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Title

Introduction to industrial labour welfare

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**AN INTRODUCTION
TO
INDUSTRIAL LABOUR WELFARE**

AN INTRODUCTION
TO
INDUSTRIAL LABOUR WELFARE.

BY
HASMUKEH PRANSHANKER OZA
M. SC.

AND
VRINDAVANDAS BHAGVANDAS KOTDAVALA
B. SC.



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with a foreword by

PROFESSOR C. N. VAKIL,

*Director, School of Economics & Sociology,
University of Bombay.*



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to
THE LATE
Pranshanker Shivshanker Oza

Whose love for learning, simplicity
of living, richness in thinking and
sincere, noble and dignified behavior
have their unmistakable stamp on
what is dedicated to him.



BY THE SAME AUTHORS

FAMILY EMPLOYMENT

A STEP TOWARDS SOCIAL SECURITY.

*Knowledge is not a couch for the
curious spirit, nor a terrace for
the wandering, nor a tower of
state for the proud mind, nor a
vantage ground for the haughty, nor
a shop for profit and sale, but a
store-house for the glory of God
and endowment of mankind.*

BACON.

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FOREWORD.

With the growth of industries in India during the war and with the schemes of postwar industrialisation that are under consideration, problems relating to the welfare of industrial labourers are bound to grow in importance. The Government of India have shown their awareness of the same in their proposals for legislation and their efforts to collect more reliable data on the subject with the help of a special committee. It is appropriate therefore that those interested should be able to understand the different aspects of the problem in a brief and simple manner. The authors of this book have made an excellent attempt in this direction. One of them, Mr. Oza, though trained in Science has adopted economic studies as his hobby; the other Mr. Kotdawala has practical experience of the subject as Labour Welfare Officer in Ahmedabad.

I shall not enter into a detailed discussion of the subject matter dealt with in this book. It is possible to enlarge on some points; to differ on others. What is of importance to the general reader is that the authors have gone about their task systematically and have provided a good introduction to the subject. I trust the book will stimulate interest in this important problem.

School of Economics & Sociology
University of Bombay
18th August 1944.

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C. N. Vakil

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INTRODUCTION

The interest that is evinced in the industrial future of India by the country at large and our national leaders, captains of industry, businessmen, scientists, economists and even the managers of the Government in particular, clearly indicates the way the wind blows. That the country should develop her resources, expand her industries both in magnitude and direction, reorganise her methods of production, and properly co-ordinate her agricultural and industrial economies do not seem to be questioned. All appear to be agreed. What is not agreed upon is the relative importance to be given to agriculture and industry as well as the relative urgencies of developing the various individual industries. Everyone blows his trumpet; the Government especially when speaking or planning for India has always the British interests in the background.

The fact anyhow remains that the country, however inadequately to meet her needs, is already industrialised to the extent of giving her a permanent place, as one of the eight major industrialised countries of the world, in the Governing Body of the International Labour Organisation.

The industrialisation demands that due attention should be paid to the problems of industrial labour. The following pages are meant as an introduction to the welfare aspect of the industrial labour problem of our country.

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It is well to recognise as a logical fact, substantiated by empirical data, that the conflict between labour and capital is inherent in the existing economic structure of society; and that it cannot be removed in its entirety, at least so long as the present structure continues. But ways and means can be searched for to reduce it to a minimum, so as to ensure under given circumstances the maximum development of industry and labour with a view to better the lot of the nation as a whole. In the following chapters an attempt in this direction is made. In these chapters the need of governmental action, existence of trade

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unions, and a far sighted policy of the employers is established. A thoughtful perusal of these chapters must reveal that none of the three needs can be dispensed with without detriment to the object in view.

To put the case metaphorically, it is urged that there is an inherent ailment (besides others) of conflict between labour and capital in the economic body of our society. The problem is to give relief. For this the workers should unite and form unions, to work as nature in fighting the disease and helping to recoup; the employers should work, by intelligent and sympathetic appreciation of the problems of labour, as a balm and antiseptic to ward off the bacteria of misunderstanding and dissatisfaction; and the Government should work as a medical agency to co-operate, strengthen and supplement the restorative forces of nature, and keep ready the necessary surgical instruments of legal and executive machinery to remove the vicious and otherwise hard-to-cure evils in the form of those forces working in opposition to the central objective.

It is worth while giving the layout of the book. The book is divided into three parts : state and labour welfare; labourers and labour welfare; and employers and labour welfare. In the beginning of each of this parts is the general theory, that is, a theoretical basis for the ameliorative measures. This is followed in each case (except in the third part where reliable and adequate material is not available) by a historical resume of the steps taken. Then lastly follow the further measures suggested. Thus each part is tacitly divided into three sub-parts—economics of welfare, its development, and further scope.

The work thus though primarily designed to be useful to the students of economics, trade unionists and the industrialists and their labour officers, it is hoped that it will stimulate interest in the general public in this important subject of industrial labour welfare. Part III is specially designed to meet the growing need of the growing institution of labour officer; at the end is appended a chart of the functions of a labour officer to enable him to grasp his functions at a glance and as a whole.

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It is customary to include plantations in 'industries'. We have, however, made a departure and for the purposes of this book excluded them. The most important reason for doing so is our lack of first hand knowledge of the subject.

While working on the social security of labour, we found a case for *all*; and this is incorporated as chapter V. Specially for labour, however, an important suggestion, and so far as we know for the first time, of "family employment" is made in chapter XVI, part IV (p p 120-121).

In spite of the pains taken there are bound to be inaccuracies, errors, and what is of no less consequence, omissions. None can be more aware of the short-comings of a work of this nature than the authors themselves. They fully know that some topics are inadequately dealt with and some are not dealt with at all. They nevertheless claim the treatment to be, as unbiased as is consistent with the human nature, logical, and not infrequently original either in presentation or in material.

Any suggestion for the improvement of the book will be most carefully attended to.

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It remains now to add a small note on what may be called 'the economics of a dependent nation.' It requires no figures to show that the Indian industries are not as yet very stable and still unprepared to withstand the on-slaughts of foreign competition in the post-war years to come. But the Government, however, predominantly in the interest of British industries, (P) is not going to protect it either behind the tariff wall or more preferably, with bounties. Not only this. The Government will not hesitate to unduly burden the industry in the name of progress.

(B) The fact speaks for itself that even when the war furnished excellent opportunity to Indian industry, due to the reactionary tendencies of the Government, it could not make any substantial progress. This is borne out by the following figures. During war

Production has	increased in	U. S. A.	by 120 %
"	"	Canada	by 160 %
"	"	U. K.	by 50 % and
"	"	India	by 15 %

Need we now add their unwillingness to give us the requisite dollar exchange, so necessary to build up our capital resources, to remind that we are dependent?

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while shunning the real channels of progress, and placate the workers and their unions to enlist their support against their employers. The policy of divide and rule is by now too clear to need clarification or emphasis. Our fervent appeal to workers and employers alike is to work in harmony, for it is in the well being of one that the interest of the other is hidden.

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Before we close there remains a pleasant duty to discharge—the duty of acknowledging the debts. We cannot adequately thank Professor C. N. Vakil, Director of the School of Economics and Sociology, University of Bombay, for the foreword he gave and the interest he showed in our work. We take this opportunity to thank Mr. Anantrao Ramchandra Kagal, B. A. B. Sc., F. C. S. (London), the Senior Inspector of Factories at Ahmedabad for his stimulating talks and valuable suggestions; it was from talks with him that chapter VI and chapter XVI (part IV) first originated. We also thank Smt. Atilaxmi Oza for foregoing many a good hour and for helping to arrange the chart. Sjt. Hariprasad Hargovinddas Trivedi B. A. LL. B for his cooperation, the agents of the Indian Textile Journal for their unfailing courtesy and their kind permission to use our article 'Sickness Insurance and Indian Conditions', and the 'Grantha-Uttejak' Committee of Bhavnagar State for helping in the preparation of the book.

Lastly we may add that but for the enthusiasm of Sjt. Nandal Bodivala and his placing at our disposal of all the facilities at his command the book would not have come out in the present form and as early as it has done. It is significant that Sandesh Ltd. has widened its range of publications; and it is desirable that it may continue to maintain its laudable efforts in this direction with discretion and foresight.

Shiva Oza's Street
Dholka
(Dist: Ahmedabad)
October-28th-1944.
Prabodhini Ekadashi.

H. P. Oza.
V. B. Kotdawala.

PART I
STATE
AND
LABOUR WELFARE.

CHAPTER I

State and Labour Legislation.

(a) General Theory.

The history of the industrial revolution in the West has to teach us many things. The workers were treated as productive agents to be replaced when worn out. The wages were so low and the conditions of work and living so unhygienic that the health and vitality and consequently the efficiency of workers greatly deteriorated. The employers, however, in their craze for wealth did not heed to this, especially because there were sufficient fresh men to replace the old worn out stock. But this meant drawing upon the national human resources. And should a nation allow her most important wealth—the human wealth—to be misused for the advantages of a few ?

Certain types of labour such as child labour (Sweat Shops) by not allowing the full development of body and mind mean an uneconomic use of the nation's human resources. In Northern England the small children were worked to death and the saying is significant that the employers were using up nine generations in one generation "Women were employed at the mines under conditions of degradation which would have horrified any Nigger in South Carolina. Men were reduced to lives which savages would have despised. The places, these unhappy people lived in, were beyond description. Epidemics of cholera and small-pox swept the country from time to time; typhus was commoner than measles to day; drunkenness and brutal violence were considered as natural to the working class as fustian coat and horny hands."

The condition in India was no better. Mr. R. F. Wadia giving evidence before the Bombay Factory Labour Commission

of 1885 said, "In ordinary seasons, that is when work is not very pressing, the engine starts between four and five a.m. and stops at seven, eight or nine p.m. without any stoppage during the day. The hands work continuously all these hours, and are relieved by one another for meals. In busy seasons, that is in March-April, the gins and presses sometimes work both night and day, with half an hour's rest in the evening. The same set continues working day and night for about 8 days, and when it is impossible to go on any longer, other sets of hands are procured from Bombay if they can be found.....Both the men and women come to the factories at 3. A. M., as they have no idea of the time, and they wish to make sure that they are at the factory by the time it opens, that is 4 A. M.There is no change of hands except at meal times. The hands that work from 4 A. M. to 10 P. M. are paid from 3 to 4 annas per day. All the factories pay at this rate. Sometimes we pay our hands 6 pies as bonus...I am personally very largely interested in this matter, being a proprietor, secretary and treasurer.....Those working these excessive hours frequently died".

Lord Curzon, in about 1900, has said, "I.....asked Mr. Reader, the officiating inspector, for a special report.....What he told me was that, in his many inspections, he had repeatedly found an utter disregard for human life, resulting partly from ignorance and partly from carelessness, and that many mines were conducted upon such inhuman lines—these were his own words—that some immediate remedial action ought to be taken". (1)

As late as 1921-22, the labour office of the Government of Bombay made an enquiry into working class budgets in Bombay City and Island, and came to the conclusion that the quantity of cereals consumed by the industrial workers in Bombay compares favourably with the minimum prescribed by the Bombay Famine Code. It falls, however, below the scale prescribed for jails. (§) From a report on the physique of mill workers, in connection with certain investigations into the humidification of Indian

(1) Quoted on page 303 of Daniel. H. Buchanan's "Development of Capitalist Enterprise in India".

§ See ch. VI.

Cotton Textile Mills, it was found that the average weight of mill workers was much less than that of prisoners." (2)

The typical description of the chawl life, so extremely prevalent in big industrial centres, has been given by Mr. A. E. Mirans, while giving evidence before the Industrial Commission, (3) which sat during the World War I. The *bustees* are no better. He said: "Although I have observed a good deal of poverty in my walk through life and in many countries, and although I have read a great deal about poverty,.....I did not realise its poignancy and its utter wretchedness until I came to inspect the so-called homes of the poorer working classes of Bombay.....(see the Labourer) in this home amongst his family, and one instinctively asks oneself, "Is this a human being or am I conjuring up some imaginary creature without a soul from the under world?"

In such a room,—10 x 10 feet—where there is hardly space to move, whole families sleep, breed, cook their food with the aid of pungent cow-dung cakes, and perform all the functions of family life; the common latrines alone being set apart. Some of the rooms so-called in the upper stories of the older houses, are often nothing more than holes beneath the sloping roof, in which a man cannot stand upright. The rear rooms are usually dark and gloomy, and it is only at a closer inspection, when one's eyes have become accustomed to the gloom that the occupants can be seen at all."

To take an illustration of coal mining industry: The Court of Enquiry which investigated a fatal subsidence in a colliery in

(2) "The Industrial Worker in India" by B. Shiva Rao, page 145.

Dr. Mukhtar took in 1927, the weights and heights of 238 labourers—skilled and unskilled—of the Punjab Mills, out of which 149 had been in services for more than 5 years and about 200 had been working in the same factory for not less than 3 years. He also took the weights and heights of 495 prisoners in a few of the Punjab Jails, and sums up his investigations as follows. "The average weight of laborers taken all in all comes up to about 115.3 Lbs. whereas the average weight of prisoners has been estimated at 126.3 Lbs. This evidently proves that, *man for man, an average prisoner is surely better off in health than an average factory labourer.* " (Italics ours) "Factory Labour in India". P. 239.

(3) Report; Evidence IV page 354; quoted in Buchanan p. 395.

1928 reported that six mining experts were asked for their opinions as to whether under certain conditions they would prohibit by legislation pillar extraction of coal, the general answers of these witnesses were in the affirmative from the sound mining or safety point of view, but in the negative from the commercial or profit-making point of view.

Nothing can be more graphic than the committee's description of the coal mining industry as a whole: "In short, to use a sporting metaphore the coal trade in India has been rather like a race in which profit has always come first, with safety a poor second, sound methods an 'also ran,' and national welfare a 'dead horse' entered perhaps, but never likely to start. Neither Government nor the land-lords can escape responsibility for allowing this state of affairs to prevail for so long... .." (4)

In chapters XII *et seq* a plea has been made out in favour of welfare measures for employees. But there are measures such as non-employments of children, regulating of hours of work, taking of some essential precautionary measures, regulating of employment of women and young persons, and in general a substantial increase in the standard of living of workers which though, as we have seen, are of vital national importance, cannot be depended upon even a good employer in the present competitive system; and the records of the industrial history both of the West and the East fully endorse this. These measures indispensable for the preservation (what to talk of augmentation) of nation's human resources will be and can be little heeded to by individual employers. For if an employer chooses to raise substantially the standard of living of his workers, refuses to employ small children even though they be cheap, or refuses to overwork men and women though it be economical, the cost of production of his goods will be appreciably greater than that of his competitors and consequently he will go to the wall. This is because the competitors are not fully paying the workers for what they are getting from them, that is, are not paying sufficiently and not offering sufficiently good conditions of work as to enable them to live their normal span of life with normal well being. The result

(4) 'Industrial Worker in India' by B. Shiva Rao, P. 239.

of this is to wear them out soon. But why should they care for this when there are sufficient others to replace the worn out ones? Of course, in the very long run when the general efficiency of the nation has suffered the bad employers will be materially affected. But the time required for this effect to be visible is too long to be taken account of by individual employers, and so at the cost of the nation as a whole, including the good employers, the bad ones will choose to prosper. But no nation can allow this. And hence the necessity of legislative action. Incidentally it may be noted that employers, who but for the competitive nature of their business will act better than Yahoos in their dealings with their employees, will be only too willing to join hands with those who may labour for legislative action for the amelioration of labour.

As we have argued an individual employer, under the present competitive economy, cannot be depended upon for certain measures though in the long run they be fruitful; for this long run though short for the history of a nation is however too long for an individual life. And this is not to be wondered at. In this world of international trade, even nations with progressive labour legislation feel the strain of competition with those backward in that way. ".....it was recognised that owing to keen international competition in commerce no country could go on improving the conditions of its workers without the co-operation of other countries. The Peace Conference (at the end of the first world war) appointed a Labour Commission which emphasised the principle that universal peace could be maintained only on the basis of social justice, and that the failure of any country to make the conditions of its workers equitable (5) made it very difficult for other countries to humanise the conditions of their own workers." (6)

(5) The failure of a country to make the conditions of its workers equitable depends as it does on many factors such as the growth of industry, the growth of trade unions and the public sympathy. The growth of industry and the growth of trade unions, however, depend in their turn, to a very large extent, on the willingness of the Government to lend their helping hands; which, as we have learnt at our great cost, cannot be coming in absence of a national Government.

(6) Panandikar's 'Industrial Labour in India' p. 125.

There are persons even to-day who do not look upon with favour the legislative action of the state limiting the freedom of employers with respect to the workers they employ. Formerly in England and France there was excessive regulation of Industry by the state. The first school of economists to advocate abolition of such regulations and allow 'the rule of nature' was that known as Physiocrats under the leadership of Francis Quesnay. Their motto was *Laissez-faire*—let alone, let the market not the Government control. This motto found much favour, and not without reason for the time in which it was advocated. As Davenport states, "The economists of the first half of the 19th century were engaged in the study of Societies emerging from centuries of Kingship, of government by classes, of stupid and unjust legislation. It was clear enough that progress of society lay in the breaking down of legal barriers and limitations, in the sweeping away of the privileges of caste and class, and in the development of popular institutions under the form of local and individual initiative.....The benefits of increased freedom argued for the wider abolition of regulation, and the regime of liberty came to stand as the ideal toward which civilisation seemed to tend. (6a)

It has been admirably shown by Prof. D. R. Gadgil, (7) that the doctrine of *Laissez-faire* is not universal; it is local with respect to space and time both. To use a metaphor, it is not a universal remedy: it may be used for certain ailments, but if attempted for others, either they will be aggravated or new complications will develop. The doctrine of *Laissez-faire* supposed to be capable of maximum good to the maximum number has two tacit presumptions: firstly after the phrase 'the maximum good of the maximum number' the words 'of a nation' are implied; and secondly the scope of expansion in its turn

(6a) Davenport, "Social Productivity versus Private Acquisition." *Quarterly Journal of Economics*, November 1940 pp 109-110, as quoted in *Social Science Principles in the light of Scientific method* by Joseph Mayer (Duke University Press, 1941) PP 247-248. Davenport, of course, furtheron shows how 'the false inferences' are constants drawn from organic, mechanistic, or other like analogies, which serve mainly to keep alive certain theological, naturalistic, or amelioristic presuppositions handed down from the past.'

(7) Presidential Address, Indian Journal of Economics.
The Conference Number, 1941.

assuming the existence of a market is presumed. It is thus not surprising that in the last century the doctrine found much favour in some of the Western European Countries, notably England and France as they are, were able to sell their finished products in countries like India, China, and Africa, and ensure prosperity at home at the cost of these countries. But even then, it should be noted, the conditions of labour were entirely unsatisfactory (natural to expect after the considerations of page one) and the state had to interfere with protective measures. Recently, however, the doctrine is not favoured even in the countries of its birth and growth as the former favourable conditions do not obtain, and entirely new situation, such as political consciousness, has arisen to which not only the doctrine is not beneficial but is positively harmful.

The foregoing analysis evidently shows the inapplicability of the theory of *Laissez-faire* particularly to India: with regard to the development of industry, as the favourable conditions for expansion of industry formerly obtaining in countries like England are absent, the Government cannot justify its attitude of aloofness; and the workers being not sufficiently organised to be in a position to effect profitable bargains with their relatively powerful employers, "The need", as the Geneva report (8) emphasises, "for the intervention of the state and local authorities in the regulation of labour conditions is of more than usual importance."

Here we are concerned with the labor legislation for which without further elaborately examining the pros and cons of the theory of *Laissez-faire* it is sufficient to observe that the protestations of the employers that they would be ruined by state interference are contradicted by experience. When certain additional expenditure *is to be borne* for labour, if at all the legislative action involves it and everyone necessarily does not (like that of limiting of hours of work§ and introduction of pauses),

§ Referring to India Mr. Harold Butler observes "Employers testified almost unanimously that the reduction first to 60 hours under Washington Hours Convention and later in 1935 to 54 hours has resulted in an improvement rather than in a reduction of output." 'Problems of industry in the East' Geneva, 1938. P. 12.

8. "Industrial Labour in India" Geneva 1938 p. 323.

the employers will seek other avenues of economy such as better management, more and upto date machinery, and speeding up the work. In the West 'By better management, more and better machinery, and speeding up the work, they made bigger profits than ever'. Here in our own country, a comparison of the working of Textile Industry in the two major centres, Ahmedabad and Bombay, will be fruitful: although in Ahmedabad the average wages are higher than those in Bombay, the industry in the former is definitely better off than in the latter. The reason is more economical management. To take another illustration, it is calculated that in the coal industry of this country the overhead charges, both due to mismanagement and inefficient management, are so high that miner's wage makes up $1/6$ of the total cost of production whereas in England it is $2/3$. (9)

Unhappily in this country, barring a few exceptions here and there, no serious attention is paid to efficiency of management, efficiency of labour, and use of more and upto-date machinery. (10)

As for the general inefficiency of management of industry in the country there is a threefold defect mainly attributable to the prevailing managing agency system. Firstly most of the so called managing agents who are mainly (mostly wholly) responsible for the floating and conducting of industry are blissfully ignorant of the technical aspects of their job. They, therefore, either handle the industry badly or do not attend to it. The cases are not difficult to locate in which the representatives of the managing agents visit a firm for two or three times a year and the large house and spacious gardens attached are primarily used for entertainment. Secondly the remuneration allowed to the most of the managing agents upto 1956 (except those for the companies started after the advent of the amending act of 1936) is on one or

(9) Indian Coal Committee, referred to in Panandikar's "Industrial Labour in India" P. 98.

(10) The problem of machinery is in fact a wider one. The machinery having to be imported costs more. This together with the relatively much cheaper labour serves, in virtue of the economist's formulae of 'highest profit combination', as a deterrent factor.

more of several factors, such as (i) percentage on the purchase of materials, or (ii) on the sale of the finished products, or (iii) on profit, or (iv) a fixed amount on each unit of production, and (v) various subsidiary services. Where the commission on the purchase of stores is allowed the management gets handsome commission with most (and sometimes the whole) of the real work of testing of material, the estimate of stores required etc., being done by other salaried persons; this system also lends itself to a greater abuse, namely, of an unduly large purchase irrespective of the prevailing market prices. The practice of deducting remuneration on the basis of the sale of finished products and much more on units of production, irrespective of the goods being made to a profit or a loss, is simply abominable : managements get handsome profits even when the factories are working at a loss; and this incidentally explains the high prices quoted for the managing agencies of the factory making no profit or actually working at some loss. The 'various subsidiary allowances' include travelling allowances and office expenses; the latter being aptly described 'mostly as Post-Offices'. Anyway these diverse forms of remuneration put a great dead weight on the cost of production; this accounts for a high cost of production with relatively low labour wages. Lastly the fuel is added to the fire by fraudulent manipulations, not infrequently followed, and always to the detriment of industry. The system thus clamoured for a strict controlling legislative action. The Indian Companies (Amendments) Act of 1936, of course, under section 87 C fixes the remuneration of managing agents to be (i) a sum based on a fixed percentage of the net annual profits (ii) with a provision for a minimum, together with (iii) an office allowance to be defined in the agency agreement. The method of calculating 'net profits' is laid down, and several other attempts are made (say section 87 E and 87 H) to avoid frauds. But still the Amendment, applicable to managing agents who will be appointed after the commencement of the operation of the new act and to others after their terms expire which in many cases will terminate after 20 years from the commencement of the new Act, leaves much to be desired. It may not be known that the managing directorship in this country is not of the same type as it is in England and here therefore that

form of management "is the least efficient and has, besides, all the defects of the former" (i.e. managing agency system.) (11)

The possibilities in the direction of better technical management can be judged from what Henry Ford remarked some time back that when at the end of the last War (1914-18) the Germans left the control of the French factories it was found that by making small changes in its working they had increased the efficiency by more than twenty-five percent ! We wonder by what percentage the efficiency of industry can be increased in India by such 'small' changes in its working.

To recapitulate it is seen that the policy of *Laissez-faire* is harmful, particularly in India, and that just as the Government should take care to conserve forests, mines and other national resources, it is its primary duty to prevent waste of its human resources. (12)

(b) REAL SITUATION.

One should not be deluded from what has preceded into the belief that the motive power of protective labour legislation is either humanitarian or economic, and nothing else. The history of protective labour legislation reveals a curious paradox that even from positive vices like jealousy and spite arise positive good. It cannot be said that the land-lords of England lent (if not actually originated) a disinterested support to labour legislation in that country. The history of Factory Act in India is, to us, a conspicuous example of the above mentioned paradox. It is said, and not without reason, that in shaping the labour legislation

(11) "Principles of Industrial Organisation" 1913 by R. C Chowdhury, p. 253

For a detailed study of the topic of this paragraph the reader should consult the book just cited and especially pp 234 to 254 and pp 369 to 392.

(12) It is a matter of some gratification to hear an industrialist of the status of Mr. Sakeral Balabhai, the President of the Ahmedabad Millowners' Association, proclaim, although in another context, that "No Government could permit illegitimate operations by a small minority to the detriment of the community at large". He, however, rightly warns that "the only agency which can properly safeguard Indian interests would be a National Government at the Centre "

Presidential address of Mr. Sakeral Balabhai, at the Annual General Meeting of the Millowners' Association, Ahmedabad, held on 10th. April, 1944,

"the voice was the voice of Exeter Hall but the hand was the hand of Manchester". (13) Some have tried to argue that the movement for the protection of workers by means of legislation was humanitarian in origin. But even they cannot help observing that no inconsiderable part of the momentum of this movement was due to the Lancashire manufacturers who saw in it a means "to protect themselves against the unfair competition of Indian cotton manufacturers, resulting from the latters' freedom to employ the low-paid labour of men, women and children without restrictions." (14)

The action of Earl of Lytton—repeal of import-duties on certain classes of cotton goods in 1876 in the interest of Lancashire—could hardly allow us to believe in the disinterestedness of the Governmental action. Mr. W. Stokes, a European Councillor, warning the Viceroy, added with delicate sarcasm : "of course, the people of India are wrong : they always must be wrong when they impute selfish motives to the ruling race". Also on another occasion "the European Chairman of the Madras Chamber of Commerce—a British organisation—was moved to write to the Government of India expressing his chamber's disapproval of the interference of Manchester.....The proposal to extend British Factory Regulations to India, he caustically observed, was not prompted by disinterested concern for the Indian operatives. Indeed the Madras Chamber of Commerce went so far as to attribute Manchester's action to jealousy, to the dictates of self-interest and to the discovery that competition in India was becoming too severe for Lancashire". (15) This suspicion regarding the motive of the Government was shared by other employers as well. And this accounts for their 'whole-hearted' opposition to Factory legislation in its inception and afterwards.

An authority such as International Labour Office observes that, "as a result partly of the feeling aroused by the extent to which, and the conditions under which, women and children were employed, and partly of the concern of the Lancashire

(13) e. g. Panandikar. See his "Industrial Labour in India" page 119.

(14) Ibid. p 120

(15) Both in "The Industrial worker in India" by B. Shiva Rao pp. 20-22.

cotton manufacturers at the appearance of new competitors in the Indian Market, a demand arose for Factory Legislation." (16) And after the War, of course, the conventions of the International Labour Conference were mainly responsible for the progressive legislation. These conventions, however, "have been established for labor, not through altruism so much as through commercial expediency." (17) The pressure for better conditions of labour in countries of lower standards comes not only from labour of those countries but also from Labour and Capital in countries of higher standard.

CHAPTER II

Specific Legislation

The initial stages of legislation concerning labour date back to 1837. Following abolition of slavery in 1833 the British colonies began importing cheap Indian Labour under various types of contracts. In order to regulate 'recruitment, forwarding and employment of Indian emigrants under indenture system,' the Government of India found it necessary to legislate.

The legislative activity can be divided into two groups (1) Specific : such as (a) Factory Legislation, (b) Mining Legislation and (c) Communications; and (2) General and Miscellaneous legislation such as Trade Union Act, Payment of Wages Act, etc. The enactment and administration of these various legislation can, however, be divided into three categories (i) Those which are enacted and largely administered by the Central Government e. g. Indian Mines Act. Of course the Local Governments are given powers to make rules to carry out some of the objects and purposes of the Act. (2) Those enacted by Central Government but administered by Local Governments with some powers as regards its administration, e. g. Factory Act and Payment of Wages Act. (3) Those enacted and administered by Local Govern-

(16) "Industrial Labour in India" I. L. O. p. 70.

(17) "Japan's Economic Position" by J. E. Orchard, p. 382.

ments e. g. Bombay Maternity Benefit Act. Under the Provincial Autonomy the Provinces have wide powers in regard to enactment of labour legislation, and some of them—especially the Congress Governments—were not slow in the use of this power for the amelioration of the workers. In this chapter we shall take up one by one the different specific labour legislations, and in the next one, the general legislation.

(a) FACTORY LEGISLATION

The first cotton textile mill in India was started at Bombay in 1854, mainly owing to the enterprise of Mr. Cowasjee Nana-bhai Davar. In the next 22 years the number in Bombay increased to 18, whereas in the country as a whole to 47, with a strength of 1,100,112 spindles and 9,139 looms. This growth of the Cotton Textile Industry was looked upon with grave concern by Lancashire. As Rajni Kant Das puts it, “.....the spirit of rivalry among Lancashire cotton manufacturers and their agitation for the control of labour conditions in India, which was supported by philanthropists both in England and in India, led to the appointment of a Factory Commission in 1875 and to the enactment of the first Indian Factories Act in 1881.” (1)

Under this Act any premises using power machinery and employing 100 persons or more for four months or more in a year was defined to be a factory for the purpose of the Act. The Act provided that no child under seven might be employed the hours of work of children were limited to nine in a day with an interval of rest of one hour : and that children should have four holidays in a month. A ‘child’ was defined to be any person below the age of 12.

The signs of progress and expansions of the Bombay Cotton Textile Industry, insufficient protection to children and no protection to women labour, led to an agitation resulting in the Bombay Factory Commission of 1884, and a Factory Labour Commission of 1890. The resolution in November 1888, of the

(1) “Principles and Problems of Indian Labour Legislation” p. 12. Calcutta University Publication.

Manchester Chamber of Commerce and the anxiety expressed by the Blackburn Chamber of Commerce in its correspondence with the India Office, which was forwarded to the Viceroy by Lord Cross in 1891 are significant. An amending act, on the recommendations of the commission of 1890, was passed in 1891. For the purposes of this Act a Factory was defined as any premises in which 50 persons or more were employed, the Local Governments being empowered to extend the definition to 20 persons or more. A child was defined to be any person below the age of 14 and the minimum age for the admission of children was raised to 9. Hours of work for women were limited to 11 a day with an interval of rest of an hour and a half or proportionately less for a lesser number of hours. For children hours of work were limited to 7 per day.

After 1891 there followed a prolonged depression in the cotton textile industry. But a boom, in 1904-1905, and the shortage of labour due to the ravages of plague led to excessive hours of work. Also the jute industry was advancing and the excessive hours of work in jute mills were too noticeable to be ignored. Again the Lancashire manufacturers, this time joined by the Dundee Jute Manufacturers, renewed their agitation, and Lord Morley, the then Secretary of State for India, decided upon the appointment of a textile committee in 1906, and an All India Factory Labour Committee in 1907, for investigation. The genesis of the enquiry into the labour conditions explains the suspicion of the employers for the motive of the Government and their subsequent strong opposition. The growing industry needed state aid in form of protective duties on imported goods, and even as far back as 1880, the Indian Famine Commission had strongly supported it in its report. The Government, however, flouted it, following dictates of Manchester, in spite of the fact that in addition to the Indian industry badly needing a protection the Exchequer needed additional revenue. "When the financial situation in India in 1895 compelled a return to customs duties for revenue purposes, an excise duty was imposed on all Indian cotton manufacturers, of 3-1/2 percent, in response again to agitation in Lancashire. For nearly thirty years it remained on the statute book, a source of constant bitterness and friction." (2)

All the members of the commission except Dr. T. M. Nair, were against strong legislative action. Dr Nair, in his scathing

(2) "The Industrial Worker in India" by B. Shiva Rao, p. 21.

minute of dissent drew attention to the report of Mr. (now Sir) Selwyn Fremantle, who had been deputed as a special officer by the Government of India, to investigate into the causes of the shortage of labour in some of the Industrial centres of U. P., Behar and Bengal. The shortage according to the report was due to the fact that the labourers found the strain of working long hours too much for them. Dr. Nair with cogent arguments in his masterly minute of dissent advocated strong direct legislative action. The legislators of the Factory Act of 1911 were influenced in no small measure by Dr. Nair's views.

In the Factory Act of 1911 the hours of work for children and men working in the Textile Factories, were reduced to 6 and 12 respectively. Women and children were prohibited from employment in certain dangerous processes and also were prohibited to work between 7 P. M. and 5-30 A. M. Children were required to be in possession of a certificate as to their fitness for employment and their age.

Under the Treaty of Versailles in 1919 provision for International Labour Organisation as a part of the League of Nations was made. And under its auspices a conference was held at Washington. The international labour conventions of this conference relating to hours of work of women and the night work of women and young persons were ratified by the Government of India in 1921. The hours convention made special provision for India, viz. that "the principle of sixty hour week shall be adopted for all workers in the industries at present covered by the Factory Acts administered by the Government of India." With the aim of giving effect to other convention regarding the minimum age for admission of children for employment, as well as making some additional provision, the Act of 1922 was passed.

For the purposes of this Act a factory was defined to be any premises using power machinery and employing 20 persons or more. Local Governments were empowered to lower the limit to 10 persons and include undertakings without power machinery. A child was defined as a person below 15 years of age. No child below 12 was to be employed. Also the hours of work for all children were limited to 6 in a day with half an hour's interval

for those working more than 5.1/2 hours. At the discretion of an inspector, children were to be re-examined for continuing work.

For Adults hours of work were restricted to 11 in a day and 60 in a week. No person was to be worked for more than 5 hours continuously and more than 10 days at a stretch. Rest period of one hour, divisible into two parts at the option of operatives, was provided for six hours of work done. For overtime workers were required to be paid at least 1.1/4 times the normal rate of pay. Women and young persons under 18 were prohibited from employment in certain lead processes.

In 1923 the Act was amended to eliminate a small defect in the clause concerning weekly holidays. In 1926 it was further amended to permit a rest interval of half an hour for those working for less than 8.1/2 hours per day, if the operatives desired and the Provincial Governments sanctioned it. Also the Provincial Governments were empowered to forbid the cleaning of machinery in motion, and it was made an offence for a parent or a guardian to allow a child to work in more than one mill in a day.

A minor amendment was made in 1931 to enable the Local Governments to provide for precautionary measures against fires in the factories.

Further on a consolidating and amending Act containing extensive improvements in drafting and arrangement, as well as many amendments in substance and detail, was passed in 1934, which came in force on 1st. January, 1935, based on the recommendations of the Royal Commission appointed in 1929. The main purposes of the Act are stated to be : (1) the reduction in hours of work, (2) the improvements of the working conditions and (3) better observance by factories of the provisions of the Act.

This Act for the first time distinguished between seasonal and non-seasonal factories, the former being defined as factories engaged in cotton ginning, cotton or jute pressing, the decortication of ground nuts, the manufacture of coffee, indigo, lac, rubber, sugar (including *Gur*) or tea. The Local Governments were empowered to declare these factories as non-seasonal if they worked for more than 180 days in a year.

For non-seasonal factories the Act provided for a ten hour day and maximum of 54 hour week except 'in work which for technical reasons must be carried on continuously, the working week may be 56 hours. For seasonal factories 60-hour week and 11-hour day were fixed. As regards overtime 1-1/4 the normal rate of pay for non-seasonal factories in excess of 54-56 hours upto 60 hours a week and 1-1/2 times in excess of 60 hours for seasonal and non-seasonal were provided. The spread-over of work including rest intervals for adults and children should not exceed 13 and 7-1/2 hours respectively. Also, except where the Local Government, by notification in the Local Government Gazette, may make the working day fall within any span of 13 hours between 5 A. m. and 7-30 p. m. women and children may not be employed between 7 p. m. and 6. a. m., hours of work for women, in both seasonal and non-seasonal factories reduced to 10 per day.

This Act introduced a new principle according to which 'adolescents'-persons between 15 and 17-should not be employed as adults unless they were medically certified to work so Children-persons between 12 and 15-should not work for more than 5 hours a day in both seasonal and non-seasonal factories.

Further on, this Act in addition to enlarging the powers of the factory inspectors and amplifying health and safety provisions, has empowered the Local Government to make rules, regarding artificial humidification, protecting workers against the effects of excessive heat, requiring any factory employing more than 150 operatives to provide an adequate shelter, and that employing more than 50 women to reserve a suitable room for their children under 6; and requiring factories to secure a certificate of suitability of any new building or any structural alterations.

In September 1935 the Government of India ratified the Night Work (Women) Convention (Revised) of 1934, and in 1934 Act introduced a clause prohibiting entirely the night work of women in any capacity (formerly Local Governments were empowered to exempt women holding supervisory position) whatever on the ground that it was contrary to the social custom in India.

As we have seen the Amending Act of 1922 empowered the Local Governments to include in the definition of a factory an undertaking employing not less than 10 persons and working with or without the aid of power. The 1934 Act did not alter this. The Government of Bombay, however, found it essential to legislate and include certain open-air undertakings, such as laundries (dhobi ghats) in Ahmedabad in the definition of a factory. But the powers of the Local Government under section 5 (1), being not definite in their being able to include undertakings, partly or wholly working in the open air, the Government of Bombay found it difficult to extend the definition and consequently in April 1936 the Government of India amended the Act granting the necessary powers.

Those undertakings covered by the Factory Act of 1934 may be termed regulated factories and the rest as unregulated. Amongst the latter we have two kinds (i) those which use power but do not employ 20 or more persons; (ii) those which do not use power, whatever the number of persons they employ. The Royal Commission on Labour, referred to above, recommended the Provincial Governments to apply the Factory Act to factories of the first category and to enact separate simple laws regarding the second. The Central Provinces is the only province which has embodied these recommendations in its Unregulated Factories Act of 1936, brought into force on 31st. March, 1937. This Act applies to such areas as the Local Government may select and to those workshops employing 50 persons or more and engaged in *bidi* (indigenous cigarette) making, shellac manufacturing, and leather tanning. Its scope may be extended to include other industries and workshops employing 25 persons or more. The Act limits the age of employment to 14 unless a certificate of fitness from a Certifying Surgeon, appointed under the Act, is acquired and in which case the lower limit is 10. For children the hours of work cannot exceed 7, and must fall between 8 a.m. to 12 noon and 1 p. m. to 5 p. m. Women are prohibited to be employed for more than 9 hours a day and before sunrise or after sunset. For adults the Act limited the hours of work to 10 in a day with a break of $\frac{1}{2}$ hour after 5 hours' work and also provided for a holiday after a work of six days.

The analysis of the Acts and Amendments in a tabular form is appended.

The following table (3) indicates the extent to which the Acts have reduced the employment of women and children :

FACTORY STATISTICS, 1892-1940,

Year,	No. of working factories.	AVERAGE DAILY NUMBER EMPLOYED.				
		Woman.			Children.	
		Total.	Number.	% of Total	Number.	% of Total
1892.	656	316816	43592	13.76.	18888	5.96
1912.	2710	869643	130025	14.95.	53796	6.16
1923.	5685	1409173	221045	15.69.	74620	5.30
1934.	8658	1487231	220860	14.85.	18362	1.24
1935.	8831	1610932	235344	14.61.	15457	0.96
1936.	9323	1652147	239875	14.52	12062	0.73
1937.	8930	1675869	237933	14.20	10833	0.65
1938.	9743	1737755	245099	14.10	10742	0.62
1939.	10466	1751137	243516	13.91	9403	0.53
1940.	10900	1844400	247000	13.40	9400	0.51

It should be remembered that in the above table the increase in number of factory workers is due to the extension of the scope of the Act, increase in the number of factories and increase in the number of persons employed therein.

(b) MINING LEGISLATION.

Mining in this country is comparatively a late development. The most important mines, coal mines, being both on the surface and easy to work owing to the thickness of seams (over ten feet) and in absence of any substantial external stimulus, the corresponding late development in the protective legislation can be understood. For the first time in 1893 a mining inspector was appointed. After this in 1895 a Mining Committee was set up on the basis of whose report the first Indian Mines Act was passed in 1901. Some of the glaring defects of this Act, and the ratification by the Government of India in 1921 of the Hours Convention were the causes of an amendment in 1923. Then followed the further amendments of 1928 and 1931.

§ Figures represent the number of factories actually working during the year and not those registered under the Act.

(3) Compiled from Geneva report 1938 p. 41 and Indian Year Book 1942-43 p. 479.

FACTORY LEGISLATION IN INDIA

Year.	Definition of a Factory.	Hours of Work.	Women	Children.
Act of 1881	Any premises using power machinery and employing 100 persons or more for 4 months or more in a year.	The hours of work of children were limited to 9 in a day with an interval of rest one hour.	—	A child was defined to be any person below the age of 12. Child under 7 might not be employed. It was provided that children should have 4 holidays in a month.
Act of 1891	Any premises in which 50 persons or more were employed. And Local Governments were empowered to extend the definition to 20 persons or more.	Hours of work of women limited to 11 a day, with an interval of rest of 1½ hours or proportionately less for a lesser number of hours. For children hours of work limited to 7 per day.	—	A child was defined to be any person below the age of 14. A child under 9 might not be employed.
Act of 1911	—	The hours of work for children and men, working in Textile factories, were reduced to 6 and 12 respectively.	Women and children prohibited from employment in certain dangerous processes and also prohibited to work between 7 p. m. and 5-30 a. m.	Required to possess a certificate of fitness for employment and for age.

Act of 1922	Any premises using power machinery and employing 20 persons or more. Local Governments were empowered to lower the limit to 10 persons and include under-takings without power machinery.	For adults hours of work were restricted to 11 in a day and 60 in a week. No person to work more than 5 hours continuously and more than 10 days at a stretch. Rest period of one hour, divisible into two periods provided for six hours' work done. For overtime 1.1/4 times the normal rate of payment. 54 or 56 hours a week and 10 hours a day in non-seasonal factories, and 60 hours a week and 11 hours a day in seasonal ones for adults 1.1/4 times normal rate as overtime for non-seasonal factories in excess of 54-56 upto 60 hours a week, and 1.1/2 times in excess of 60 for seasonal and non-seasonal. The spread-over of work including rest intervals for adults and children not to exceed 13 and 7 1/2 hours respectively.	Women and young persons under 18 were prohibited from employment in certain lead processes.	A child defined as a person under 15. Minimum age for employment being 12 hours of work 6 with 1 hour rest for those working more than 5 1/2 hours. At the discretion of inspector children were to be reexamined for continuing work.
Act of 1934	Distinction introduced between seasonal and non-seasonal factories, the former being defined as factories engaged in cotton-ginning, cotton or jute pressing, the decortication of ground nuts, the manufacture of coffee, indigo, lac, rubber, sugar (including Gur) or tea, and not working for more than 180 days in a year.	Hours of work reduced to 10 per day, in both seasonal and non-seasonal factories. Except where the Local Govt. by Gazetting, may make the working day fall within any span of 13 hours between 5 A. M. and 7-30 P. M., women and children may not be employed between 7 P. M. and 6 A. M.	Children—persons between 12 and 15 not to work for more than 5 hours a day in both seasonal and non-seasonal factories. Adolescents—persons between 15 and 17—not to be employed as adults unless medically certified.	

"In 1931 the International Labour Conference, at its fifteenth session, adopted a Draft Convention limiting hours of work to 7 hours and 45 minutes a day for underground work in hard coal mines. This Draft Convention was considered by both Chambers of Indian Legislature which recommended that the Governor-General in council should examine the possibility of further limiting hours of work in mines, and should place the results of this examination before them." (4) Accordingly, a circular letter, suggesting that 9 hour-day was the lowest that could be adopted at present, was addressed to the Local Governments and other interested parties to elicit opinion. After consideration of the opinions and criticisms received, the Act of 1935 was passed. The safety provisions of this Act were further reinforced in 1936, and again in 1940.

Under section 29 of the Indian Mines Act of 1923 which empowered the Governor-General in Council "to prohibit, restrict or regulate the employment of women", from 1st. July, 1929, in some of the mines, employment of women underground was prohibited, whereas in other mines it was to be progressively reduced. But by a subsequent regulation no woman was allowed to be employed underground from 1st. October, 1937. From 1943, however, due to the scarcity of labour women were allowed to be employed.

The analysis of the Acts and amendments is given in a tabular form on pages 24 and 25.

The scope of application of the Indian Mines Act will be judged from the following figures.

NUMBER OF MINING WORKERS IN SPECIFIED YEARS. §

Year	Total Mines Under the Act.	Number of Persons Employed.		
		Underground & openworkings.	Above ground.	Total
1901.	542	70129	34531	104660
1924.	1804	167719	90498	258217
1928.	1948	197398	70273	267671
1932.	1281	151924	52734	204658
1936.	1973	199917	69676	269593
1939	1864	223486	81858	305344

§ "Industrial Labour in India" I. L. O. 1938 p 50 & "Indian Year Book" 1942-43 p. 480.

(4) Geneva report on 'Industrial Labour in India' 1938 pp. 82-83.

And the table given below shows how the Act and the various amendments and regulations have led to a progressive reduction in number of women and children.

**AGE AND SEX DISTRIBUTION OF MINE WORKERS
IN SPECIFIED YEARS. §**

Year.	No. of Mines.	Number of Employees				
		Total	Women.		Children.	
			Number.	Percentage.	Number.	Per-centage.
1901.	542	104660	30488	29.2	5147	4.9
1924.	1804	258217	87434	33.8	6381	2.5
1926.	1897	260113	78497	30.2	—	—
1933.	1424	206507	35469	17.2	—	—
1936.	1973	269593	42635	15.2	—	—

(C) COMMUNICATIONS.

Under this are included Indian Railways Act, The Indian Ports Act, and The Indian Dock Labourers Act. And these are mainly the result of ratification of various International Conventions.

The railway workshops were covered by the Indian Factories Act, and for other employees in the railways there was no protective measure taken till in 1930, Indian Railways (amendment) Act was passed. It added a new chapter VI A (limitation of employment of railway servants) to the Railways Act of 1890. By this a 60 hour week and a rest of not less than 24 hours in a week are provided for all except those whose work is essentially intermittent, for whom a 84 hours week is provided. Provision is made for some exceptions in which case overtime at the rate of 1.1/4 times the normal rate is to be paid. Under this Act the Governor-General in Council is empowered to appoint supervisory staff for labour and make various rules, in virtue of which from 1st. April, 1931 a Supervisor of Railway Labour, assisted by a staff of 10 inspectors, was appointed with instructions to rectify breaches of the Act and rules on the spot, wherever it is possible, in collaboration with the local supervisory authorities.

MINING LEGISLATION.

Year.	Definition.	Women & Children	Other Provisions.	Defects.
Act of 1901 (In force from 22-3-1901)	Excavations for minerals deeper than 20 feet below the level of adjacent ground.	Chief Inspector granted power to prohibit employment of women and children below 12, where he thought conditions to be dangerous to health and safety,	Provision for Chief Inspector and Mining Boards.	Ambiguity regarding administration between Central and Local Governments. No Provision for regulating conditions of employment. Inadequacy of women and children regulations.
Act of 1923 (In force on 1-7-1924)	Any excavation for searching or obtaining minerals, - - irrespective of depth.	No person under 13 to be employed in a mine underground. Governor General In Council reserved the power to prohibit, restrict or regulate the employment of women.	Hours of work per week 54 underground, and 60 above ground. Six working days in a week	No limitations of daily hours of work.

Act of 1928
(Partly in force in 1930)

A person not be worked more than 12 hours in 24 consecutive hours. In no mine work for more than 12 hours in 24 consecutive hours to be carried without shifts. Register of workers and their hours of work to be maintained.

Act of 1935
(in force from 1-10-1935)

Age for employment raised to 15. Adolescents-between 15. and 17 to be worked if duly certified.

Above ground: 54 hour-week and 10 hour day: spread over of work limited to 12 hours inclusive of at least one hour's rest for 6 hours work.

Underground: 54 hour week and 9 hour-day. On mining Boards two miners' representatives, elected if they are organised. Provision for maintaining records.

The first Indian Ports Act was passed in 1889 and subsequently amended in 1908, 1922 and 1931. By the amendment of 1931 children under 12 are prohibited from handling goods anywhere within the Ports.

The Indian Dock Labourers Act, 1934 is the most important legislative measure as regards the protection of port workers. The Act makes provisions for the Governor-General in Council to make regulations. (5)

CHAPTER III

General Legislation.

In this chapter we shall consider legislation applicable to all workers irrespective of industries in which they are employed. Under this we shall have to consider, (a) Social legislation : Employment of children, Industrial Housing and Public Health; (b) Social Insurance Legislation : Maternity Benefit and Workmen's Compensation; (c) Protection of Wages Act; (d) Trade Unions Act; (e) Industrial Disputes Act; (f) Industrial Statistics Act.

(a) SOCIAL LEGISLATION.

Employment of children : The Royal Commission found in several centres, such as Amritsar Carpet factories and *bidi* factories, the practice of mortgaging the labour of children in return to loans or advances to their guardians, highly prevalent. It was for the purpose of eradicating this evil that the Children (Pledging of labour) Act, was passed in 1933. By this Act any agreement to pledge the labour of a child is void, such an agreement being defined as one, 'written or oral, expressed or implied, whereby the parent or guardian in return for any payment or benefit undertakes to cause or allow the services of a person under 15 years of age to be utilised in any employment'. An

(5) See for details Geneva Report on 'Industrial Worker in India,' page 91.

agreement, however, 'made without detriment to a child, and not made in consideration of any benefit other than reasonable wages to be paid for the child's services, and terminable at not more than a week's notice,' is not an agreement within the meaning of the definition. Parents or Guardians pledging the labour are liable to a fine upto Rs. 50 and employers of this labour upto Rs. 200.

In 1938 and 1939 Acts were passed prohibiting the employment of children under 15 in any occupation connected with railways and ports and under 12 in *bidl* making etc.

Industrial Housing : In view of the great hardships felt, especially in cities like Bombay and Calcutta, in acquiring land for the purposes of erecting houses for workmen, the Royal Commission recommended an amendment of the Land Acquisition Act of 1894, following which an amending Act was passed in 1933. By this Act a company or an 'industrial concern ordinarily employing not less than 100 workers and owned by an individual or an association of individuals' can compulsorily acquire land for the purpose of erecting dwelling-houses for its workmen, or for providing amenities, (such as sanitation, sewerage and other services), directly connected with it. The Local Governments are empowered, under this Act, to ensure that the houses are properly built and used, and also to prescribe the time, condition and manner in which the dwelling houses, or amenities, are erected or provided.

Public Health : The Royal Commission has strongly stressed the need of Public Health measures. But, so far, only the Government of Bihar and Orissa, by amending the Bihar and Orissa Municipal Act, in 1935, the Governments of Bengal, Bombay and U. P. by amending their former Acts, and the Punjab Government by enacting the Punjab Pure Food Act 1929 have taken any measures.

(b) SOCIAL INSURANCE LEGISLATION.

Maternity Benefit : When in 1919 the Child birth Convention was adopted by the International Labour Conference at

Washington a resolution was passed urging the Government of India to make a study of the question of the employment of women before and after childbirth, and of maternity benefits, and to report to the Conference. The Government of India after consulting the Local Governments laid before the 1921 Session their report expressing therein their inability to apply the Convention in India; the impossibility of enforcing the compulsory periods of absence from work, the shortage of medical women necessary for issuing medical certificates, the difficulty of compulsory contribution schemes to provide benefits, the absence of need for provisions regarding nursing periods and also the absence of need for protection of women from loss of employment during pregnancy, were adduced as reasons. The majority of the Local Governments, however, agreed to endeavour to persuade, and assist financially wherever necessary, the employers to start voluntary benefit schemes.

Mr. N. M. Joshi in 1924 introduced a Bill in the Central Legislative Assembly seeking to prevent the employment of women in certain industries and to provide maternity benefits to them. The Bill, however, was thrown out.

The Governments of Bombay and Central Provinces were the first to pass the maternity benefit acts. The Royal Commission which sat after the passing of these acts recommended that throughout India the acts on these lines should be enacted. It also made certain recommendations concerning the qualifying periods, subscription etc. Following these recommendations the Government of Bombay amended the original Act in 1934.

The important clauses of the various maternity acts passed by the different provincial governments and applicable to factories, are set forth below in a tabular form. The Mines Benefit Act, 1941, of the Central Government passed at the recommendations of the Second Conference of Labour Ministers, held in January 1941, is also included in the table to facilitate a comparative study.

TABLE SHOWING SUMMARY OF MATERNITY BENEFIT ACTS.

Act.	Passed in year.	Qualifying period. (months)	Maximum period for benefit. (weeks)	Rate of maternity§ benefit per day.
Bombay also Sind. C. P. & Berar. Ajmer	1929 & amended in 1934.	Nine.	Eight.	As. 8 per day or average daily wage whichever is less.
Merwara	1932.	Twelve	Six.	" "
Madras.	1934.	Nine.	Seven.	Annas eight.
Delhi.	1937.	Nine.	Eight.	" "
U. P.	1938.	Six.	Eight.	As. 8 or average wage whichever is less. Bonus of Rs. 5/- if the services of a qualified nurse availed of.
Bengal.		Nine.	Eight.	As. 8 or average wage whichever is less.
Assam.		Nine.	Eight.	" "
Central Act for Mines.	1941.	Six.	Eight.	As. 8 per day. Bonus of Rs. 3/- if the services of a qualified nurse availed of.

The other essential features of the above acts are:

(1) cost is to be borne by the employers, (2) a woman cannot be discharged from her employment during the period of absence from work, (3) compulsory period of rest after the delivery and also before the delivery if notice is given, (4) and women are prohibited from accepting employment, under another employer during periods for which they are in receipt of cash benefit from the employer with whom this liability rests.

§ Due to war Conditions, and a rise in cost of living the rate here-in described is increased in several places, e. g. As. 12, in Bombay presidency.

It is observed that the maternity benefit acts have a restrictive effect, particularly in Ahmedabad, on the employment of women in the factories.

Workmen's Compensation: Although it was in 1884 that the question of workmen's compensation in case of fatal or serious accidents first arose, it was not till 1922 that by inserting a new section 43A in the Indian Factories Act, the Criminal Courts were empowered to order the whole or part of the fine imposed in respect of an offence causing bodily injury or death to be paid as compensation to the injured person or to his legal representative in case of his death.

In 1923, however, the Central Government passed the Workmen's Compensation Act (Act No. VIII of 1923). It was amended and modified several times. The Act is administered by full-time special Commissioners under the Provincial Governments. It entitles the workman to compensation for any injury arising out of or in course of his employment, provided that the injury is not caused by his negligence (except in case of fatal accidents). The scale of payment for temporary or permanent, partial or complete disablement, and for fatal accidents are specified. (i)

The Royal Commission commenting on this Act observed that in many cases the dependents of persons meeting with fatal accidents live very far and they communicate with the workmen whose dependents they are, only at long intervals. Added to this is the ignorance as to the title to compensation. For these reasons "there are still cases where compensation for fatal accidents should be and is not claimed." (2)

(C) PROTECTION OF WAGES.

A private member's Bill, called the Weekly Payment Bill, was brought before the Legislative Assembly in 1925, but was subsequently withdrawn on the assurance of the Government to consider it. Enquiries were made by the Bombay Labour Office

- (1) Those interested in this elaborate piece of legislation may refer to "The Manual of Factories, Labour, Cotton Laws and Trade Unions" by D. G. Khandekar, second edition 1941, pp 139-222.
- (2) Royal Commission Report p. 311.

and the Central Government in 1925 and 1926 respectively, which revealed both lack of uniformity regarding periods of wage payments in different industries and the existence of delays and fines. Later on Royal Commission made several recommendations following which Payment of Wages Bill was introduced in the Central Legislative Assembly in 1933. The Bill, however, was reconsidered and reintroduced in 1935. This was passed as the Payment of Wages Act (No IV of 1936) in 1936 and came into force in March 1937. (3)

The Payment of Wages (including attendance end efficiency bonus) Act is intended 'to regulate the payment of wages to persons employed in any factory, and to persons employed (otherwise than in a factory) upon any railway by a railway administration or, either directly or through a sub-contractor by a person fulfilling a contract with a railway administration,' and whose average wages for a month are less than Rs. 200. 'The scope of this Act is regulative and it is concerned only with making provisions in respects of rights and obligations which would have existed apart from the Act. It does not profess to create new rights but attempts to regulate rights under the common law or arising out of the contract.'

One of the principal objects of this Act is to regulate fine.

This Act although is merely regulative is in a way a great necessary step in many ways: for, formerly, especially in some centres, the wages instead of being paid in cash were given in kind under the pretext of fines and this too was some times taken to extremes. Cases were found in which a weaver, usually getting Rs. 20 per month, was compelled to buy cloth worth Rs. 18 if the management was not satisfied with it.

Whereas it is permissible under the Payment of Wages Act to effect a change in wages after duly putting a notice at a conspicuous place in the premises, the Bombay Industrial Disputes

(3) A lucid and masterly treatment of this Act has been given by the late Advocate Mr. Govindlal D. Shah, B. A. I.L. B. in his 'Payment of Wages Act' available from N. M. Tripathi & Co., Bombay.
Also 'Labour Legislation' by Mr. D. G. Khandekar, 1317, Kasba Peth, Poona may be consulted.

Act of 1938 by section 28 (1) lays down that any employer intending such a change should give notice of such intention in prescribed form to the representative of the employees, Commissioner of Labour, the Chief Conciliator, the Registrar, and the Labour Officer. And no such change can be made without an agreement between the representative of employees and the employer being duly effected.

(d) TRADE UNION LEGISLATION AND

(e) INDUSTRIAL DISPUTES LEGISLATION, are discussed in Chapter VIII.

(f) INDUSTRIAL STATISTICS ACT.

Prof. Bowley has rightly remarked that India is remarkably backward in this important field of collecting vital statistics. Upto 1942 the good will and voluntary efforts of a few organisations—as for the Government institutions the laudable efforts of the Bombay Labour Office should be noted—were mainly responsible for the collection of some statistics. In Bombay Legislative Council a Bill for the collection of statistics was introduced but finally dropped owing to the strong opposition put up by employers. Almost all the commissions had stressed the need of introducing a legislation for the purpose. The Second Conference of Labour Ministers held in 1941, decided that such a measure should be adopted. And on 27th. February, 1942 the Government of India introduced a Bill which was subsequently passed into a law.

This Act, known as the Industrial Statistics Act, 1942 is permissive, that is, the decision to apply it rests with the Local Governments. The Act permits to collect statistics with regard to (1) Price of commodities, (2) attendance, (3) living conditions, including housing, water supply and sanitation, (4) indebtedness, (5) rents, (6) wages and earnings, (7) provident and other funds provided for labour (8) hours of work (9) benefits and amenities provided for labour, (10) employment and unemployment, (11) industrial and labour disputes.

CHAPTER IV

Some Further Needs

We shall discuss in this chapter a few of the most needed Governmental actions, and in the next two, attempt an analysis of the social problems and our peculiar social structure. We begin with Debt Legislation.

DEBT LEGISLATION.

According to the Code of Civil Procedure, 1908, section 51, any male debtor was liable to be arrested and imprisoned for six months in lieu of a decree for the payment of more than Rs. 50, and for six weeks in the case of a smaller sum. Following the recommendations of the Royal Commission the Government of India passed in 1936 (Act No. XXI of 1936) an Act amending the Code of Civil Procedure and applicable to all judgment-debtors whereby, except for dishonest transfer of property, obstructing or delaying execution of an order of the Court by leaving the area of the Court's jurisdiction, refusing to pay from assets liable to attachment, and his liability in a fiduciary capacity, a debtor is prevented from being imprisoned.

Under section 60 of the Code of Civil Procedure, 1908, a creditor was able to attach the wages of a person who was not a labourer or a domestic servant. In February 1937, however, an Act (Act No IX of 1937) was passed by the Central Government whereby salaries not exceeding Rs. 100 a month of all workers are totally exempt from attachment, and the pay of servants of Government, railway companies and local authorities receiving more than Rs. 100 a month are exempted for the first Rs. 100 and one half of the remainder.

But, as the Royal Commission on Labour found, there are "many money-lenders who prey upon workers and depend upon the threat of violence rather than the processes of the law. The *latihl* is the only court to which they appeal, and they may be seen waiting outside the factory gate on pay-day ready to pounce on their debtors as they emerge." In addition to these

gentries there are, on pay-day, *marwaris*, jobbers and *sardars* waiting to be paid. The rates of interest range between 25 to 300 percent per annum, and between 75 to 150 percent is common. ⁽¹⁾

The evils of jobbers, or ex-servicemen gatekeepers, or for the matter that, clerks or even some officers lending to their inferior subordinates with not an unusually high rate of interest has almost become normal. These persons have a highly favourable position in as much as their debtors are under them and as such cannot easily escape regular payments of interest. The writers know of a number of cases of lending to subordinate men, including a municipal secretary charging his scavenger clients exorbitant rates without feeling an iota of sense of degradation. Powerful Trade Unions, public opinion against such practices, co-operative banks and the necessary legal machinery may be expected to eradicate a greater part of this evil.

A no less formidable problem is of *marwaris*. These persons, often known as *Sowkars*, are notoriously well known as money lenders. Their peculiar coloured, often yellow, turbans, miserly shabby dress, low chin, slightly flat nose, cunning deep eyes and a roguish smile at once bespeak their profession. As Professor ⁽²⁾ D. R. Gadgil has so conclusively shown there is no rhyme or reason why the Government should not interfere with legislative action to stop the malpractices in lending. The *Laissez-faire* policy of the Government cannot be justified by any stroke of imagination. These money-lenders come from far off province with no money of their own and do no service, either cultural or financial, to the community from which they earn so much by charging exorbitant rates of interest and often keeping fraudulent accounts.

What is true of *marwaris* is much more true of *Pathans*. These stalwart persons, generally moving in groups of two or three, are like hungry wolves. The rates of interest they charge, rarely less than 100 percent, have earned the name of *Pathani Vyaj*

(1) See the Evidences before the Royal Commission, as quoted in Buchanan, p.p 346-347.

(2) Presidential address : Indian Journal of Economics 1941.

(interest). These people seldom resort to peaceful methods of persuasion, and always in the last resort talk with the *lathi* in the background. (3) As professor Gadgil rightly remarks these non-indigenous urban type of money lenders "takes rise later and culminates in the terrorising bully whom all students of labour conditions, especially those of industrial labour, agree in considering a social pest needed to be eradicated immediately". (4)

The contention may be attempted that just as persons have a right to borrow, others have a right to lend, and that the Government should not interfere with the terms agreed to by the creditor and the debtor. We have discussed in the first chapter a similar situation between the employer and the employed and shown the necessity of state interference. In view, however, of the gravity of the problem we shall risk some repetition of thought.

The debtors are usually too ignorant and illiterate to realise the terms they agree to. And even if they realise, their abject poverty sufficiently explains their consent to the terms in anxiety to secure whatever relief they can in times of economic distress. No doubt some debts are consequent to death or marriage expenses, incurred, following social custom, beyond means. But even then it is not proper to condemn them as the root causes are illiteracy, and their economic inability to indulge in some of the necessary, innocent, human pleasures,—necessary more particularly because they are illiterate and have very few avenues of pleasures, such as, literary, aesthetic etc., and especially if we observe that such pleasures are rather more frequent amongst the so called *intelligentia*—for both of which the Government is responsible. The *raison-de-etre* of the Government is the protection of the people and their maximum well-being—to protect the weak, physically, economically or intellectually, against the exploitation by the strong, and ensure the maximum good. Even if admitting, but sympathising at the same time, the fault of the illiterate, poor workers for the debt they incur, it

(3) As Professor Bachanan observes, (*Loc Cit* p. 311) "Even Tommy Atkins has learned to respect the *Pathan*." What wonder then if under-nourished, suppressed, ignorant worker feels afraid of him?

(4) Presidential Address; Indian Journal of Economics 1941 page 918.

must be conceded that the price they are made to pay is too much for the fault they commit. We all laugh at the stupidity of the English law permitting a death sentence for blackening the Westminster Bridge, talk with derision of Shylock for his pound of flesh, shudder at the thought of pledging a child, but allow before our very eyes a ghastly inordinate penalty for a comparative small crime, if at all it is *his* crime, which amounts to sapping the very life of these poor victims and their children. It is unfortunate that the public opinion is not sufficiently alive to this social evil and that there is a dearth of powerful potential energy of public opinion. But how is it that the Government, which claims to be enlightened, has not taken the necessary measures? On the contrary when a private member's bill, incorporating so simple a recommendation of the Royal Commission, namely, making besetting (it being defined as 'loitering within the precincts or near or within the right of any gate or outlet of the establishment') a criminal offence, was introduced into the Legislative Assembly on 24 March, 1933, the Government of India after consulting the Local Governments came to the conclusion that Central Legislation on the subject was not called for! And apparently except for the Governments of Bengal and C. P. no other Government has found the time ripe for the Provincial measure also.

That this be so is no wonder if we look at the things realistically. Even recently, the new taxes imposed, various controls ushered in, and some other measures proposed to fight the inflation, after resorting and continuing to resort to the printing press, (5) have, if we peep into the matter, the profiteering motive looming large in the back ground. And this, be it remembered, at the time when the majority of the people are experiencing great hardships for a war into which they are dragged for the simple reason that they are dependent. Has the British rule in India left any doubt as regards its motives? We go further. Has *any* foreign rule in any country any other motive? Can any people safeguard their interests without their having the power?

(5) In this connection (1) "The Falling Rupee", (2) "Financial Burden of war on India", (3) "Price Control and Food supply," by C. N. Vakil, University Professor of Economics, Bombay will be found both interesting and instructive.

And can this power be acquired, and retained for long if once acquired, without effectively mastering the only language the nations understand?

The Government of Bengal passed in 1934 the Bengal workmen's Protection Act providing that whoever loiters in or near any mine, dock, wharf, jetty, railway station, yard or a factory, with a view to recover any debt from any workmen employed therein is to be liable to punishment with imprisonment which may extend to six months, or with fine or both. The Government of C. P. passed in 1936 the Adjustments and Liquidation of Industrial workers' Debt Act, No V of 1936, whereby a workman not receiving more than Rs. 50 a month and whose debts exceed his assets plus three month's wages can apply; whereupon, the court after ascertaining the true amount of the debt, after reducing usurious rates of interest in accordance with the principle that the aggregate of interest may not exceed the principal of debt, fixes the amount which the borrower can repay within a reasonable time by reference to the worker's wages and the number of his dependents.

It is now high time that in view of "the readiness of the money-lender to enter into contracts which he knows the debtor cannot fulfil, or at best can fulfil only by suffering severe and prolonged hardships,.....the assistance of the law should be restricted to the recovery of such sums as the borrower can reasonably repay, in a limited period of time," (6) with a reasonable rate of interest; that besetting should be made a criminal offence and preferably the society should be freed from the 'social pest'.

PRIMARY AND TECHNICAL EDUCATION

The literacy in India according to the Census of 1941 is 121 in 1000; the literacy being defined therein as an ability to write a letter and read the answer to it. Among some of the castes most prominent in the factories, however, it is much lower. In 1921 when 35 per cent of the total population was estimated

(6) Royal Commission Report.

to be literate the percentages for these castes forming the bulk of the factory workers were: (7)

Bombay Presidency :	Literate.
Marathās.	3. Percent.
Mahar, Holiyas and Dheds.	1.5 percent.
Chamars.	1.0 percent.
Kunbis.	0.5 percent.
Bhils.	0.2 percent.
Bihar and Orrisa ;	
Santals.	0.04 percent.
United Provinces :	
Chamars.	0.12 percent.

Thus an extreme illiteracy among workers is clear. And no wonder that they become an easy prey to frauds and play in the hands of unscrupulous persons. And also there is no wonder (taking, in addition, the account of extreme low standard of living) that their efficiency is proverbially low. This low efficiency is itself adduced as a reason for low wages which together with illiteracy are the main causes for it. Thus works the vicious circle.

The illiteracy becomes much more prominent because the modern industry demanding as it does more and more skill requires technical training which in its turn mostly presupposes the familiarity with the three 'R's. The need, thus, of a coordinated effort of the employers and the Government (preferably the general public also as a social measure) to launch an intensive programme of primary and technical education cannot be overestimated.

The Congress ministers in many of the provinces during their regime made a laudable beginning; in addition to primary education some of the industrial centres were provided with the model technical schools. After visiting some of them we cannot help observing that they are inadequately equipped and poorly manned. Words fail to describe the deplorable attitude towards education of those who are responsible for it. Not only the Govern-

(7) From Census of India 1921 quoted in Bucha- P. 405.

ment but the general public as well is responsible. To digress for a moment we find that in the private and Society Schools it is the power, name or in business centres like Ahmedabad, the profit, and not in the least the love of education or an appreciation of its aesthetic or material advantage that is the driving force. The result is that the quality of the most important compliment of the institution, the teacher, is not cared for. Cheapness is usually his only qualification. And the profession being not respected, again a highly degraded state of society, who but those rejected from, or unfit for all other avenues of employment will take to it?

We know a typical chairman of a typical school board. The chairman, not with a sense of shame which is more befitting, but with an air of pride as if it is his triumph, used to boast that he could get double graduates very cheap. In fact he used to get them, but very often than not, whenever they had better qualifications than those required for a teacher, they used to migrate for better jobs. It was evident that most of the more capable young men who came, merely used it as a stepping stone. The idea never occurred to the Board or the chairman that the most economical (in the true sense of the word) and hence the most profitable method was to retain, by offering better conditions of work and pay, the more capable of the lot. What actually happened was that due to frequent changes of the teachers the taughts suffered, this being aggravated by the inexperience of the raw men and incapacity of the filtered residue which did not migrate simply because no better prospects were visible.

The chairman as usual, with an income at least ten times greater than what his qualifications (except for an earlier birth) would normally command, many times indulged in the pleasures of giving a piece of advice to the teachers asking them to be honest, hard working and contented with whatever they got. A more paradoxical, to avoid the phrase senseless and stupid, situation can hardly be imagined.

There is in this country a dearth of technical specialists. (s) European and American specialists are employed although their number is on the decrease.

(s) In the sub-continent of India with an area of 1.8 million Square miles, a population of over 400 millions and more than 5 million workers coming under factory legislation there were in 1939-40, 9 engineering and technical colleges and 612 schools for industrial education.

Their fat salaries (9) disproportionately increases the cost of production. There is the question that it is difficult to obtain entrance to factories in the foreign countries to learn practical methods. The Japanese having been confronted with a similar problem adopted an effective policy in stipulating while placing an order for cotton machinery, a ship, or other industrial equipment, that opportunities be found for a few youngmen. The purchases of India of factory, railway and other industrial equipment are much greater than those of Japan. Why can she not then secure similar advantages ?

The discussion of the problems of housing, sanitation, minimum standard of living, provision for medical help etc. are included in the next two chapters.

CHAPTER V

Social Security

'Social Security' is one of the numerous new products of our civilisation. A civilisation is evolved as a result of a number of forces; nevertheless there is always one distinctive feature that strikes us. In a particular civilisation a particular talent finds suitable environments and ample opportunities for its growth. The Persian civilisation saw the growth of the emotional aspect of man, Egyptian that of action. In modern civilisation we have objectivised them both and have in addition as our distinctive mark the inventive genius both mechanical and social, the social inventive genius in its synthetic aspect. In a way the latter can be looked upon as a consequence of the situation created by the results of the former. Locomotives shortened the distances and made famine much less devastating and terrible : mills and tractors freed a good deal of human labour from spinning, weaving and farming. Apart from the use of the human energy

(9) In 1927 the average wage of an European or American foreman was equivalent to the wage of sixty-eight Indians (see Buchanan p. 324.)

thus saved in the destructive programmes of war the energy found an outlet, as it ought to find more and more, in creating and satisfying the other necessities of life—physical, intellectual and aesthetic—which should increase our sum total happiness.

Thus mechanisation by giving us control over the forces of nature opened up a new ground for increasing our sum total happiness. But the new possibilities have created new problems without the adequate solution of which their full benefits cannot be realised. We shall, however, in what follows, concern ourselves only with the economic problem of individuals in relation to society.

With the physical change, consequent to the control over the forces of nature, has accompanied a change in the outlook of life. (1) Firstly in a sense a human being has become more and more individualistic (2) with the result that the joint family has begun to be liquidated. Secondly, possibly because of the more lavish use of the forces of nature around him, he has learnt to be free with his purse. And lastly there has emerged a more inequitable distribution of wealth and income than ever before.

The joint family, with all its disadvantages from the modern point of view, was to its members a source of solace in times of distress. It was to use the modern phraseology, a sickness insurance, unemployment insurance, and old age insurance all in one. The story is significant that when a young man, carrying home three loaves, was asked if he needed so much, answered that one was for repaying the debt (i. e. for his parents), one for him and his wife, and the third was for investment (i. e. for his children.) The young man now prefers to buy a loaf less (3) and purchase cosmetics for his wife and a new suit for himself

(1) cf. "The mode of production determines the character of the social, political and intellectual life generally" Marx and Engel.

(2) Individualistic in a sense, for, correspondingly he has become more dependent upon, and therefore a 'part' of, the state.

(3) And a Country like Russia provides one for his children as well. In Great Britain the proposed Beveridge plan provides for allowances to children and thus approximates to the Russian Scheme. Our point is that this, though defensible from the economic and social points of view, nevertheless connotes a change in outlook,

instead. (4) This is amply reflected in the phrases 'burden of old persons' 'unproductive old men,' and so on, so widely used. Now the trouble is that the young man himself becomes an old man and consequently a 'burden' to his children. This is not bearable—this idea of hanging on as a parasitic wretch—even if the children are willing to bear the 'burden', and they may not be depended upon, and far less they are trusted to, bear. Also, the disruption of the joint family, a great inequitable distribution of wealth and income, the disappearance of the old forms of charity or mutual help, and during a comparative better period a rather liberal use of the purse, involve him in great trouble in times of sickness and unemployment; and in case of his death, or permanent (or even partial) disablement make his dependents entirely helpless. In such a situation, to meet the demands of time, came to rescue the synthetic social inventive genius of man. A solution has been evolved; it began with insurance in its varied forms and seems likely to culminate in a comprehensive general security scheme. The principle of the solution is in fact a generalisation of the concept of mutual help underlying the joint family system and the various forms of co-operation and charity now becoming obsolete.

It is obvious from what has preceded above that, if we have argued correctly, this institution of insurance culminating in Social Security Plans must develop earlier and more intensely in countries industrially more advanced. And even a cursory examination of the development of this institution in industrially advanced countries like England, U. S. A., France and Russia on one hand, and that in industrially backward countries like India and China on the other hand, show it to be true.

This institution of insurance developed at the hands of entrepreneurs, friendly societies, guilds and mutual companies: the underlying principle of all these is the same as the principle of banking added to it a mechanism for the distribution among many of the losses suffered by a few. The institution, however, under these could not and cannot flourish sufficiently to remove the

(4) In a country like India he, indeed, may not afford this. But this does not invalidate the argument as it concerns with the change in outlook.

evils of the age it is potentially capable of. The reason is that only those individuals who contribute can benefit by it and that too to the extent of their contributions, and in case of their premature death their dependents can benefit in proportion to their contributions. Now the majority of the population, especially the working class, cannot afford the contributions at least to the extent of the help they may need, say when sick, unemployed or disabled. And thus the help is denied to those who need it the most. This is a reason why the nation or its representative State instead of following the policy of *Laissez-Faire* should actively undertake compulsory social insurance measure. The underlying principle, of course, of such compulsory social insurance schemes is the distribution among *all* the losses suffered by some, as whatever the contribution of the State is after all of its taxpayers.

And the taxpayer cannot grudge it. The modern age by its inventions has made mass production and consequently amassing of great fortune possible. But those who make great fortunes are not those who have made them possible. The fortune makers, not unlike the book makers, are clever or crafty enough to profit by the works of others. It is therefore not unjust to collect from them, as royalty for the use of the common heritage, a part of their income and divert it from their personal use to the use of the general good. It also points out the need, already recognised, of a system of progressive taxation in which 'The rate of tax on the increment of income increases with the increase of income' ⁽⁵⁾

There is another and no less important reason. The very nature of the modern civilisation and therefore the present state of society has brought in its wake evils like industrial accidents, occupational diseases, nervous strain, unemployment and a general economic insecurity. A person may be crippled or done to death without any neglect on his part. He may, because of some new inventions or change in demand in the international market may lose his employment. Or if there is keen competition either in production or for jobs his earnings may be lowered. Also in the present working of society, in addition to economic circum-

(5) *Progressive Taxation* by the author. Bombay University Journal July, 1942, Page 144.

tances, the physical environments put a great strain, however imperceptibly sometimes, on the nervous system of a human being which is responsible for the increase in the nervous diseases such as neurasthenia and nervous breakdown, a greater susceptibility to diseases, and premature old age. Thus a person without any fault of his may be made to suffer all the privations, destitution and misery. The society, therefore, is responsible for all these evils and in so far as a nation or its representative state represents the society it is its duty to make good the losses. In short it must provide security against economic insecurity that is, must undertake comprehensive Social Security (6) Scheme. It is merely social justice.

Thus we saw in the previous paragraphs the necessity of compulsory social insurance measures as a first step, and in the latter of a comprehensive social security scheme as a next one. It follows from the arguments advanced that these should be undertaken by the society as a whole and it is only when the society has not co-ordinated itself into an integral whole that the nation or its representative state, as the next best, should be responsible for them.

In practice this is not all. Due to mass education and cultural diffusion there has emerged a political consciousness which has resulted in a political pressure to be brought to bear on the managers of the state to remedy the evils. In Russia the former managers were replaced by the new ones exactly because they refused to remedy these evils. In Great Britain a great many social insurance measures are taken both as a result of a sense of social justice and as an antidote against an otherwise more probable

(6) Social Security includes (1) Social insurance measures such as old age pension, unemployment benefit, disablement benefit, maternity benefit etc., providing of course "the minimum income needed for subsistence according to the judgement of 'impartial expert authorities';" (2) the second line of defence in the shape of Assistance Service "to meet the needs of those who for any reason fall through the administrative mesh of the social insurance scheme", and (3) Allied Services, such as medical service to ensure "that every citizen will obtain medical treatment he requires, in whatever form he requires it, domiciliary or institutional, general, specialist or consultant, and will ensure also the provision of dental, ophthalmic and surgical appliances, nursing and midwifery and rehabilitation after accidents." Quotation from *The Economic Journal* 1943, pp. 2, 3 and 4 (article of A.D.K. Owen).

political upheaval. The latest proposed measure, the Beveridge plan, is a great advance over the social measures so far adopted and as such a very powerful factor in allaying the unrest otherwise likely to culminate in different political form of Government.

* * * * *

In India so far the Workmen's Compensation Act (Act No. VIII of 1923) and the Maternity Benefit Acts in some of the Provinces (Bombay, C. P. and Berar, U. P., Madras and the districts of Ajmer Merwara and Delhi),* The Mines Maternity Benefit Act of 1941 (it is an Act of the Central Government) have provided to the workers only, from their employers, a little measure of relief. There is going on for some time a talk of Sickness Insurance and recently (January 1944) the Government of India have appointed the Rege Committee to formulate a Social Security Scheme in so far as it could be applied to industrial labour in India.

The stock argument against a proposal for any social security measure is, of course, India's poverty. And there is no doubt that India is poor; (7) but that is all the more reason why such ameliorative measures should be taken. The more pertinent question is 'Is she poor in resources?' And when the answer is in the negative, (8) as it is, it is not difficult to see, especially when Dr. Schacht has so clearly demonstrated, that the question of finance is not so great as it is generally made out to be. (we do not say it is unimportant.) It is only when the managers of the Government are unwilling to act, to serve their own ends, in absence of

(7) The latest authentic estimate of income per capita in British India for the year 1931-32 of Dr. Rao is Rs. 62! *The National Income of British India, 1931-32, page 168.* In 'Commerce' of 26-2-1944 Dr. Rao has given for 1942-43 a tentative estimate of per capita income at Rs. 114, which in terms of the price levels of 1931-32 works out to be Rs. 69.

*Recently Punjab and Assam have also introduced such acts.

(8) "...It is not nature that has been niggardly in its gifts so far as this country is concerned. It is the human factor that has failed to take advantage of the many possibilities of economic development that have been placed at its disposal." *Our economic problem* p. 26 by Wadia and Merchant. Also "That there should be wide-spread poverty and misery in a country so lavishly endowed by Providence with man-power, talent, and natural resources is an intolerable paradox, and the obstacles, doubts and set backs which may have to be faced should not deflect us from our task" Mr. J. R. D. Tata, in his talk to the Rotary Club, Bombay as reported in 'Commerce' 19-2-1944.

strong political consciousness on the part of the public, that such arguments are advanced as part of an effort to keep up a show of social justice.

It is not implied, as mentioned already, that the problem of finance is unimportant. Essentially what the social insurance or social security aims at is merely to distribute among many, and that too proportionately greater among those with broader shoulders to bear, the losses suffered by some. In other words it distributes a part of the national cake among those who are starving. But if the national cake itself is small there is likely to be a two fold difficulty. Firstly those who have relatively a substantial part of it may be unwilling to share their portion because they have not anything really surplus. And secondly that even after the 'proper' distribution there may remain much to be desired. In case of India her cake in the form of her national income is undoubtedly small; but the disparity of incomes ⁽⁹⁾ leaves scope for more equitable distribution. ⁽¹⁰⁾ And when this is in progress efforts should be made to increase the bulk of the cake. ⁽¹¹⁾

(9) According to "Times Trade and Engineering" Indian supplement, April, 1936 there are:

6,000 households with an income of over 100,000. Rs. per year.	
270,000. " " " " average income of 5,000. Rs. per year.	
250,000. " " " " " of 1,000. Rs. per year.	
35,000,000. " " " " " of 200. Rs. per year.	
and the rest " " " " " 50. Rs. per year.	

(10) cf. 'War and Indian Economy' by D. R. Gadgil and Sovani. Part II.

'Principles of Planning' by K. T. Shah. Page 81 *et seq.*

Also we refer not only to the great disparity in the incomes of the different classes of people in India, but to the grave inequalities which, as it seems to us, prevail in the distribution of taxation.' Report of the *Indian Statutory Commission* Vol. 1 para 375, page 334. The latest budget for 1944-45 provides for a heavy form of taxation, not to relieve the poor but to meet the demands of unproductive foreign war. It shall on the contrary reduce the incentive to industry which will under the present policy of the Government ultimately react unfavourably on the workers.

(11) "The problem before the future national Government will be a problem of equitable distribution as much as a problem of efficient production." Wadia & Merchant *op cit.* p. 498. Also Prof. K. T. Shah observes that "The real income of over 70% of our population is probably less than half the estimated average income." And so by change in the method of distribution their incomes can be doubled, that is, brought to the average. But even this is "barely sufficient to provide one meal of the coarsest and poorest kind per head per day and nothing else besides", thus necessitating a great increase in the national income itself". *Principles of Planning*, India Planning Series. No. 1 p. 80 *et seq.*

When there is a conscientious planned effort to increase the cake of national income there is no insurmountable obstacle in between. The problem is then of augmenting the production and therefore an effort should be directed at increasing the capital goods and also the productivity (the latter, say in agriculture, by cultivating the cultivable but uncultivated land and by better methods). As for the capital goods they can be increased either by borrowing outside the country or by reducing the current consumption of non-essentials either by taxation or by borrowing inside the country. The former has limitations and otherwise also for obvious reasons should be used with care and reserve. As for the latter it no doubt entails 'sacrifices' in the beginning. But such sacrifices of the non-essentials is nothing before a likely huge all round increase in the consumer's goods latter on.

To recapitulate it is argued that Social Security is a duty of the state (in absence of the whole society as such shouldering that responsibility) and that the discharge of this duty involves a two fold consideration—one of distribution and the other of production. Also it is argued that in India on the broad shoulders should fall the double burden—taxation 'for distribution among many' and taxation and/or borrowing to control the current consumption of non-essentials for augmenting the capital goods. If our accumulation of our sterling credit is used for the purchase of the capital goods it will substantially reduce this burden. At this point it is worth nothing lest it may escape notice that the history of the British management in India is emphatic at least on one point namely that it is futile to expect to better the lot of India in matters, economic, social, or for the matter of that even moral, without her political liberation and establishment of a strong, enlightened, national-minded national Government.

So long as the national income is not sufficiently increased to meet with all the obligations of a comprehensive social security scheme two important questions present themselves: (i) the proper allocation of the available income to meet the most urgent needs with the minimum of expenditure and (ii) the relative urgency of developing the different factors of production.

With reference to (i) should be discussed the prevalent conditions. It can be shown (12) that a careful study of our problems is required so as to obviate waste of our scanty available financial resources. As for (ii) it requires a detailed factual study and expert advice. It is a happy augury that eminent industrialists like Sir. P. T., G. D. Birla, J. R. D. Tata, Kasturbhai and others have opened up a debate on post-war planning, in the real sense of the term, by putting forward a 10,000 crore plan and the economists are not slow to follow it up with due thoroughness and zeal.

CHAPTER VI

Sickness Insurance and Indian conditions.*

Amongst a multitude of schemes and plans brought from the West "for improving the lot of Indian labour," the "most obvious" "most natural" and in fact "unprecedented stride in the direction of industrial labour welfare", is sickness insurance, which has already received the attention of Government and the intelligentsia in India. The need for sickness insurance is so self-evident, it is argued, that it is unnecessary to elaborate it. In our humble opinion, however, we think otherwise, and submit the following analysis for whatever it is worth.

Man is an ingenious animal. He develops institutions peculiar to his environments. But these institutions peculiar to one set of environments can either not grow, or not yield the same beneficial results in another place where a different set of conditions obtains, just as vegetation peculiar to one climate either does not grow in a different climate or, if forced to do so, loses its intrinsic worth and only retains its outward form.

(12) This is done by taking as an illustration the problem of Sickness Insurance of the Industrial Workers in an article "Sickness Insurance & Indian Conditions" by the writers in *The Indian Textile Journal*, Nov. 1943.

* Our article under this heading first appeared in the *Indian Textile Journal*, November 1943. It is reproduced here with some additions, with the kind permission of the Agents, Indian Textile Journal Ltd.

We do not contend that sickness insurance is peculiar to the West; it is, we believe, peculiar to our civilization. In this mechanized and individualistic civilization it is an inevitable substitute for thrift and joint family. But as shall be shown below it presupposes a certain development which does not obtain here. Also it will be shown that there is greater need to pay attention elsewhere and that sickness insurance, in comparison with other more urgent necessities, can afford to wait, because thrift and the joint family system have happily not altogether disappeared from this country.

The discussion of any theory or scheme is facilitated not by looking for the hypothetical results it is calculated to yield or by stating that is followed by His Majesty's Government in U. K. or by citing authority for anything but facts, but by examining its postulates and the logical consistency of the edifice built thereon.

BASIC POSTULATES

The basic postulates of sickness insurance are (i) that all possible measures for the prevention of disease are taken; (ii) that an adequate medical machinery exists; (iii) that labour sticks to its job in a particular industry, that is, does not shift from here to there; and (iv) that its expenditure is provided for, and that too, without prejudice to any more vital need. (i) and (iv) are of course overlapping. Let us examine these postulates.

As regards (i), a visit to a labour area in this country will speak eloquently of the conditions prevailing in it. ¹ Where dirt

1. The Royal Commission on Labour observes "Neglect of sanitation is often evidenced by heaps of rotting garbage and pools of sewage, whilst the absence of latrines enhances the general pollution of air and soil." (as quoted in *Industrial Worker in India*. I. L. O. P. 307).

This situation is aggravated by overcrowding. It may not be known that in London in 1911 only 6.1% (as against 69.1% for Bombay) of the population were in one room apartments; and the average number of occupants per room was 1.92 as against 4.47 in Bombay. The situation, since then has not materially improved and in war time has actually worsened.

According to Bombay Labour Gazette May 1931 (P. 890), in an enquiry into 5363 tenements in Bombay about three fourths house more than two persons, over two-fifths from 3 to 4 persons, and over one-third 6 persons or more. And that too, it should be added, under such deplorable sanitary conditions as to be rightly characterised, as the Census Report of 1931 has done, as a disgrace to any civilised community.

The Indian Industrial Commission's Report, remarked (para 236) that "Better housing is a most urgent necessity, especially in the large congested industrial cities. Facilities for health, amusement, shorter hours of work (though reduction may for a time dec-

and squalor abound, where not streams but rivulets of gutter-water profusely emitting the most obnoxious smell are a matter of course, where drinking water is a carrier of disease, and where the inhabitants seldom, if at all, are in a position to get wholesome and adequate amount of food which in addition to

rease output), and other measures for economic betterment, such as cheap shops for the sale of articles required by the mill hands and cooperative societies, are almost equally important.....The problem, not only on moral grounds, but also for economic reasons, must be solved *with the least avoidable delay*, if the existing and future industries of India are to hold their own against the ever-growing competition.....No industrial edifice can be permanent which is built on such unsound foundations as afforded by Indian labour under its present conditions." (italics ours). The above comments hold to-day with perhaps better force. The delay it seems is not found to be avoidable !

2. The Bombay Labour Office gave in 1923 the following figures for food consumption of workers:—

Articles in 2473 family budgets of working class families in Bombay.

	Lbs.
Cereals	1.29
Pulses	.09
Beef & Mutton	.03
Salt	.04
Oils	.02
Others	.07

Daily consumption per adult male.

Bombay Jails.		Bombay Famine Code.	
Hard Labour.	Light Labour.	Diggers.	Non-working dependents.
Lbs.	Lbs.	Lbs.	Lbs.
1.5	1.38	1.29	0.86
.27	.21		
.04	.04	Figures not available.	
.03	.03		
.03	.03		
—	—	—	—

It should be remembered that this is in spite of the fact that expenditure on food was found to be 63.7% of the total expenditure as compared to 49.3% in U.S.A.

It is not that the persons need no more; had it been so the smaller quantities would have been prescribed for Jails and in the famine code. Also the following figures showing the rise in consumption with the rise in income clearly shows that the lower income group workers, which forms the main bulk of the working population, are actually under-nourished. Add to this the poor adulterated quality of stuff that they get.

Daily consumption of food in pounds for various income groups.

INCOME GROUPS.	LBS PER ADULT MALE.
Below Rs. 30	1.24
Rs. 30-40	1.45
40-50	1.57
50-60	1.63
60-70	1.70
70-80	1.79
80-90	1.81
90 & over	2.01

See Buchanan *Loc.cit* P. 401

the necessary number of "calories" may impart vitality to fight disease, it is inconceivable how health can hope to survive. "Diseases.....constitute a reliable index of the standard of life of the population among whom they are prevalent; they spread rapidly among under-fed and badly nourished population, and the wide occurrence of typical deficiency diseases.....shows that dietic insufficiency or unsuitability is one of the causes of the poor physique of the Indian." ³ The wonder is not that the incidence of sickness is so high but that it is so low in spite of the almost boundless possibilities for its expansion and growth. We leave it for the readers to decide whether these disease-breeding centres should be first cleaned and provision for nutritive diet made or bottles of coloured "acqua" freely supplied. Lest we should be misunderstood, we hasten to add that we are not against the provision of medical help as such, but that the importance given to it is an outcome of "free borrowing". There is the most urgent need of taking preventive measures. ⁴

As for (ii), adequate medical machinery does not exist, and we do not think that it can be brought into being overnight. The relevant question is of finance, which will be discussed later.

As for (iii), though statistical data are not available, our study of the textile industry of Ahmedabad has revealed a high percentage of shifting from here to there. In the country as a whole "...the migratory habits of labour introduce a very uncertain factor into calculations." ⁵

Also talking of India as a whole Dr Aykroyd, the Director of Nutrition Research in Coonoor, observes in an article contributed in December 1941 to the 'Indian Journal of Social work' (P. 275) that, 'the majority of the population lives on a diet far remote from the most moderate standards of adequate nutrition.' He further observes that a good percent of population both in villages and industrial areas cannot afford a diet of the type and quality now known to be essential as a safeguard against malnutrition and disease. The article just referred to is worthy of careful perusal.

In this connection the results of Dr. Mukhtar arrived at following his investigations in the Panjab factories and prisons are, too, worthy of note. (see pp 234 to 239 of his *Factory Labour in India*). Refer Chapter I P. 3.

3. "Problems of industry in the East" by Harold Butler p. 27 Geneva. 1938. In this connection refer also to Lt. Col. Dunn's "The Economic Value of the Prevention of Disease," in the *Indian Journal of Economics*, January 1924.

4. Alban Gordon's discussion on some of these measures, given in his book, *Social Insurance* (p. 71 et seq) will be found stimulating.

5. Quoted on p. 823 of the Report of Textile Labour Inquiry Committee. Vol. II, from "Indian Industries and Labour Bulletin," no. 63, 1937.

In answer to this, it may be argued that the very introduction of sickness insurance will tend to stabilize labour. We wonder if this is desirable in the very interests of those for whose benefit the scheme is intended. Legal enactments no doubt exist for safeguarding certain elementary rights of workers; and to remedy grievances help can be had from the Factory Inspectors or the Labour Officers. But how many workers, unless protected by strong unions, after having their grievances redressed and thus incurred the displeasure of their immediate bosses, can hope to work as before? The scheme will rob them of the necessary freedom, necessary, that is, in the context of the prevailing unhealthy practices.

INDUSTRIAL LABOUR NOT STABLE

More important than this (shifting), however, is the worker's inclination for farm work even though it is less remunerative. The workers, in general, hail from the villages, and most of them have not severed their connections with their native places. They also continue to be members of the joint family. This explains why workers, when they have a chance of being employed in their native places, take the first opportunity to escape from the unhealthy city atmosphere, even at the risk of their names being struck off the muster rolls. They obviously prefer to work and stay in healthier environments. In the month of May the textile workers of Ahmedabad go to the neighbouring villages for farm work, and in Bombay they do so in March-April for the mango crop. When their work there is over they return. They migrate for a month or two, for which leave is in most cases either not granted or not cared for, and therefore their names are struck off the rolls. And since their names are struck off, the figures of absenteeism do not record their absence. This incidentally explains why in Ahmedabad, although absenteeism is at the absolute maximum in May (or March-April for Bombay), it is not so high as may be expected from the preceding argument.

The fact that the workers have not only not severed their connections with their homes in the villages but actually maintain

6. See our paper "Absenteeism and Wages," p. 400, September 1943 issue of the *Indian Textile Journal*.

a dynamic relation with them has far-reaching consequences. Firstly their stay in the rural area helps them to recoup their health, and they return to work in better health⁷ and consequently increased efficiency. Secondly, not less important than the first is the mutual economic helpfulness of industrial and agricultural labour. In times of trade depression the industrial worker is helped by his relatives in the villages⁸ and when the industry is well off the process is reversed.

The due importance of the above two points, we believe, is not recognized. Their understanding is vital to the problem of sickness insurance; it lays bare the danger of piecemeal legislation or of borrowed schemes. Let us see how.

I. L. C. RECOMMENDATION.

The International Labour Conference recommendation (No. 29) concerning the general principles of sickness insurance lays down that "whereas the maintenance of a healthy and vigorous Labour supply is of capital importance not only for the workers themselves but also for communities which desire to develop their productive capacity... the best provident measure for these purposes is to establish a system of social insurance." Such recommendations of the I. L. C. are adduced as sufficient proof of the necessity of sickness insurance in India. The persons who do this generally refuse to think for themselves but are carried away by appearances. The standard of living both with respect to sanitation and diet in the industrial centres in the West is much higher than here; not a few preventive measures are taken there. It is in these circumstances and as a further step towards the betterment of labour that sickness insurance has been adopted. In India, on the one hand there exists full scope for the development of disease, and on the other hand we are talking of supplying medicines. Not only this, but sickness insurance, by tending to remove the dynamic relations of urban labourers with their rural homes, is likely to impair their efficiency.

Thus, unless a complete overhauling is planned, sickness insurance alone does not seem to be sound in principle. In fact

7. Ibid the figures of absenteeism for June.

8. Family Budget Enquiry, 1926.

the dynamic relation of urban labourers with their rural homes—this is non-existent in the West—should be taken advantage of to defer the scheme of sickness insurance and to prepare meanwhile well-planned preventive measures.

We come to the financial aspect of the problem. Prof. Lester, while discussing a similar problem in U. S. A., has shown that between 10 percent. and 43 percent. of the total premia is eaten away as administrative expenses.⁹ In India, in addition, the considerations already discussed show that medical expenses too, as regards results, will similarly eat away a great part of the total premia, unless initially preventive measures are vigorously adopted. In short, the results of the scheme will not be commensurate with the cost involved in it.

There are two other questions as well. The scheme as it is envisaged includes contributions from the employees; can the workers usually, but not in these times of inflation when they get handsome dearness allowances, spare even a small part of their incomes without curtailing somewhere the essential necessities of life? And, in the absence of any unemployment insurance, what of those who have contributed but are thrown out of work? And this problem particularly will be acute in the period of depression following the war.

9. See "Economics of Labour," page 499.

PART II

LABOURERS

AND

LABOUR WELFARE.

CHAPTER VII

Need to unite.

THEORY OF TRADE UNIONISM.

India was a country of almost self sufficient village economy. The blacksmith, the carpenter, the potter, the tanner, the weaver, the dyer and the rest satisfied the local daily wants. As for the rather uncommon needs of silk, embroidery, metal works, curios etc. they could be satisfied at the places of pilgrimage; since the most common form of travel being for pilgrimage, these places as the most convenient centres for the disposal of such goods were selected for developing their manufacture. And lastly, the expensive works of art and skill developed at the courts mainly under the royal patronage, to supply their needs of luxury and pomp. Thus the village artisan, numerically by far the most important industrial worker, was an integral part of the village economy.

But, however, with easy means of communications and cheap machine-made foreign goods, the village economy began to disintegrate. The village economy was essentially based on the dependence of the peasant on the village artisan and consequential common bond. The introduction of, and an easy access to, better iron implements reduced the dependence on the blacksmith. A wide use of metal utensils greatly affected the utility of the potter. The introduction of the aniline dyes (about 1870) ruined the indigenous dyer and Kerosene was responsible for reducing the importance of the oiler. The high prices of hides and skins in the international market induced the peasants to export these commodities which formerly used to be the perquisite of the tanners (*mahar* and *Chamar*)¹. Thus the bonds of village economy were loosened and those who were thrown out of their hereditary profession either took to agricultural labour or, taking advantage of the easy means of communications, migrated to the rising industrial centres with a hope of brighter prospects ahead. Also, with the increase of

¹ For more elaborate account on this point refer to Chapter XII, on the country artisan, 'The Industrial evolution of India' by Prof. D. R. Gadgil.

pressure on land, the artisans or even peasants who otherwise owned small patches of land migrated to these centres to supplement their small agricultural incomes. The increasing use of currency as a means of payment for the services rendered replacing the former methods of paying in kind, necessitated primarily to meet with the increasing transactions outside the village, and then naturally extended for those within it, should not be neglected as a factor affecting the village economy.

The village economy thus began to change; but the change is not complete as yet although its future seems to be certain. Though the mills have supplied the needs of the middle quality goods the coarse products still continue to be woven by the village weaver. The services of the village blacksmith, carpenter or the tanner are still indispensable to repair the comparatively crude implements of agriculture. (It is stated that one of the chief difficulties in the introduction of improved implements has been the inability of the village artisan to repair them.). The potter continues to supply the needs of not a few of the rural population. But in spite of all this the tendency of the artisan to migrate "to do better" is unmistakable.²

The point of economic importance is that in the village economy, as well mostly in the urban industries, the means of production were owned by the artisan himself. He therefore either worked on piece-rates or time-rates or bought the raw materials outright and sold the finished products. With the introduction of machinery and due to foreign competition it was found much more economical to manufacture on a bigger scale than before. Also the new processes required specialised skill for parts of the job; this necessitated the co-ordination of the various skills. Under these circumstances the ordinary poor artisan found it impossible to possess the costly means of production and naturally stepped in those who could so possess them. Gradually these people engaged the former independent artisans to do a specified job in the process of manufacturing a particular commodity, on piece-rate or time-rate wages. No doubt still in the country is to be found an independent artisan with his means of production, but with the raw material mostly supp-

² See Ibid Chapter XIII.

lied by the customer or the trader, or greater still, he is employed by a trader, directly or through another master artisan. Thus an independent artisan tends to become dependent both for raw material and for the means of production on others and gradually establishes himself as a pure wage-earner. It should be remembered that India is still in the transition stage and an artisan (or a peasant) who has left his native home in the village, in quest of employment at the industrial centres, has in general not severed his connections with the ancestral home with the result that (1) he always is not entirely dependent for his living on his wage earnings there, and (2) at the time of harvest when his services can be employed in the village, he leaves his industrial employment. These together with the unhealthy conditions of work and living in the industrial centres, and the great strain of industrial work are responsible for his migratory habit which in its turn, in no small degree, accounts for his irregularity, not infrequently, inaptitude and consequential inefficiency in works of skill, and a conspicuous absence of zeal for organising unions.

To continue the main chain of arguments it is important to note that the independent artisan has to come to depend more and more for his living on his wages as a skilled or unskilled worker. And this is a change of fundamental importance. For, whereas formerly owning the means of production he was both an employer and an employee, now having only his labour to offer, he is only the latter; and the interests of an employer and an employee are anything but identical. The employer is interested in higher profits and consequently lower wages, greater hours and more intense work. The employee on the other hand, being interested in his own higher profits cares for higher wages, fewer hours and less intense work; and as a seller of labour, unlike sellers of other commodities, is interested in conditions under which his labour is employed.* Moreover an employee is interested in opportunity to advance, satisfying work, some

* As Dr. Marshall has so admirably pointed out it matters not to a seller of bricks whether they are used in a palace or in a dirty chawl, it matters a great deal to a seller of labour, such as a brick-layer, where and how his services are used, for labour services are inseparable from labourer's person.

voice in industrial affairs, and protection against loss of wages over work and arbitrary treatment.⁵

Here lies the conflict between an employer, anxious to make maximum profit, and an employee, unwilling to allow it, at any rate at his cost, and desirous in addition of procuring for himself as large a slice of profit as possible. Who then shall judge in this conflict? The answer given is 'The God of Supply and Demand.' According to the mandates of this God the price of labour shall depend upon the supply of labour and the demand for it. Greater the supply of labour in relation to a demand for it there shall be a fall in price and vice versa. But the law presupposes amongst other things that the seller of labour knows the extent of demand and that if he knew it he is in a position to bargain accordingly. None of these two assumptions were or are justified in this country. We shall take them one by one.

The labour is proverbially illiterate, and therefore cannot know the extent of his utility or lesser still the change in utility except on one side when it is brought home to him by a reduction in his wages. Even when literate it is not possible for the seller of labour to know the exact demand whereas the buyer of labour knows the extent of supply to a considerable extent. The reason is that the seller of labour *goes to sell his labour to the buyer* and it is very rarely the otherway round. (in which case of course the full benefit may be supposed to be accruing). Again the knowledge of the extent of demand is not enough. The employer taking advantage of the poverty of the sellers of labour may, in fact does, offer price lower than that justifiable by "supply and demand." He knows that those seeking the employment cannot, because of their poverty, afford to remain unemployed even for a moderate period. He therefore offers lower wages or unemployment as a substitute. Thus the power to effect a so called just bargain, in virtue of the law of supply and demand, rests primarily on the bargaining power which depend in its turn in the staying power. In other words just as political equality is vitiated by economic inequality the full advantage of the demand for labour cannot be obtained with unequal bargaining powers • (i. e. ultimately the staying

⁵ See "Economics of Labour" by Lester p. 41 *et seq.*

powers.) And the bargaining power of the employer being greatly superior (it can roughly be reconed as the combined bargaining powers of his employees) to that of his individual employee the latter must seek ways and means to overcome this difficulty. In fact he must join hands with his co-workers and effect collective bargaining. And when the different employers form a group it is natural that their employees, too, should unite. In words of Edmund Burke "When bad men conspire, Good men must combine." This is the economic genesis of Trade Unions.

To obviate the difficulties introduced, in the operation of the law as stated, by the afore-said two assumptions, viz the knowledge of the extent of demand and the equality of the bargaining power, the phrase 'in the long run' is introduced in its inunciation. The law then reads: 'the price of labour *in the long run* shall depend upon the supply of labour in relation to a demand for it'. But under the conditions which obtain in India, particularly the almost complete absence of mobility of labour and requisite susceptibility of the labour market, in addition to the usual inequality of the bargaining power, this 'long run' is bound to be rather longer still. This is a distinct disadvantage to labour especially because, as we have already seen, it is only the profit, viz the increases in wages, that will be coming 'in the long run, the loss due to decreases in wages being likely to operate much sooner. In addition to this distinct disadvantage to the class as a whole it should be remembered that an individual worker is much concerned for 'the short interval' in which he has to live. For this he must seek to remove the factors coming in his way; for which, as observed in the previous paragraph, he must unite with his co-workers and form what are known as Trade Unions. The foregoing development, it may be explicitly stated even at the risk of repetition, clearly defines one economic function of Trade Unionism, viz, 'to secure for the worker advances of wages, which economic conditions justify, sooner than would otherwise have been obtained:' and, of ocourse, consistent with the economic condition, to maintain these advances and to control the reductions whenever the employers may unjustly attempt them.

Again an employee, as Alfred Marshall has pointed out, is interested, unlike other sellers of commodities, in *how and under*

what conditlions his labour is utilised. He thus is concerned with (1) the conditions under which he has to work: such as ventilation, sanitation, etc., (2) the nature of work: with or without risk, occupational disease and so on, and (3) the treatment: insults, fines, overwork etc. he receives from his superious and bosses such as the jobbers, the departmental heads, or the managers. Against all these an individual worker has little chance of success, whereas the union based on the principle "Union is strength" has infinitely more chances. A union, moreover, by setting in motion the requisite machinery of propaganda and publicity, can hope to stir the public opinion in favour of its members and thereby, work for favourable legislative action.

The union once established on a satisfactory footing is gradually likely to develop what we may indifferently call guild, caste or class consciousness. It is natural that workers in the same line or in the same factory have many common ailments and problems to face. Also economically, and not infrequently even socially, being of the same level they are likely to develop, more with the consciousness of their position, a common spirit of co-operation, which is the essence of the class consciousness. It should be the object of every union to develop this consciousness and as a result take up the welfare programmes such as arranging as far as possible for technical (adult if need be) and primary education of its members and their children, provide for recreations, and co-operative credit facility, make arrangements for maternity, sickness, disablement and death benefits, and help in recovering the claims or in fighting the legitimate litigations.

In Chapter I is shown the need of Governmental action in the form of protective labour legislation for the interests of the nation as a whole. In chapters IV, V and VI the need of further interference is established. In this chapter, however, it is sought to show the necessity of Trade Unionism for the very same needs for which in the previous chapters just named, the Governmental action was shown to be desirable. This is because "legislation can act as a palliative and prevent the graver abuses, but there are strict limitations to the power of Government and the public to protect workmen who are unable to protect themselves. Labour laws, indeed, find one of their most effective sanctions in

the support of organised unions."⁶ Otherwise also that this should be so is natural; for the functions of the two, for the problem under discussion, should not be mutually exclusive and certainly not antagonistic. It is a matter of common knowledge that in case of any bodily disease the nature always fights the disease and tries to cure it, and the medical treatment helps either in fighting (sometimes by entirely removing the opponent e. g. by operation) or in curing by re-inforcing the forces of nature. But it can never be argued that because nature does its duty medical help is unnecessary or vice versa. It is clear that, granted the proper diagnosis and prescription, the two should never be mutually counteracting, but should at worst be complimentary and at best supplementary.

As we have stated, the functions of the trade unions *should* not clash with the 'duties' of the Government. But the 'duties' of the Government, as practically understood, are what the managers of the Government, sometimes but not always truly representing the public opinion think them to be, that is, they depend upon the composition of the Government. And thus an element of clash is likely to enter. That actually it does enter is evident from the necessity felt for passing regulations for and against the trade unions and some of their activities. We shall discuss these regulations in the next chapter.

It is obvious that with the increased Governmental action in the problems of labour the duties that the Trade Unions will be called upon to discharge will be appreciably reduced both in number and in intensity. And with the complete control (say, such as in Russia) the Unions shall have to turn only to the peaceful work of helping the Government by representing before the Government the grievances of the members or supplementing the already existing welfare measures. Reorientation of the functions, no doubt, shall depend upon the brand of the Government.

6. Report of the Royal Commission on Labour p. 322.

CHAPTER VIII

Strike as a weapon

In the last chapter we have dealt with the main functions of a trade union. In this we shall be concerned with the main problems arising out of the discharge of these functions.

(a) STRIKE AND THE EMPLOYER :

The most important and always the ultimate weapon of a trade union is strike with picketing to make it a success. Persuasions, negotiations, etc may be employed, and with advantage too, but in the background as a last resort the weapon of strike looms large. Strike may be defined as "with-holding of labour power." In its economic aspect a strike, that is withholding of labour, means to a worker the loss of wages and to an employer, ¹ the loss due to (1) lying idle of, and consequential loss of interest on, the capital invested in machinery, establishment and the raw materials; (2) office expenses; (3) charges to be paid in lieu of fixed contracts such as with the electric company and (4) the loss of profit that normally would have accrued had the workers been working. Thus a strike means a loss both to an employer and an employee. And therefore the continuation of the strike means the willingness and ability of both the parties to sustain the loss. As soon as one of the parties either is unwilling or unable to bear the loss, the strike must terminate in favour of the other party. Unwillingness of a party to bear the loss due to a strike may be due to its uncertainty of success (or certainty of failure) or realisation that the likely loss will more than off-set the probable gains. And the ability to bear the loss

1. When a prolonged strike is on, "the workers lose their wages; employers their earnings; the state its revenue; and the community its trade benefits." *Commerce* p. 260 dated 19-2-1944.

The state and the community we shall take up later.

2 According to the memorandum submitted to Royal Commission on Labour by the Government of Central Provinces and Berar the loss through 15 of the strikes in some of the mills (named there-in) in C. P. during the years 1921-1929 were to labour Rs. 435910, and to employers Rs. 949570, i. e. approximately 31% and 69% of the total loss to the labour and employers respectively. (calculated from figures given on p. 183 of Mukhtar's "Trade Unionism and Labour Disputes in India").

depends on the financial resources. It is clear from this that an individual striker, even if he succeeds in seeing that no worker takes his place, has no chance against his employer. Also it is seen that in a country like India where the workers are so poor that "a few days generally suffice to prove the reasonableness of the company's position" there is a greater need than elsewhere of workers to unite in a Union so that the number of strikers can be more (which can be increased by organised picketing) and a substantial reserve can be created to fall back upon. If there is a strong union, i. e., a union with many members and sound financial position, mostly for legitimate demands it shall not have to resort to a strike to prove the reasonableness of its position. As Alfred Marshall points out "when a strong union does strike, the contest is likely to be a long one; yet the unwillingness of employers to try conclusions with it, and the prudence of the officials of such a union, together with the form of its government tend to diminish the number of strikes."³ Textile Labour Association of Ahmedabad is an illustration in point. So much of the strike in relation to the employer.

(b) STRIKE AND THE STATE

Legal protection-Trade Union Act of 1926.

Now let us examine strike in relation to the State or rather its laws. We believe it is not possible to give an unqualified universal justification or condemnation of strikes. Strikes are justified or unjustified in particular setting of circumstances. And similarly the laws of the state are proper or improper in relation to the circumstances of a domain of action. This does not imply that the laws enacted by those in power are necessarily proper for those for whom they are meant, because those who are in power may not necessarily know the propriety or impropriety of a particular law; and even if they know they may be guided and in fact are guided, more often than not, unless controlled by strong vigilant public, by their own selfish ends. It only means that in judging an existing law or desirability of a law circumstances should be considered.

When the Society emerged from its primitive state into a developed one the transactions between its various members

3. Elements of Economics of Industry Book VI Ch. XIII § 10.

increased in number and in complexities. This sometimes necessitated contracts between parties to fulfill the mutually agreed obligations. This must have in turn necessitated, to work as a check to those who may otherwise find it convenient to ignore the contract they may have entered into, and thus to ensure a smooth working of society so necessary for its equilibrium, enactment of law to *recognise* certain contracts, and punish those who after making one recognised by law refused to abide by it. It must have also been found convenient, to avoid mischief, to penalise any one who agreed to persuade others to break their contracts. But with mechanisation and large factories, and the workers therefore being separated from their means of production, it was (and still is) desirable, nay a necessity, as we have seen, for the workers to present an organised front to the employers. And an organised front meant many times an organised strike which needed persuasion and agreement to stop working. Thus the new situation called for a change (an exception to be made) in the old definition of illegal breach of contract.

Now in this country under the criminal law 'an agreement to do an illegal act is itself a criminal offence. "Illegal act" includes all acts which provide grounds for civil action.' This was applicable to workers and their organisations as well, as late as 1926 although the changed conditions demanded an alteration much earlier. Thus till 1926, two men who agreed to persuade workmen to break their contracts with their employers were guilty of criminal conspiracy.⁴ It is sometimes attempted to justify this delay of the Government in effecting a necessary modification by stating that the political leaders might have used it in furtherance of their political advantage by exploiting the ignorant illiterate workers. This is hardly believable and even if believed certainly not a correct attitude. If political leaders exploited the ignorance and illiteracy of the workers and if the Government truly sympathised with the latter the proper action was to get rid of the causes which made exploitation possible. It should be frankly admitted that the interests of the Government or of those who had influence

4. Statement of reasons and objects of the Bill of the Trade Unions Act of 1926.

with it were the true reasons. In Great Britain too the various combination laws, criminal law amendment acts, and trade union acts clearly show, when examined in relation to their settings, the influence of the 'party in power' or of those who are sufficiently able to control it.

The necessity of modifying the section of the criminal law, just referred to, for the workers and their organisation was long over due. The workers and their leaders were much hampered in working for their objectives. In 1920 Messrs. Binny & Co. in Madras brought a legal action against Mr. B. P. Wadia and his associates in the High Court. As a result Mr. Wadia was prosecuted and put under injunction for conducting a strike which was alleged to have induced workmen to break their contract with their employers. The injunction was withdrawn on certain conditions but it had the effect of crippling the movement.⁵

The workers and the public were becoming conscious of the necessity of legal recognition to trade unions so as to immune them from civil and criminal liabilities. An agitation began with Mr. Saklatwala and Mr. N. M. Joshi in prominence, for a trade union act for this and some other rights. As a result a Bill was introduced on 22nd January 1925 which after heated debate was referred to the Select Committee. After being amended by the Select Committee it was considered in the Legislative Assembly in January 1926 and passed into an Act in the ensuing month. It came into force from first May 1927. In 1928 an amendment was passed to remove some obscurities.

Under this Act (Act No. XVI of 1926) known as Indian Trade Unions Act, 1926, "No suit or other legal proceeding shall be maintainable in any civil court against any registered trade union or any officer or a number thereof in respect of any act done in contemplation or furtherance of a trade dispute to which a member of the trade union is a party on the only ground that such act induces some other person to break a contract of employment, or that it is in interference with trade, business or employment of some other person or with the right of some other person to dispose off his capital or of his labour as he wills."⁶ Also "a registered trade union shall not be

⁵ cf. Buchanan *op. loc. cit p. 421*

⁶ Section 18(1)

liable in any suit or other legal proceeding in any civil court in respect of any torturous act done in contemplation or furtherance of a trade dispute by an agent of the trade union if it is proved that such person acted without the knowledge of, or contrary to express instructions given by, the executives of the trade union. " 7

In conducting a trade union those not actually engaged or employed in the industry with which the trade union is connected are likely to overlook the interests of the members and work for their own ends or ideologies. As a safeguard against this, but keeping in mind the fact that the labour in India is still incapable of self organisation without an aid of an outside agency, the Act has provided that 'Not less than one half of the total number of the officers of every registered trade union shall be persons actually engaged or employed in an industry with which the trade union is connected' unless the Local Government declares this provision to be inapplicable to any trade union or a class of trade unions.

The Act furtheron to safeguard the interests of the workers of a registered trade union, has provided for the safe custody of the funds of the trade union, an annual audit, in such manner as may be prescribed, of the accounts thereof, and adequate facilities for the inspection of the account books by the officers and members of the trade union',⁸ and the constitution of 'a seperate fund, from the contributions seperately levied for or made to that fund, from which payments may be made, for the promotion of the civic and political interests of its members.'¹⁰

The registration of the trade unions, under the Act, is not compulsory and some unions consider the privileges of the registration extremely inadequate against the obligations imposed under it.

A Bill was introduced into the Legislative Assembly by Mr. N. M. Joshi on the 9th February 1928 to extend to unregistered unions as well, the privileges of immunity from civil suits and

7 Section 18(2)

8 Section 22.

9. Section 6 (i)

10. Section 16 (i)

criminal prosecutions guaranteed to the registered unions. But the Bill was rejected on 8th September 1928.

It seems, however, desirable to increase the number and scope of privileges and thus induce more and more trade unions to get themselves registered or preferably to have a generous scheme of compulsory registration.

(c) STRIKE AND ITS CONTROL (TRADE DISPUTES ACTS).

Mr. Harold Butler, Director of International Labour Office, with his characteristic precision, said on the eve of the war that

Number of Industrial Disputes in India 1921-1941

Year	Disputes	workers involved (in thousands)	working days lost (in millions)
1921	396	600	7.0
1922	278	435	4.0
1923	213	301	5.1
1924	133	312	8.7
1925	134	270	12.6
1926	128	187	1.1
1927	129	132	2.0
1928	203	507	31.6
1929	141	532	12.2
1930	148	196	2.3
1931	166	203	2.4
1932	118	128	1.9
1933	141	165	2.2
1934	159	221	4.8
1935	145	114	1.0
1936	157	169	2.4
1937	379	648	8.9
1938	399	401	9.2
1939	406	409	4.9
1940	322	452	7.6
1941	359	291	3.3

“in fact, the problem of industrial relations may perhaps be considered to be the chief problem confronting Indian industry at

the present times and one upon which further industrial development to some extent depends."¹¹

On the previous page is given a table showing in respective years from 1921 to 1941 the number of industrial disputes, the number of workers involved and the total number of working days lost. These clearly bring into evidence the need of some machinery to smoothen the industrial relations so long as the inherent conflict between Labour and Capital has not been removed by a change in the economic structure of society. It must not be lost sight of that such a machinery, however elaborate, is essentially a patch work repair for a system so worn out and at times out of gear as to need a complete overhaul.

The economic consequences of a strike or a lock-out, particularly in India which more than any other country needs reduce every form of waste to promote her industrial position, are particularly harmful. When an industrial dispute is precipitated both the employers and the employed lose their normal earnings. And whatever the outcome of this dispute, resulting in net advantage to either of the two parties, to the nation as a whole there is always the loss of national income equal to the aggregate of the losses of the normal earnings of the two parties. This loss is more harmful when it results in crippling the industries having to compete with the foreign producers either in the international or in the home market.

In addition to the direct economic loss which easily obtrudes itself on the notice of everyone there is introduced by an industrial dispute an element of uncertainty and friction. This breeds fear and distrust resulting in misunderstanding, hatred and a variety of small quarrels.

We have not tried to argue that a strike is an unmixed evil and hence must be done away with at any cost. On the contrary it is argued before that so long as the present economic structure of society inherently containing an element of conflict between Labour and Capital lasts, the strike is the only ultimate effective weapon in the hands of labour to deal with the exploitation or maltreatment by their employers. It is merely sought to shew that in a strike (or a lockout), more so if it is in a monopolistic

11 "Problems of Industry in the East" I. L. O. p. 16.

trade or a public utility service, the community (including the state) feels deeply concerned. And this brings home the need of setting up—a machinery to facilitate the preliminary investigation¹² in to the causes that may have led to a particular dispute by bringing both the parties together before an impartial arbitrator. When the decision of the arbitrator is not enforceable by law we do not think that this method ‘robs the workers of their freedom without any compensating gain.’ The decision of the impartial arbitrator or conciliator may or may not be acceptable to the parties concerned but is certainly one on which the public can with better reason form its opinion.

* * * * *

The Governments of Bengal and Bombay in 1921 and 1922 set up representative committees to investigate the possibilities of smoothening the industrial unrest. Recommendations regarding the establishment of works committees, conciliation boards and boards of enquiry were made. No action however was taken on those recommendations except the constitution of a conciliation panel in Bengal which was never called upon to discharge its duties.

It was in 1929 that an act (Act No. VII of 1929) to be called the Trade Dispute Act, 1929 was passed by the Government of India to make provision for the investigation and settlement of trade disputes, and for certain other purposes. The Act was brought into force on 7th May 1929 and was to remain in force for a period of five years; it was prolonged by an Act passed in April 1934.

The primary object of the Act is to provide for the establishment of Courts of Inquiry and Boards of Conciliations for promoting a settlement of ‘any trade dispute which exists or is apprehended between an employer and any of his workmen.’¹³ These may be set up by the Local Government except where

12. As Rajni Kant Das observes, “Often they (unions) failed to formulate their grievances and give even formal notice of their strike. When asked for, they could not give reasons for strikes. At the time of settlement they would shift ground and make extravagant claims” *The Labour Movement in India* p. 36.

In such circumstances the need of a suitable impartial machinery to facilitate rational dealings is evident.

13. See Section 3

the employer is the head of a department under the control of the Governor-General in Council or is a railway company in which case the Governor General in Council may take the necessary action. Also 'where both parties to the dispute apply, whether separately or conjointly, for a reference to a court, or where both parties apply, whether separately or conjointly, for a reference to a Board, and the authority having the power to appoint is satisfied that the persons applying represent the majority of each party, a court or a Board, as the case may be, shall be appointed accordingly.¹⁴

A court of inquiry is to consist of 'an independent chairman and such other independent persons as the appointing authority thinks fit, or may, if such authority thinks fit, consists of one independent person'.¹⁵ A Board of Conciliation shall consist of 'a chairman (to be an independent person) and two or four other members, as the appointing authority thinks fit, or may, if such authority thinks fit, consist of one independent person.' The members of the Board are to be 'independent persons or persons appointed in equal numbers to represent the parties to the dispute', and persons appointed to represent any party are to be appointed on the recommendation of that party unless that party fails to make the necessary recommendation within the prescribed time, in which case the appointing authority shall select and appoint such persons as it thinks fit to represent that party.¹⁶

The duty of a Court of inquiry is confined to the investigation into the matters referred to it and the report thereon to the authority by which it was appointed.¹⁷ The Board of Conciliation on the other hand is charged with the duty to endeavour to bring about a fair and amicable settlement. And if no such settlement is arrived at during the course of the investigation, the Board shall, as soon as possible after the close thereof, send a full report regarding the dispute to the appointing authority and include therein the recommendation of the Board for the determination of the same.¹⁸

¹⁴ Ibid.

¹⁵ Section 4.

¹⁶ Section 6.

¹⁷ Section 5.

¹⁸ Section 7.

Under this Act a strike or a lockout is declared to be illegal 'which has any object other than the furtherance of a trade dispute within the trade or industry in which the strikers or employers locking out are engaged; and is designed or calculated to inflict severe, general and-prolonged hardship upon the community and thereby to compel the Government to take or abstain from taking any particular course of action.'¹⁹

In case of a public utility concern no person can go on strike or an employer lock-out his men in breach of contract without having given to the party concerned a notice in writing not less than fourteen days in advance within one month before the intention of strike or lockout.²⁰

The above Act has been found so cumbrous and inconclusive in character that it has rarely been used. Commenting on it the Royal Commission had to remark that it has tried to copy the less valuable part of the machinery employed in Great Britain, while ignoring the most valuable part. It is unfortunate that not much thought is given on the efforts that ought to be made to bring about a settlement before strikes and lock-outs can be declared. An effort in this direction has been made, with a measure of success, in the Province of Bombay, which now we proceed to consider.

To make further provision for the prevention and settlement of trade disputes by conciliation and for certain other purposes an act (Bombay Act No. IX of 1934) called the Bombay Trade Disputes Conciliation Act, 1934, was passed. In a sense it was an important provincial measure. The Act was applicable to the textile industry in Bombay City and suburban districts only, with right of extension of it to the Local Government. The Act provided for the appointment of a Labour Officer to watch the interests of workmen with a view to promote harmonious relations between employers and workmen and to take steps to represent the grievances of workmen to employers for the purpose of obtaining their redress. It also provided for the creation of a Conciliation Board with Commissioner of Labour as *ex officio* chief

19 Section 16 (1)

20 Section 15 (1) and (2)

Conciliator. The Conciliator was to try to bring about an amicable settlement of a trade dispute. Picketing for a strike while conciliation proceedings were pending was not prohibited; but any picketing against conciliation proceedings themselves was illegal.

In the Bombay Trade Disputes Conciliation Act of 1934, however, there was nothing to make it obligatory on the parties to trade dispute to endeavour to obtain a settlement of it by conciliation before resorting to a strike or lock-out. In order to ensure that this is done ²¹ a Bill was introduced by the then existing Congress Ministry of Bombay and was passed as the Bombay Industrial Disputes Act (No. XXV of 1938). This Act has so far been made applicable to the cotton, woolen, and silk industries in the Province of Bombay.

In view of the great importance of the above mentioned Act, as forming a landmark in, and setting an example to, ²² the vexing problem of industrial relations in India we shall consider it at some length.

The Act provides for registration of a trade union either if it has membership of 25 percent of the total number of workers or if it has 5 percent membership but is recognised by the employer. The Act furtheron provides for a "representative" union ²³ which has had a membership of 25 percent of the total number of workers for a continuous period of six months, and a 'qualified' union which has 5 percent membership but is not recognised by the employer. In absence of recognised union the workers are allowed to elect five persons from their own ranks to represent their case.

The Act, as mentioned in the statement of Objects and Reasons, makes strikes and lockouts illegal until the whole of the

21. Statement of Objects and Reasons, to the Bombay Industrial Disputes Act, 1938.

22. The State of Mysore, under the Mysore Labour Act, has provided for the 'Court of Arbitration' on lines similar to B. I. D. Act. Also there is a proposal for a Bill on lines of B. I. D. Act in Madras Province.

23. To our knowledge, in the Bombay Presidency there are only two representative unions (1) The Ahmedabad Textile Labour union and (2) The Amalner Labour Union.

machinery provided for by the Act for discussion and negotiation has been made use of. It is provided that whenever an employer or a workman desires to make a change in wages or hours or other conditions of employment such as standing orders etc., or any other industrial matter, a notice of his intention to do so must be given to the prescribed authorities, and that no change can be effected until the machinery of the Act has functioned to the fullest extent.

When a notice is given, negotiations will follow, and if an agreement is reached it will be registered. In case an agreement is not reached the contending party has to submit a full statement of the case which is recorded and the conciliators, provided for by the Act, have to submit reports. The Government, may, in case of failure, refer the case to a Board of Conciliation, or Arbitration in some cases. Strikes and lock-outs are declared illegal before the end of conciliation proceedings, but the award of the conciliator is not obligatory.

Under the Act the Labour Commissioner is an *ex-officio* conciliator with a provision for local and special conciliators and *ad hoc* boards of conciliation. It also provides for a permanent Industrial Arbitration court presided over by a High Court Judge or a lawyer qualified to be a High Court Judge. 'This court will act as a tribunal for voluntary arbitration on matters submitted to it by the parties to a dispute'. The order of the Industrial Court is binding on the parties who appear or are represented before the court. The Court will also be a final Court of appeal in numerous cases arising out of the working of the Act.

The Court, however, being empowered only to decide the legality or otherwise of a particular action, and not endowed with the power to inflict punishment, which rests with the Presidency or City Magistrates, the whole procedure becomes too cumbrous and lengthy to be so effective. This explains why the Act is not so successful in controlling the Precipitation of trade disputes.

The working of the Act has also brought to notice the need of fixing a time limit for filing applications for illegal changes, the need to make provision for speedy disposal of cases, and so on.

A critic of the Act states that it deprives labour of an effective instrument without any compensatory advantage. Keeping in mind our political status, and the illiteracy of labour with its consequential drawbacks which are already dealt with, we think that this criticism is anything but fair. The Act in a field of this character, as Mr. M. C. Setalwad remarks, "is bound to possess defects which could only be perceived after the legislation has been in operation for some time. But notwithstanding its defects....., it cannot be denied that the Act has served a very useful purpose. The machinery provided by it and the Court created under it have inspired general confidence so that both the employers and the employees have from time to time called them in aid." ²⁴ The following figures bring home the extent to which such confidence has been inspired.

Number of Applications filed in	Years.					Total.
	1939.	1940.	1941.	1942.	1943.	
Industrial Court.	28	68	67	62	218.	443.

In these days of Defence of India Rules and Ordinances, Rule 81 A provides for a reference by Government of industrial disputes to adjudication and the award of the adjudicator is enforced under the rule. No permanent adjudication Court has so far been set up in any province. Adjudicators are appointed *ad hoc* in respect of each dispute, as and when such arises. In Bombay, however, resort is had to adjudication only in cases other than disputes relating to Textile Industry which are settled by the Industrial Court.

CHAPTER IX

Trade Unionism in India.

(a) HISTORY OF TRADE UNIONISM:

The beginning of the collective representation of their claims by workers, as recorded, dates back to 1884. In that year was

²⁴ Foreword by Mr. M. C. Setalwad in 'The Bombay Industrial Disputes Act, 1944' by Messrs. Patwari and Patwari. Those interested in this legislation may refer to it with advantage.

sitting in the city of Bombay, the Factory Commission before whom a memorial drawn up and signed by the Conference of 5500 workers, called specifically for that purpose, was submitted. This gesture of labour was made possible because of the two leaders Messrs. Sorabji S. Bengali and N. M. Lokhande. In 1890 a loosely formed union called the Bombay Mill Hands' Association was formed. The first labour organisation worth the name was found in 1897, registered under the Indian Companies Act and named as the Amalgamated Society of Railway Servants of India and Burma. This organisation, of course, continues to exist but with a different constitution, registered under the Trade Union Act and with the changed name of the National Union of Railwaymen of India and Burma. Later on were started Printers' Union in Calcutta in 1905, the Postal Union in Bombay City in 1907, and the *Kamgar-Hitwardhak-sabha* (workmen's welfare Association) also in Bombay city in 1910.

Number and membership of the registered unions in India+

Year.	Registered Unions.	Registered Unions Submitting returns.	Total membership.	Average membership per registered union.
1927-28.	29	28	100619	3409
1928-29.	75	65	181077	2414
1929-30.	104	90	242355	2693
1930-31.	119	106	219115	2067
1931-32.	131	121	235693	1948
1932-33.	170	147	237369	1615
1933-34.	191	160	208071	1300
1934-35.	213	183	284918	1557
1935-36.	241	205	268326	1309
1936-37.	271	228	261047	1145
1937-38.	420	343	390112	1137
1938-39.	562	394	399159	1013
1939-40.	667	450	511138	1136
1940-41.	727	483	513,832	1064
1941-42.	747	455	573,520	1260

+ Indian Labour Gazette July 1944.

In 1918 were formed the Madras Textile Workers' Union, the Clerks' Union and Postmen's Union in Bombay, and the Seamen's Union in Calcutta. It is mentioned that the first strike affecting an entire industry in a given centre occurred in the Bombay cotton mills at the end of 1918 when by 7th January, 1919 practically all the 125000 hands in all the cotton mills in the city had stopped work. In 1925 the total number of trade unions is reported to be 175 including 75 organisations of the Government and semi-Government servants. With the advent of the Trade Union Act, 1926 a record of the registered unions, is maintained and published in the *Notes on the working of the Indian Trade Unions Act of 1926* for the various years. The figures of the number and membership of registered unions are set forth on previous page.

Number and membership of registered and unregistered unions in Bombay Presidency 1927-1943.*

All Unions.

Year. (ending 1st. Dec.)	Registered and unregistered.		Registered Unions.		Percent- age of members regd. to total.
	No. of Unions.	Membership.	No. of Unions.	Member- ship.	
1927.	72	87340	11	45243	52
1928	94	198072	30	152061	77
1929	99	196748	42	153483	77
1930	93	128393	40	84273	66
1931.	95	103754	38	65405	63
1932.	102	111354	48	73701	66
1933.	108	117558	51	70464	60
1934	106	112828	48	71848	64
1935	128	111891	56	95506	85
1936	99	88191	43	75084	85
1937	114	103421	50	91496	88
1938.	153	141592	59	114800	81
1939	176	181597	76	151790	84
1940	165	185390	77	162375	88
1941.	171	193020	81	168259	87
1942	189	185356	89	155782	84
1943.(June)205		208392	91	174505	83

* Labour Gazette May 1936 p. 669; August 1943 p. 841; May 1940 p. 798.

In 1939-40 the total income of the registered unions is given to be Rs. 11.22 lacs. working out at Rs. 2493 per union or Rs. 2.2 per member. Thus the income is small. The income increased to 12.12 lacs and 17.67 lacs in 1940-41, and 1941-42 respectively. But even then the average income per member in 1941-42 is only Rs. 3.1.

The above figures, however, very inadequately represent the picture of the growth of the trade union movement. The registration of the Trade Union Act of 1926 being not compulsory and the advantages conferred by the registration, according to some, being outweighed by the obligation imposed by it, it is natural that a good proportion of them do not think it worth while to register themselves. This fact is born out by the figures on page 77 of registered and unregistered unions for the Presidency of Bombay for which only an accurate data is available.

(b) TYPES OF TRADE UNIONS.

Among the several kinds of unions at the bottom are those which, according to the Royal Commission of Labour (p. 320), 'represent little or nothing more than the one or two men (generally drawn from the professional classes) who fill the leading offices.....the object is to give a platform and a name to the leaders.....This type of valueless growth, which is more characteristic of Bengal than of other provinces and is becoming rare even there, was stimulated by the belief that it would assist the leaders to secure nomination in the labour interest to local councils or international labour conferences'. The next come those which temporarily come into immediate object. They are commonly known as 'Strike Committees'. They disappear after the strike is over, especially if it is unsuccessful or enter 'a state of suspended animation until another dispute occurs.'

Apart from these strike committees and bogus platform supplying unions there are four classes of unions: (1) craft unions (organisations of workers in a single occupation) such as Weavers' Union, Throstle Union, Winders' Union, etc. in Ahmedabad, (2) trade unions (organisations of workers engaged in kindred crafts or occupations in the same or allied indus-

tries which are common) such as Card-room Blow-room and Frame Department Union of Ahmedabad; (3) industrial unions (organisation of workers in the same industry, irrespective of their crafts or occupations) such as National Seamen's Union of India, Great Indian Peninsula Railway Workers' Union, *Girni Kamgar* (Red flag) Union of Bombay etc. (4) federations of several unions, local, provincial and national such as Ahmedabad Textile Labour Association, Bombay Presidency Postal and Railway Mail Service Association and All India Trade Union Congress respectively.

It was in 1920 that the All India Trade Union Congress came into being to co-ordinate "the activities of all organisations in all the provinces in India, and generally to further the interests of Indian labour in matters economic, social and political," and in particular to enable organised labour to send its delegates to the International Labour Conference. In 1929 the Congress claimed the affiliation of 51 unions with the membership over 190000. At its tenth session, held at Nagpur on 30th, November, 1929, there was a split in the Congress over several issues including the boycott of the Royal Commission and International Labour Conference. Those against the boycott seceded and formed the Indian Trades Union Federation. At the eleventh session held at Calcutta in July 1931, there was further split, the seceding section forming the Red Trade Union Congress. At the fourteenth session, however, held at Calcutta in April 1935, an agreement was reached between the representatives of the All India Trade Union Congress and the Red Trade Union Congress on the fundamental problem of trade union unity.

The Indian Trades Union Federation formed as a result of the split at Nagpur session of the All India Trade Union Congress, was in 1932 represented by 23 unions with a membership of 82500 workers. A National Federation of Labour was formed in 1931 as a result of the Trade Union Unity Conference called in Bombay. But this was amalgamated with the Indian Trades Union Federation in 1933 under the new name of the National Trades Union Federation. In 1938 it was decided at the joint session of All India Trade Union Congress and National Trade Union Federation to combine the two organisations into one central organisation with fifty-fifty representation on the General

Council. Recently Mr. M. N. Roy and Mr. Jamnadas Mehta have formed another organisation known as Trade Union Federation for the express purpose of lending whole hearted support to the war effort.

CHAPTER X

Difficulties of Trade Unions.

It has already been noted that the civil and criminal liabilities of workers and their leaders in breaking and persuading others to break the contracts with their employers came much in the way in the formation and working of unions. At the end of the World War of 1914-'18 there was a boom in industry and the influenza epidemic of 1918-'19 had taken a toll of more than 8 millions of the inhabitants of the country, and the age groups that had been worst affected were those between twenty and forty, thus causing a great scarcity of labour at the time it was much in demand. This gave to the workers, in the history of industrial labour in India, the first and so far the best chance of organising and making their demands effective. Wage rates temporarily rose and trade unions were rapidly formed but little permanent advantage was taken. Among other things, which shall be considered in due course, the civil and criminal liabilities of workers and their leaders was a great deterrent factor in the formation and working of trade unions: the success of Binny & Co. in getting issued, through the High Court of Madras, an injunction on Mr. Wadia and his associates had been too clear to be ignored. It was on the first of May 1927, with the coming in force of the Trade Union Act of 1926, that the immunity from such liabilities is granted to the unions registered under the Act.

In this connection the attitude of the Central and Local Governments is conspicuous by its rigidity and backwardness. Upto 1920 they actually prohibited their employees from submitting any collected memorials or petitions. And after 1920 this right was granted to those combinations which accepted certain rules called 'recognition rules'. After the passage of the Trade Union

Act, however, the Central Government and several Local Governments advised the Unions of their employees not to apply for registration on the ground that the privileges which their employees received as members of registered unions were not reconcilable with their obligations under the Government Servants' Conduct Rules ! In this connection the Royal Commission pointed out that the rules were framed primarily to regulate the conduct of officials outside the ranks of labour, and suggested that, in regard to industrial workers, the Government should take the lead in recognising their Unions and in encouraging them to secure registration. The policy of the Government has now been changed, and unions of industrial workers employed by the Government are required to register.

After examining the attitude of the Government that of the other employers will not be found astonishing. Some of the employers, especially private ones, even to-day refuse to recognise unions either because they include only a minority of the class of workers concerned or another union has been already working. Some refuse to recognise on the plea that a particular person whom they do not like or an outsider with whom they do not agree is in its executive or that it has failed to get itself registered. Neither the minority character nor the existence of another union is a valid reason for, any bonafide union has certainly the right to speak for *its* members. As regards an inconvenient (from employer's point of view) person or an outsider being on the executive the Royal Commission rightly remarks that "the endeavour to dictate to Unions on the subject of their officers or leaders is equally short sighted and unwise" and that "the claim to be allowed to deal only with 'one's own men' is frequently little more than an endeavour to secure that the case of men shall be presented by persons who are not likely to prove assertive."

Victimisation, or more frequently a fear of it, gives some value to the outsider. "In every country", the report goes on to add, "much of the active work of trade unions, particularly in their relations with employers, is carried on by persons whose livelihood does not depend on the employers' will". (1) In this

(1) Report pp 324-325.

connection, it is remarked by an authority that "let one (union) be formed with only workers in it; sooner or later, the members of the executive find themselves one by one out of work; never, of course, will it be admitted, because they are active in promoting the Unions but it happens every time." (2) So strong a union as the Textile Labour Association of Ahmedabad remarked, as late as 1937 that, "the most powerful factor discouraging the spread of organisation is the fear of victimisation. It is no idle or imaginary fear. The Association has paid out Rs. 45,000/-in the shape of victimisation benefit during the last ten years. Not a step can be taken in the direction of extending the Union membership without provoking mass dismissals and large scale victimisation." (3)

In regard to the question of the insistence on registration, however, the Commission held that "As the law stands at present registration generally involves no obligations that a bona-fide Union should not be willing to undertake." (4)

There are several other causes for the under development of trade Union movement which were examined by the Royal Commission. (5) The following seven causes are given by them. Firstly Indian labour is still largely migratory; "those who are frequently leaving an industrial centre, even for short spells, and are frequently changing their employers, are less inclined than more permanent workers to maintain a constant interest in any organisation." Secondly "the present conditions of industrial life in India are not conducive to the unflagging endeavour which proved so necessary in the west for the maintenance of trade Unions; those whose wages and leisure are barely adequate for sustained work in the factory are not likely to find energy or leisure for activity outside it." Thirdly "the poverty of the average worker to whom even a small subscription can be an appreciable burden, particularly when he is already encumbered by debt" is also a serious handicap. Fourthly the differences of language and race are separating factors. Fifthly "there is fre-

(2) India Analy-ed Vol. 11 p. 13.

(3) Annual Report, 1936-37 page 7

(4) Report p. 325.

(5) Report p. 321

quently added the active opposition of the jobbers, or their equivalent, to anything resembling a horizontal organisation." Sixthly the lack of democratic ideal comes in the way. And lastly the lack of education is the most serious obstacle of all.

The lack of education and democratic ideal has resulted in almost a conspicuous absence of labour leaders from the rank and file. This introduced an element of danger. The outsiders were not, as may be expected, sufficiently familiar with the problems of workers and secondly having not much affiliation to workers often used them in furtherance of their own social or political goal. Thus the interests of the workers were not always the primary, what to talk of the only, objective. This brought much discredit on the earlier unions with the natural effect of weakening them. Even to-day when labour is definitely more enlightened than before and the outside leaders more faithful to their fallowers, it cannot be said that this destructive tendency of using the workers in furtherance of one's social or political goal is totally absent. That this tendency should be eradicated, and that too sooner the better, is too obvious to need elaboration.

The employers and the public generally, as the Royal Commission on Labour has remarked, should welcome, in their own interests, the growth of sound Unions.⁽⁶⁾ But it is the labour that will benefit the most from it and this fact should not be lost sight of by the labour leaders. They, in their dealings with the labour disputes, should proceed with a calm and unbiased attitude of mind without any axe of their own to grind. No personal issues should enter as a factor in taking decisions. In this connection our experience, for whatever it is worth, has revealed a sorry plight of things. Personal issues and motives far from being disinterested are seen to work and in some cases even loom large, of course always in the background.

As for the personal issues they arise mostly because the leaders feel themselves to be badly treated. The fault of the employers must be conceded. So far most of them treated the representatives of labour with indifference and even derision. And even to-day there are some whose aristocracy, and what is worse the superiority complex, come between them and the labour

(6) Report p. 322.

leaders. The employers should realise this and in their own interests treat the labour leaders with due consideration and regard and give them the credit wherever it is due. This is one side of the shield. For the other side the growing tendency of the leaders—especially among the developed Unions—to be rude and ruthless aiming to be what are known as ‘Labour Czars’ is condemnable. It breeds resentment and opposition in the employers and the public and robs the workers of the exhilarating joys of democratic co-operation.

CHAPTER XI

Correct attitude for Trade unions.

(a) TRADE UNIONS AND THE EMPLOYERS.

There is an almost regular shipment of economic and political theories from the west. These theories are worked out, in good faith as is natural, for the countries of their origin. It is therefore prudent to examine them before accepting them as suitable to our needs. We have, of course, followed the west in mechanising our industry which together with the impact of new ideas and philosophy have changed (and the change is still in progress) our modes of living and thinking, and therefore the theories that the west wind brings are not, *a priori*, worthless and unsuitable; on the contrary the experiments of the west, intellectual or practical should be carefully studied to avoid the pitfalls in the course of our progress. But it should be remembered that in addition to the indigenous culture our political status and the existing state of our industrial development are the factors to be reckoned with before deciding upon a particular course of action.

One of these theories with which we are immediately concerned is that which not only draws a clear distinction between the two classes, labour and capitalist which can be understood, but advocates a fight between the two. ⁽¹⁾ The fight is not only

(1) We do not ignore the existence of an inherent conflict between labour and capital. we, however, find it profitable for both, at least for the present, to work in harmony.

for profit but for power too. One can understand this in countries with independence: there is there power to fight for. In India the power is still to be snatched from the foreigners before a quarrel for it may be precipitated amongst ourselves. Apart from this political problem, whose urgency and intensity cannot be overestimated, the relevant problem before the trade unions is to increase the profit to workers; and this we proceed to consider.

The union leaders should not forget that, in the present political and industrial state of the country, nothing is gained but much is lost by looking upon the class of employers as stark enemy and propagating such a view. We have seen in the chapter on 'the theory of trade unionism' the necessity of organising a united front and offering a united action if it be found necessary. But such action should be as last resort. It is through harmony that progress can be achieved.⁽²⁾ The labour is certainly interested in its welfare which is however bound up with the welfare of industry: any set back in industry is bound to react unfavourably on the employment, wages, and conditions of work of its important complement the labour.⁽³⁾

As Mahatma Gandhi in letter to Ahmedabad mill workers, recommending the Patkar award, rightly emphasised that, "the interests both of the millowners and workers are bound up with the maintenance of the industry,.....I have been telling you ever since we came together, that the industry is not exclusively for the millowners as millowners, or the workers. The millowners have invested their capital, your capital is your labour. Either will be worthless without the other."⁽⁴⁾

Any policy therefore that ruins the industry is suicidal. To profit at the cost of industry is like cutting one's own legs. The right aim is to profit at the cost of the profit of employers and by helping to prosper the industry with increased efficiency and co-operation.

It may be argued that profiting at the cost of profit of the employers is also suicidal; for, it leads to a reduction in the sav-

(2) See Appendix, part (b).

(3) See Appendix, part (c).

(4) As reproduced in 'the Times of India' 18-1-1935.

ings of employers resulting in a lesser investment in industry and thus working unfavourably on its expansion and development. But this is not so. For, the reduction in the profit of employers will then mean a corresponding increase in the profit of workers. And this increase in the profit of workers will be invested, given the proper conditions, in improving the human capital or, if there is anything surplus still, in augmenting the material capital goods just as the employers would have done. Thus to profit at the cost of profit to employers even if means a check on the expansion (not the working) of industry is not harmful as, given the proper conditions, it will improve the human capital which in its turn will result in increased efficiency and consequential betterment of industry. To profit at the cost of industry, however, is on a different footing. For, then, the temporary gain to workers resulting in injury to industry will react unfavourably on the workers. This will necessitate a further loss to industry which in its turn will further work against the workers. Thus shall work the downward spiral; whereas in the case of profiting at the cost of the profit of employers shall work the upward spiral.

The above analysis makes it evident that the proper attitude for the unions is to find the ways and means to secure for its members as great a slice of *profit of industry* as possible and to increase this profit itself by increased efficiency and co-operation.

For increasing the share of profit of industry the unions and unionists should be sufficiently powerful to effect a profitable bargain with the employers; this aspect of the problem we have already dealt with before. The other thing is to strive to develop the great stores of business power and inventive resource that lie dormant among the working classes, so that business power being cheap, the share going as earnings of management being relatively small, that which remains for wages may be high. To this end it is beneficial to aid and promote among the workers all forms of co-operative enterprise and especially such as open the greatest number of opportunities to men of natural business ability to find free scope for their constructive and originating faculties.'

For increasing the profit of industry itself the following points are worth noting. Firstly, strikes or any other forms of obstruction to industry should be as unfrequent as possible so as to make business easy and certain; this is especially true of those which either largely cater for foreign markets or have to compete with foreign producers in the home market. Secondly, the standard of life among the workers of the present and the coming generation should be raised by fostering habits of sobriety, proper economy, and self-respect. Thirdly, help should be rendered to, and the workers interested in, the acquisition of industrial skill. The rising generation especially should be helped to the utmost in this direction. Lastly, for mutual benefit, an action should be avoided which may inflict an injury on other class of workers.

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(b) THE REAL INTERESTS OF WORKERS.

Does the rise in wages guarantee the corresponding welfare of workers ?

It is argued all throughout, explicitly and implicitly, that a certain minimum standard of wages should be secured for every worker, in fact for everyone, and that the trade unions should contribute their might to this end. But what is this minimum standard of wages ? It may be defined as one adequate enough to provide a worker and his family with the minimum necessities of life. But the necessities widely differ; even basic necessities such as food, clothing and housing, differ at different places in their qualitative and quantitative standard. This is because the valuation of things for a being is bound up with their valuation for other members of society of which he is a member: the valuation depends on the general standard of society. Also the valuation for a being depends on his general, and cultural-inherited or acquired-habits and training.

This introduces a danger in striving to raise the wages, without due caution. Any substantial sudden rise in wages may not, against all our pious hopes, mean a corresponding advantage in terms of basic necessities although they might be urgently necessary from the long-range point of view. The increase may be translated to increase the conveniences or luxuries or even to promote vices such as drinking, gambling and debauchery: it all depends, as argued in the previous paragraph, on the cultural

habits and training. It therefore behoves a trade union, nay it is its implied function, to strive its utmost to promote among the workers the necessary habits of sobriety and good taste; otherwise the argument in favour of trade union action for securing the due rise in wages, and the plea for state and public support to it, lose much of their force, if do not disappear altogether.

* * * * *

(c) THE WORKERS AND THE ADMINISTRATION OF TRADE UNIONS.

That the trade unions should employ permanent paid staff to deal in the day to day affair with the employers is obvious; the modern economic and industrial complications demand the services of professional paid officers. But in the general management of the trade unions the workers should be encouraged to interest themselves. This is firstly because the workers can best know their difficulties and problems. Secondly, if aided by the necessary factual data and expert advice of the permanent staff, they may be relied upon to choose a course of action likely to prove most fruitful to them. Thirdly, they shall have a training which, to say the least, has much educative value; or, in the proper soil it may flourish into organising ability or business enterprise. Lastly the workers, then will really feel that it is *their* organisation. It is evident that when a worker participates in the working of a trade union he feels important and naturally therefore he considers the institution to be *his*. This is the reason why the administration of trade unions should be widened so as to give to the maximum possible number a chance to co-operative in the working of Unions. This is again, we believe, the most powerful, realistic argument in favour of democratic constitution of unions; for then the maximum number, in fact all the members, feel to share, however little, responsible for the ups and downs of their institution.

The trade union leaders and officers, it is observed, are not very keen on this point. In fact sometimes deliberate attempts are made to exclude the workers from participating in the functioning of the unions. Capable men from the rank and file are denied encouragement and proper guidance lest they may prove to be rivals. Such and other malpractices ultimately come in the way of the unions. The leaders can hope to retain their leadership and officers their offices, if the workers are enlightened; not by practising such suicidal methods but on their own metal.

PART III
EMPLOYERS
AND
LABOUR WELFARE.

CHAPTER XII

Different Views.

There are a number of distinct approaches to the question of labour welfare. Labourers may be regarded as human beings with rights to freedom, health and happiness, or just inferior persons deserving occasionally of sympathy and benevolence, or simply they may be regarded as productive agents, like so many machines. It is the nature of a person, or more precisely his political ideology, which determines his particular approach.

To persons holding the former view the need for labour welfare cannot be over emphasised. But there are others-and a good many too-who before they can voluntarily agree to a welfare work, should be conclusively shown that it is going to be 'paying'. And it is with these persons in view that it is sought to show now and then the utility of a particular measure suggested.

As productive agents too, workers need food to eat, clothes to put on, and houses to live in. And unlike machines they have their families to take care of. These are the prime necessities and any wage that is inadequate to meet these demands of a worker is bound to result in deterioration of his efficiency. If on the other hand workers are properly guided and their wages are increased, as Alfred Marshall says ".....an addition to the wages of their trade is as likely to be invested in the personal capital of themselves and their children as an increase in profits is to be invested in material capital: that from the national point of view persons are at least as remunerative a field of investment as things: and that investments in persons are cumulative in their effects from year to year and from generation to generation."¹

In addition to wages there are a number of other factors-hours of work, condition external to factory such as sanitation, housing and transport, conditions in the factory such as ventilation, lighting etc., accidents and poisoning-that affect the efficiency of workers.

¹ Elements of Economics of Industry Volume I p. 419(1898)

We have seen in the second chapter that the Government has regulated hours of work and passed some acts for the protection of industrial labour. But there are a number of things that a Government cannot attend to satisfactorily, if at all; and the Government of India, at least, has not taken urgent possible measures. Anyhow an industrialist for his very interest, if with no ulterior motive, should realise that the welfare of labour is a factor to be reckoned with in the general efficiency of industry. Welfare of labour conduces to greater general efficiency of industry in many ways: it tends to produce contentment with the effect of reducing waste and increasing production, reducing the possibilities of strikes, removing a great incentive to migrate from one institution to another etc; it will have a beneficial effect on health and consequently on the efficiency of labour.

Not only this; the employer will do well to realise that his personal relations with the employed plays a significant part in the working of industry. The employed look upon the employers with suspicion. In every innovation, or for the matter of that every measure, the workers suspect exploitation. There is a deep rooted popular belief that a profit to one must always be at the cost of another. But it need not be so always. Two persons having different commodities may exchange them to the advantage of both; or both may profit by harnessing the forces of nature.² Both the employer and the employed, with mutual co-operation can hope to profit by more judicious use of labour, capital and science.

Systematic efforts should be made to remove ill-founded apprehensions. And this can best be done by establishing contact with the workers and inspiring confidence and trust. "Lack of friendly associations breeds suspicion, which in turn breeds fear and hate." In this connection the following will be found instructive.

In 1917 Charles M. Schwab, the famous business Magnate announced his intention to speak to the Seattle Shipyard workers. The workers, as is usually the case, took him to be their enemy and consequently denounced him as a labour hater and as an

² In this connection we would like to draw the attention of readers to a simple and lucid presentation of this idea in the article "What is Profit" in Readers' Digest, March 1913.

exploiter. But when Schwat talked to them, at the end of thirty minutes, love and trust took the place of hatred and distrust. Schwat was able to do this because he opened his heart and thus removed the veil of misunderstanding.

'The personal touch in labour relations' such as Schwat established, is a factor the importance of which is yet to be appreciated. It clears, as is shown, many a misunderstanding with the ultimate result of averting strikes and consequential further hatred. Some find fault with agitators. But an unscrupulous agitator cannot succeed if the employer has created confidence in his workers; and a personal touch is a powerful factor in inspiring it.

For a big employer, however, it may not be possible to maintain a continuous personal touch with his workmen. He should, therefore, keep as much personal touch as possible and in addition appoint a special officer, say a Labour Officer, specifically for the purpose of attending to the grievances or difficulties of workers and thus maintaining a dynamic touch with them.

Workers have diverse difficulties, big and small. The removal of course does not in general necessitate any expenditure on the part of industry, but which will lead to much satisfaction. G. N. Broughton in his 'Labour in Indian Industries' page 107, notes the following general difficulty:—

'A notable peculiarity that strikes one in large industrial centres in India, such as Bombay and Calcutta, is the difficulty that confronts a man who wishes to continue his family life to which he has been accustomed. So great are these initial difficulties that many a man has to decide from the start to leave his family behind him. If his wife and son do accompany him with the intention of working themselves, then there is, in the great majority of mills, no person whom he can explain his personal circumstances and who will be sufficiently interested in them to see whether it is possible for the entire family to obtain employment at the same mill'.

The Labour Welfare Officer *will be* a person sufficiently interested in such problems of workers. He will guide them and help them.

Thus it is seen that even though workers may be looked upon as mere productive agents, it is profitable to remember that they too are human beings with their grievances and difficulties the removal of which will lead to greater satisfaction and consequently increased efficiency and co-operation.

A worker as he gets educated and self conscious, which is not only inevitable with the progress of time but also desirable, he seeks in addition to the maximum satisfaction of his demands a share in the governance. This is the basic postulate (or an empirical axiom) of democracy in Politics. And what is true in connection of a nation, is certainly true in connection of a factory, for, with it the life of a worker is intimately bound up. In some of the factories of U. S. A. and a great many of Sweden the representatives of the employers and employees sit together as equals and talk out many things. This is found to yield excellent results. And this is not strange; for many petty quarrels thereby disappear and the worker does not grudge putting in better work. The upshot of it is that a recognition of a worker's rights—of his say, of health and of happiness—is not only ethically more just but economically more profitable.³

An advocate of Productive Agents Approach will certainly admit the necessities of health and happiness because it is economically more paying, or an advocate of Benevolent Approach may recognise them out of sympathy or pity that the inferiors deserve from the superiors; he cannot however logically concede a worker's right of say (self expression) for, a productive agent or an inferior being is not a partner in work but merely a tool. We have tried to show that even judging from the economic profitability the first two approaches are inferior to the last one.⁴

3 Compare Lord Chelmsford's speech on 20th August 1920 at the opening of the Legislative Council. "...employers who are willing to meet labour in this (human and not commercial) spirit and to treat their business as being as much the concern of their workers as of themselves will find their reward not merely in the increased profits, for that will not be lacking but in the gratitude and the loyalty of their men, and in the knowledge that they are furthering the contentment and happiness of their country."

4 Compare: 'In order to achieve efficiency, you have to have good relations between management and workers. At the recent meeting of Ministry of Aircraft Production Sir Stafford Cripps made this the first consideration saying, "you cannot have an efficient shop unless you have a happy shop. The old methods of patronage and autocracy of management are out of date and will not produce efficiency. Partnership of effort is the right attitude, and where there is a good personal management, a smooth working joint production committee, and a well-recognized trade union organization, you will always find efficiency.".....Modern equipment and good financial management are but one side of the problem. The human factor is equally, in many respects even more, important.' *The Eastern Economist* of 22-9-1944, page 333.

CHAPTER XIII.

Labour Officer and his functions.

Industrial Labour Welfare work of employers has been defined as "the voluntary efforts of an employer to establish, within the existing industrial system, working and sometimes living and cultural conditions of his employees beyond what is required by law, the customs of industry and the conditions of the market" ¹ Thus it is a fore-runner of social legislation. Enlightened employers try experiments in welfare work and prepare the grounding to build concrete public opinion upon. This will be followed by legislative measures making it incumbent on every one to work those measures.

But even when with respect to certain measures laws have been enacted, they provide, as has been aptly remarked, only the dry bones, the spirit or the life having to come from the employing establishment. Not only this; there are always non-material connections between an employer and his employees which can never be translated in terms of legal language, but which ultimately go a long way towards allaying the unrest among the workers, and actually increasing their material, moral and relational worth conducing to their greater satisfaction and thus improving their lot as well as of the industry. We have seen in the previous chapter that these non-material connections can be established with greatest advantage by the employers concerned. The modern big industries and the varied preoccupations of the employers, however, do not permit this. And therefore it is urged that special officers-Labour Officers-should be maintained for the purpose: of course wherever possible, to the greatest extent possible, the employers should try to establish and maintain these connections and for the rest invest the necessary powers in the properly selected labour officers. It should be the business of these officers to mind what is usually termed the welfare work. Thus the labour officers shall be like personal

¹ Encyclopaedia of social sciences vol. XV P. 395.

officers to the employers, and responsible and important officers of the employing firm.²

It may be remarked that the welfare work is dominated by one or more of the following motives: humanitarianism, or social mindedness; the striving for efficiency and greater output; the necessity of attracting workers to a decentralised locality; the necessity of attracting a higher grade of workers; the attempt to smooth the way for mechanisation; the aim of combating organisation of employees by outside influence; the desire to avoid payment of a tax on surplus; exhibitionism and advertising.

But we have seen, again in the previous chapter, by comparing the different views that even from the material view point the best stand is to consider a worker as a partner in production. It is therefore imperative that the man to be selected for the labour welfare post should have a broad outlook, sincerity of purpose, cheerful disposition and the necessary patience and acumen in handling persons. We cannot over-emphasise the necessity of these qualities in a person to be selected, and especially the sincerity of purpose. For, it is the sincerity of purpose which ultimately counts the most. It is our common knowledge that a rogue, howsoever sweet-tongued, is known after some time and thence doubly suspected; whereas a sincere one has nothing to lose, on the contrary much to gain, by being exposed. Sincerity of purpose and the necessary acumen will form the most powerful armour against the usual attacks of suspicion and opposition of the workers and their unions against the educative, ameliorative or the relief measures that may be taken.

We now propose to delineate in some detail in subsequent chapters the functions of a labour officer. His functions may be bro-

² The latest Report of the Factories in United Kingdom (1942) draws attention 'to the swing of public opinion towards the acceptance of a personal and welfare department as a necessary part of management in all works of any size. Early in 1943 it was known that 4306 personal managers or welfare officers were acting in 1934 factories employing over 500 workpeople; and 1393 such officers in 1165 factories employing between 200 and 500 workpeople'. This shows the necessity of personal managers. The difficulty to secure suitable and adequately trained persons to fill the posts, is observed in U.K. as well as in India. In the latter this difficulty can be easily overcome by various effective methods.

adly be divided under the following heads. Suitable variations may be made; to suit diverse industries, places and times.

Welfare Work-Educative.

Welfare work-Ameliorative.

Relief measures.

Legal work.

Labour Statistics and Publicity.

In the chapters to follow we shall be considering these one by one and at the end append a chart fully revealing at a glance all the functions of a Labour Officer with their divisions and subdivisions. It is hoped that this chart shall be of much practical value both for reference and as a guide to the labour officers of the various industrial establishments.

CHAPTER XIV

Welfare Work-Educative.

In this chapter we shall consider (I) Education, and (II) Co-operative movement.

I EDUCATION.

The textile Labour Inquiry Committee has rightly remarked that "Although the main responsibility for education must ultimately rest with the state, employers cannot be absolved as a class from assuming responsibility for the education of their employees and their children"¹ And more so when the foreign Government cares so little, as is natural.

Broadly speaking education develops the hand, the heart and the head: technical education is conducive to better skill and efficiency; ethical is conducive to the ennoblement of the soul, the making of a better citizen and a more trustworthy worker;

¹ Textile Labour Inquiry Committee, Bombay Report, Vol. II, Recommendation No. 295, page 408.

and literary is conducive to greater wealth of knowledge, reasoning and understanding of his genuine interests, which in their turn make him less and less susceptible to wrong leadership, and more and more sympathetic towards the difficulties and problems of industry.

Education may be divided and subdivided as follows:—

(a) *Religious and moral:*

(i) *General lectures on ethics, and*

(ii) *Lectures on the significance of the various festivals.* such lectures on the religious and moral topics will kindle and maintain a high moral tone. In these days of corruption, debasement and degradation an appeal to the inherent but perhaps latent divinity, and especially in the form (in connection with festivals and religious stories) with which an average worker is familiar, will amply repay the labours.

(b) *Technical lecture Courses:*

(i) *Training the operatives:*

The modern industries by their very nature require more and more of specialised training. It is not manual labour that is in demand but more or less skilled labour. Most of the industrial labour force in India is still directly drawn from the villages where the people have nothing to do with the machinery. For this reason their adaptability to machines, and especially in these times of inventions and innovations, is at its lowest. For this reason it is very imperative that the employing establishments should provide for the necessary courses of instructions. A sympathetic guide can explain and illustrate the handling, and if needs be the working, of the different parts of the plant. This will save much inconvenience and sometimes even embarrassment to the operatives and result in reduced waste and increased efficiency. So much for the operatives. In addition to this there is a greater need, from the long range point of view, to systematically train the younger generation—the children of the workers. This will ensure, by specialising them in certain jobs, a steady flow of

skilled and semi-skilled labour force in place of the migratory one that obtains at present.

The suggestion of the Textile Labour Inquiry Committee of Bombay is worth noting in this connection. It is suggested that wherever a union of employers, such as Ahmedabad Millowners' Association, or Bombay Millowners' Association exists, it is better that these associations should shoulder the responsibility of this training. In order to popularise this training preference may be given whenever new hands are to be engaged to those who are trained in such industrial and technical institutions. It is not proposed to state that this is the duty of the employing concerns. Ultimately, as the committee has so explicitly stated, the responsibility of education must rest with the state. But if that responsibility is not adequately discharged it remains for the employing concerns to fill up the gap as best as they could, in their own interest. Sometimes their efforts may be required to supplement those of the state. The Government of Japan, in March 1939, issued orders to certain industries, where a dearth of skilled labour was felt or was likely to be felt, requiring the employers to introduce at their expense three-year courses of technical training during normal working hours for a certain proportion of their workers between 14 and 17 years of age. The implications of this are worth noting.

(ii) Training the supervisors:-

Special facilities should be provided to train the right persons with the requisite ability in technical matters, in the technique of production and in the handling of men. The present system of jobbers, to say the least, is proving itself highly undesirable. Qualified supervisory staff may with advantage replace this entirely corrupted system. And if at all the jobbers are to be retained their powers of recruitment, dismissal, or promotion of workers and the granting of leave to them should be put an end to. This point we shall pursue further when we come to *Labour Exchange and Employment Bureau*.

(c) *Kindergartens and Schools for children of operatives.*

The provision of the means of elementary education—the three R's—will raise the general level of the working class society. It will be useful in their acquiring the technical knowledge and help them to become better citizens. This point we have already emphasised elsewhere.

(d) *Safety Committee.*

Instructions through lectures as to how to avoid the avoidable accidents should be given. Diagrammatic representation, say by postures, should be resorted to. The problem of accidents has been more fully dealt with in *Compensation in Accidents in Chapter XVII on Legal Work.*

(e) *General.*

This topic will be discussed under two sub heads: (i) *Adult Education* and (ii) *Library.*

(i) *Adult Education:* It seems that Adult Education among workers has not proved so successful. In the late thirties the Congress ministries had taken up the programme of adult education in various industrial centres. Several employers, employers' associations and trade unions supported the programme. But it seems it did not succeed and therefore was subsequently given up. The reason of failure is clear. A worker, under-developed and underfed, has little energy left after the day's strenuous work, and that too in after age. It is much better, therefore, that the same amount of money, energy and attention be spent to educate the workers at an early age. Of course there is no reason, except of foreign domination for exploitation, why Primary Education should not be made compulsory by the State. Some farsighted employers have understood this and realising its importance have contributed their might in this direction.

In *Adult Education*, however, one or more of the following may profitably be incorporated to suit the times and circumstances.

(α) *Staff of operatives may have their own organ.*

(B) *Technical instructions conducing to greater efficiency.* Industry, if finances permit, may help its operatives to travel and see for themselves other places where they may benefit.

(V) *Moral lectures and stories from Puranas.*

(Δ) *Lectures on sanitation etc.*

(ii) *Library.* The problem of perhaps greater importance is the maintenance of literacy in those who have had training in their early age. Workers who in their early age knew reading, writing and something of arithmetic easily manage to forget everything they had studied. On conducting an inquiry among the textile workers of Ahmedabad we found that not a few of them hail from the villages of the Baroda State where there is compulsory Primary Education. But many of them had forgotten much of what they had studied and quite a good number had even forgotten the alphabet. And this is not to wonder at. Even among the graduates and double graduates we see that they generally forget even the fundamentals of their optional subjects at graduation when they take to professions not demanding their knowledge of these subjects. When interest for its sake cannot be kept up by this educated gentry in subjects of their own choice, it is too much to expect the unconscious worker to maintain unaided a touch with little things which he has perhaps grudgingly learnt under hard pressure and economic stress and which he is generally never called upon to utilise directly, or intelligently and patiently directed to use for his own good.

The maintenance of literacy, thus, is a sufficiently important problem meriting of some attention. A good library, not an erudite one but consisting of books likely to prove interesting, instructive and at the same time lucid in exposition and easy of style, together with a few lectures occasionally to excite the curiosity and kindle the interest will serve an admirable purpose in this connection.

Some good unions in the country are maintaining sufficiently big libraries; but unluckily the selection of books is

not proper. Erudite treatises may be useful to leaders but a stumbling block to workers. Books and papers to suit the taste and training of the latter should be ordered so as to enable them to maintain a dynamic touch. Thus the library should contain

(A) *Technical*

(1) Labour Officer's study room for law, statistics, social and industrial psychology.

(2) and provision for officers to be supplied technical books.

(B) *General books and papers for workers*

(f) *Developing organising capacity and civic life.*

Under this head can be made to function

(i) *Elected Works Council*

(ii) *Theft Committees*

(iii) *Debate Clubs.*

(iv) *Boards of justice.*

we shall dwell at some length on (ii) and (iv). The complaint of thieving is not uncommon and in these war days when the prices of materials are high it is very common. It seems that *theft committee* not only will be more successful in discovering the culprits but that it will work as a moral deterrent factor. Any outside opposition on this score can have no moral support and hence cannot last long.

The *Board of Justice* similarly will give dignity to workers. It thus will create in some measure the co-operative spirit and increase attachment to the institution. Board of justice may consist of half elected representatives from the workers and half from the officers of the various departments. Labour officer would preside over the committee. Whenever complaints are not settled mutually this committee will act as final arbitrators. The power of dismissal will ultimately rest with this committee which of course will give the accused scope to defend himself. This will stop many malpractices in dismissals and there shall be little reason for the worker to complain and still less to be heard by his companions.

In Russia on similar lines the Committees are working with great success.

II CO-OPERATIVE MOVEMENT.

The co-operative movement is educative as well as ameliorative. In order that the full advantage of the former may be taken it is necessary that the financial responsibility must rest with the members. The movement may be conducted in three directions.

(a) *Credit Society*. Small savings of the operatives may be placed with these societies. And the societies out of these funds may lend to operatives whenever they are in need. Interest may be paid to the creditors and charged to the debtors. In short, from a small society it may develop into a small simplified version of a bank. Advantages of such an institution are obvious. We have seen in *debt legislation* in Chapter IV how the unfortunate debtors are harassed and what exorbitant rates of interest they are charged by the greedy and ruffian money-lenders. The above scheme, if worked with zeal and purpose, will greatly help to eradicate this evil.

Not only this. If the labour officer works with sincerity and union helps—and this is a big ‘if’ as we have found to our sorrow—thrift may be encouraged among the workers. And when in good times, such as the present, they are well-paid they may be led to save a good amount without almost any inconvenience.* Such times which are rather infrequent should be fully taken advantage of.

(b) *Co-operative Housing*. Wherever possible the possibility of co-operative housing should be investigated. Housing is one of the most urgent needs.

(c) *Co-operative supply*.

3 For a brief exposition of the working of the method in Russia may be recommended the excellent article “Law and Justice in Soviet Russia” by Harold J. Laski in his “The danger of being a Gentleman”.

4 This point (with reference to the prevailing situation and in connection with housing) has been more fully dealt with by the authors in three articles appearing in Indian Textile Journal, September 1943, November 1943, and January 1944. We are glad to note that unions like Textile Labour Association of Ahmedabad are realising the correctness of the analysis and are trying to adopt appropriate measures (see Commerce p. 919 of 10-6-44).

- (i) *Mill hotel and Canteen.* Neat canteens providing wholesome material at reasonable price is a boon. It is a practice in many concerns to levy a handsome rent from the hotels. But this is, clearly, a tax on the consumers and hence should be abolished. With efficient supervision and the requisite facilities from the employing concern co-operative canteens and hotels are bound to prosper.
- (ii) *Household supply, grain shops etc.* It can be seen that if worked in the right spirit this will be a boon to workers, for, better quality can be had from co-operative supply shops and that too with cheaper rates, as the profit of the middle man will be done away with. The idea of cost-price or co-operative supply shops has been much opposed by unions on the tacit ground that the workers thereby shall lose contact with the outside traders who in consequence shall not be prepared to lend in kind in times such as strike. No little loss has resulted from this. Does this not mean that a worker has to forgo the permanent advantage in the hope of being lent (and that too at what premium in prices!) in kind at a time which may come some day? Is it not better that instead of such unreasonable opposition the unions may with better reason create better reserves to fall back upon? The answer seems to be unambiguous. With a proper handling the leaders, if their concern for the workers is genuine, can be brought round. If their concern is not genuine, it should be possible to bring round the workers themselves.

CHAPTER XV

Welfare work--Ameliorative.

In this chapter we shall consider (I) *Guiding the workers*, (ii) *Recreations*, and (iii) *Sanitation hospital, and creche*.

I GUIDING THE WORKERS.

- (a) *To proper jobs.* It is not uncommon to see that as regards employment square pegs are tried to fit in the round holes.

Persons try for and get jobs not that they are best fitted for them but because they think they can get them. Not only this. Even the selection of career or training is not decided on the merits of one's inherent capabilities and aptitude but on the likelihood of being employed. The consequences are apparent. There is in every man aptitude, likes, dislikes and certain limitations. In spite of these, his efforts may enable him to work on a variety of jobs, but certainly he cannot be at his best in every one of them. The problem is not whether he works at his post but whether he is at his best.

The labour officer should see, at least within his given domains, if a person more fitted to do a particular part better is assigned a wrong one. This will result in greater efficiency on one hand, that is increased material gain to the employee and employer both; and on the other hand to the employee the work will be pleasanter or less irksome.

There is one another thing which may be mentioned here. Small things many times result in increased efficiency and reduction in the monotony of work. The well-known example of the wrong position of the stool is still not without its lessons and hence merits repetition. "In one factory it was calculated that owing to the position of a table on which each finished article was placed, a girl walked 20 miles a week unnecessarily." Beginners should be systematically guided to carry out their work with the least fatigue. This can be achieved by an intelligent man with the co-operation of foremen and departmental heads.

(b) *Unemployed to various crafts.*

This really can be handled perhaps with better results by the Trade Unions. But the labour officer as well should try to be conversant with the easy available alternate means of employment. The expert direction cannot be without its beneficial effect both to the giver and to the taker. As Shakespear has said in connection with mercy "it blesseth both".

Mahatma Gandhi has specially recommended hand spinning and weaving for unoccupied days. Other home industries like those of paper making, hair-oil making, etc may be introduced with advantage.

In addition to these it may be worth while trying dairy, poultry and farming. Model farms are likely to yield good results. It is claimed by one experienced in the job that an industry, wherever possible, can advantageously try to raise some of the raw materials required; e. g. in cotton textile industry there is the usual complaint of mixed cotton. Progressive mills, singly or preferably in combinations, may try to raise good cotton on scientific lines; and in these may engage the unemployed ones whenever possible.

Before leaving this topic it should strongly be urged that *Badli* workers when they are not employed should strongly be advised to spend their unoccupied time in hand spinning and the like or taking to some other manual work.

II RECREATIONS.

A worker after the day's work in pursuit of recreation and pleasure. If no good, healthy, interesting but recreative alternatives are before him he may, no wonder, turn to unwholesome and ruinous paths such as drinking. In addition to cultural efforts provision for wholesome attractive alternatives should be made.

A laudable effort was made at Sholapur as early as in 1921. A welfare secretary was engaged and *Bhajan Mandlis* (mb- lies for singing in praise of God) were organised. These proved a great success. After the day's toil and on weekly holidays workers joined these assemblies and happily passed their time. In due course of time, as it is reported, drinking was considerably reduced.

- (a) *Talkies*: Provisions also may be made for cinema shows where films of interest but calculated to enhance, instead of degrade as most of the modern films are found to do, the moral tone can be shown. Big industrial concerns may examine the feasibility of having theatres of their own. The films may be got prepared with expert advice on 'Safety devices', 'How to safeguard one's self against likely accidents', 'The necessity of hygiene and sanitation', and on technical and other matters. We have found that the film show arranged by sanitary associations such as at Ahmedabad, yields encouraging results. A greater effort, however, in this direction is essential. Industria-

lists here are now finding it profitable to own news papers; they will find it, we are sure, more profitable to industry directly to get prepared, after consulting psychological and technical experts, and exhibit the particular types of films.

Other activities that may be taken up are:—

- (b) *Games*: Games have the advantage of affording pleasure with the benefit of open air. Indian games especially such as *Kholkho*, *Hututu*, *Gedi dada* (Indian Hokey) and other gymnastics should be especially introduced. In addition to cheapness, the workers' familiarity with them, is much to recommend them. When cheap indigenous games can prove sufficiently attractive and interesting it defies one's understanding to see costly Western games introduced merely for the pomp of them.
- (c) *Gardens*: In addition to serving as recreative resorts, the gardens will serve as a purifier of air. Also by utilising waste water its utility can be doubly enhanced.
- (d) *Radio*
- (e) *Pure water supply*
- (f) *Well furnished hotels.*
- (g) *Clubs with workers' financial responsibility.*

The utility of these is either self evident or is dealt with earlier. For hotels we deem that it is necessary to try to supply cheap but wholesome beverages such as curds, sugar cane juice, and *rab*.¹ These nourishing drinks are bound to replace,

¹ This nourishing drink of *Rab* is prepared from wheat flour fried in *ghee*, together with which is added the solution of *gur* (raw sugar) in water. A cup full of this excellent beverage weighing 21 *tolas* contains the dietetic value shown in the table below:—

Amount in *tolas* 'in twenty-one *tolas* of *Rab*'.

Ingredients.	Total weight (Tolas)	Proteins.	Carbo-hydrates.	Fats.	Salts	Heat value in calories.
1 Wheat flour	0.75	0.124	0.50	0.010	0.011	29.
2 Gud.	5.00	0.015	4.41	—	0.075	290
3 Ghee.	1.00	—	—	0.988	—	101
TOTAL...		0.139	4.91	0.998	0.086	330

It does contain vitamins A & D to a marked degree, and traces of vitamin B. This stimulant, nourishing beverage, under proper conditions of propaganda by trade unions and others concerned, can effectively replace liquor so prevalent among the working class. A little ginger added to it to suit the taste especially in the rainy weather has a good effect on health.

The Sugar-cane juice so rich in carbohydrates possesses a good caloric value necessary for hard physical labour. If a little lemon juice easily available in India is added to it, the healthy drink becomes more tasty and rich in vitamins C & B, and would prove effective in diseases like scurvy, bleeding of gums etc,

if backed by proper propaganda, the more usual useless stuffs like boiled tea. As Dr. Aykroyd remarks,⁹ "To raise the standard of nutrition of the workers, canteens must sell at very low cost food of high nutritive value and in particular foods which supply the elements (Vitamins, etc) which the worker most requires".

(h) *Decent dining sheds:*

Dining sheds should be neat and decent. Taking of meals is one of the most important functions for which quiet, neat and charming place is most congenial. In this connection we have observed that mostly no good or even tolerable sheds are provided; and even where they are many of the workers prefer to have their meals under some neighbouring tree. This is because a worker, coming as he does from villages, tries to find surrounding with which he is more intimate. Around big trees, therefore, slightly raised platforms (*chotra*) may be constructed. They shall be much more popular than chairs and tables—a freely borrowed Western idea.

It may be observed that in matter of residence too the tendency of workers to reproduce as much as possible the village surroundings with which they are familiar from their childhood is discernible. It is unfortunate that our industrial centres do not permit of taking the full advantage of this tendency. If the workers' houses have small open spaces, the inmates may cultivate them and grow vegetables etc therein. It will be a source of pleasure, better surrounding and economic gain.

III SANITATION, HOSPITAL AND CRECHE.

(a) *Hospital:*

- (i) *Regular medical inspection.*
- (ii) *Treatment.*
- (iii) *Exact record.* This will be of great utility for the vital statistics.
- (iv) *Medical inspection of new recruits.*
- (v) *Personal touch with the patients.*
- (vi) *Health lectures.*

(vii) *Provision for maternity.*

With respect to the medical help the following recommendations were made by the Textile Labour Inquiry Committee, Bombay.³

"A letter from an employer offering to pay the charges laid down in Rule 8 of the Rules governing the levy of fees in Government and state aided hospitals for his workers and employers could at moderate cost render in this manner necessary medical service to such of their workers as may require institutional treatment" (p. 289)

"There is a strong case for an improvement in the present standards of the existing mill dispensaries and for the establishment of dispensaries in all those mills which have not got them at present." (p. 293)

"The existing medical work done by the mills is directed entirely to the curative side and no attention is paid to the preventive side for the maintenance of the good health of the workers." (p. 292).

This very important recommendation is hardly ever given its due attention. We have discussed it at some length in Chapter VI on *Sickness Insurance and Indian Conditions*. Here we want to emphasise two more points in this connection.

Most of the customs, rituals and rules of conduct in this country are based on scientific medical principles of hygiene. The defiance of them for the very fun of it is anything but sensible; but, however, it is becoming a fashion almost to disregard them either because they are not appreciated or because they form 'old religious stuff'. Instructions and discourses on these topics, with lucid scientific explanations, may be given.

In addition to the usual rituals and rules of conduct there was handed down from generation to generation, especially among women, elementary medical knowledge of diagnosis and cheap, practicable, reliable and efficacious remedies. Unhappily this indigenous system is fast disappearing with the impact of western methods. This is not the place to compare the two, but in fairness to topic we are discussing, it should be remem-

bered that the *Ayurvedic* and *Unani* systems of medicine, whose elementary knowledge was handed down, are at least as efficacious as the modern allopathy is. Moreover cheapness and easy accessibility are very important factors to recommend them.

We do not understand why the dispensaries too should necessarily be of the western type. They seem to entail, we are afraid, disproportionately heavy expenses when the results they produce are scrutinised, and especially when it is brought home that our systems would have worked at least equally well with much lesser expenditure.

The old system may be supplemented by the modern methods whenever necessary. It is well known that tuberculosis is very rampant in this country and more so in the industrial centres. The correct diagnosis of the T. B. patients is absolutely necessary; but the usual X-Ray method makes the examination of every worker highly expensive. If, however, the recently introduced new method of Miniature Radiography or Miniature Fluography is used persons can be examined cheaply and quickly. In this method the X-ray image on a fluorescent screen is photographed with a Lecia-type camera on ordinary film. It is claimed that with proper organisation over 300 persons can be X-rayed in an hour with each picture costing a few annas. By this system a great economy in storage also is effected.

(b) *Conditions in factory:*

(i) *Light:*

For arrangements and powers of light specialists should be consulted. Proper lighting is necessary to avoid undue straining of eyes. It also helps to reduce the number of accidents. Glare, insufficient light, or shadows are sometimes the causes of accidents. Also they have their effect on efficiency and damage percentage.

(ii) *Ventilation.*

In addition to the usual problem of fresh air, in industries like textiles the question of humidity is of importance. It is stated that for workers temperature 78°F and humidity

45% are more suitable. For different operations, however, different temperatures and relative degrees of humidity are advantageous.

Less humidity makes fibres brittle. Moreover like electrical charges repel. Hence the non-conducting fibres possessed of the same charges will be repelled by each other. Humidity imparts the conductivity and stickiness with the effect of vanishing of electricities and thus imparting of coherence. But more humidity makes machinery rust. Mr. Wyatt, after his experiments on behalf of the Industrial Fatigue Research Board in England, maintains that productive weaving efficiency varies directly as the product of temperature and humidity. But high temperatures cause great discomfort to the operatives, and the human factor is to be considered. Much research work in this field is still required

It is stated that for cotton spinning temperature 80°F-85°F and humidity 65% are best, whereas for weaving humidity may vary from 75% to 85%.

In the building of the textile mills in particular it is found that Lancashire is blindly imitated. There the mills are storeyed because of scarcity of land. The same system of storeys is followed here in several mills even though there be ample grounds and although ground floors are preferable for reasons of maintaining uniform humidity.

(iii) *Cleanliness.*

After what has already been said there seems to be little necessity of elaborating this point.

(iv) *Conditions of machinery.*

Machinery should be properly cleaned, oiled and looked after. It increases its durability and lessens the stoppages of work.

(c) *Creche.*

Provision for the care of the infants of the nursing mothers employed is a necessity. Decent creche department, with cradles, toys etc., may be provided in the charge of a qualified nurse. Medical inspection may be provided for. It is generally

found that the children of urban workers are under-nourished and rickets. Milk etc. may be provided. We tried giving cod-liver oil, milk and sugar to the children in the creche department of Mill No. 1 of the Sarangpur Cotton Mfg. Co., Ltd, Ahmedabad, with success. It was found from doctor's reports after eight months that the weights had increased by 18.2% to 33.3% more than those not similarly fed.

Some provincial governments are at present investigating the possibilities of developing the industry of shark liver oil. This oil shall be an excellent substitute of cod-liver oil.

CHAPTER XVI

Relief Measures.

In this chapter we shall deal with (I) *Enquiries*, (II) *Labour Exchange & Employment Bureau*. (III) *Complaints* and (IV) *Economic Security*.

I ENQUIRIES.

Enquiries from the foundation, or the substance of many a measure. They give insight into the varied intricacies and problems. Malpractices, say in fines, promotions or payment of wages and others cannot come to light by direct official enquiries. They require intimate knowledge of the working. But as the intimate knowledge of the working of every department, to the extent of knowing dark by-lanes, may not be possible, it will be more to the purpose to create confidence amongst the workers so that they may confide, without the danger of any reprimand, their grievances.

The new method followed by Thomas E. Dewey, the District Attorney of New York County till '41, to trap the under-world's higher ups deserves attention. He and his office in order to expose and prosecute the big offenders used to round up the small ones, treat them very courteously, promise them as much protection as they consistently could, get the information and secure their support. Of course it was to be seen that the informers were not harassed or blackmailed by the party of the convict.

The knowledge of the malpractices is not enough. Tact guts and imagination are necessary to eradicate them by stern regulative measures and new devices. With these introductory remarks we proceed to consider the following sub-heads.

(a) *Fines and fines fund.*

Fines should be for proper causes only; otherwise the very object for which they are meant is vitiated. We know of a mill following the abominable practice of fining *every* weaver an amount of some five annas per hapta irrespective of damage or misconduct. Fines are expected to work as a check but when everyone is regularly fined the effect is as if the pay were less to the extent of the fine.

One school, supported by some reputed trade union leaders, favours the idea of uniform fines in the name of democratic method. Uniform fines have an advantage of causing the minimum of resentment and opposition but at the same time has very little effect as a check. Uniform fines therefore result mainly in the collection of some money. And the collection of money can be or should be the last purpose of fines. Again as regards its being 'a democratic method' one wonders if by the same logic one may not defend the idea of hanging or sending to Andamans all the inmates of the locality where a murder might be committed.

The Government of India in recent times has inaugurated to an appreciable extent the practice of collective fines. But collective fines may be due to the fact that the whole lot fined is legitimately suspected or, as in the case of the Government, they bespeak the inability of the party to find out the real culprits and, to an extent, the desire to instigate persons to reveal the true offenders. When the offenders are known, and in fairness they ought to be, there is thus not an iota of justification for uniform fines.

The labour officer must see to it that fines are imposed for proper reasons, they are consistent with the words and spirit of the Payment of Wages Act and the fines fund is taken proper care of.

(b) *Enquiry into wages.*

- (i) *Payment.* Ingenious methods are often devised by the pay-clerks and time-keepers to pocket as much as they can from the wages of the workers. They are very successful in the case of *Badli* workers. It is customary to make payments in the week following the completion of *Hapta*. On the pay-day the time keeper hands over wage slips to the workers, who then approach a second clerk, sign or put thumb mark in the muster roll, and get his signature on the slips. The last stage is to cash these slips at the counter from the cashier. Now the *Badli* worker is he who works occasionally on different machines in place of absentees, and therefore earns different wage-slips for the different machines he has worked upon. The time-keeper instead of giving all the slips hands over a slip or two less and afterwards misappropriates the amount with the connivance and/or partnership of the cashier and others.¹ Generally the poor uneducated worker himself does not know his dues; and if he knows it the clean-dressed clerk with his usual manners scolds him. If by any chance the worker dares complain to higher authority the answer is readily given, and more readily believed, that he was busy with the same job, and he would have given the remaining ones in due course, when they would have come up from the bundle. The safer course may be to get the wage slips signed by the respective heads of the departments in the presence of each worker and to make it incumbent to place in the treasury, on the same day, all the unpaid wages.

- (ii) *Contractors:* Contractors are prone to take much undue advantage of the backwardness and helplessness of their workers.² It has come to notice that at present they do

¹ More than often the wages of an employee absent on pay-day are eaten away by the unscrupulous persons. The best course is to take the photograph of each worker, attach it on his card, and make time-keeper responsible for payments to right men.

² Generally this happens in partnership of time keepers and clerks who know the means and devices. It may be with connivance or/and direct or indirect partnership of officers too.

not give the whole of the dearness allowance that they get from the concerns to the workers. In addition they do not hesitate to give more names than the number of men they actually employ so as to help themselves with their pays and high dearness allowances. Watchfulness will be beneficial to the workers and the employing concerns both.

(iii) *Wages—its adequacy, uniformity etc.*

This is in itself a big problem and each L. O. may chalk out his line of action to suit his taste. But it may, however, be borne in mind that for identical work wages should be equal and in this direction efforts should be made to secure uniformity throughout the whole centre.

(c) *Promotions and dismissals.*

We have stated already that the power of dismissal should not rest with the jobbers. Boards of justice, as proposed, may be set up. Or alternatively as suggested by Textile Labour Inquiry Committee, Bombay (p. 242 of Vol. II), none should be dismissed without the consent of the Labour Officer except by the manager who might do so after hearing what the L. O. has to say. Also it should be seen that senior and efficient men are given due promotion. As suggested "It is necessary for purposes of promoting efficient management as well as securing a stable and contented labour force that there should be a properly devised plan of promotion and transfer and also that it should be impartially carried out in accordance with rules framed for the purpose. Whilst merit should be the main ground for promotion, the length of service of a worker should not be ignored."

II LABOUR EXCHANGE AND EMPLOYMENT BUREAU.

The present practice of employment lends itself to great abuse. Jobbers and mukadams, not infrequently with the connivance or direct or indirect partnership, take bribes as a prelude to employment and making the man permanent. As remarked earlier jobbers may conveniently be dispensed with and trained technical fitters be employed without the powers of appointment, promotion or dismissal.

There is a fallacious belief that jobbers as a class are indispensable for reasons of direct touch and control. But there is no reason why an efficient, honest staff of officers should not discharge these functions more effectively. Principles like 'right man for the right job' 'good work or dismissal', etc if strictly enforced should not be without their effect.

Various practices of bribery are in vogue. And we are afraid that so long as the human nature is what it is no remedy will be sufficiently effective to stamp out the evil completely. However an elaborate system of rules and regulations may be enacted and whatever the machinery to enforce it, the honesty or dishonesty of a person ultimately depends upon his nature, breeding and surroundings. This is amply borne out at present when, particularly in controls, big officers and imperial servants have considerably justified Walpole's saying that 'Every man has his price'. But measures are not without any effect and men are not all corrupt, at least to the same degree. Proper measures with a careful selection of officers to work them are bound to be effective.

To resume the thread. We shall describe below one of the most degrading abuses that we know of. It is customary in the cotton textile mills, except where there are automatic looms for a weaver to attend to two looms and be paid piece-wages. Some unscrupulous—mostly *goonda*—weavers illegally engage assistants whose names are to be found in the muster as weavers and who mind two looms each. The assistants are paid only a fraction of their due, the rest being pocketed by their worthy 'masters'. In case of any dissent these assistants, often termed 'boys' are dismissed and new ones *installed* by their 'masters'. This practice is, what is technically known as *chokdi*.

Immediate officers and even the trade union officers are not unaware of this abuse. But the former are occasionally bribed either with payment or presents and the latter connive as a result of their weakness, as a good number of the representatives themselves are involved.

This and many other such practices are in vogue. The counteract these Employment Bureaus and Exchanges should be established. Wherever Government fails to discharge their duties the

employer or preferably an association of employers, not without the co-operation of a strong union wherever it exists, may take the necessary steps.

III COMPLAINTS.

Complaints are sometimes the most interesting and sometimes the most annoying of all jobs. All sorts of workers make all sorts of complaints. It is found that not less than three-fourths of the total number of complaints are due to misunderstanding. For such, the best course for a L. O. is to give a patient hearing and a sympathetic assurance that the needful shall be done. The job is just like that of a good doctor; simple psychic effect of a heart to heart talk with a qualified sympathetic person cures the patient of a good part of his sufferings.

From complaints a good deal of information can be got. But to do so and also to allay the grievances of the complainant, the L. O. should be sweet of temper, courteous in manners and sympathetic in disposition. Not only this: he must have penetrating insight, for it is not always that the complaints are made but with a malicious heart against the heads. The complaints should be properly investigated, facts ascertained and efforts made to secure justice.

We are fully aware of the difficulties attending this part of the duties of a L. O. The general atmosphere in an industry is polluted and vicious. The so called educated persons—clerks and the lot—prepared as they are to resort to any crooked means to 'rise', seem to do justice to their education. Macaulay has said somewhere to the effect that the system of education introduced by him will make the Indians aspire to be slaves.

In addition the unions also do not favour, or at times even positively oppose, by deliberately precipitating quarrels, the institution of L. O. They are afraid that a good L. O. will draw workers to himself by his honest work and their utility therefore to that extent will be belittled and their prestige dimmed. If complaints are properly attended to, facilities for improvement provided for, and promotions assured workers will have smaller urge to resort to union help. This is true and we do not see any harm in it. But unionists seem to think otherwise. That this need

not be so and the work of the L. O. and that of the unions should proceed harmoniously to the benefit of workers and industry is obvious.

The complaints should be properly recorded, classified, and reported. We append here, with several alterations, the classification of complaints—naturewise—as followed by Textile Labour Association of Ahmedabad. It is hoped that it shall be found useful for reference, and on these lines with the necessary changes classifications can be made for different industries, unions and employers' associations.

(A) Naturewise Classification of Complaints.

I Pay.

- (κ) Cutting rates
- (β) Inadequate rates
- (ν) Inadequate earnings
- (δ) Other economic allowances
- (φ) Period and mode of payment
- (⊙) Maternity benefit.
- (π) Non-Payment or Under Payment
- (b) Payment under Relay
- (λ) Payment for Rationalised work
- (θ) Compensation due to accidents
- (⊥) Not consistent with standardised wages
- (Δ) Dearness Allowance
- (ψ) Bonus
- (√) Others

II Hours.

- (κ) Against Factory Act
- (β) Against Award
- (ν) Against Agreement under B. I. D. Act.
- (δ) Interval of rest
- (φ) Ten hours under ordinance,
- (⊙) Others.

III *Holidays.*

- (∞) Days.
 - (i) Transfer
 - (ii) Sealed
 - (iii) Extra
- (₹) Payment

IV *Conditions of work.*

- (∞) materials
 - (i) quality
 - (ii) quantity
- (₹) Machinery
- ($\vee$) Light
- (δ) Atmospheric conditions
- (ϕ) Rest pauses
- ($\odot$) Excessive work due to breakages etc.
- (π) Accident risks
- (b) in Rationalisation
- (λ) in Relay.
- (ϕ) in 'Ten hours' work.

V *Penalties:*

- (∞) Dismissals
- (₹) Suspensions
- ($\vee$) Fines
- (δ) Forfeiture
- (ϕ) Damages
- ($\odot$) Others.

VI *Treatment*

- (∞) Assaults
- (₹) Abuses & other ill-treatment
- ($\vee$) Bribe-taking
- (δ) Refusal to engage
- (ϕ) Favouritism

- (○) Harassment
- (π) Victimisation
- (δ) Objectionable practices.
- (λ) Undue exactions.

VII *Sanitary arrangements & Conveniences.*

- (α) Water
- (β) Dining shed
- (γ) Latrines and urinals
- (δ) Creche
- (ϕ) Restaurants of employing concerns
- (○) Others.

VIII *Muster.*

- (α) Rationalisation.
- (β) Change in number due to work changes
- (γ) Reductions on other grounds.

IX *Housing and other Welfare.*

- (α) Regarding Co-operative societies.
- (β) Chawl of employers
- (γ) Medical Aid
- (δ) Education
- (ϕ) Advances
- (○) Conveniences for troubles in villages
- (π) Others.

X *Municipal Complaints.*

- (α) Sanitation
- (β) Drainage
- (γ) Road
- (δ) Light
- (ϕ) Others

XI *Miscellaneous*

Total.

(B) The complaints can be classified by results as follows:-

Classification of Complaints by results.

- (1) Successful
- (2) Compromised
- (3) Unsuccessful
- (4) False
- (5) Rejected
- (6) Trivial
- (7) Closed
- (8) Pending

Total.

IV ECONOMIC SECURITY.*

Although this problem, from wider point of view, has been dealt with in chapters V and VI we would like to put forward two suggestions for the benefit of those engaged in industries. Provident fund should be introduced for those on monthly salaries (i. e. clerks, supervisors, all officials and others) and a system of family employment may be introduced for the rest.

As for the provident fund scheme 6 1/4 % (anna per rupee) or any other suitable percentage of the salary may be reserved every month and an equal amount added by the employing concern. The concern may reserve the right of paying nothing or half of *its* contributions if the participant leaves the concern before three years or five years respectively; in no case the contribution of the subscriber himself can be refused. Every subscriber should be furnished with a pass-book so that at any time he exactly knows the amount standing on his name. Interest earned should regularly be added up.

For those not covered by the provident fund, and especially for the unskilled and semi-skilled workers, the principle of family employment seems to offer in our conditions an excellent solution for economic security of workers. The financial burden of any comprehensive social security is bound to be heavy; and it is doubtful if our industries in the present stage, unaided by

* Those interested in this aspect may refer to the Brochure 'Family Employment' by the authors.

tariffs.—and the tariffs are, we may definitely say, not to come in the interest of foreigners—can stand the strain of any additional burden. For this reason we may search anew for a solution to suit our purpose. And herein comes to our aid the joint family system—our age-old heritage. The joint family system can be taken advantage of to secure economic security of a joint family (and thereby of its members) instead of an individual. Employment bureaus may arrange for employment on family basis and when an operative is sick a member of his joint family may be preferred. The latter has two advantages: firstly a steady income of a family is ensured and secondly the sick man without any misgivings can repair to his more congenial and healthy native environments.

CHAPTER XVII

Legal, Labour Statistics and Publicity

LEGAL

The legal work of L. O. consists not in pleading *for* the employer *against* his employees but of attending to the unprejudiced dispensation of law and its requirements. This often requires great tact and personal ability.

Knowledge of labour laws is indispensable for a L. O. A brief historical outline is given in Part I (chapters II and III) but some of the standard works referred to therein should be consulted and adequate detailed information assimilated. We shall merely touch a few points that we desire a special attention to be drawn to.

1. *Compensation in accidents:* Immediately after an accident arrangements should be made to remove the injured to the hospital. Forms should be duly filled and sent to the Factory Inspector, District Magistrate and such other places as may be required by law. If the employing concern has got the injured men insured, the agent or the insurance company should promptly be informed of the incident. The worker's compensation should be ascertained after consulting the old musters for his previous wages and care

should be taken to ensure that the worker or his family duly gets the *full* amount of compensation.

In an industrial centre an employers' association may profitably maintain an insurance company or the like to meet the claims arising out of the accidents. It will form a part of, to use the phrase in its broader sense, rationalising process.

II *Factory Act:* Under this act several forms such as for time table etc are to be filled up and sent to the Factory Inspector and several musters, registers etc maintained.

III. *Maternity Benefit Act:* The L. O. should see that the benefits are promptly given after due medical examination and relevant, accurate statistical abstract annually submitted to the Government.

IV. *Industrial Disputes Act:* Wherever such act has come into force the L.O., as generally required by the act, should see that (i) before dismissal, suspensions or fines the offender is given the chance to defend himself, (ii) the procedure as laid down by the act followed, and (iii) notices of change are properly given whenever an occasion for them arise.

V. *Relations with Trade Unions:* Many times the trade unions look upon the institutions of L. O. as rival. The latter, however, should always co-operate and much more so in the welfare activities of the former.

VI. *Payment of Wages Act:* The L.O. should attend to wages, fines, and especially of the contractors' labour. Not infrequently the contractors fabricate wrong musters.

LABOUR STATISTICS

Statistics can afford the most reliable source of quantitative measurements. In order to judge reliably, estimate satisfactorily and plan accurately quantitative information is required. No doubt the figures sometimes tell the story inadequately; they nevertheless tell a story at all. Restricting ourselves to labour statistics it is seen that the general standard of living of workers, can be measured, though inadequately, only by the wage level and the family budget; the relation between an increase in wages and increase in efficiency require the figures of productions per in-

dividual worker; to minimise the labour disputes the number of disputes and their classification by causes need be known to enable to devise satisfactory means; and so on. Sometimes the figures give a very timely hint. Causes may be searched for when more workmen than usual, leave the concern or the general output deteriorates. It is for such reasons that statistical data is useful.

The Governments of every civilised nation are collecting useful statistical data and disseminating it among the public. The Government of India, too, is running a Statistical Department. But, as is rightly remarked, the department is, in spite of the highly paid experts, fifty years behind time in the method of collecting. And whatever useful data is collected, is published so late as to make it old enough to be useless.

The labour officer, on his part, may collect the following information.

I. *Labour Turnover.*

(a) *Register:* It is necessary to maintain a register of new recruits and the experienced persons leaving the job.

(b) *Enquiry:* After a short period a tolerable idea of the normal labour turnover will be acquired. If then at any time the turnover is found to be greater, the reasons may be sought for: are the wages becoming relatively low? Or is the treatment meted out unsatisfactory?

II. *Production Statistics:*

(a) *Record of efficiency of each worker:* This record will give a comparative idea of efficiency of workers. Also from it the average standard of work that may be expected from an operative can be judged. Also idlers and inefficient will be brought to light.

(b) *Record of damages of each worker:* In addition to their furnishing a useful data of the carefulness of a worker it will many times serve to bring to right the defects of the machines.

(c) *"Productions of Departments"* their production reports and variations: It should be seen that the reports submitted by the departmental heads are correct. Sometimes the

heads, in order to show better production lest they may lose their jobs, manipulate production. Once a weaving Master showed an efficiency of 102 percent ! He must be weaving with lesser picks. Sometimes the mukadams and the workers themselves resort to unfair means. In the Textile industry it is not exceptional for the former to take away the basket of bobbins full of yarn after it is weighed and distribute among the tenters, and even to wet the yarn to increase the weight. So many times weavers are found weaving less picks-sometimes by changing the wheels governing the speed, or by putting something in the wheels when their supervisors do not see them.

In addition to this the following factors may be noted and a quantitative estimate, wherever possible, be made.

(i) *Due to seasonal variations:* It requires a pretty long period before variations in production due to seasonal changes can, even approximately, be put down.

(ii) *Due to technical changes:* Machinery, artificial climatic control, changes in material, changes in speed etc have their effects on production. It is well known that greater humidity imparts stickiness to fibres and hence useful in spinning and weaving; but weaving requires greater humidity than spinning. Also that when long staple cotton is used breakages are lesser. Figures will help to determine suitable humidity and economically the best cotton. In a similar way figures of production for different speeds will be useful in determining the most suitable speed. Of course it generally shall not be L. O. who does *all* this. He may arrange for records being maintained which the different departmental heads may make use with advantage.

(iii) *Due to Workers:* It is well nigh impossible to estimate the changes in production due to supervisory staff, health and contentment of labour, surrounding psychological, social and political atmosphere and changes.

III *Worker's Statistics:* An up to date record of the following items of each worker will be found useful.

(a) Full names. (b) Address. (i) In the centre (ii) of the village (c) Age (d) Caste (e) Number of family members (f) Income, sources of income and total income of family. (g) Indebtedness and its causes.

IV Costing Branch.

Strictly speaking costing does not fall within the functions of L. O. If however a well equipped statistical department is provided for under his charge he may supervise its working. Otherwise he may arrange for the collection of the necessary figures and leave the computations and adjustments to the proper departments. In addition to pure costing figures the following should be collected and recorded:

- (a) Wages, cost of living and hence the reasonableness of the former.
- (b) Various standards of wages.
- (c) Wages in various piece rates.
- (d) Hourly wages, and effect on production of different hours of work when occasion for such arise.
- (e) Proportion of wages to cost of production.
- (f) Market prices and manufacturer's margin.
- (g) Profits and profit sharing schemes.

Wherever there is an employers' association, its labour department should collect relevant statistics of prices of commodities used by workers, and from the knowledge of their weightage determine every month the cost of living index numbers. It is also in the interests of such associations to maintain a statistical department which shall collect and record statistics of various subjects like summaries of balance sheets of the mills of the centre and those of other centres, etc.,

PUBLICITY.

Publicity - its methods and means - is a modern discovery of importance; its powers and scope are yet to be realised. Scrupulous use of publicity, as distinguished from tomtomming and propaganda to serve one's purpose only, is ethically even justified. The usefulness of a good done is augmented by it being made known to the recipients. When welfare measures for

labour are taken, their publicity, without any exaggeration, does not seem to be undesirable. On the contrary when made known with the useful notes appended, it will firstly draw labour's attention to urging to take advantage of these measures; and secondly teach the workers the proper use of the facilities provided. Not only this. The fact remains that business is not run on the principle of disinterestedness; had it been so the necessity of writing this and similar other books would never have arisen. And therefore the usefulness of publicity as a force increasing the harmony between labour and capital should not be neglected. It should be remembered that publicity should not be overdone; it must have sound basis in concrete actions.

When an organ is run, like the *Birla Patrika*, it may be used to disseminate useful information on matters political, social, economic and moral. Some useful material on efficiency, sanitation, changes in the methods of production etc also may be given,

APPENDIX

A short note on the working of Textile Labour Association, Ahmedabad.

(a)

It was in the last years of the last war that Smt. Ansu-yabehn Sarabhai, sister of Seth Ambalal Sarabhai, having been horrified by the living conditions of the workers was moved to organise a welfare institution. This institution, philanthropic in origin, later on flourished as the Textile Labour Association.

Smt. Anasuyabehn was helped in her work by Sjt. Shankerlal Banker, a man of learning, bold imagination and organising ability. Not only this : Mahatma Gandhi has lent his full support both in prosperity and in woe. And this is a very crucial fact - and a novel feature too, peculiar to this union : *Hartjans* forming a bulk of the union members have naturally answered the call of (or on behalf of) their benefactor saint and joined the union in great numbers; the millowners under the moral sway of the savant have worked in harmony; and the general public has looked upon it as an institution of its religious and political leader. Lastly the union is extremely happy in its secretary, Lala Gulzarilal Nanda, whose efforts wrought with sincerity and insight have not helped a little.

We may now briefly consider the working of the union. The union is divided into five planetary components, each under a departmental head, moving round and deriving their inspiration from the Sun-secretary at the focus. The five departments are:-

(1) *The Financial Department* : It attends to workers' subscriptions and deposits, funds, accounts, office management, *Khadi-hat*, printing-press, housing, buying and selling, etc.

(2) *The complaints and Meetings Department* : This is worked by a law graduate assisted by half a dozen graduate assistants, some clerks and about two dozen investigators called inspectors, who are mostly from the working class with little education but much practical knowledge of and touch with the

working class problems. This is perhaps the most important and certainly the liveliest of all the departments. In it (a) complaints are heard, recorded, investigated, settled and classified; (b) elected workers' (*Pratinidhis*) meetings and executive Committees arranged and looked after; and (c) legal and financial assistance being given in cases of victimisation etc. It also, by coming in direct touch with the workers, endeavours to keep up their morale (or spirit).

(3) *The Ward (Latta) Union Department*: The department works under a graduate with some two dozen inspectors, recruited from the leading workmen, to help him. Every ward of the city has a ward office where an inspector stays, maintains a dynamic touch with the workers of his ward, and looks to the solidarity of the members. Recently the department has engaged a few clerks and is attending to the complaints of sanitation, rent and other municipal complaints. The department also maintains a mill-wise classification of all the workers in the city. At the time of municipal elections, the department is helped by all the other departments to ensure success in the election. In the last municipal election, 18 out of 52 seats in the non-muslim constituency were secured by officials and workers' *Pratinidhis*, of Textile Labour Association.

(4) *The Social Welfare Department*: The department gets a grant of about Rs. 20,000/-per annum from the Tilak Swaraj Fund for educative purposes. It runs, according to the latest available figures, 10 schools for children, 40 libraries, 50 reading rooms, a residential school for girls of backwardclass, a *Vaghri* boys' boarding, a nursery school and a hospital with about half a dozen beds for the benefit of the union workers and staff. Recently a maternity room with a bed and a nurse has been added as an experimental measure. A fortnightly labour organ *Majur Sandesh*-dealing with the day to day problems of labour, is also conducted by the department.

(5) *Statistics and Information Bureau*: Worked by a young law graduate this department collects the cost of living statistics, finance statistics of textile mills, labour statistics of wages etc,

and looks after a decent research library containing about 5,000 books on varied subjects such as labour, economics, politics, statistics, ethics, religion, sociology, medicine etc.

Out of the 135000 textile mill operatives of Ahmedabad the union has about 45000 members on its muster rolls and it is one of the two representative unions in the Bombay Presidency registered as such under the Bombay Industrial Disputes Act, 1938. Subscriptions are collected from members, at various rates according to economic status of the workers of the different departments, by elected representatives, in the mill compounds, on every pay day. On some special occasions funds are also collected. The union on the whole enjoys excellent financial position. Unlike any other union it maintains a staff of some 150.^x

Like most of such institutions the constitution of Textile Labour Association provides for a democratic working. But unlike them the article III of the constitution in unmistakable terms makes it clear that the "Means to be adopted for the furtherance of the objects mentioned shall be always based on truth and non-violence". Whatever the reasons for incorporating this article it is becoming clear, as may naturally be expected, that the officers find it extremely trying, sometimes so much so that they find it much more convenient to shelve it.

(b)

Mahatma Gandhiji's active influence, the strength of the union, the far sightedness of some of its officers and the calm, sympathetic demeanour of the millowners have helped to avoid many a mad strike and lockout. To bring out vividly the sanity prevailing in the Cotton Textile Industry of Ahmedabad we append below the figures of strikes, the working days lost, the average wages and the total loss in wages to workers for the years 1928-1940 in the cotton textile industry at two important centres, Bombay and Ahmedabad.

**EXTENT OF LOSS IN MONEY WAGES FROM 1928-1940 IN TEXTILE MILLS.
BOMBAY CENTRE.**

Year.	No. of strikes.	Workers involved.	Days Lost.	Daily earnings.	Wages Lost Rupees.
1928	78	2,89,977	22,983,066	1-4-8	2,96,86,768
1929	29	1,62,086	8,183,919	1-4-8	1,05,70,898
1930	27	36,407	1,54,640	1-4-8	1,99,743
1931	14	22,015	2,08,955	1-4-8	2,69,900
1932	11	6,745	167,348	1-4-8	2,16,158
1933	35	42,777	348,553	1-1-2	3,73,969
1934	26	1,13,592	3,204,322	0-15-9	31,54,255
1935	9	8,668	66,299	0-15-9	65,263
1936	6	10,515	172,203	0-15-9	1,69,602
1937	24	35,518	147,159	0-15-5	1,41,794
1938	31	24,436	122,914	1-1-10	1,37,998
1939	31	20,624	94,456	1-1-10	1,05,279
1940	22	1,88,397	4,591,790	1-1-10	51,17,933
Total upto 1940	343	9,51,820	40,445,624		502,09,560

EXTENT OF LOSS IN MONEY WAGES IN TEXTILE MILLS FROM 1928 to 1940
AHMEDABAD CENTRE.

Year.	No. of strikes.	Workers involved.	Days lost.	Daily earnings.	Wages lost.
1928	17	4,464	13,252	1-4-10	17,228
1929	17	3,645	7,592	1-4-10	9,986
1930	22	11,077	19,010	1-4-10	24,753
1931	22	4,632	9,464	1-4-10	12,323
1932	14	2,790	5,284	1-4-10	6,880
1933	22	15,895	72,424	1-6-0	99,583
1934	47	29,509	1,14,378	1-5-11	1,57,675
1935	12	29,677	1,03,727	1-5-11	1,42,085
1936	19	10,741	35,231	1-5-11	48,999
1937	27	54,206	3,26,879	1-3-1	3,89,871
1938	22	8,265	25,434	1-5-6	32,947
1939	4	1,672	992	1-5-6	1,333
1940	4	4,121	9,214	1-5-6	12,382
Total upto 1940	249	1,80,694	7,42,881		9,56,045

It is seen from the tables that the Ahmedabad operatives have on the whole gained as regards the standard of wages, whereas their brothers in Bombay have suffered. And the total loss in wages due to strikes at Ahmedabad and Bombay operatives being Rs. 956,045 and Rs. 502,09,560 respectively it is seen that, even allowing for the different numbers of workers employed—and that can be put down on the average for the years under consideration, to be on the safe side, at 1 : 2 the workers in Bombay have suffered much more than those of Ahmedabad; and this be it remembered not with any corresponding gain in wages but with a marked deterioration in the same.

(c)

One incident is noteworthy in the annals of the trade union behaviour. The four years following 1932 were very bad for industry; but the powerful union had managed to maintain the increment in wages earned in 1930. The night shifts, however, were being stopped. And when the dispute arose, Messrs. Shankerlal Banker and Gulzarilal Nanda, on behalf of Textile Labour Association agreed to a uniform cut of 6 1/4 % in the earnings of all time and piece workers, as well as to 'the principle of rationalisation.' (see Patkar award application marked D'). They evidently saw it detrimental to the labour class as a whole not to encourage the industry by lightening the burden, especially in a dependent country like ours where it is working against heavy odds.

(d)

That with all that we have said above there is no room for complacency is borne out by the following typical dispute. In

× Figures of Night-shifts, in 1933-1938, in the Textile Mills of Ahmedabad.

Year. Month.	1938.	1934	1935	1936	1937	1938
January	18	19	31	24	39	64
February	18	21	19	30	48	57
March	12	23	26	29	45	62
April	14	22	26	31	45	62
May	14	21	28	30	44	61
June	15	27	30	30	41	59
July	15	27	33	33	44	56
August	15	27	33	29	44	55
September	14	26	35	23	50	56
October	16	24	32	29	55	53
November	16	24	30	29	58	48
December	17	31	32	37	57	49

Compiled from Labour Gazette

the first two weeks of January 1941 there were falling some additional holidays (extra stop days). Now the mills ordinarily, as permitted by the Factory Act, worked for 9 hours a day and 54 hours a week. But, in view of the extra holidays the management of the Ahmedabad Cotton Mfg. Company Ltd., with the previous permission of the Senior Inspector of Factories sought to work it for 10 hours a day for five days so that the total work hours may come to 50 per week. The management thus wanted five hours' work more but were prepared in return to pay the whole week's pay which the workers otherwise would not have earned—with 50 hours' work they were prepared to pay for 54!

The Textile Labour Association officials advised its members against the above scheme and resorted to strike. Accordingly out of about 1100 operatives 101 went on strike and the mill manager dismissed them without going through the technical procedure laid down in B. I. D. Act. On the applications being filed by the mills and the Textile Labour Association before the Industrial Court, the strike and the dismissals without procedure were declared illegal. And the criminal applications then being filed, the then acting secretary of the Textile Labour Association as well as the manager of the mill were convicted and fined. On Textile Labour Association appealing to the High Court of Bombay the convictions and fines were confirmed. (§)

We cannot do better than repeat what Swami Vivekanand has said; 'Be always watchful and never allow yourself to be carried away by momentary weakness.'

§ Criminal Revision Application No. 279 of 1943 before the High Court of Bombay.

We may note the important ruling. On the then acting secretary of Textile Labour Association pleading that as the strike was discontinued after it was declared illegal, within the meaning of Bombay Industrial Disputes Act, he should not be convicted, Justice Locur opines that ".....this does not mean that only those who join or take part in the strike after the declaration of its illegality by the Industrial Court are liable to conviction and punishment under these sections. Such an interpretation would render the sections nugatory. Section (62) (1) renders illegal not merely the continuation but also the commencement of any strike which falls within the eight clauses of that section. Section 66 and 67 are not intended to allow illegal strikes and incitements to such strikes to be commenced and continued with impunity till the declaration of their illegality by the industrial court. Otherwise when a strike is declared to be illegal, it may be formally ended, and the strikers may nominally join their work for a day and go on fresh illegal strike on the next day, if they can do so with impunity until the strike also is declared illegal by the Industrial Court.....The decision of the Industrial Court is required for starting the prosecution and not for rendering a strike or a lock-out illegal.'

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IMPORTANT CORRECTIONS

PAGE	PARA	LINE	INCORRECT	CORRECT.
6	Note 6a	5	Ogranistic	Organistic
33	2	3	Lien	Lieu
37	2	7	1636	1936
47	2	11	nothing	Noting.
88	2	18	co-operative	Co-operate
91	3	3	inspiting	inspiring
111	3	1	from	form

