of Power Development.— Criticising the laissez-faire policy followed by the British India Government in India with regard to the development of India's power resources on modern scientific methods, the report emphasises the need for the maximum possible development of such resources, and makes out a case for state control of power development in India and of the existing power companies. The Sub-Committee emphasises that such rationalisation of energy resources would lead to a reduction of costs and the greatest possible consumption of energy. In this connection, the report points out that electricity development in India has so far been mainly for the service of the cities and larger towns. New power stations and new loads mostly for industrial purpose have to be planned as one scheme. The new loads would be the power demands of the heavy chemical and manufacturing industries and making electric power available to the smaller towns and to the countryside for small industries irrigation, etc.

Geo-physical Survey.— As regards a national fuel policy, the report suggests that the guiding principle should be the interest of the nation as a whole and recommends that the Government of India should establish a geo-physical prospecting department and carry on an intensive research for petroleum; All restrictions—legal and economic—likely to impede the development of the power alcohol industry, should be removed; Propaganda work should be started to replace kerosene by non-edible vegetable oils and alcohol for lighting purposes; the power alcohol industry should be developed on an all-India basis under State control.

Power Development: Objectives and Methods.— The report calculates that, if, as suggested by the National Planning Committee, the industrial output of India is to be increased two to three times within the next few years and five to six times ultimately, the total energy production in India from machinery has to be increased by at least 25,000 million units within the next few years, most of which can come only from electrical power. According to the estimate of the Sub-Committee about 12 million units of energy should be electrical and this would require installation of additional electrical plants with a total capacity of about ~~three million~~ three million k.w. According to the Sub-Committee's investigations the capacity of total electrical plants at present installed is about 1.15 million k.w. and the capital invested amounts to 900 million of rupees. The total capital required for the development work proposed would be about 2,400 million rupees.

The creation of an Electrical Power Board and a Fuel Board, both to work in close co-operation, is suggested by the Committee as practical measures for exploring the possibilities of power development in India. The functions of the Industrial Load Committee of the Electric Power Board would be to plan for the maximum utilisation of the power developed. The Board will also deal with questions relating to research in electricity. For surveying the hydro-electric power resources, both in British India and the States, the setting up of an All-India body is proposed, which should work in co-operation with the National Water Power Resources Commission. The report further proposes the formation of an Electrical Utilities Control Committee both in the Centre and in the Provinces to exercise a rigid control on the electricity supply companies.

The total water power resources capable of practical development are estimated by the Sub-Committee at five and a half million k.w.

Coal Resources.— The present misuse of coking coal, which in the Committee's opinion should be preserved for smelting purposes, should be stopped by the Government, the report says. Otherwise the entire known reserves of coking coal will be depleted in about 60 years. It adds, that the present misuse of superior grade coal should be stopped; it should be reserved for hydrogeneration to liquid fuel and for blending. In this connection, the report recommends ~~that~~ the electrification of railways in India, as far as possible, to achieve greater efficiency and for "conserving the very limited coal resources of India". Pointing out the defective methods in mining, handling and utilisation of coal in India, the Sub-Committee says, some of the practices of Indian collieries and the absence of any substantial control on mining, handling and utilisation causes very serious losses to a valuable national property. The Sub-Committee recommends that early steps should be taken to ensure an economic stability to the coal industry which is a pre-requisite to conservation.

Liquid Fuel.— The Sub-Committee further suggests, in view of the scarcity of petroleum resources in India, that it is imperative that all available indigenous sources for ~~xx~~ other kinds of fuel to take the place of petroleum must be developed on a carefully planned national basis.

The Committee recommends that soft coke industry be so recognised as to make it obligatory for the makers to recover the crude tar to be further processed in a central tar distillation plant, under State control. The Committee emphasises the importance of alcohol as a liquid fuel that can be produced to an almost unlimited extent in India; and in two provinces, U.P. and Bihar power alcohol can be marketed at substantively the same price as petrol.

(The Hindustan Times, 3-8-1946;
The Bombay Chronicle, 6-8-1946).

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U.P. Assembly recommends Liquidation of Capitalism.

In the United Provinces Legislative Assembly, on 13-8-1946, Babu Sampurananand, the Finance Minister of the Province, moved a resolution advocating "socialisation of the principal means of production, exchange and distribution". The following is the text of the resolution: "This Assembly is of the opinion that liquidation of capitalism in all its forms is essential to the well-being of society and trusts that the necessary steps to bring about socialization of the principal means of production, exchange and distribution will be taken as soon as possible".

The resolution was passed, by the Assembly, without a division, on 14-8-1946.

(a) To lay down standards for housing and sanitation in villages which must be prepared before any factory is built; (b) To examine the coal-burn installation project which is one of the more important schemes included in the post-war (The Statesman, 14 and 15-8-1946). In view of the fact that it should be proceeded with on the present basis; and (c) To examine Government's policy regarding the sale of Government land for agricultural or industrial purposes.

(The Statesman, dated 14-8-1946)

Development Board set up in Madras Province.

The Government of Madras has set up a Development Board for the Province consisting of all Secretaries to Government except the Secretary, Legal Department, with the Chief Secretary to Government as Chairman of the Board

~~The Government of Madras~~ The functions of the Board, as explained by the Prime Minister of the Province in the Provincial Legislative Council on 8-8-1946 are : (i) to prepare for the consideration of Government an integrated Provincial Development Plan by endorsing, modifying or adjusting the plans of each individual department, or by putting forward proposals initiated by itself; (ii) to transform the functional plans of each department into a territorial plan for each district; and (iii) to keep a constant watch over the development plans of the departments and to control the progress of each district plan.

(The Hindu, dated 10-8-1946).

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Industrial Planning Committee set up in
Punjab.

The Government of the Punjab has set up, with effect from 1-8-1946, a Committee of Officials and non-Officials to be called the Punjab Industrial Planning Committee. The Committee which is presided over by the Finance Minister of the Province has the following functions: (a) To arrive at some overall conception of the industrial future of the Punjab; (b) To link the Punjab schemes for industrial education, including scholarships, with the conception referred to above; (c) To consider which cottage industries are important enough to deserve Government support and which should be left to be linked with organised industry; (d) To lay down adequate standards for housing and amenities for workers which must be guaranteed before any factory is built; (e) To re-examine the coal-tar distillation project which is one of the more important schemes included in the post-war plan of the Industries Department, with a view to deciding whether it should be proceeded with on the ~~present~~ present lines; and (f) To examine Government's policy regarding the sale of Government land and acquisition of privately owned land for industrial purposes.

(The Punjab Gazette, dated 30-8-1946,
Part I, page 625).

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GENERAL.

Interim Government takes Office,
2-9-1946.

Reference was made at page 84 of this Office report for July, 1946, to the negotiations to be re-opened for the formation of an Interim Government representative of the Indian people.

The Viceroy's proposals were accepted by the Indian National Congress and a new Interim Government assumed Office on 2-9-1946, under the Vice-Presidency of Pandit Jawaharlal Nehru. Mr. Jagjiwan Ram is the New Labour Member.

(Gazette of India, Extraordinary, dated
2-9-1946, No. 60/15/46-Public, page 661).

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List of the more important publications received in this Office
during August 1946.

Conditions of Work.-

India's Labour Welfare Problems, by D.P. Ketkar. Price Re.1/=.
Thacker & Co., Ltd., Bombay.

Economic Conditions.-

Department of Statistics, Baroda. Statistical Abstract of the
Baroda State from 1934-35 to 1943-44. Baroda: Printed at the
Baroda State Press. 1946. Price Re. 2-1-6.

Professional Workers, Salaried Employees and Public servants

Report of the Salaries Committee, May 1946. Ceylon: Sessional
Paper VIII - 1946. Printed at the Ceylon Government Press,
COLOMBO. Price Rs.5.30. 1946.