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INTERNATIONAL LABOUR OFFICE  
INDIA BRANCH

Industrial and Labour Development in September 1954.

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

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## CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - SEPTEMBER 1954

### 11. Political Situation and Administrative Action.

#### Mr. V.V. Giri resigns from Cabinet; Differences over Labour Policy: Mr. Khandubhai Desai sworn in as Labour Minister.

Mr. V.V. Giri, Union Minister for Labour resigned his post on 30 August 1954, because of his feeling for some time past that his services in the Cabinet "may not be very useful under the present set-up either to labour or to the country". Mr. Giri's resignation was accepted on 7 September 1954, and Mr. Khandubhai Desai, M.P., a prominent trade unionist was sworn in as the new Labour Minister on 10 September 1954.

Hurdles and obstacles.- In his letter of resignation to the Prime Minister, Mr. Giri referred at the outset to the "hurdles and obstructions" encountered by him in regard to the Industrial Relations Bill and the "growing feeling" among the employing Ministries that "each can have its own way and its own labour policy" and said "it has been my fervent wish that the Government should be the model employer, inspiring other employers to follow their example. But I have to confess that the possibility of this hope being fulfilled has become remote".

Dealing at length with the Government's decision on the Bank Award (vide pages 39-40 of the report of this Office for August 1954), "when we are not sure of facts and figures ourselves" Mr. Giri said, "I am afraid we cannot conscientiously say we have done justice to the employees".

The letter shows that all the suggestions of Mr. Giri in regard to the Bank Award were rejected by the Government. He first suggested immediate implementation of the Labour Appellate Tribunal's Award. When this was not accepted he suggested maintenance of the status quo and appointment of a high power commission to go into the facts. After the Award was modified and announced, he made the third suggestion that the high power commission should be immediately set up to go into all aspects of the matter. But the Government rejected this also.

Regretting this action of the Government Mr. Giri said; "I must frankly confess to my own feelings of sorrow at the unexpected turn of events resulting in a great setback to the labour policy of the Government, which till now has generally won the approbation of all sections". Workers' organisations and banking companies in his view would have been justified in thinking that Mr. Giri had failed in his duty to influence the Cabinet in the right direction.

He observed; "I have, therefore, come to the conclusion that the Cabinet decision has unwittingly become responsible for creating unrest and bitterness towards the Government among the workers of the country. I am afraid I cannot persuade myself to be a party to it. In the circumstances, I am convinced

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that I should tender my resignation of the office of Labour Minister. After a public life of nearly four decades, in the cause of labour and of industrial peace I cannot let a feeling grow that on account of lure of office, or for personal vanities, I have failed in my duty to the workers and to the country".

Mr. Khandubhai Desai's career.- Mr. Khandubhai Desai, who represented Indian workers at the International Labour Conference in 1950, first took up trade union work in Ahmedabad in the 1930's. Since then, he has been in the labour movement of the country.

Mr. Desai is a member of Lok Sabha and the Congress. He was one of those who in 1947 took the initiative in forming the Indian National Trade Union Congress, which is now the strongest central trade union organisation in the country. He was elected as its first general secretary and held the post of President of the I.N.T.U.C. for three successive years.

In politics, he is an active member of the Indian National Congress, which is now the majority party in the centre and in all but two of the States.

(The Statesman, 9 September 1954).

New Deputy Minister appointed for planning.

Mr. S. N. Mishra, M. P. has been appointed Deputy Minister for Planning. He was sworn in on 10 September 1954.

(The Hindustan Times, 11.9.1954).

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## CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS

INDIA - SEPTEMBER 1954.

### 28. Employers' Organisations.

#### Annual General Meeting of Tata Iron and Steel Company: Chairman reviews Economic conditions.

The annual general meeting of the Tata Iron and Steel Company Ltd., was held at Bombay on 26 August 1954. Mr. J.R.D. Tata presided.

Economic situation; role of private sector. - Reviewing the economic situation in the country, Mr. Tata said that generally speaking the economic situation in India during the year had been better than in any year since the war. The success of Government's policy of food decontrol was an index of the country's all round improvement in the economic field during the year. Industrial production also recorded some advance, although the rate of progress was less than envisaged in the Five Year Plan and the private sector continued to lag behind investment targets.

While the country was not yet wholly out of the woods, the fact that most of the unfavourable trends, so prominent during the 1946-52 years, had either been brought to a halt or reversed was something to be thankful for and reflected credit on Government's management of the country's financial and economic affairs in the last few years. He believed, however, that progress would have been greater and quicker, if the private sector had, during these years, been in a position to make the full contribution of which it was capable.

Mr. Tata said that the major stress in the First Five Year Plan having been laid on activities such as irrigation, power generation, agriculture, transport and social services, which formed part of the public sector, the Second Five Year Plan would be expected to lay greater stress on industrialisation, with which the private sector was mainly concerned. He had not the slightest doubt that, given reasonable encouragement or at any rate freedom from discouragement, the private sector would meet whatever targets were set for it under the Plan. There were, however, some pre-requisites. Members of Government and Parliament should cease giving the impression that the present policy of a mixed economy was a temporary affair and a mere step in the direction of full-fledged socialism or state capitalism. The size and shape of taxation should be such that industry was able to build up internal savings to be used for modernisation and expansion. The private sector should be given a chance to tap a reasonable proportion of the country's total savings.

Need for new approach. Mr. Tata added that in order to

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enable the private sector to develop fully it was very necessary that certain preconceptions that had long coloured official and political thinking in this country should be shed. Among such ideas he mentioned the following; that the profit motive ~~was~~ was dishonourable; that profit was synonymous with profiteering; that industrialists as a class were inefficient or dishonest or both; that about 3 per cent. was a fair return on risk capital; that the population problem would solve itself; that mechanisation meant unemployment; that it was more important to impoverish the rich than to enrich the poor; that a welfare state could be built without first creating the means to pay for it; that nationalisation created additional wealth; that centralised State enterprise and management was socialism.

Citing the case of the United Kingdom where remarkable changes had taken place since official policies had been re-oriented towards releasing and stimulating energies of business and industry, Mr. Tata said if the Indian Government would similarly try for a while ~~the~~ and within reasonable limits the experiment of freeing the private sector from its present handicaps and uncertainties, and allow it the necessary incentives and scope for initiative, it would be surprised at the results. No one would seriously suggest a return to complete laissez-faire in economic matters. Besides taking active part in expanding the economy, the State had to exercise general control over the economic activities of the country, to prevent undesirable trends, to provide essential services within society's capacity to bear them, and to protect the underprivileged. However, these objects were not served best by policies which tended to paralyse enterprise and initiative, encourage low labour productivity and concentrate economic power in Government to a self-defeating extent.

Rationalisation- Referring to rationalisation, Mr. Tata said that the debate on the relationship between man and machine was not a new one. It went back to the days, centuries ago, when men who made discoveries or inventions were burnt or stoned as sorcerers. It became acute in the nineteenth century when machines were destroyed and factories burnt in Britain and elsewhere, in an attempt to arrest the progress of mechanisation. Even the sewing machine, mother's good friend, of which Mahatma Gandhi spoke with affection, was smashed by enraged tailors in France when first introduced. This age-old antagonism towards the machine is rooted in the belief that the mechanisation of industrial processes automatically lead to unemployment. The machine had in fact proved itself to be the greatest creator of jobs that every existed. In Britain, within a generation after textile workers had smashed spindles and power looms, ten times as many men were engaged in the textile industry as before these inventions. In the U.S.A. where ~~the~~ mechanisation had gone further than in any other country, gainful employment increased from eighteen million to over sixty million in the last sixty years. Between 1939 and 1953 alone, employment in manufacturing industries increased by 75 per cent. notwithstanding the fact that it was in these very industries that mechanisation made the most spectacular advance. A million jobs in the horse and carriage business had been replaced by six and a half million jobs in making, selling and servicing automobiles. When the motor car was first developed and for some years thereafter it was an expensive vehicle, largely built by hand and afforded by the wealthy few, and the industry

had little impact on total employment. When however the automobile industry adopted intensive mechanisation under the pioneering leadership of Henry Ford, a revolutionary change took place. The new machines and methods made it possible to produce cars so quickly and cheaply that they were bought by millions of people instead of the few thousands who could afford them before. While hundreds of thousands found jobs in actually making cars, millions more found jobs in making, selling and repairing the thousand and one things needed to keep motor cars and trucks going, and in providing services to the people using them. The industries providing machines, power, fuel, oil, metals, rubber, road building equipment, transport, etc., expanded mightily, and each in turn employed more and more people. Thus, while fewer men were employed for building each car, total employment grew by leaps and bounds.

Mr. Tata added that one need not go abroad to seek proof of the proposition that machines create employment. Could anyone question the fact that the few modern industries established in India in the last century had created directly and indirectly hundreds of thousands of jobs that just did not exist and could not exist otherwise, he asked.

He said, it was unfortunately often assumed that if the men at work today were allowed to continue to operate antiquated machines and processes, their employment would be secure. A notable refutation of this tendency to mistake stagnation for stability came recently from the Minister for Labour of Uttar Pradesh, who pointed out that during the last four years between ten and fifteen thousand workers in the leading textile centre of Kanpur had been retrenched, not because there had been rationalisation but precisely because there had been no rationalisation. India with its alarming increase in population could afford even less to be static in its approach to this problem than other countries. Millions of additional jobs had to be found in a hurry in industry and services to relieve the mounting pressure on the land. To attempt to do so with obsolete machinery and methods was to court disaster, for inefficient industries cannot survive for long. The inadequate use of power tools, or the use of antiquated ones, perpetuated low productivity, low productivity lead to high costs and low wages, low wages kept down purchasing power and demand, and low demand enforced low production. This vicious circle was the main cause of the poverty of industrially backward countries such as India. The only way to break through it and to achieve a higher standard of living for all was through the use of modern equipment and methods, to produce more and more goods more and more cheaply, and to pay those who produce them higher and higher wages.

Mr. Tata said that he was not unaware of the difficulties and hardships which hasty mechanisation might cause in India if introduced without proper care and thought in each case. Fortunately the problem here was likely to be a temporary and relatively minor one for the following reasons. Resources available for the purpose were limited and must therefore be spread over a period of years. Large schemes of mechanisation took years to put into effect. The normal process of retirement for reasons of old age, death and other causes, would help by providing vacancies which merely need not be filled. Finally, the many schemes of economic expansion under the



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Five Year Plans would provide ample opportunities to absorb the few who might be rendered surplus. For these reasons, and by careful planning and preparation, resort to actual retrenchment could be avoided or limited to rare occasions. Managements desirous of putting through measures of mechanisation and modernisation have a number of obligations to fulfil. They must first ensure that they are themselves efficient and economical; they must make every effort to absorb as many redundant men as possible in other jobs; they must help the State, wherever possible, in the re-training of those rendered surplus who could not immediately find alternative jobs in their existing trades; they must be ready to pay generous compensation to those few whom it might not be possible to retain in employment; finally, they must show an unequivocal readiness to share with the smaller number of employees that remain and with the consumer the benefits of cheaper production.

The real problem - largely a psychological one - was to secure acceptance of the change by labour. In the United States, trade unions not only accept as necessary a continuous process of technological improvements in industry but often actually encouraged it and shared responsibility in carrying it out. Union executives there had fully realised the fact that the best job security to their members lies in sound cost reducing programmes.

Appealing to labour leadership in India to consider this problem objectively and scientifically, and, wherever possible, in friendly co-operation with management, Mr. Tata said he would ask them to keep in mind three important considerations; first, that throughout the world the machine had brought human beings miraculous relief from the toil, sweat and drudgery which they had endured for thousands of years; second, that it had brought about a phenomenal rise in wages which had remained low only where the machine was used insufficiently or not at all; third, that, in conjunction with modern methods and processes, it had made possible an enormous increase in production at most reduced cost, the benefits of which had gone to the whole community. Thus, opponents of modernisation in industry should realise that the acceptance of their views would not only deprive the very workers whose interests they sought to promote of the chance to cast off their age-old back-breaking burden and to earn progressively higher wages, but would also deprive the entire population of the immense benefits of increased production and lower prices.

He emphasised that the choice before them was not between modern industry and old fashioned industry, but between modern industry and no industry at all. There was no half way house. Either they should build a highly productive and happy society in which workers had thanks to the machine, regained their dignity, or they should sink back into a primitive form of society, condemned by the inexorable increase in their population to growing poverty and despair.

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Annual Conference of United Planters' Association of Southern  
India, Coonoor, 23-29 August, 1954

The 61st annual conference of the United Planters' Association of Southern India was held at Coonoor from 23-29 August 1954. In the absence of Mr. A.V. Thomas, President of the Association, Mr. E.A. Stanes, Vice-President, presided. The plenary session was followed by sectional meetings to discuss problems relating to the various sections of the plantations industry, like tea, coffee and rubber. A meeting of the Southern India and Madras Estate Labour Relations Organisations was also held to discuss labour problems in the plantation estates. The Association also organised an exhibition which was declared open by Mr. M. Bhaktavatsalam, Minister for Industries and Labour, Government of Madras.

Presidential address: improvement in crop production.-  
As the President of the Association Mr. Thomas could not be present, his address was read out by Mr. Stanes, Vice-President.

In his address Mr. Thomas said that during the past year, the plantation industry recorded an improvement in the production of the principal crops. Tea production in South India reached an all-time record of 120.87 million lbs. in 1953. The rubber crop of 21,136 tons was the highest but one in six years, and the coffee crop of 23,235 tons (season 1952-53) was the best in seven years. Taking them all together, the past year could be said to have been a good year for the production of plantation crops in South India, although it had not been a good year for the industry as such.

Government attitude criticised.- Referring to the nature of the plantation industry, Mr. Thomas said that the risk of investment was naturally far more in the plantation industry than in non-agricultural industries. Further, plantations by their very nature, tended to become less and less productive as the years roll on until a stage would come when the field would cease to give an economic return. That stage had not yet arrived in the majority of plantations in South India, but might well do so in the next 10 or 15 years. New capital would therefore be required to carry out a scheme of rehabilitation. The recent shift in Government policy towards the plantation industry and the scope and character of labour legislation recently introduced and proposed for the future were such as would, he felt necessarily inhibit investment in this sector of India's national industries.

Referring to the Plantations Labour Act, Mr. Thomas hoped that Government in finalising the rules under the Act would deal with the problem in a realistic manner and allow the industry reasonable time to fulfil its obligations without straining its financial capacity to breaking point. He added that the proposed extension of the lay-off provisions of the Industrial Disputes (Amendment) Act 1953, to the plantation industry, would also increase the costs. The industry might have to face additional burdens in way of increased wages, etc., which might result from the present reference before the Special Industrial Tribunal for Plantations in the State of Madras.

Mr. Thomas said that these additions to costs were proposed at a time when prices of some plantation crops were good and it was possible that a section of the industry could meet them without much hardship at the present time. What was liable to be overlooked was the all-important fact that profits in the plantation industry fluctuated so much from product to product and from season to season and also depended so much upon competitive markets that it would well become impossible to carry the burden at all times. Even now it was impossible for the coffee industry, on its greatly reduced scale of returns, to agree to many of the provisions of the Plantations Labour Act, and the same was true of the rubber industry as well.

Income-tax on plantations.- Mr. Thomas referred to the agricultural income-tax on plantations and said that a plea that the Government might, if necessary, levy a surcharge on land revenue payable by plantations, in preference to an agricultural incometax, had been rejected by the Madras Government. Finally, a request that if agricultural tax was decided upon, it should not be discriminated by being applicable to plantations only, and not to other agricultural crops, had also apparently been ~~ix~~ turned down. In this connection he made a reference to the attempt on the part of the Union Income Tax Authorities to hold a portion of the coffee income in the hands of the growers as non-agricultural and hence liable to Union Income-tax. Legal opinion had been taken and it seemed inconceivable that an income ~~which~~ which had always been regarded as purely agricultural and exempt from tax should now without any changes in cultivation and processing be regarded otherwise and made taxable. An astonishing state of affairs was that the same income was regarded in one State as agricultural and in another as non-agricultural and was taxed both ways.

Central Government policy.- Referring to the Central Government's policy towards the industry, Mr. Thomas said that the Central Government seemed to aim at complete control over the industry and not merely control for the purpose of development or regulation of the industry. This was already partly evident in the provisions of the Tea Act of 1950 which took away all initiative from those who were capable of it and vested it ~~in~~ Government. He feared that it was the same policy that guided the Coffee Market Expansion (Amendment) Bill and the Rubber (Production and Marketing) Amendment Bill, both of which had not yet become law, and were at the Select Committee stage. The Association saw in those bills a desire to reserve to Government the full right to nominate the members of the Coffee and Rubber Boards and to remove the present statutory obligation of Government to consult the Boards on matters that affect them or the industries represented by them. The Government had not, up to this moment, given any strong or valid reason for the changes proposed except the reason that it was its intention to control the industry.

Membership.- Mr. Thomas said that the membership of the Association had continued to increase and the total acreage represented on the Association was now 291,026 acres. The proposal to re-organise the UPASI into one body of members was progressing rather slowly.

In conclusion, Mr. Thomas said that throughout the sixty-one years' of its existence the UPASI had looked after the affairs of the plantation industry with the greatest care and

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interest and in doing so perhaps it had not always seen eye to eye with the policies and programmes of Government. But the industry had always extended its complete and whole-hearted co-operation to the Government in its efforts to improve the economic position of the industry and to increase its value to the nation. The plantation industry must always play an important role in the country's economy since it provided employment to many thousands of people and earned huge sums of revenue to the Government. He hoped that this vital and significant factor of ultimate identity of interest between Government and the industry would never be lost sight of and that both Government and the industry would always work hand in hand to place this great national asset firmly upon its foundation.

Exhibition opened.- Opening the exhibition organised by the Industry, Mr. Bhaktavatsalam, Minister for Industries and Labour, said the plantation industry was an important one in India's economy. Some of the plantation crops were exported and the Government was interested in the development of export trade and he welcomed all efforts to increase the production of those products. Stressing the need to maintain high quality, the Minister said he was pained to hear some time back that on account of certain malpractices in certain areas, particularly the export trade in cardamoms was affected. The export trade in those crops were essential as they helped India to get foreign exchange. He added that the quality of Indian coffee crop was much appreciated in countries like France, but he could not understand why the export of coffee to other countries was not on an improved scale.

The Minister pointed out that tea and coffee were the beverages of the common man and this added to the importance of these industries in the national economy. The Minister suggested that in their annual conference the workers also should be associated as it would tend to promote more cordial relations.

The Minister said that he was not going to refer to ~~any~~<sup>any</sup> of the legislation which the planters might consider controversial. He had no doubt that the planters would appreciate that it was also the objective of the Government that the necessary happy and cordial relationship should be promoted by such measures, so that it might be conducive to the improvement of production in which planters as well as Government were vitally interested.

Coffee growers' problems: Government control criticised.- Addressing the Coffee and Minor Products Section, Mr. N.B. Athrey, Chairman, said that the exports of coffee had not been commensurate with the record crop of nearly 29,000 tons in 1953-54 and urged the need for concerting suitable measures for disposing of the surplus stocks.

Mr. Athrey criticised the Coffee Market Expansion (Amendment) Bill, which sought to change the elected growers' representatives of the Indian Coffee Board into members nominated by the various State Governments, a move that was retrograde, undemocratic, and in his opinion, not in the interest of either the grower or the consumer. From the long range angle, the interests of the grower and the consumer were essentially the same, for without a healthy planting industry the consumer was not assured of a steady supply of coffee within the country, and without a steady internal demand, the grower would be at the mercy of the vagaries of the export markets and had less

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incentive to expand production. How could better production and better contribution to national wellbeing of this section of private enterprise be improved by nominating the grower members of the Board instead of their being elected by the various regional associations, who alone could truly give a representative opinion on the growers point of view? How could co-operation between the Government, the producer and the consumer be improved by Government nomination of representatives instead of by their election by the persons who were to be represented?

Plantation enquiry commission.- Referring to the plantation enquiry commission (vide pages 29-30 of the report of this Office for *April 1954*), Mr. Athrey said the terms of reference to this inquiry commission were sufficiently wide to cover all the problems. They were happy to co-operate with this commission for a quick solution of this knotty problem of coffee prices.

The crux of their controversy with the Commerce Minister was a fair return to the grower and it was absolutely necessary that their ever-increasing costs and the need for rehabilitation should be properly investigated. From 1945 till 1953, every rise in the cost of production, increased in wages and the increasing cost of stores and manures, were allowed in the Pool prices, and where the yield was low the planter applied himself to improve it with the hope that when the yield increased he could earn a reasonable profit. This had become a losing race between wages and other costs and prices, as although wages and costs were still increasing since 1953 prices had been arbitrarily brought down by the Government on the plea that the consumer could not afford the price.

Mr. Athrey said that there was no doubt that they were faced with declining prices in the world's primary agricultural commodities, but in this respect coffee seemed to be in a very peculiar position as against tea. For the industry had the added disadvantage of much more widely varying yields from year to year due to seasonal conditions, so that regimentation by the introduction of rigid labour laws, like statutory hours of work, overtime without any exemption even during busy cultivation and crop seasons would more adversely affect production. There was no logic in applying the provisions of the Industrial Disputes Act, and all the rigid rules of Plantations Labour Act, on a fruit crop like coffee. The labourers were now given to understand that they were permanent and not seasonal, and that their services could not be terminated without the payment of compensation. So the industry were on the horns of a dilemma between the Ministry of Labour which wanted all the progressive legislation applicable to manufacturing industries to be applied irrespective of the cost to the plantation industry and the Ministry of Commerce and Industry which wanted the prices to be brought down as the Indian consumer was said to be unable to afford the present coffee prices. A balance had got to be reached, and reached early, as otherwise the majority of the weaker units would go to <sup>the</sup> wall.

Mr. Athrey said that the Association was looking forward to the implementation of the recommendations of the Spices Enquiry Committee, for the development of the pepper, cardamoms and cashewnuts was a source of strength in the plantation economy, and

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though they were minor products and scattered in very small holdings, they could be big earners of foreign exchange, as they had been lately. The export duty on pepper had been modified by a ceiling of 390 rupees per candy of 6 cwts. This in effect meant that the incidence of the duty bore heavily on the grower or exporter during declining prices and thus the concession offered were only nominal. As a result they were losing an advantage in the foreign market where competitive producers of other countries were able to offer pepper at prices which Indian producers would not be able to.

Development of tea industry.- Mr. Atkinson, Chairman of the tea section, in his address, said the industry today was in the happy position of being in a sellers' market, but it was to be hoped that attention to the production of good quality teas would not be relaxed. There was no doubt that higher costs of production had also contributed to the higher prices, and there was always the risk of consumers turning to other beverages, if the price increased too much. That indeed would be a calamity of the first order.

Payment of dividend.- Mr. Atkinson said that the first priority in the management of a Plantation Company always had been and always would be, the maintenance and improvement in the capital value, in crop production, and building up the necessary working capital required to run the estates. Only after these needs had been met, were shareholders considered. Over many years, the distribution of profits had been curtailed to leave funds to expand and improve the capital value of the estates, on such works as expansions to tea areas, factories, housing, sanitation, hospitals, protected water supply, creches, staff quarters, co-operative stores, etc., with the result that these old Companies showed a very low cost per acre, calculated on the original subscribed capital. The truth of the matter was very much the reverse of liberal distribution of profits and had profits not been constantly ploughed back with vigour, the present high value of the bulk of the estates would never have been realised. To-day's replacement cost of an average tea estate, had been conservatively estimated at 5,000 rupees per acre, but he was very doubtful whether it would be possible to open a good class estate today and bring it into production under 7,500 rupees per acre, inclusive of the buildings required under the Plantation Labour Act.

Mr. Atkinson said that the payment of dividends by a few Companies of 25 per cent. to 50 per cent. had caused a great deal of misunderstanding in the minds of the public, and in the minds of many responsible people. Such percentages did indicate large profits. Yet 50 per cent. dividend from a company standing in at 400 rupees per acre represented a distribution of 200 rupees per acre, while a 25 per cent. dividend represented a distribution of 100 rupees per acre and even that was well taxed in the hands of the shareholders. Such a distribution compared unfavourably with the profits obtainable from an acre of potatoes, paddy, coconuts, etc., which the public were led to believe were poverty stricken and low profit-earning crops.

Levy of agricultural income-tax.- Mr. Atkinson said that planters had always been extremely conscious of the social needs of the workers, and their hospital, creches, staff quarters and protected water supply where possible, and modern housing, bear this cut. One of the biggest items with which they were

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confronted, was bringing the housing standards up to the level required under the Plantation Labour Act.

He said the Association had endeavoured to persuade Government to defer the Agricultural Income Tax proposals for a year or two and to ~~levy~~ levy a sur-tax on Land Revenue instead, to give it the funds required just now. As far as they knew it would seem that the Revenue from this Tax would far exceed Government's immediate needs. The reasons for suggesting the postponing of this Tax were that planters just did not know where they stood because of the Plantation Labour Act, and the fact that the adjudication proceedings were still not finished.

Problems of rubber industry. - Mr. M.S. Calderwood, Chairman of the Rubber Section, in his address, criticised the increasing attempts on the part of Government to exercise direct control over the rubber plantation industry and stressed the need for not improving further restrictions on the industry.

Mr. Calderwood said that production for the first 6 months of 1954, had amounted to 8,681 tons, but consumption during that period had been 12,898 tons, with 8,776 tons production in the same period of 1953, only 10,618 tons were consumed; and it seemed probably that by the end of 1954 the stock position would be the lowest for many years. Production had shown a substantial increase in recent years, but this was being equalled by the growth in consumption. The average production of 15,000 tons a year during 1948-50 rose to over 19,000 tons in the next three years, while the average consumption of 19,000 tons during 1949-50 increased to about 22,000 tons in the following three years.

Production for 1954 was estimated at 22,100 tons and consumption 25,000 tons; and he predicted that although consumption might continue to rise, this estimate of Indian production must represent very nearly a peak figure for a few years to come. New and replanted rubber prior to 1950 was now in full bearing, and the decade 1949-50 saw very little change in acreages due at first to war conditions requiring maximum production, followed by the post-war period of financial stringency. Any increases would be offset by the areas to be felled for replanting and another big rise in Indian production could not be expected till after 1958. With diminished stocks, the problem for producers this year would be to what extent imports should be liberalised, without again allowing internal stocks to reach a figure which jeopardised regular absorption of current production.

The main problem facing the industry was the replacement of the old unselected seeding rubber which still formed 81 per cent. of the area under production with high yielding selected stock capable of giving a yield per acre which would enable the industry to compete with world production without the need of controlled prices. The average yield in South India was still only about 272 lbs. per acre, and at this figure the costs of production could not be competitive with synthetic rubber or world prices for natural rubber. He added that present trends in Central and State Labour policy and legislation, as well as taxation, were steadily increasing the cost of production, on the apparent grounds that it was a very flourishing industry. This ~~ent~~ <sup>ent</sup> further into the diminishing profit margin which only existed at all, because

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of a subsidy at the expense of the consumer. He emphasised that ultimate survival depended upon the replacement of old rubber. Further impositions whether by legislation or taxation stood in the way of the industry rehabilitating itself as a flourishing business.

Mr. Calderwood said that another matter of great concern to the industry was the Amending Bill, to the Rubber Act of 1947, now before Parliament. Government's aim under this Bill was to secure complete control over all sectors of the industry and not only the measure of control over production and marketing which existed under the Act. Such a policy might provide better prospects for a balanced development in the complimentary spheres of production and manufacture; but the proposals in the Rubber Amendment Bill 1952 were much beyond this rational development and in their draft form they were to invest Government with almost unlimited control. The prospects envisaged control for a national purpose by a purely Government-appointed body, and as such, involved much more than a mere regulative control over an existing private industry.

Estate-labour relations.- Mr. E.H. Stanes, President of the South India Estate Labour Relations Organisation, in his address pleaded for the creation of a suitable atmosphere for private enterprise to play its proper role in promoting national prosperity. He said that once again in Mysore and Coorg labour troubles of any kind were practically non-existent and that in Travancore-Cochin labour relations except for the recent politically inspired trouble have shown a marked improvement. In Madras, apart from the explosive situation deliberately created by a section of union leaders over the demand for a Deepavali (religious festival - something like Christmas) advance, serious labour troubles were confined to the Wynad and Malabar where the impression appeared to have been created that management could be forced to pay a day's minimum wages for only half a day's work or that management had to pay a day's minimum wage however little work was done. The position in this respect on a number of estates was still far from satisfactory.

Mr. Stanes added that so long as leadership of trade unions in India was allowed to remain a "free for all" scramble regardless of any qualification as a worker or a former worker in the industry concerned, for so long would the growth of healthy trade unionism be retarded by persons using trade union activities to further their own political and personal ambitions. It was not merely and not mainly the employers who needed some statutory safeguard against the inevitable consequences of this uncontrolled rivalry for power and the plight of the Madras Tramways workers was a typical example of what could happen on this policy.

Mr. Stanes said that although the planters would prefer "voluntary negotiation" in dealing with industrial disputes, experience had shown that in the present unbridled competition for leadership of the workers, practically every voluntary or negotiated improvement in service conditions had been promptly followed by much more extravagant demands. This tendency had become so pronounced that the value of tripartite conferences both at the National and at the State level in the present atmosphere, was being questioned by even the most representative plantation employers. It was this more than anything else which had forced them to ~~draw conclusions~~ to the conclusion that compulsory adjudication appeared to be the only machinery, which, by the independent establishment of fair working conditions and



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wages gave them some hope of at least a little period of some certainty about production costs; and, by the establishment of those standards some hope of resuming the voluntary negotiation method of settling future disputes when both workers and employers would have such standards to guide them as to what was desirable and what was practicable.

Referring to various labour enactments, Mr. Stanes said that because of modern world trends in social and economic philosophy, industrialists could not and did not expect politicians and trade unions in India to agree to restore to private enterprise all the features of competition in a free economy which was the 'climate' in which it had been most successful in the past. But unless they could get them at least to see the economic implications of antagonism to profit-making (the main spring of private enterprise) and to the building up of adequate reserves for improvement, expansion and rehabilitation (the life blood of private enterprise); unless they could remove the prevailing false conception of the real value of current dividends so that any restriction of dividends was on a realistic basis, and unless they could regain some greater freedom to adapt their labour forces to the changing conditions of their industry, some parts of this great industry were likely to find the 'economic climate' altogether too hot for them. Already during the last twelve months there has been the biggest selling out of plantations in South India that had taken place since the early years of the second world war. He saw no reason why this trend must continue. Not only did he believe that the vast majority of the planters still had ample faith in the future of India but also they had faith in private enterprise and in their own ability to play a useful part towards the improvement of India's national economy.

Election of President.- Mr. J. L. H. Williams was elected President of the Association for the ensuing year. Mr. M. S. Calderwood was elected President of the South India Estate Labour Relations Organisations.

(The Hindu, 24, 25, 26, 30  
and 31 August 1954).

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## CHAPTER 3. ECONOMIC QUESTIONS

INDIA - SEPTEMBER 1954

### 31. General Economic Situation.

#### Revision of Price Index to be undertaken; Finance Minister's Statement in Parliament

Replying a question in the Lok Sabha on 7 September 1954, Mr. B.R. Bhagat, Parliamentary Secretary to the Finance Minister stated that a revised and more comprehensive wholesale price index with 1952-53 as base was under preparation.

The Finance Minister also laid down the following statement explaining the position in detail on the table of the House:

"The report of the I.M.F. Mission makes two recommendations about the index of wholesale prices.

"(a) Economic Indices should be based on a recent post-war year so as to clarify thinking on economic questions. The pre-war price level is now very largely a matter only of historical interest. Its significance as a base for price indices which might serve as a guide to current policies is negligible.

"(b) A new index of wholesale prices should be constructed by taking into account only those goods that are both consumed and produced almost entirely home. Such an index would reflect the operation of internal monetary and fiscal forces and would show greater stability from year to year. "In view of the constant necessity of judging the effectiveness of internal fiscal and monetary policies in maintaining economic stability, it would be extremely useful for the Government of India to publish regularly the index of prices of goods produced and consumed domestically and which would be free as far as possible from the direct effects of external fluctuations."

"As regards suggestion (a), the Office of the Economic Advisor, Commerce and Industry Ministry, is at present engaged on a comprehensive revision of the wholesale price index.

"It was the original intention to bring out a revised series with the year ending August 1949 as base. (The base for the present index is the year ending August 1959). The Agricultural Prices Inquiry Committee has recommended a list of 99 markets for foodgrains for inclusion in the revised series. On an examination of the availability of the price data, it was found that prices during 1948-49 for many markets suggested by the Committee were not available. It was considered expedient to use the fiscal year 1952-53 as base for the revised series, as the year 1952-53 has been of more or less an all-round stability and a decision has been taken accordingly.

"The following improvements have been effected in the revised series:

"(1) The scope of the index has been expanded significantly and the total number of quotations in the new series aggregate to 558 as compared with 210 in the old series.

"(2) The base period has been shifted to 1952-53.

"(3) The system of averaging has <sup>been</sup> changed from the geometric to the arithmetic form.

"(4) The system of weighting has been changed to the post-war and post-partition pattern.

"(5) There have been some changes in group and sub-groups into which the various articles have been classified.

"The revised series is expected to be available for publication before the end of the year.

"The I.M.F. mission recommends a change in the base period for all economic indices. The Standing Committee of the Departmental Statisticians set up a working party in 1952 to recommend a common base period for all official index numbers. The working party has suggested that all official indices should be brought to a common base, as near as possible to 1952-53. Revision of certain other indices e.g., the index of industrial production is also in progress.

"The question of revising the cost of living indices was considered by the Second Joint Conference of Central and State Statisticians held in October 1953, and they have recommended that all States should carry out family budget inquiries in 1955-56 with a view to adopting that year as the common <sup>weight</sup> base for all cost <sup>of</sup> living index series.

"As regards suggestion (b) of the I.M.F. mission's report for preparing an index of the wholesale prices of domestically-produced and domestically-consumed goods, a tentative index of wholesale prices of goods domestically consumed ~~and~~ and produced is under preparation so as to find out if there is a case for preparing such an index on a continuing basis.

"If the tentative index for the last few years shows any meaningful results, such an index may be prepared in future as a follow-up of the major revision of the index of wholesale prices outlined above. The tentative index of domestic prices is under preparation in the office of the Economic Advisor, ~~Central~~ Commerce and Industry Ministry."

(The Hindustan Times, 8 September 1954).

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54. ECONOMIC PLANNING, CONTROL AND DEVELOPMENT

India - September 1954

Extensive Floods in North East India: Central Board set up to  
execute Plans for Control

There have been unprecedented heavy floods in recent months, particularly in August and September, in North East India affecting the States of Assam, Bihar, Uttar Pradesh and West Bengal. After a tour of the affected areas by Mr. Jawaharlal Nehru, the Prime Minister and Mr. Gulzarilal Nanda, Minister for Irrigation and Planning, the Government announced in the Parliament on 3 September 1954, a 1750 million rupees programme to control floods and the setting up of a Central Flood Control Board.

Extent of Damage: Mr. Gulzarilal Nanda speaking on the subject in the Lok Sabha on 3 September 1954, estimated that 25,650 square miles of territory and nearly 9-1/2 million people had been affected. Two hundred and fortyseven human lives and 7,700 head of cattle have perished. Damage to standing crops in 13.7 million acres is valued at 400 million rupees. Damage to roads, railways and bridges has been enormous.

Mr. Nanda also indicated that several States including Bihar, Assam, West Bengal and U.P. have been urged to set up Flood Control Boards whose functions would be to assess the flood problem in their areas, to collect data, to prepare a comprehensive flood control scheme, to indicate priorities and to ensure the implementation of approved schemes. The cost of the programme is roughly estimated at over 1750 million rupees.

Constitution and functions of the Central Flood Control Board:  
The Central Flood Control Board has been constituted to draw up a comprehensive flood control programme, having regard to the available finance and technical personnel. To ensure that flood control measures are formulated and executed expeditiously, States liable to frequent floods are being requested to constitute Flood Control Boards. The Central Flood Control Board, in drawing up the programme, will scrutinize the schemes prepared by the State Boards.

The Union Minister of Irrigation and Power and Planning is the Chairman of the Board. The members are the Union Minister of Finance, the Deputy Chairman of the Planning Commission, the deputy Minister of Natural Resources, the Chairman of the Advisory Committee on Irrigation and Power Projects set up by the Planning Commission, and one representative each of the State Flood Control Boards of Uttar Pradesh, Bihar, West Bengal and Assam. The Secretary to the Union Ministry of Irrigation and Power and the Chairman of the Central Water and Power Commission are the Secretary and Additional Secretary of the Board respectively.

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The functions of the Board will be: (a) to draw up a comprehensive plan for flood control and fix priorities; (b) to deal with matters relating to policy in connection with floods and flood control measures; (c) to examine and approve specific schemes proposed for the investigation and construction of flood control works in the States; and (d) to arrange for necessary assistance in connection with investigations and planning and execution of flood control works.

(The Hindustan Times, 4 September 1954; The Gazette of India, Extraordinary, Part I - Section I, 8 September 1954, pp.921-922).

210 Million Rupees Loans granted to Indian Industries; Review  
of Work of Industrial Finance Corporation

The Industrial Finance Corporation has since its inception sanctioned loans amounting to about 210 million rupees to 137 industrial concerns who applied for such assistance. Of this amount, nearly 130 million rupees have already been made available. This information is contained in the Sixth Annual report of the Industrial Finance Corporation of India published recently.

The report gives a review of the activities of the Corporation during the year ending 30 June 1954, along with a progressive total of the loans furnished by the Corporation to industrial concerns since it started operations six years ago. During the year the aggregate amount of loans applied for was the highest after the first year. Forty-three loans applications asking for over 90 million rupees were received during the year of which 29 applications involving 52.7 million rupees were sanctioned.

The Corporation has during the last six years of its existence assisted a wide variety of industries. Of the total amount of 207.4 million rupees sanctioned during the last six years, cotton textiles received 30.7 million rupees, followed by chemicals (24.4 million rupees), Cement (23.5 million rupees) Sugar industry (20.5 million rupees), paper industry (20.4 million rupees), Ceramic and Glass (13.5 million rupees), electrical engineering (12.9 million rupees), and Iron and Steel (light engineering) (11.2 million rupees). Other industries in each of which the sum total of assistance is less than 10 million rupees include textile machinery, mechanical engineering, woollen textiles, rayon industry, oil mills, electric power, metallurgical industries (non-ferrous metals), aluminium, mining, automobile and tractor industries, and other unclassified industries.

The total number of loan applications sanctioned were 137, of which 78 were for loans not exceeding 1 million rupees each,

57 were loans exceeding 1 million rupees but not more than 5 million rupees, one for 9 million rupees and another for 10 million rupees. The report gives a list of 157 industrial concerns which have received assistance and the purpose for which assistance has been given.

The loans have been given both for promoting new undertakings as well as for modernisation and expansion of existing undertakings. Of the total of 137 applications sanctioned, 68 covering an amount of 97 million rupees were for new undertakings, that is for factories which went into production after 15 August 1947. Sixty-nine applications were from old established undertakings for modernisation and expansion of their activities. The loans sanctioned to them totalled 110.4 million rupees.

The report records the progress made in the establishment of State Financial Corporations and observes that already such corporations have been established in the Punjab, Saurashtra, Travancore-Cochin, Bombay, Hyderabad and West Bengal. Arrangements are also being made to establish such corporations in the States of Assam, Uttar Pradesh, and Madhya Bharat.

Regarding the recoveries, the report states that out of a total amount of 14.7 million rupees due as interest on loans made since the inception of the Corporation, a sum of 13.5 million rupees had actually been received. As against instalments of the principal, the total amount received was 6.144 million rupees as against 9.030 million rupees due.

(The Hindu, 9 September, 1954).

High Wages and Higher Productivity: Commerce and Industry Minister's Plea for New Pattern of Industrialisation: Address at Meeting of Central Advisory Council of Industries.

A meeting of the Central Advisory Council of Industries was convened at New Delhi on 28 August 1954, to consider a number of important issues relating to industries. The meeting, which was presided over by Mr. T.T. Krishnamachari, Minister for Commerce and Industry, was attended among other persons by the Central Ministers in charge of Finance, Planning, Production, Works, Housing and Supply and Labour, members of the Planning Commission and representatives of employers and workers.

Stress on industrialisation: Mr. Krishnamachari's address: Addressing the Council, Mr. T.T. Krishnamachari stated that the Government had to play a "more positive and active role" in developing Indian industries at a much faster pace to ensure the economic future of the country.

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Mr. Krishnamachari invited the Council Members to devote themselves to the task of shaping the second Five-Year Plan in which, he pointed out, the emphasis on industrial development had to be much greater than in the first Five-Year Plan. The reasons for this were obvious. "When the First Five-Year Plan was framed, we were living under the shadow of famine and the one shortage that caused the greatest anxiety was of food. With the improvement in our food position, with our major irrigation projects completed or nearing completion, our thoughts naturally turn towards accelerating the pace of industrial development. If there is one subject on which there is general agreement, it is that our industries must be developed at a much faster pace".

The Minister said that with the recognition of the new role which the State had to play in the development of industry even in what was referred to as the 'private sector', the nature of planning for the next five years must also undergo a corresponding change. When formulating the First Five-Year Plan, so far as the private sector was concerned, what was attempted was an estimate of what each of the industries in private hands was likely to do or expected to do. The Government itself undertook no direct responsibility except, perhaps, of providing such facilities and amenities as were in its powers. The outlook in the Second Five-Year Plan should, he suggested be somewhat different. "The plan which we make for different industries should be conceived not in terms of what is likely to happen, but in terms of what should happen. In other words, Government should not be content to create merely the suitable economic environment for the development to take place but ~~it~~ it should be prepared to step in with measures of direct assistance in order to ensure that the target is achieved. Quite obviously, such a role cannot be assumed by the Government in respect of all industries. There will be a large number of small industries where no planning in this positive sense will be undertaken. The Government will hope that these industries will prosper and the rising tempo of economic activity will provide the necessary stimulus for their growth. The industries which will be planned, however, will be those where Government will be prepared to supplement and augment the resources which may be otherwise available in order to ensure that our objectives are fulfilled".

The problem of wages.— The Minister continued: "In inviting you to contribute your own thoughts on this major problem, you will forgive me if I utter a word of caution. We should, I suggest, try to avoid being caught in old ruts. It has been my unfortunate experience that no discussion on basic objectives makes any progress, because it keeps going round and round the question of taxation and sometimes of wages. As you know, the whole problem of taxation is at the moment under examination by an eminent body which has the good fortune of being presided over by a distinguished economist who is also a businessman and has been the Finance Minister of our Government.

"On the question of wages, again, my own view is that a general recognition of the need for stabilizing wages at a higher level than what it is today would ~~help~~ to avoid many of the causes of friction that now exist and would bring into being an atmosphere conducive to higher productivity". I like the slogan "High Wages and Higher Productivity". But I fear that the prospects of any agreement being reached around this table on this matter are somewhat remote.

"I would, therefore, suggest that we might try to keep our view on, if you will allow me to use that expression, a somewhat higher plane. Let us not approach this problem in a sectarian spirit. Let us, for a moment, forget our respective allegiances and recognise that the problem is a common one for industry, labour and the Government and whatever may be our differences, we cannot but agree to tackle them jointly. It is only in this spirit of joint endeavour that the next Five-Year Plan can be what it should be - a blue-print of our industrial future."

Small scale industries.- Mr. Krishnamachari pleaded guilty to charges that he was a believer in largescale industrialisation. The reason was that he was desperately anxious to make the country strong industrially and economically as well as strategically. At the same time, he conceded, it would be wrong and perhaps unjust to him for people to think that he ignored the very essential concomitant of industrialisation, namely employment. The need for providing employment for the largest number of people is one that he recognised fully, and he also recognised that in providing employment some compromise will have to be made so as to allow smaller industries to function even if they were not wholly economic.

"The mechanism necessary to help such industries will have to be provided either directly by State or indirectly by shifting burdens where such burdens could be shifted to other sectors of the industry. But a mere sentimental emphasis on the importance of cottage and smallscale industries without an economic appraisal of their social cost and their contribution to the future well-being of the people of this country is, I think, wrong.

"Some time or other the man who is going to be engaged on these small-scale industries would aspire for higher earnings through higher productivity and it is quite conceivable that even the person who is engaged in such industries would like mechanisation so as to avoid such labour as engenders fatigue. If we are prepared to make these compromises with progress, I cannot see why we cannot reconcile ourselves to an industrial pattern which provides room for large industries together with small-scale industries and industries run by people who might be called self-employed".

(The Hindustan Times,  
29 August 1954).



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36. Wages.

India - September 1954.

Bombay: Minimum Wages Act extended to Hotels and Restaurants.

The Government of Bombay has by a notification dated 26 August 1954 added to Part I of the Schedule to the Minimum Wages Act, 1948, the following employment with effect from 26 August 1954, namely -

"Employment in any residential hotel, restaurant or eating house as defined in the Bombay Shops and Establishments Act, 1948".

(Notification No. 2457/48 dated 26 August 1954, the Bombay Government Gazette, Part IVA, 9 September 1954, page 401).

Bombay: Minimum Wages Act, 1948, to be extended to Printing Industry.

The Government of Bombay has, in exercise of the powers conferred under the Minimum Wages Act, 1948, given notice of its intention to add to Part I of the schedule to the said Act with effect from 25 October 1954, the following establishments in respect of which it is of opinion that minimum rates of wages should be fixed under the said Act, namely -

"Employment in any industry in which any process of printing by letter press, lithography, photogravure, or other similar work or work incidental to such process or book binding is carried on".

(Notification No. 2458/48 dated 14 July 1954, the Bombay Government Gazette, Part IVA, 22 July 1954, page 306).

Hyderabad: Draft Proposals fixing Minimum Rate of Wages for  
Employees in Tobacco Manufactories.

The Government of Hyderabad published on 2 October 1954, the following draft proposals relating to minimum rates of wages to employees in tobacco manufactory (excluding bidi making) proposed to be fixed under the powers conferred under the Minimum Wages Act, 1948.

SCHEDULE

Serial No.	Category of Employees.	Proposed minimum basic rate of wages (monthly or daily) including D.A. & all compensatory allowances.
A . Tobacco Sorters & Packers		
1.	Men .. ..	<del>L.G.</del> Re.1 4 0 per day.
2.	Women .. ..	<del>L.G.</del> Re.0 12 0 per day.
3.	Children .. ..	<del>L.G.</del> Re.0 10 0 per day.
B. Employed in Curing of Tobacco.		
1.	Men .. ..	<del>L.G.</del> Re.1 8 0 per day.
2.	Women .. ..	<del>L.G.</del> Re.1 4 0 per day.
3.	Children .. ..	<del>L.G.</del> Re.0 12 0 per day.
C. Clerks & Chowkidars engaged in Tobacco Manufactory		
1.	Clerks .. ..	<del>L.G.</del> Rs. 50 0 0 per month.
2.	Chowkidars .. ..	<del>L.G.</del> Rs. 30 0 0 per month.

The proposals will be taken into consideration by the Government after 2 November 1954.

(Hyderabad Government Gazette, Part IB, 2 September 1954, page 59).

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

INDIA - SEPTEMBER 1954.

41. Agriculture.

Agricultural Economic Research: U.S. Experts  
Recommend Research Projects.

Twenty-four projects for research in the field of agricultural economics have been recommended by two U.S. experts on agricultural economics who came to India earlier this year at the invitation of the Central Ministry of Food and Agriculture.

The experts, invited through the TCA, are Dr. John D. Black, Professor of Agricultural Economics, University of Harvard, and Dr. Hugh L. Stewart of the Production Economics Division of the U.S. Department of Agriculture.

In the report which has been submitted to the Government of India, Prof. Black and Dr. Stewart have stated that the situation in India presents a great challenge to economics. Every development move in the field of agriculture needs to be carefully analysed to determine its contribution to economic progress.

The projects recommended by them fall under six main groups: (1) production and land-use economics of the farm and village; (2) consumption economics of the family; (3) marketing and prices of farm products; (4) rural credit; (5) land tenure; and (6) the nation as an economic unit.

Farm income.- The object of some of the projects is to determine ways of increasing returns and income from farms. Research is proposed to be conducted through case studies of certain model farms. One project seeks to determine the economy of the use of bullock-power on farms in India, and its object is to suggest ways of making an economic use of bullock-power.

The section dealing with the nation as an economic unit is devoted to the discussion of research problems which require to be tackled at national level. For instance, the object of some of the projects is to determine how much jute India produce to best advantage, how much and what chemical fertilisers the nation can produce to best advantage, to determine the price controls and adjustments that will best promote the economic interest of the nation, etc.

Separate sections in the report deal with matters pertaining to education and public administration.

The Committee on Agricultural Economics of the Indian Council of Agricultural Research has been asked to study the report in conjunction with a report on rural credit being prepared by the Reserve Bank of India and to formulate a planned programme of research in agricultural economics.

(The Statesman, 12 August 1954 ).

Madhya Pradesh Resettlement of Displaced Landholders (Land Acquisition) Bill, 1954.

The Government of Madhya Pradesh published on 17 September 1954 the text of the Madhya Pradesh Settlement of Displaced Landholders (Land Acquisition) Bill, 1954, seeking to provide for the speedy acquisition of land for the resettlement of displaced landholders and for matters incidental thereto.

According to the Statement of Objects and Reasons a number of schemes of public utility such as construction of major irrigation works and hydro-electric works are being undertaken or are likely to be undertaken by Government. For purposes of such schemes large areas of private lands will have to be acquired. In such large-scale acquisition, it may even be necessary to acquire whole villages. This would result in the mass displacement of landholders who will be deprived of their means of livelihood. If these landholders are left to tackle the problem of resettlement for themselves, it would entail great hardship upon them. Government, therefore, considers it expedient in the public interest to provide for a scheme of speedy acquisition of private lands and distribution thereof among the displaced landholders for their resettlement. The Bill is designed to achieve this object.

(Madhya Pradesh Gazette, Part IVA,  
17 September 1954, pp. 223-227 ).

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Bombay Bhoodan Yagna Bill, 1954.

The Government of Bombay published on 26 August 1954, the text of the Bombay Bhoodan Yagna Bill, 1954, proposed to be introduced in the Legislative Assembly of the State. The Bill seeks to facilitate donation and settlement of lands in connection with the Bhoodan Yagna (land gift movement) initiated by Shri Acharya Vinoba Bhave. The Bill is intended to remove certain legal ~~difficulties~~ difficulties in the way of implementation of the objects of the movement and for creating a statutory body, called the Bhoodan Yagna Board, for accepting and distributing equitably and expeditiously the lands received by way of donation.

(Bombay Government Gazette, Part V,  
26 August 1954, pp. 331-339 ).

43. Handicrafts.

India - September 1954.

Bombay Village Industries Act, 1954, (No.XLI of 1954).

The Bombay Village Industries Bill (vide pages 39-40 of the report of this Office for March 1954) as passed by the Bombay Legislature received the assent of the President on 25 August 1954 and has been gazetted as Bombay Act No.XLI of 1954.

The Act provides for the constitution of the Bombay Village Industries Board charged with the duty to organise, develop and regulate village industries and to perform such functions as the State Government may prescribe from time to time. The Board shall also discharge and perform all or any of the following duties and functions, namely - (a) to start, encourage, assist and carry on village industries and to carry on trade or business in such industries and in the matters incidental to such trade or business; (b) to help the people by providing them with work in their homes and to give them monetary help; (c) to encourage establishment of co-operative societies for village industries; (d) to conduct training centres and to train people thereat with a view to equipping them with the necessary knowledge for starting or carrying on village industries; (e)(i) to manufacture tools ~~maxxillagaxxindustriax~~ and implements required for carrying on village industries and to manufacture the products of such industries; (ii) to arrange for the supply of raw materials and tools and implements required for the said purpose, and (iii) to sell and to arrange for the sale of the products of the said industries; (f) to arrange for publicity and popularising of finished products of village industries by opening stores, shops, emporia or exhibitions and to take similar measures for the purpose; (g) to endeavour to educate public opinion and to impress upon the public the advantages of patronising the products of village industries; (h) to seek and obtain advise and guidance of experts in village industries; (i) to undertake and encourage research work in connection with village industries and to carry on such activities as are incidental and conducive to the objects of this Act; (j) to discharge such other duties and to perform such other functions as the State Government may direct for the purpose of carrying out the objects of this Act.

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The Board may acquire and hold such moveable and ~~immovable~~ immoveable property as it deems necessary and to lease, sell or otherwise transfer any such property; and incur expenditure and undertake works in any area in the State for the framing and execution of such schemes as it may consider necessary for the purpose of carrying out the provisions of this Act or as may be entrusted to it by the State Government, subject to the provisions of this Act and the rules made thereunder.

In each year, on such date as may be fixed by the State Government, the Board shall prepare and forward to the State Government a programme of work.

Other provisions of the Act relate inter alia to funds of Boards, budget, accounts and credit and rules and regulations to be made under the Act.

(Bombay Government Gazette, Part IV,  
31 August 1954, pp. 225-230 ).

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CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - SEPTEMBER 1954.

50 General.

Further Enquiry into Award relating to Bank Employees; One Man  
Committee appointed

Mr. Khandubhai Desai, the new Labour Minister (vide pp. 1-2 of this report) announced in the Lok Sabha on 17 September 1954 that the Government of India has set up a one-man Committee of enquiry under Mr. Justice Rajadhyaksha to enquire into the situation arising from Government's modification of the Appellate Tribunal's Award in the Banks dispute.

Terms of reference.- The terms of reference of Mr. Justice Rajadhyaksha will be as follows:

(1) To enquire into and ascertain the effects on the emoluments of which the employees were in receipt, prior to August 1954, (a) of the Appellate Tribunal decision without modification, (b) of the Appellate Tribunal decision as modified by Government order dated the 24 August 1954.

(2) To ascertain (a) the additional burden on individual banks that would have been cast by the Appellate Tribunal decision over the expense under the frozen Sen Award, (b) the extent and amount of relief obtained by them as a result of the modifications made by Government, (c) the additional expenditure now to be borne by banks under the modified decision over the expenditure incurred under the frozen Sen Award and that would have been incurred under the Sastri Award.

(3) To scrutinise the information, already collected and to collect further information relevant to the consideration of these issues.

(4) To recommend, having regard to the facts ascertained and to the need for ensuring an equitable treatment to bank employees, consistent with the capacity to pay, of the various classes of banking companies or individual units, (a) whether the Appellate Tribunal decision, as modified, should be continued, (b) whether the Appellate Tribunal decision should be restored and if so, whether fully or in part, (c) whether the Appellate Tribunal decision should be enforced with any other modifications considered necessary.

In considering this due regard should also be paid to the desirability of avoiding widespread closures of banking companies of their branches, to the necessity to promote the development of banking in the country generally and in rural areas in particular and to any possibilities of effecting economies in the expenses of banking companies.

(5) To consider and recommend what special modification, if any, are necessary in the decision, in order to encourage the spread of banking facilities in the Class IV areas of Part B States and Part C States other than Delhi, Ajmer and Coorg.



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It is understood Mr. Justice Rajadhyaksha will be requested to complete his enquiry within two months, if possible, and submit a report to the Government of India.

It may be recalled that by an order dated 24 August 1954, the Central Government made certain modifications in the decision of the Appellate Tribunal dated 21 April 1954, in the appeals filed against the award of the All-India Industrial Tribunal (Bank Dispute), Bombay, on the industrial disputes between banking companies and their workmen. That decision, which had to be taken within the extended statutory time-limit of 120 days available for the purpose was naturally based on the information then available to Government as to the probable effects of the Appellate Tribunal's decision. The information available related to figures (verified by the Reserve Bank of India) about a certain number of banking companies of all classes selected as a representative sample for the purpose and certain unverified estimates in regard to the number of bank employees prejudicially affected by the Appellate Tribunal decision.

It is now considered desirable to have the matter further investigated so as to enable Government to assess more fully the probable effects of the Appellate Tribunal's decision and the effect of the modified decision on the individual units of the banking sector to which it applies. Government had accordingly decided to institute a fact-finding enquiry and entrust Mr. Justice G. S. Rajadhyaksha, Justice, Bombay High Court, with it.

Reasons for Modification of Award: Statement in Parliament.-  
In a statement placed before the two houses of Parliament, explaining the reasons for modification of the Labour Appellate Tribunal's award, the Government stated that the modifications introduced by the Government were in its opinion the minimum changes necessary in the public interest.

Banking was an industry of general service to the economy of the country. The closure of a banking office would mean withdrawal of credit from that sector of trade and industry depending on it and consequently reduction in employment. Similarly opening of a new banking office would mean expansion of credit facilities and hence more employment and economic development.

Since large sections of the semi-urban and rural areas of the country were without banking services, it was in the national interest to do nothing which would lead to closure of existing banking facilities or retardation of development of further facilities. The Government had, therefore, been constrained to modify the award to the extent they had a bearing on the general public interest.

The statement said that from an examination of the problem, and on the advice of the Reserve Bank, which had made extensive and detailed inquiries as to the practical effect of the award on the banking system, it was clear that the enforcement of the Appellate Tribunal Award, as it stood, would entail closure of a large number of branches, seriously impede and retard the expansion of branch banking by stronger units in the system, gravely affect the weaker units in the system, specially the smaller banks belonging to B.C. and D. Class, and in a number of cases bring, either immediately or in the near future, the

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very existence of some of these units into jeopardy.

The statement explained that the modifications relating to adjustments for weightage and dearness allowance were made for reducing the burden of establishment costs of banks. The average total emoluments of the clerical and subordinate staff, based in different areas, as modified by the Government's decision, the statement said, compared favourably with those of the Central Government employees and far better than those of some of the States.

The creation of a new Class IV areas was aimed at encouraging the growth of banking in those areas. Class IV areas in Part 'B' States and some Part ~~III~~ 'C' States, where the Sen Award was not in force, had been altogether exempted in order to obviate the consequences of a ~~an~~ sudden application of the award in an area which had not been subjected to the provisions of the award of any tribunal so far.

The statement said that the bank employees had urged modification of the Labour Appellate Tribunal's award to safeguard the interests of employees, who suffer reduction in emoluments as a result of the enforcement of the award. While, according to the employees about 42 per cent. of the employees would suffer such reduction, according to the banks the number would be between 15 and 18 per cent. No accurate statistics were, however, available.

Both the Sastri Tribunal and the Labour Appellate Tribunal had rejected the contention, but the Government had come to the conclusion that a sudden reduction in emoluments would cause hardship to individuals involved and had, therefore, modified the award so that the reduction should be phased over a period of three years.

Bank Employees' opposition to modified award; Protest strike called.— The Central Committee of the All-India Bank Employees' Association, met at Bombay on 9 September 1954, to consider the Government's modification of Labour Appellate Tribunal's award. The Committee adopted a resolution opposing the modification of the Bank Award as "wholly unsocial, unwarranted and unconstitutional" and said the Government went "out of its way in ignoring the unanimous findings of the judiciary". The Committee decided that a country-wide general strike will be called not later than 5 November if the Government did not "see reason" by then. It also called for a country-wide one-day protest strike on 23 September 1954.

(The Hindustan Times, 26 August 1954; Press Note dated 17 September 1954 issued by the Press Information Bureau, Government of India).

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Madhya Pradesh Shops and Establishments (Amendment) Bill, 1954.

The Government of Madhya Pradesh published on 3 September 1954 the text of the Madhya Pradesh Shops and Establishments (Amendment) Bill, 1954, proposed to be introduced in the Legislative Assembly of the State. According to the statement of objects and reasons of the Bill, experience of the working of the Shops and Establishments Act 1947, during the past six years has revealed certain defects therein and it is necessary to remove them. This amending Bill is designed to achieve the object.

The following amendments are accordingly proposed in the Bill. (1) Clause 2 - It is proposed to enlarge the scope of the Act so as to provide for regulating the conditions of work and employment in shops, commercial establishments, etc. (2) Clause 4 - Shops and Establishments in which members of the family of the employers are employed are at present exempt from the provisions of the Act. Experience has shown that such exemption gives an unfair advantage to such shops and establishments. The proposed amendment would secure uniform application of the Act to all classes of shops and establishments. (3) Clauses 5 and 6 - The existing provisions of the section 9 and 13 are rather too rigid and ~~in~~ no shops or establishment can remain open on a day of public festival falls on the weekly holiday. This sometimes results in inconvenience to the public. It is therefore proposed to provide that an employer may keep his shop or establishment open on such a day subject to the condition that such shops or establishment remains closed on any other day in the same week. (4) Clause 8 - There is at present no provision in the Act for punishment of contraventions of the provisions of section 35, which relates to payment of overtime wages. For the effective enforcement of this section it is necessary to provide suitably for punishment of such contraventions. (5) Clause 9 - Occasions sometimes arise when it is necessary to grant exemption in individual cases. This is however not permissible under the existing provisions. It is therefore proposed to supply this deficiency in the Act. (6) Other amendments are of a minor nature.

(Madhya Pradesh Gazette, Part IVA,  
3 September 1954, pp.205-209).

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CHAPTER 6. GENERAL RIGHTS OF WORKERS

INDIA - SEPTEMBER 1954

64. Wage Protection and Labour Classes in Employment

Contracts with the Public Authorities.

Travancore-Cochin: Payment of Wages Act to be extended to  
certain Establishments

The Government of Travancore-Cochin has notified its intention to extend the provisions of the Payment of Wages Act, 1936, to the payment of wages to all persons employed in the following classes or groups of industrial establishments: (1) Motor omnibus services, (2) docks, wharves or jetties other than the port of Cochin, (3) inland steam vessels and (4) workshops or other establishments other than factories registered under the Factories Act, 1948, in which articles are produced, adapted or manufactured with a view to their use, transport or sale. The draft proposal will be taken into consideration by the Government after 14 December 1954.

(Notification No. LL-16216/54 dated 4 September, 1954; Travancore-Cochin Gazette, Part I, 14 September 1954, pp. 1151-1152).

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66. Strike and Lockout Rights.

India - September 1954.

Madras: Sugar Industry declared a Public Utility Service.

In exercise of the powers conferred under the Industrial Disputes Act, 1947, the Government of Madras has declared the sugar industry in the State to be a public utility service for the purposes of the said Act for a period of six months from 5 September 1954.

(GO Ms.No.2336 Industries, Labour and Co-operation, dated 26 August 1954; Fort St. George Gazette, Part I, 1 September 1954, page 1182 ).

Mysore: Iron and Steel Industry declared a Public Utility Service.

In exercise of the powers conferred under the Industrial Disputes Act, 1947, the Government of ~~Mysore~~ Mysore has by a notification dated 7 September 1954, declared the iron and steel industry in the State to be a public utility service for the purposes of the said Act for a period of six months from 1 July 1954.

(Notification No. LS4299-LW129-54-2 dated 7 September 1954; the Mysore Gazette, Part IV, Section 2c, 16 September 1954, page 583 ).

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67. Conciliation and Arbitration.

India - September 1954.

All-India Tribunal not to be set up for Insurance  
Employees: Minister's Statement in Parliament.

Replying to a question in the Lok Sabha on 1 September 1954, Mr. Abid Ali, Deputy Labour Minister, stated that the Government had decided not to set up an all-India tribunal for the insurance industry. He added that one of the reasons for the Government's decision was its experience in the bank dispute.

Mr. Abid Ali said: "Representations were received by the Government from some unions and associations of insurance employees demanding the appointment of an all-India tribunal to adjudicate upon the industrial disputes in insurance companies in India. Those organisations suggested that a tribunal should inquire into the general demands of insurance employees, i.e. salary scales, dearness allowance and other allowances, bonus, gratuity, provident fund, medical aid, leave, working hours, holidays, security of service, etc.

"The Government of India have carefully considered the demand for a countryside adjudication on the pattern of the banks adjudication. The experience of the all-India adjudication in the banking industry has ~~been~~ shown that it is very difficult for such tribunals to evolve suitable scales of pay and dearness allowance applicable to employees in a large number of branches and offices located in different parts of the country. It is felt that adjudication of demands regarding pay scales, etc. in individual units in the insurance industry, could be dealt with more satisfactorily by a tribunal. The machinery provided under the Industrial Disputes Act, 1947, is always available for the settlement of disputes in individual units in the industry. In view of these considerations, the Government have decided not to set up an all-India tribunal for the insurance industry".

(The Statesman, 2 September 1954 ).

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CHAPTER 8. MANPOWER PROBLEMS.

INDIA - SEPTEMBER 1954.

81. Employment Situation.

Lok Sabha approves Rationalisation in Textile  
and Jute Industries with the Least Amount of  
Displacement of Labour and Facilities for  
Alternative Employment.

The Lok Sabha discussed on 17 August 1954 and 13 September 1954, the issue of rationalisation in the textile and jute industry in India. The debate was initiated on a motion introduced by Mr. P.T. Punnoose (Communist) which stated: "This House is of the opinion that rationalisation schemes planned to be introduced in the textile and jute industries in various centres in India are harmful to the vital interests of the people of this country". The House rejected this resolution and adopted a substitute resolution moved by Mr. Bhagwat Jha Azad (Congress) which said: "The House is of opinion that rationalisation of the textile and the jute industries where it is necessary in the country's interests, must be encouraged, but the implementation of such schemes should be so regulated as to cause the least amount of displacement of labour in those industries, providing reasonable facilities for the employment of such displaced labour".

Moving his resolution Mr. Punnoose said that the workers were determined not to permit "this monstrous scheme", whose sole purpose was to enable "out financial magnates to get still larger profits". Kanpur had already seen the "glorious example" of workers uniting on a common platform of opposition to rationalisation in spite of political differences, and conflicting organisational loyalties.

Mr. Punnoose, said that ~~km~~ in the jute industry, 40,000 workers would be thrown-out of work when the rationalisation scheme was implemented. The aim of rationalisation could not be increased production, because even now 12 1/2 per cent of the looms were sealed and weekly working hours reduced to 45 with a view to curtailing production. It could not be cheaper goods because the industry had recovered its entire capital already. "Public figures" - without taking into account "the huge undeclared but well-known profits earned from questionable sources" - for 64 mills showed that in 1946, as against a total capital of 190 million rupees the reserve and the funds amount to 175 million rupees and the cash and securities to over 100 million rupees.

When rationalisation was introduced in the textile industry, not only would thousands of workers be thrown out of employment but the handloom industry would not be able to survive.

Mr. G.C. Bansal (Congress) Secretary of the All-India Organisation of Industrial Employers, said that, he could not accept the contention that rationalisation would lead to unemployment. According to one "authoritative journal of economics", between August, 1946, and August 1953, out of 11,099 looms, 4,605 were converted into automatic looms. But this had not affected employment in the cotton textile industry. The average daily number of workers employed in September 1953, was 753,000, and at no period ever before was this figure reached. Therefore, the "bogey" of automatic looms creating unemployment was "so much moonshine". He also recalled that the expert team of the Ford Foundation which recently visited the country to study the condition of cottage and small-scale industries, had stated that the fear that modernisation would result in unemployment was "ill-founded and unjustified".

Mr. N.V. Gadgil (Congress) said that the "most rational and national approach" was to accept rationalisation. The resulting unemployment must be tackled in a systematic manner. This question, he added, was referred to a special textile inquiry committee in 1938, and the general approach of the committee was that rationalisation reduced costs, made more wages available to the labourer and resulted in cheapness so far as the consumers were concerned. They had recommended that rationalisation should be introduced with the co-operation of labour who should be allowed to participate in its benefits, workers thrown out should be reabsorbed, and it should be gradual. This view must be accepted in the national interests. So far as the textile industry was concerned, Mr. Gadgil went on, he stood for nationalisation, but so long as that was not done, "it is our responsibility to see that it is kept at a high level of efficiency".

After partition 20 per cent of export trade in the textile industry had gone and world competition, especially from Japan was increasing. It was, therefore, necessary to consider in what way the traditional export market could be kept and developed. From this point of view as well as from internal market, it was necessary that "we must go in for rationalisation".

It was not true that rationalisation would not result in unemployment. It should be phased in such a way that the affected workers might be absorbed in the industry by departmental transfers or by increasing shifts.



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Mr. Gadgil suggested dividend limitation to guard against increased profits to owners of industry resulting from rationalisation. Let some profits be shared by the consumers also, he said. The interests of consumers "whom we represent here" and who were always forgotten, had to be guarded.

Mr. K.P. Tripathi (Congress), General Secretary of the INTUC, said that there were two kinds of rationalisation. The first, which had been going on from day to day in the matter of shifting workloads, etc. did not involve retrenchment; the second was automation of machinery which would throw out of employment large number of persons.

In the former case a unit managed without recruiting new hands, but there was no actual retrenchment, he said. There was an agreement between the workers and employers, first, that such rationalisation was brought about by mutual agreement; secondly, that there should be sharing of gains; and, thirdly, that there should be no unemployment. But when it came to ~~maximum~~ automation, the question of how many workers became important. Again, would wages increase as had been suggested - and by what per cent? Would the consumer benefit and would the prices come down?

Mr. Tripathi recalled that the Planning Commission had estimated that in five years, nine million persons would be asking for jobs and the number of jobs created would be only five million. This meant unemployment was increasing. Would it not be wiser to wait until more employment had been created".

The private sector had been given 3,000 million rupees to develop employment in the Five-Year Plan but this had not been fulfilled, he said.

Referring to jute, Mr. Tripathi said if it was rationalised, there would be a revolution in Calcutta.

Mr. Tushar Chatterjee (Communist) pointed out that retrenchment in various forms was already going on in the jute industry. When superannuated persons were retired, no new hands were taken in their place. The work-load was also being increased gradually. The percentage of temporary workers was increasing. The mill magnates were pursuing rationalisation not for improving the industry but to get more profits.

Mr. Bhagwat Jha Azad (Congress) said that the present machinery, both in the textile and jute industries, must be substituted with up-to-date machinery. However, sufficient safeguards should be given to labour which would be displaced; management should also be rationalised. The benefit of the economy effected by rationalisation should be passed on to the consumer. If the price of cloth was reduced

by nine pias per yard, there would be additional consumption to the extent of about 300 million yards and it would lead to the employment of 50,000 labourers.

Referring to the jute industry Mr. Azad said that unless this industry was rationalised India would be at the mercy of Pakistan, France and other countries which installed the latest machinery.

Mr. Asoka Mehta (Praja Socialist Party) said that in the jute industry, it was necessary that some form of rationalisation should be accepted. There was increasing competition from countries which were better placed than India, Pakistan in the near future would have about 60 per cent of the Indian production capacity. Modernisation was going on a rapid pace both in Britain and Pakistan and the traditional jute manufacturers were confronting shrinking markets. Therefore, if the jute industry in India had to survive it was necessary to think in terms of rationalising it.

However, no similar case for rationalisation could be made out as far as cotton textiles were concerned. There were various problems, technical and organisational, which had to be considered in this connection.

Further, while in the case of jute India had to compete with foreign countries and maintain her efficiency in terms of the increasing efficiency in other countries, the cotton textile industry depended upon the internal market. Great stress had been laid during the freedom movement that just as production of food had to be decentralised, the production of cloth also had to be decentralised. "What kind of society do we want? Do we want to shape this ancient land of ours in the image of the West or have we a philosophy of our own, a philosophy that has emerged out of our national movement? I maintain that as far as the cotton textile industry is concerned, we must not replace the present looms, the old, obsolete looms, with new looms. We must move in the direction of power operated by the small man. We are going to electrify our country. Electrification must mean availability of electric power to the small man".

The textile industry, said Mr. Mehta, was eminently suited for decentralisation of the type envisaged by the leaders of the freedom movement. Whereas in jute, rationalisation would be necessary in the spinning section, in the cotton textile industry, it should be possible to eschew rationalisation completely. It was very necessary that the Government considered the problem of integrating the cotton textile industry on a decentralised basis in the wider fabric of the country's economy. If the objective was only "more cloth and still more cloth", he was afraid "we shall be shaping ourselves in the image of foreign countries".

Commerce and Industry Minister's reply to Debate.-

Replying to the debate, Mr. Krishnamachari said the tenor of the speeches indicated fairly clearly that the House was not in favour of the view that there should be no rationalisation schemes in the jute and textile industries. Mr. Krishnamachari contradicted most of the figures quoted by Mr. Punnoose, e.g. there was a difference of 100,000 in the figures quoted by Mr. Punnoose and the official figures as to the number of workers in the jute industry.

Referring to the closure of textile mills, Mr. Krishnamachari said that very nearly 63 mills were almost on the borderline of extinguishment because of old and worn-out machinery. During 1953, 16 mills remained closed totally and 13 were partially closed.

Referring to the argument of Mr. Punnoose that there had been no instance of cloth being available at cheaper prices as a result of rationalisation, Mr. Krishnamachari said, that there had not been any radical increase in price since 1948 even though the fluctuations in cotton prices between 1948 and 1953 had been on the high ~~xxx~~ side. So far as Kanpur was concerned, said Mr. Krishnamachari, no rationalisation had yet taken place there. It was undoubtedly true that there was quite a ferment among labour, which was very unfortunate. It was all the more unfortunate, because while there was a lot of ferment among labour, the mill industry itself in Kanpur was not very strong. It was rather weak for various reasons. "It might quite be that the employers have got their own share in making the industry weak, but it is rather difficult to say that unilaterally anybody is responsible". He appealed to all the parties concerned to help to solve the problems in Kanpur.

Government's policy outlined.- Outlining the Government's policy in regard to rationalisation, Mr. Krishnamachari stated: "The Government's policy in the matter of rationalisation is what I stated during the last budget session, namely that we cannot set our face against rationalisation. Mr. Asoka Mehta has conceded that in the jute industry, it is a must. We must in the process see that those people who are likely to suffer, and those least capable of bearing that suffering, suffer the least and the thing has to be planned and worked out".

Even in regard to other spheres, it would be wrong, the Minister said, to say that no rationalisation should take place. The problem, as the members who are experts in the field have pointed out was one that was manageable. "It is not one that is unmanageable so far as the textile industry is concerned, and so far as obsolescence is concerned in our industrial sector, I think the chairman of the Engineering Capacity Survey Committee told me the other day that ~~xxxxxx~~ he felt that the bulk of our machine tools were obsolete and we have to think in terms of changing them, but technological development all the world over is advancing so rapidly that if we try to

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make machine tools which were used in other countries six or seven years back, we shall be ~~left~~ left far behind.

"So far as automatic looms are concerned, the problem is one that we propose to tackle. We do not propose to allow uncoordinated installation of automatic looms or automatic machinery. Luckily automatic looms have to be imported and, therefore, the Government has a certain amount of control. But it is wrong to say that no kind of rationalisation can be taken up in one industry merely because the quantum of exports that goes out is negligible, or for that matter that we do not want very much cloth".

Levy on rationalised units suggested.-  
The Commerce and Industry Minister continued: "The House should bear with us when we say that we are thinking of dealing with these cases as individual units. We will see as far as possible that there is no unemployment, and when we cannot provide - as we cannot at the present moment - an unemployment insurance scheme, we will see if we cannot provide some other guarantee to the worker that he will not be left in the street, by means of a fund to which some kind of amortization will be possible by collecting a levy on the units which have been so rationalised".

Answering a question on this subject in the Lok Sabha on 26 August 1954, Mr. T.T. Krishnamachari said that permission for rationalisation as such was not required from the Government. As many as 172 mills were working three shifts during May 1954.

The question of rationalisation, he said, depended upon various factors. There might be rationalisation in minor spheres like spinning, which might avoid certain processes like the use of superhydra spinning frames. He could not reply to a general question of rationalisation in the textile industry as such unless he was asked in regard to the type of rationalisation in a particular mill.

Asked how the rationalisation scheme would affect employment of labour, the Minister said so far he had no complaints that there had been any serious displacement of labour.

Replying another supplementary, Mr. Krishnamachari said so far as the capital structure of mills was concerned, he was unable to say whether there had been any specific applications. So far as imports were concerned, no doubt, they were controlled by the Government. It must be conceded that a lot of textile machinery was manufactured in the country.

Imports of superhydra spinning frames, which would eliminate a couple of processes in spinning, were allowed on a reasonable basis. The Government was not allowing at the present moment import of automatic looms. The decision was based on two or three considerations. The problem had to be considered not only in the context of displacement of labour but as something which would affect the ~~handloom~~.

handloom industry.

(The Hindustan Times, 18 and 27 August and 10 September 1954 ).

Retrenchment of Workers: Over 20,000 Workers affected since October 1953.

In reply to a question in the Rajya Sabha (Upper House) on 1 September 1954, Mr. Abid Ali, Deputy Labour Minister, said that 11 State Governments had received from employers notices of retrenchment of 30,183 workers under the Industrial Disputes (Amendment) Act, 1953, since the promulgation of the Ordinance (cf. page 61 of the report of this Office for October 1953).

Mr. Abid Ali said that representations had been received from the workers of manganese mines in Madhya Pradesh and Madras about lay-off and retrenchment reliefs to them. Government was also asked to take measures to stop retrenchment and prevent closure of the mines. Government had withdrawn the duty on manganese ores to help the industry.

Asked whether Government which had given reliefs to the mine-owners, had taken any steps to ensure the payment to the workers of the lay-off and retrenchment benefits due to them under the Act, Mr. Abid Ali said the steps taken by Government were not for the benefit of mine-owners. The idea was only to help in reduction of price and thus enable the mines to work.

(The Hindu, 4 September 1954).

Employment in Factories during 1952:  
Slight Decrease recorded.

A decrease of about 10 per cent in the number of factories and a fall of 3.5 per cent in the number employed was recorded in the factory employment figures, collected from the annual returns submitted under the Factories Act, 1948. A note on these figures appears in the July 1954 issue of the Indian Labour Gazette.

Data collected.- The statistics are based upon annual returns received from all the nine Part A States, the centrally administered States of Delhi, Ajmer and Coorg and the Andaman and Nicobar Island. The average daily number of employed are collected separately under sections 2m(i) (factories having ten or more workers) and 2m(ii) (factories having twenty or more workers) and for Section 85 (manufacturing processes wherein the number of persons employed is less than ten if working with the aid of power and less than twenty if working without the aid of power).

For maintaining comparability with the statistics for the previous year, the information pertaining to Section 85 factories for the year 1952 has been excluded from review. However, the relevant information relating to Section 85 factories has been analysed separately.

In the case of West Bengal the figure of average daily employment relates to all working factories because employment in working factories not submitting returns was estimated. Further, the statistics in respect of defence installations for both the years 1951 and 1952 were neither complete nor comparable. Subject to these limitations the salient features of employment statistics for 1952 are noted below.

Number of factories and workers employed.- The following table shows the number of working factories submitting returns in each of the States.

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State	Section 2m(i)			Section 2m(ii)		
	Working Factories submitting Returns		Average daily employment	Working Factories submitting Returns		Average daily employment
	No.	No.		No.	No.	
Assam	921	863	66,523	7	4	78
Bihar	835	835	135,691	747	747	32,187
Bombay	6,215	5,201	715,308	985	639	25,221
Madhya Pradesh	1,180	990	85,173	367	233	15,669
Madras	5,405	4,300	306,974	2,240	1,487	74,765
Orissa	211	165	13,334	123	109	4,735
Punjab	1,278	1,083	49,416	107	65	3,406
Uttar Pradesh	1,333	1,143	198,511	151	121	8,321
West Bengal	2,536	2,334	622,806*	88	71	3,814*
Ajmer	59	55	15,162	9	9	441
Coorg	10	10	229	1	-	84
Delhi	494	454	35,974	37	35	1,019
Andaman and Nicobar Islands	3	3	1,264	-	-	-
<b>Total</b>	<b>20,480</b>	<b>17,436</b>	<b>2,246,365</b>	<b>4,862</b>	<b>3,520</b>	<b>169,740</b>

State	Section 85			Total		
	Working Factories Submitting Returns		Average daily employment	Working Factories Submitting Returns		Average daily employment
	No.	No.		No.	No.	
Assam	6	3	19	934	870	66,620
Bihar	1,558	1,452	4,608	3,140	3,034	172,486
Bombay	706	305	3,980	7,906	6,145	744,509
Madhya Pradesh	-	-	-	1,547	1,223	100,842
Madras	2,562	1,591	18,640	10,207	7,378	400,379
Orissa	2	2	19	336	276	18,088
Punjab	-	-	-	1,385	1,148	52,822
Uttar Pradesh	-	-	-	1,484	1,264	206,832
West Bengal	1	-	11*	2,625	2,405	626,631*
Ajmer	-	-	-	68	64	15,603
Coorg	9	9	67	20	19	380
Delhi	-	-	-	531	489	36,993
Andaman and Nicobar Islands	-	-	-	3	3	1,264
<b>Total</b>	<b>4,844</b>	<b>3,362</b>	<b>27,344</b>	<b>30,186</b>	<b>24,318</b>	<b>2,443,449</b>

\* The figures include estimated data relating to factories not submitting returns.

Definitions: Section 2m(i) factories - Any premises including the precincts thereof whereon ten or more workers are working or were working or on any day of the preceding twelve months and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on.

**Definitions<sup>1</sup>**

Section 2m(ii) - Any premises including the precincts thereof whereon twenty or more workers are working or were working on any day of the preceding twelve months and in any part of which a manufacturing process is being carried on without the aid of power, or ordinarily so carried on but does not include a mine subject to the operation of the Indian Mines Act or a railway running shed.

Section 85 factories - Any premises which do not come under purview of sections 2m(i) and 2m(ii) ~~xxx~~ but can be specially notified by the State Governments provided that the manufacturing ~~xxx~~ process is not being carried on by the owner ~~xx~~ only with the aid of the family.

The table shows that West Bengal and Orissa registered some factories under Section 85 of the Factories Act during the year under review thus bringing the number of States having factories registered under Section 85 to 7. The average daily employment in the 3362 (Section 85) factories which submitted returns in the above States was only 27,344 forming about 1.1 per cent of the total factory employment in 1952 in the 13 States to which the statistics relate.

The table below gives comparative figures of the number of factories and employment by States in 1941 and 1952 for Section 2m(i) and 2m(ii) factories combined.

State	1951				1952			
	Working Factories		Factories submitting Returns		Working Factories		Factories submitting Returns	
	No.	No.	Average daily employment	Average size	No.	No.	Average daily employment	Average size
Assam	905	841	65117	77	928	867	66601	77
Bihar	1489	1489	186512	126	1582	1582	167878	106
Bombay	7030	5900	763943	129	7200	5840	740529	127
Madhya Pradesh	1544	1161	110994	96	1547	1223	100842	82
Madras	7948	5800	392645	68	7645	5787	381739	66
Orissa	292	267	17186	64	334	274	18069	66
Punjab	1336	1019	48175	47	1385	1148	52822	46
Uttar Pradesh	1458	1179	202514	172	1484	1264	206832	164
West Bengal	2613	2285	654901*	251	2624	2405	626620*	239
Ajmer	55	53	16027	302	68	64	15603	244
Coorg	12	11	295	25	11	10	313	28
Delhi	465	447	42635	95	531	489	36993	76
Andaman and Nicobar Islands	3	3	1637	546	3	3	1264	421
<b>Total</b>	<b>25150</b>	<b>20455</b>	<b>2502581</b>	<b>120</b>	<b>25342</b>	<b>20956</b>	<b>2416105</b>	<b>114</b>

\*The figure includes estimated data relating to factories not submitting returns.



The figures show that the number of working factories, coming under the purview of the Act, increased slightly from 25,150 in 1951 to 25,342 in 1952. This seems to indicate that fresh registrations of factories due to the expansion in the scope of the Factories Act was more or less complete. The percentage of working factories not submitting returns was slightly higher than 17 during 1952 as against about 19 during 1951. The average employment per factory also declined from 120 in 1951 to 114 in 1952. The fall in employment in Madras during the year under review was stated to be due to the removal of tobacco barns from the purview of the Act. Bidi, shellac and mica industries in Bihar were stated to have been adversely affected by a slump conditions and mainly contributed towards the fall in factory employment in that State. In Bombay, the average daily employment in the textile factories increased slightly but the overall factory-employment declined appreciably. Punjab and Uttar Pradesh recorded some increase in employment during the year under review, the reason being the extension of the scope of the Factories Act, 1948, in the former State and better reporting in the latter.

A classification of factories according to public and private sector is available in the returns under the Act. Government and local fund factories consisting mainly of railway workshops, ordnance factories, dock-yards, telegraph workshops, water pumping stations, etc., form the public sector and the rest form the private sector. There was a total of 828 Government and local fund factories of which 655 factories submitted returns, the average number of daily employed being 202,211. In the private sector there were 24,514 working factories of which 20,301 factories submitted returns. The employment declined from 2,265,321 in 1951 to 2,215,894 in 1952 or by about 2.3 per cent.

Industry-wise classification. - The following table shows the classification of workers according to industry group:-

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Industry	Adults		Adoles- cents	Children	Total
	Men	Women			
01 Processes allied to agriculture (Gins and Presses).	47,601	37,006	109	42	84,758
20 Food except beverages	245,849	53,862	4,138	1,157	305,006
21 Beverages	5,704	95	25	1	5,825
22 Tobacco	64,087	42,829	1,398	469	108,783
23 Textiles	939,995	95,273	3,366	321	1,038,955
24 Footwear, other wearing apparels and made-up textile goods.	9,167	279	30	15	9,491
25 Wood and cork except furniture.	21,516	1,731	541	50	23,838
26 Furniture and fixtures.	5,823	90	399	144	6,456
27 Paper and paper products.	21,588	1,142	25	7	22,762
28 Printing, publishing and allied industries.	68,208	231	569	191	69,199
29 Leather and leather products (except foot-wear).	11,463	340	341	67	12,211
30 Rubber and Rubber products.	21,698	473	89	-	22,260
31 Chemical and Chemical Products.	61,048	9,487	1,133	1,565	73,233
32 Products of Petroleum and Coal	10,134	497	-	-	10,631
33 Non-metallic mineral products (except products of petroleum and coal).	82,407	16,417	2,588	1,064	102,476
34 Basic Metal Industries.	83,791	6,359	178	28	90,356
35 Manufacture of Metal Products.	54,399	800	336	331	55,866
36 Manufacture of Machinery (except electrical machinery).	79,010	683	561	330	80,584
37 Electrical machinery apparatus, appliances and supplies.	27,092	623	22	6	27,743
38 Transport equipment.	179,949	484	1,495	23	181,951
39 Miscellaneous industries.	34,803	2,908	250	128	38,089
51 Electricity, gas and steam.	21,754	146	26	-	21,926
52 Water and sanitary services.	4,387	52	2	-	4,441
83 Recreation services (Cinema studios).	4,779	29	6	3	4,817
84 Personal services (Job dyeing, dry cleaning, etc.).	13,967	229	141	27	14,364
<b>Total.</b>	<b>2,120,219</b>	<b>272,065</b>	<b>17,768</b>	<b>5,969</b>	<b>2,416,021*</b>

\* Excluding figures for one factory in Coorg, for which the break-up is not available. It includes estimated data relating to factories in West Bengal, ~~and~~ not submitting returns.

As compared to the previous year, all the important industries recorded a decrease in employment during the year under review. The decline was appreciable in food, tobacco, leather and leather products and manufacture of machinery industries. In the group 'personal services' there was a considerable increase in employment because in Madras restaurants were classified in this group during 1952, whereas in earlier years they were classified under the food group.

As against the overall decline of 3.5 per cent in employment during 1952, the percentage decline in the case of adolescents and children was 20.0 per cent and 9.0 per cent respectively thus indicating that there is a progressive reduction in the number of adolescents and children employed in factories. Of the States, Madras accounted for the largest number of such labour as also ~~that~~ adult women labour.

An analysis of the figures show that during 1952, there was only a slight shift of factories from the middle size-group to the lowest size-group. As during the previous year, largest number of factories employing more than 5,000 workers were in the textile industry and there was a large concentration of small factories employing less than 50 workers in the food industry.

There was a large concentration of small factories employing less than 10 workers in Bombay and Madras. Bombay had also the largest number of factories in the highest size-groups, viz., factories employing 500 workers or more.

Section 85 factories.- The number of working factories registered under Section 85 of the Factories Act was 4,844 during the year under review as against 5,686 during 1951. Bihar and Bombay accounted for 85 per cent of these factories and all such factories, except 2 in Madras, belonged to the private sector. Annual returns were received from 3,362 (Section 85) factories during the year under review accounting for a total employment of 27,344 workers (including estimated employment for one factory in West Bengal which did not furnish returns). The average employment per factory thus worked out to about 8 workers. Out of the 27,344 workers mentioned above, 25,011 were adult men, 1,749 adult women, 394 adolescents and 190 children. The industries which accounted for an appreciable proportion of employment were food, textiles, printing, publishing and allied industries, tobacco, manufacture of metal products and miscellaneous industries in descending order. A size-distribution of Section-85-factories shows that 1,794 of the factories submitting returns employed less than 20 workers and accounted for a total employment of 19,500 workers (about 71.5 per cent of total).

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Unemployment in Delhi: National Sample Survey  
Report.

Sixty-three per cent of men and 76 per cent of women on the "live register" of the employment exchanges in Delhi were unemployed, according to a National Sample Survey Report placed on the table of the Rajya Sabha on 6 September 1954.

The survey was undertaken last year at the instance of the Planning Commission to obtain unemployment statistics in selected areas.

Mr. Jaisukhlal Hathi, Deputy Minister for Irrigation and Power, said that the reports for Travancore-Cochin and West Bengal were still under preparation. The survey in Delhi was undertaken by the National Sample Survey by a sample examination of the live register in the employment exchange.

The survey shows that while 63 per cent of men and 76 per cent of women on the register were unemployed, 33 per cent of men and 15 per cent of women were "earners" and, another four per cent of the men and nine per cent of the women were earning dependants.

A third of the employees were engaged in Government service. Only 29 per cent of those on the register had some employment in the past, but were without employment at the time of the survey.

At the end of August 1953, there were 20,911 persons on the "live register" of the Delhi employment exchange of whom 1,213 were women. The results are based on a survey of 712 persons and of a sample of 900 from this population.

The composition of the "live register" in terms of various categories of classification adopted in the exchange were: clerical 44 per cent (freshers 31 per cent and others 13 per cent), unskilled 30 per cent (unskilled office workers 16 per cent and other unskilled workers 14 per cent), technical 14 per cent, appointment branch standard (those with superior technical, professional or educational qualifications), 3 per cent, educational, 3 per cent and all other men one per cent and women 6 per cent.

Clerical category.— Seventy-nine per cent of men and 63 per cent of women were below 25 years. Practically the whole of the clerical fresher category were in this age-group. Among the educational, technical and unskilled categories more than three-fourths came within this same age-group. Twenty-five per cent of women and 12 per cent of men were above 30 years.

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Among unemployed men on the "live register" eight per cent were aged 17 years or below, 73 per cent in age-group 18-24 and nine per cent above 31 years. Fifty-five per cent of men and 50 per cent of women were unmarried. Fourteen per cent of the registrants had either no education or had read upto primary standard, 26 per cent had completed primary or middle stage, 44 per cent were matriculates, six per cent intermediates and ten per cent graduates and post-graduates. Among the unemployed, 53 per cent were matriculates and 17 per cent under-graduates and graduates.

Fourteen per cent of the registrants were local people, 15 per cent had migrated from rural areas, 14 per cent from urban areas and 45 per cent from territories now in Pakistan though not strictly coming within the definition of displaced persons. About 31 per cent of men and eight per cent of women among migrants gave unemployment as the reason for their migration.

Among the unemployed, 22 per cent were without employment for a period of three months and less, 30 per cent for a period ~~of~~ between three and six months, 14 per cent between six months and one year and 34 per cent above one year. Fifty-three per cent of all unemployed men and 63 per cent of unemployed women were seeking jobs for the first time. Fifty-eight per cent of men and 26 per cent of women were seeking administrative or clerical jobs. Sixteen per cent of men and 57 per cent of women were looking out for other non-manual work. Fifty-four per cent of the unemployed had no technical or professional qualifications, 28 per cent had professional or technical skill without any degree or diploma and 18 per cent appeared to have some professional or technical degrees or diploma.

Emoluments.— Three per cent of the unemployed were willing to work on emoluments of 50 rupees per mensem or less, 16 per cent on 75 rupees or less, 49 per cent on 100 rupees per mensem or less, 93 per cent on 150 rupees per mensem or less, 97 per cent on 200 rupees or less and only three per cent expected incomes exceeding 200 rupees. About 75 per cent of the persons already employed had incomes of 100 rupees per mensem or less, 18 per cent between 101 rupees and 150 rupees and 9 per cent above 150 rupees per mensem.

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Forty-one per cent of the employed had been in employment for more than one year and 48 per cent for less than six months. Generally women were not inclined to accept manual work, but 37 per cent of them were willing to go to the villages as teachers. Not more than one-fifth of the men who responded were agreeable to take up manual work in towns or villages, but 47 per cent were prepared to go as village teachers and 53 per cent as rural extension workers.

Teachers' training was most popular both among men and women. Two-thirds of the women who responded preferred teachers' training. Training as telegraph or telephone operators was next in popularity among women and one-fifth of them desired it. One-fourth of all the men who responded desired teachers' training. Apart from the educational category such training was also most popular among the clerical categories. Training as technicians, engineers, and electricians were next in popularity among men.

(The Hindu, 7 September 1954 ).

Employment in Rural Bombay: Analysis of  
Statistical Data of Survey.

The Bombay Government's Bureau of Economics and Statistics has just completed a sample survey of employment, income and expenditure in 1952.

Based on the principle of random sampling, the survey covered the entire State split up into eight different tracts and urban areas. Taluks in the districts were grouped taking into consideration factors like similarity of cereal crops.

An unemployed person has been defined, for the purpose of this survey, as one without a job and in search of one. A person who is not employed but is not on the lookout for work either is classified as taking rest.

The results of the survey show that the percentage of work-days spent as "unemployed" by men in the age group of 16 to 55 is low and ranges from 0.1 to 1.8 in rural areas. In urban areas, it is 2.0.

Employment is divided into (1) earning employment and (2) non-earning employment. The former covers work on owned farms, dairying, exchange labour, agricultural labour, baluta occupation (service to village community), employer or own account labour, salaried employment, non-agricultural wages, unpaid (gainful) family work. Non-earning employment, consists of domestic work, school attendance, rest, illness and disablement from doing work.

Agricultural economy.- The pattern of employment in rural areas with their predominant agricultural economy is naturally influenced by seasonal conditions. In other words, the agricultural population in these areas is the busiest during the season of agricultural operations of sowing and harvesting of crops. The employment pattern also varies from tract to tract. The following table, for instance, indicates the variation in the percentages of earning and non-earning employment among men in the age groups of 16-36 years in the different tracts: Monthly average (June to December 1952).

Tract	Total earning employment (percentage of total workdays).	Total non-earning employment (percentage of total workdays).
I	87.4	12.6
II	84.5	15.5
III	86.1	13.9
IV	86.9	13.2
V	92.0	8.0
VI	89.5	10.5
VII	86.5	13.2
VIII	92.6	7.4
Urban areas	78.3	21.7

Percentage of employed.- The following table gives the position of employment in respect of men over 16 years:-

Tract	Percentage of the population returned as "employed".	Percentage of population during the whole week under investment.	Percentage of the population employed workers spent in earning or gainful employment.
I	89.9	68.2	84.0
II	89.4	63.0	82.1
III	89.9	67.9	83.4
IV	89.6	68.6	83.4
V	90.9	76.4	86.4
VI	89.0	75.3	84.0
VII	88.9	72.3	83.9
VIII	94.0	81.1	89.4
Urban	82.4	55.9	74.8

Monthly average of workdays spent on own farm.- The following tables indicate the monthly averages of percentages of workdays spent on work on their own farms by men, women and children in the different age groups in the various rural tracts and urban areas during the period of June-December 1952.

	Men 16-35 years	Men Over 55 years	Women 16-35 years	Women Over 55 years	Children 6-15 years
<b>TRACT I</b>					
Owner cultivators	72.7	52.9	41.0	7.7	22.5
Tenant cultivators	73.4	58.4	44.5	7.2	21.8
Agricultural Labourers	29.0	33.6	11.5	2.5	8.5
Non-Agriculturists	18.9	8.6	10.1	4.0	5.5
Average	60.2	48.1	34.4	6.6	18.2
<b>TRACT II</b>					
Owner cultivators	69.2	55.2	34.8	5.2	20.8
Tenant cultivators	67.5	52.1	25.7	9.4	19.3
Agricultural Labourers	16.7	20.0	9.2	-	8.2
Non-agriculturists	13.1	11.0	5.5	0.9	5.6
Average	54.2	45.8	25.5	4.6	16.9
<b>TRACT III</b>					
Owner cultivators	62.4	48.7	18.8	7.6	15.4
Tenant cultivators	44.1	50.2	11.2	5.0	6.5
Agricultural Labourers	15.9	15.1	3.2	1.0	3.9
Non-agriculturists	10.7	8.6	5.5	2.1	3.0
Average	44.3	38.6	13.1	5.3	10.8



	Men 16-55 years	Men Over 55 years	Women 16-55 years	Women Over 55 years	Children 6-15 years
<b>TRACT IV</b>					
Owner cultivators	68.9	52.7	24.4	8.3	15.9
Tenant cultivators	61.6	35.3	16.8	19.8	13.4
Agricultural Labourers	8.8	9.4	4.1	1.5	2.1
Non-agriculturists	8.4	7.5	3.9	0.5	3.2
Average	47.2	38.3	16.6	6.2	10.9
<b>TRACT V</b>					
Owner cultivators	82.2	22.5	13.8	3.0	26.0
Tenant cultivators	98.8	85.7	11.4	-	37.2
Agricultural Labourers	20.9	-	7.4	-	8.5
Non-agriculturists	11.5	3.6	4.4	2.4	5.1
Average	69.3	20.8	12.8	2.7	22.2
<b>TRACT VI</b>					
Owner cultivators	83.6	36.7	15.7	1.7	18.1
Tenant cultivators	74.4	52.9	11.8	-	14.4
Agricultural Labourers	9.5	5.1	3.0	-	1.3
Non-agriculturists	12.2	9.0	4.8	2.1	2.8
Average	68.3	29.7	12.2	1.7	14.2
<b>TRACT VII</b>					
Owner cultivators	74.8	54.9	14.9	3.1	13.5
Tenant cultivators	76.6	73.3	16.1	-	13.7
Agricultural Labourers	3.8	1.5	1.2	1.0	0.3
Non-agriculturists	8.8	9.9	2.0	0.5	1.0
Average	59.2	34.5	10.1	1.9	8.8
<b>TRACT VIII</b>					
Owner cultivators	82.6	55.7	41.17	12.5	30.9
Tenant cultivators	87.6	42.9	56.9	10.0	24.6
Agricultural Labourers	6.4	13.5	3.8	8.8	0.3
Non-agriculturists	9.5	5.9	8.8	4.8	7.5
Average	72.0	50.1	36.7	11.6	28.0
<b>URBAN AREAS</b>					
Owner cultivators	58.9	50.8	17.5	5.0	7.8
Tenant cultivators	65.6	46.4	25.1	5.6	19.4
Agricultural Labourers	10.9	13.4	4.3	5.0	1.9
Non-agriculturists	3.5	4.7	1.6	0.9	0.7
Average	21.4	20.2	6.8	2.4	2.4

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Employment Exchanges: Working during July 1954.

According to the review of work done by the Directorate-General of Resettlement and Employment for the month of July 1954, the pressure of registrants (fresh school leavers) which was evidenced in the previous month, continued at the exchanges. Consequently, the number of registered unemployed at the end of the month was nearly 590,000, highest ever recorded. The slight rise in the number of vacancies notified and placements effected was not commensurate with the increase in registrations. The employment situation continued to be unsatisfactory.

A general shortage of stenographers, qualified typists, trained teachers, draughtsmen, overseers and surveyors continued to exist on a large scale. The supply position in regard to compounders, nurses, midwives and turners also did not show any improvement. Applicants for clerical jobs, persons fresh from schools and colleges, unskilled office workers and unskilled labourers continued to swell the registers of almost all the employment exchanges.

Registrations and placings.- The following table shows the registrations for employment and placings during July 1954 as compared to June 1954.

	July 1954	June 1954
Registrations	159,578	143,384
Placements	15,320	14,687

Registrations recorded an increase of 16,194 as compared to previous month and were the largest so far recorded for any one month. Employment exchanges in all the States except Assam, Coorg, Himachal Pradesh, Mysore and Travancore-Cochin recorded an increase in registrations as compared to the previous month. Marked increase was recorded in the States of Uttar Pradesh (8,296), Punjab (1,662), Bombay (1,539), and West Bengal (1,310).

Of the total placements effected 4,150 were with private employers and 11,161 in Central and State Government establishments. Increase in placings was comparatively large in the States of Madras (676), Uttar Pradesh (641), and Travancore-Cochin (590). Employment exchanges in the Punjab, on the other hand, showed a decline of 1,057 in placings as compared to previous month. This decline in the Punjab was a recession to normally from the previous month's large placements secured by the exchanges on account of Kurukshetra Fair.

Placings by wage groups.- The table below shows the number of placings by wage groups during July 1954.

<u>Wage groups.</u>		<u>Number placed.</u>
101 Rupees and above	--	1,806
61 Rupees to 100 Rupees	--	7,238
30 Rupees to 60 Rupees	--	5,812
Below 30 Rupees	--	464

Vacancies notified and submissions.- The number of employers who used the exchanges during the month was 4,777 as against 4,681 during June 1954. The number of vacancies notified by them was 20,552 as against 20,396 during the previous month. Considerable increase in the number of vacancies notified was recorded in the States of Madras (764), and Delhi(376).

The number of persons submitted to employers during July 1954, was 80,396 as against 74,692 during the previous month.

Register of unemployed.- The number of persons seeking employment assistance through the exchanges on the last day of July 1954, was 588,837 which was 40,443 more than the corresponding figure at the end of June 1954. Of those on the live register 2,725 were known to be employed persons who desired further employment assistance.

The composition of the live register occupation-wise is shown in the table given below:-

<u>Occupations.</u>	<u>Number on live Register as on 31 July 1954.</u>
Industrial supervisory	6,124
Skilled and semi-skilled	51,774
Clerical	175,168
Educational	23,151
Domestic service	19,890
Unskilled	273,993
Others	38,737
<b>Total</b>	<b>588,837</b>

Employment position of special type of applicants.- The employment position in respect of certain special types of applicants during July 1954 is shown in the table given below.

Category	Total No. of registrations	Total No. of placements	Total No. on the live registers
1. Displaced persons	10,242	957	49,591
2. Ex-servicemen	7,879	1,324	28,585
3. Scheduled caste	16,294	2,399	53,351
4. Scheduled tribe applicants	1,399	247	3,996
5. Surplus and discharged Government employees	2,310	986	9,750
6. Highly qualified applicants	1,464	125	6,109
7. Women	5,870	875	23,410

Placements of educated applicants.- During the quarter April-June 1954, 103,965 registrations and 8,326 placements were effected by the employment exchanges in respect of educated applicants as against 71,937 and 9,310 respectively during the previous quarter. Of the total number of registrations effected 91,555 were matriculates (including 13,602 intermediate passed persons) and 12,410 were graduates. Amongst the graduates 880 were engineers, 147 were doctors and 11,383 had degrees in various other subjects. Employment exchanges secured placements of 6,898 matriculates (including 952 intermediates passed persons) and 1,428 graduates of whom 95 were engineers and 10 were doctors. The employment exchanges in Uttar Pradesh recorded the largest number of registrations (20,628) of educated persons whereas the largest number of placements (1,608) were effected by the exchanges in the Madras State. There were 180,033 such applicants on the live register of the employment exchanges seeking employment assistance at the end of June 1954, as against 157,446 at the end of previous quarter and 147,609 at the end of June 1953. Of those on live register 157,845 were matriculates (including 20,026 intermediate passed persons) and 22,188 were graduates. Of the graduates 1,189 had degrees in Engineering and 229 in medicine.

(Review of work done by the Directorate-General of Resettlement and Employment for the Month of July 1954; Issued by the Ministry of Labour, Government of India).

83. Vocational Training.

India - September 1954.

Labour Ministry's Training Scheme: Progress during July 1954

According to the review of work done by the Directorate General of Resettlement and Employment for the month of July 1954, the trade tests in vocational trades were held on 27 and 28 July 1954, and all the trainees discharged thereafter. Similarly trainees in technical trades receiving training in production or professional work were also discharged on 30 June 1954.

The new session under the craftsmen training scheme (earlier called adult civilians training scheme) commenced from 1 August 1954. Selection and posting of trainees in the various vocations throughout was made during the month.

Training of displaced persons- As mentioned in the preceding paragraph trainees undergoing training under the displaced persons training scheme were also discharged. Admission and posting in the new session was in full swing during the month.

Apprenticeship training for displaced persons - A total of 668 displaced persons were undergoing training as apprentices in industrial undertakings and establishments in West Bengal and Uttar Pradesh against 700 seats sanctioned. They were recruited and posted direct to the undertakings and establishments concerned. The Ministry of Rehabilitation sanctioned 200 additional seats under the Scheme for Uttar Pradesh, thus increasing the seating capacity of that region to 400 and the overall sanction to 900.

Training of Women.- All the women trainees were also trade tested and discharged.

Training of supervisors and instructors.- In the 13th session which commenced from 15 May 1954, 109 instructors and supervisors were receiving training at the end of the month under report.

(Review of work done by the Directorate General of Resettlement and Employment during the month of July 1954, issued by the Ministry of Labour, Government of India).

CHAPTER 9. INCOME SECURITY

INDIA - SEPTEMBER 1954

94. Application.

Extension of Employees' State Insurance Scheme: Deputy Minister's  
Statement in Parliament.

Mr. Abid Ali, Deputy Minister for Labour, stated in the Rajya Sabha on 2 September that the Employees' State Insurance Scheme had so far been implemented in the Kanpur area of Uttar Pradesh, Delhi State, seven industrial centres in Punjab (Amritsar, Ludhiana, Jullundur, Batala, Ambala, Jagadhri and Ehiwazi) and Nagpur in Madhya Pradesh. He added that in view of administrative and medical arrangements to be made, extension of the scheme to new areas had to be gradual. Before the scheme could be extended to any place, the State Government concerned had to make arrangements for medical, surgical and obstetric treatment and had to enter into an agreement with the Corporation regarding the nature and scale of the medical treatment and for the sharing of the cost thereof. The Corporation was in touch with the State Governments and the Central Government was also assisting the Corporation in the conclusion of the necessary agreements.

In order to enable a more speedy implementation all over the country, it was recently decided to reduce the share of the State Governments towards the cost of medical care of insured workers from one-third to one-fourth. Certain State Governments had agreed to implement the scheme and had even fixed tentative dates for the purpose. The Corporation was taking necessary steps to finalise all administrative and medical arrangements in consultation with these Governments. It was hoped that with the full co-operation from the States and other parties involved, about 1.066 million of employees would be covered under the scheme by 31 March 1955.

(Press Note dated 2 September 1954,  
issued by the Press Information  
Bureau, Government of India).

Working of the Workmen's Compensation Act, 1923, in India during  
the year 1951.

General.- The coverage of the Workmen's Compensation Act was widened, during the year to include all Part B States except Jammu and Kashmir, under the Part B States (Laws) Act, 1951, which extended various Central Acts, including the Workmen's Compensation Act to all Part B States except Jammu and Kashmir. At present the Act is in force in all the States of India except Jammu and Kashmir.

The present review is based on the returns received from 9 Part A States, three Part C States, Andaman and Nicobar Islands, the Railway Board, the Department of Posts and Telegraphs and the Central Public Works Department.

Number of accidents.- The following table gives information regarding compensated accidents from 1947 to 1951:

Year	No. of cases in which compensation was paid for				Amount of compensation paid for			
	Death	Per- manent disable- ment	Tempo- rary disable- ment	Total	Death	Perma- nent disable- ment	Tempo- rary disable- ment	Total
					Rs.	Rs.	Rs.	Rs.
1947"	1,011	3,228	49,335	53,574	1,179,087 (1,166)	1,209,974 (375)	937,434 (17)	3,326,495
1948	1,032	3,850	61,394	66,276	1,580,450 (1,531)	1,615,590 (420)	1,024,338 (17)	4,220,068
1949	1,063	3,973	55,475	60,511	1,870,568 (1,760)	2,026,420 (510)	1,320,174 (24)	5,217,162
1950**	1,128	4,160	56,670	61,958	2,033,440 (1,805)	2,264,725 (544)	1,459,115 (25)	5,737,278
1951	1,087	4,391	57,655	63,133	2,207,532 (2,031)	2,295,424 (522)	1,597,297 (24)	5,893,253

The figures in brackets show the amount of compensation paid per case  
" Figures have been revised.

\*\* Figures for East Punjab, Bengal Provincial Light Railway and Gaya District in Bihar are not available.

While comparing the yearly figures in the above table the following limitations should be borne in mind.

(1) All the employers who are required to submit returns under the Act do not do so and as a consequence the above table does not show the actual number of compensated accidents during a particular year.

(2) The coverage of the Factories Act has widened with the enactment of the Factories Act, 1948, affecting thereby the number of compensated accidents in factories.

(3) The figures for 1947 do not include figures for East Punjab, Bengal Provincial Light Railway and Gaya District in Bihar.

It may be observed from the table that the total number of accidents for which compensation was paid is on the increase since 1947 (except for a decline in 1949). Of the 63,133 accidents which occurred in 1951, 1087 (or 1.7 per cent.) resulted in death, 4,391 (or 7.0 per cent.) in permanent disablement and the remaining 57,655 (or 91.3 per cent.) in temporary disablement. In 1951 while the number of fatal accidents declined slightly, the number of non-fatal accidents resulting in permanent or temporary

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disablement recorded a rise. The total amount of compensation paid during 1951 was slightly higher than in 1950. It may however be pointed out here that the amount of compensation paid depends both on the nature of the injury and the wage-level of the worker concerned. Out of a total sum of ₹ about 5.9 million rupees paid as compensation, a sum of approximately 2.2 million rupees or 37.4 per cent. was paid in the cases of fatal accidents, approximately 2.3 million rupees (or 23.7 per cent.) in permanent disability cases and about 1.4 million rupees (or 23.7 per cent.) in temporary disability cases. While the average amount of compensation paid increased from 1,803 rupees to 2,031 rupees between 1950 and 1951 in cases of deaths, it decreased from 544 rupees to 522 rupees in cases of permanent disablement and from 25 rupees to 24 rupees in cases of temporary disablement.

Industry-wise classification of accidents.- The table given below shows the distribution of compensated accidents and of the amount of compensation paid according to industrial sectors during 1951:-

		Average number of workers employed per day in establishments furnishing returns	Number of cases of accidents for which compensation was paid		Amount of compensation paid		No. of cases in which final compensation was paid during the year	
			Death	Total	Death	Total	"Temporary disablement"	
							No. of cases	Amount of compensation paid
					Rs.	Rs.	Rs.	
Railways	A	697,571	245	19,236	616,894	1,372,950	8	446
	M	1,398	-	4	-	1,163	-	-
Posts & Telegraphs.	A	100,818	16	82	32,230	47,816	-	-
	M	898	-	-	-	-	-	-
C. P. W. D.	A	5,155	3	9	4,690	6,236	-	-
	M	33	-	-	-	-	-	-
Factories	A	1,862,592	240	30,601	521,593	2,467,403	2	328
	M	7,111	1	4	200	302	-	-
Mines	A	212,100	146	4,085	241,704	511,552	-	-
	M	885	-	-	211, -	-	-	-
Tramways	A	19,467	1	380	2,116	17,802	-	-
	M	-	-	-	-	-	-	-
Docks and Ports	A	43,357	21	908	55,780	158,915	-	-
	M	2	-	-	-	-	-	-
Plantations	A	486,670	26	1,035	18,336	51,718	-	-
	M	26,320	-	-	-	-	-	-
Building & construction	A	47,954	<del>28</del>	<del>81,333</del>	81,998	123,013	-	-
	M	2,594	-	-	-	-	-	-
Municipalities	A	37,444	4	38	10,435	16,546	-	-
	M	830	1	1	200	200	-	-
Miscellaneous	A	73,442	69	792	141,489	225,191	-	-
	M	1,377	-	1	-	66	-	-
<b>Total</b>	<b>A</b>	<b>5,628,048</b>	<b>811</b>	<b>57,451</b>	<b>1,727,465</b>	<b>5,001,473</b>	<b>10</b>	<b>774</b>

'A' - stands for Adults and 'M' for Minor. "No case of occupational diseases resulting in death or permanent disablement was reported."



The following table shows the increase or decrease in the number of accidents in 1951, compared to 1950 and ~~also~~ the rate of accident per 1000 workers employed in the same period:

	Increase (+) or decrease (-) in the number of accidents in 1951, compared to 1950	Rate of accident per 1000 of workers employed	
		1950	1951
Railways ..	1 2796	20.0	28.0
Posts & Telegraphs	1 47	0.4	0.8
Factories ..	1 665	15.0	16.11
Mines ..	1 434	10.4	19.2
Docks & Ports ..	1 572	10.2	20.9
Plantations ..	- 824	5.0	2.0
Building & construction	1 38	19.2	5.4

Classification by States.- An analysis of the returns shows that the largest number of accidents occurred in West Bengal and Bombay where the average daily employment is also the highest. However, the largest number of cases of death occurred in Bihar. The accident rate (of compensated accidents) per 1000 workers employed in 1951 in some of the States is as follows: Punjab -29.0 Bihar - 26.4, Bombay - 17.2, Madhya Pradesh - 16.1, West Bengal - 15.4, Madras - 6.6, Orissa - 4.9 and Assam - 2.4.

Accidents and wage groups.- The highest concentration of accidents was in the wage group 50 rupees to 200 rupees which accounted for 57.7 per cent. of the cases in which compensation was awarded by the commissioners. About 19.9 per cent. of the cases were in the wage class 35 rupees to 50 rupees. It may be pointed out here that this pattern does not hold good uniformly for all the States. For instance, in Assam the largest concentration was in the wage group 0 rupee to 40 rupees; in Madras in the group 24 rupees to 200 rupees; in West Bengal in the group 35 rupees to 200 rupees, while in Bombay it was in the group of 50 rupees to 200 rupees.

Proceedings before the Commissioners of Workmen's Compensation. Statistics of cases handled by the State Commissioners of Workmen's Compensation Act during 1951, have been summarised in the following table:

	Number of cases filed during the year	Total number of cases disposed of during the year	No. of cases pending at the end of the year
(a) Award of compensation under Section 10.	2,245	2,274	1,179
(b) Commutation under Section 7 ..	--	--	--
(c) Deposits under Section 8.	2,188	2,270	1,100

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Of the 2,274 cases disposed of under Section 10 of the Act, 527 related to fatal accidents, 1,396 to permanent disablement and the remaining 351 to temporary disablement. The Commissioners also disposed of 2,270 cases relating to deposits under Section 8 of the Act. In about 87 per cent. of these cases payment was made to dependants or to workmen. In 5 per cent. of the cases money was refunded to employers. The remaining cases were transferred to other Commissioners.

The review also gives information on deposits and disbursements under Section 8 of the Act, appeals and investment of sums payable to women or persons under legal disability.

Assistance by trade unions.- In Bombay State, the Textile Labour Association of Ahmedabad and the Rashtriya Mill Mazdoor Sangh of Bombay continued to render assistance in the disposal of claims under the Act. The former handled in all 427 claims, of which 276 were successful, 58 compromised, 20 given up, one dismissed and 92 were pending at the close of the year. The total amount of compensation secured by this organisation was 129,953 rupees. The Rashtriya Mill Mazdoor Sangh handled 152 cases; of these 114 were disposed of during the year and 38 remained pending. The amount of compensation secured by the Sangh was 57,408 rupees. As in the past, the Insurance Companies representing employers rendered co-operation in the prompt disposal of claims in Bombay State.

(Indian Labour Gazette, Vol. XII,  
No. 1, July 1954, pp. 22-53).

CHAPTER 11. INDUSTRIAL SAFETY.

INDIA - SEPTEMBER 1954.

111. Prevention of Accidents.

Madras: Draft Madras Boiler Attendants Rules, 1954, and draft  
Economiser Inspection Administrative Rules, 1954.

The Government of Madras published on 15 September 1954, the drafts of the Madras Boiler Attendants Rules, 1954, and the Economiser Inspection Administrative Rules, 1954, proposed to be made under the Indian Boilers Act, 1923. The Madras Boiler Attendants Rules, 1952, require that the owner of a boiler shall not use it or permit it to be used unless it is placed under the direct and immediate charge of a person holding a certificate of competency. The rules also prescribe the conditions and mode of examination for the grant of such certificates.

The draft Economiser Inspection Administrative Rules, 1954, prescribe inter alia the procedure for registration of economisers, investigation of accidents to economisers, and appeals.

The draft rules will be taken into consideration by the Government after 29 October 1954.

(Fort St. George Gazette, Rules Supplement to Part I, 15 September 1954, pp. 349-367).

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RECORD OF PRINCIPAL DECISIONS ON LABOUR AND ALLIED  
SUBJECTS.

INDIA - SEPTEMBER 1954.

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

Fact-Finding Inquiry into the effect of the Awards  
relating to Bank Employees.

"By an order, dated the 24th August 1954, the Central Government made certain modifications in the Decision of the Appellate Tribunal, dated the 28th April 1954 in the appeals filed against the Award of the All India Industrial Tribunal (Bank Disputes), Bombay, on the industrial disputes between banking companies and their workmen. That decision, which had to be taken within the extended statutory time-limit of 120 days available for the purpose, was naturally based on the information then available to Government as to the probable effect of the Appellate Tribunal's Decision. The information available related to figures (verified by the Reserve Bank of India) about a certain number of banking companies of all classes selected as a representative sample for the purpose and certain unverified estimates in regard to the numbers of bank employees prejudicially affected by the Appellate Tribunal Decision. It is considered desirable to have the matter further investigated so as to enable Government to assess more fully the probable effects of the Appellate Tribunal's Decision and the effect of the modified Decision on the individual units of the banking sector to which it applies. Government have accordingly decided to institute a fact-finding enquiry and to entrust Shri Justice G.S. Rajadhyaksha, Judge, Bombay High Court, with it.

2. The terms of reference of Shri Justice Rajadhyaksha will be as follows:-

- (1) to enquire into and ascertain the effects on the emoluments which the employees were in receipt of prior to August 1954,
  - (a) of the Appellate Tribunal Decision without modification,
  - (b) of the Appellate Tribunal Decision as modified by Government's Order No.S.R.O.2732, dated the 24th August 1954,

(2) to ascertain

- (a) the additional burden on individual banks that would have been caused by the Appellate Tribunal Decision over the expenses under the frozen Sen Award,
- (b) the extent and amount of relief obtained by them as a result of the modifications made by Government,
- (c) the additional expenditure now to be borne by banks under the modified decision over the expenditure incurred under the frozen Sen Award that would have been incurred ~~under~~ under the Sastry Award,

(3) to scrutinise the information already collected and to collect further information relevant to the consideration of these issues;

(4) to recommend, having regard to the facts ascertained and to the need for ensuring ~~xxx~~ an equitable treatment to bank employees consistent with the capacity to pay of the various classes of banking companies or individual units,

- (a) whether the Appellate Tribunal Decision as modified should be continued,
- (b) whether the Appellate Tribunal Decision should be restored and if so, whether fully or in part,
- (c) whether the Appellate Tribunal Decision should be enforced with any other modification considered necessary.

In considering this, due regard should also be paid to the desirability of ~~xxxxxx~~ avoiding widespread closures of banking companies or their branches, to the necessity to promote development of banking in the country generally and in rural areas in particular and to any possibilities of effecting economies in the expenses of banking companies;

(5) to consider and recommend what special modifications, if any, are necessary in the Decision in ~~xxx~~ order to encourage the spread of banking facilities in the Class IV areas of Part 'B' States and Part 'C' States other than Delhi, Ajmer and Coorg<sup>1</sup>.

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<sup>1</sup>Ministry of Labour. Resolution No. LR-100(56)/54 dated 17 September 1954. The Gazette of India, Extraordinary, Part I-Section 1, 17 September 1954, pp. 983-984.

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LIST OF THE PRINCIPAL LAWS PROMULGATED DURING THE  
PERIOD COVERED BY THE REPORT FOR SEPTEMBER 1954.

INDIA - SEPTEMBER 1954.

Chapter 4. Problems Peculiar to Certain Branches  
of the National Economy.

Bombay Village Industries Act 1954 (No.XLI of 1954)  
(Bombay Government Gazette, Part IV, 31 August 1954,  
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