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NATIONAL PLANNING COMMITTEE SERIES

The National Planning Committee Series will consist of Reports of the various Sub-Committees, each of which deals with the several aspects of the national life. Each Sub-Committee consists of recognised Experts in the subject, and every Report prepared by them considers all the bearings, implications, and consequences of the subject. Together the Series will make a comprehensive outline of an all-embracing National Plan, which, if and when implemented, would revolutionise the conditions of life in this country. Though most of the Reports were prepared in 1939-40, each is prefaced by an Introduction showing the place of the subject in the entire Scheme of National Planning, and ended by a Summary of Developments which brings the matter fairly up to date.

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LABOUR

NATIONAL PLANNING COMMITTEE SERIES

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*Industries connected with Scientific Instruments and
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Woman's Role in Planned Economy

NATIONAL PLANNING, PRINCIPLES & ADMINISTRATION

K. T. Shah.

NATIONAL PLANNING COMMITTEE SERIES
(REPORT OF SUB-COMMITTEE)

LABOUR

Chairman

Shri N. M. Joshi, M.L.A.

Secretary

Shri V R. Kalappa, M.L.A

Edited by

K. T. SHAH

Honorary General Secretary
NATIONAL PLANNING COMMITTEE

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To
All Those
MEMBERS OF THE NATIONAL PLANNING COMMITTEE
and of
Its Various Sub-Committees
A TRIBUTE OF APPRECIATION

प्रारब्धमुत्तमजना न परित्यजन्ति

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LABOUR

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PREFACE

The National Planning Committee, appointed in 1938, began its work early in 1939. After defining the nature of a National Plan, and determining the nature and scope of the work entrusted to them, the Committee issued an elaborate and comprehensive Questionnaire which was subsequently supplemented by specific details. Twenty-nine Sub-Committees, formed into eight groups, were set up with special terms of reference to deal with all parts and aspects of the national life and work in accordance with a predetermined Plan.

After some unavoidable delay in getting replies to the Questionnaire, the Sub-Committees began their work, and submitted Reports,—some of them Final, some Interim,—which were considered at the Plenary Sessions of the Parent Committee in 1940. Towards the end of that year the Chairman, Pandit Jawaharlal Nehru, was arrested and sentenced to a long term of imprisonment, during which the work of the Committee had necessarily to be suspended.

On his release a year later, hope revived for an intensive resumption of the Committee's work. But the outbreak of war with Japan, the threat to India's own safety, and the hectic march of political events, rendered it impossible to devote any attention to such work at that time. It, therefore, inevitably went into cold storage once again; and remained for the duration of the war.

When at last the War seemed nearing its end, Pandit Jawaharlal Nehru with other leaders was released. The moment seemed again opportune to resume the work of

the Planning Committee. Meetings of that Body were held in September and November 1945, when certain more urgent questions, already included in the programme of the National Planning Committee, were given a special precedence. A Priority Committee was appointed to report upon them. Changes and developments occurring during the War had also to be taken into account; and another Committee was appointed to review the general instructions, given six years earlier to the Sub-Committees. Revised instructions were issued to them following the Report of this Sub-Committee; and the Chairmen and Secretaries of the several Sub-Committees were once again requested to revise and bring up to date such of the Reports as had already been submitted—either as final or interim—while those that had not submitted any reports at all were asked to do so at an early date.

As a result, many of the Sub-Committees which had not reported, or had made only an Interim Report, put in their Reports, or finalised them. The Parent Committee has had no chance to review them, and pass resolutions on the same. But the documents are, by themselves, of sufficient value prepared as they are by experts in each case, to be included in this Series.

The following Table shows the condition of the Sub-Committees' work, and the stage to which the Planning Committee had reached in connection with them.

Serial No.	Name of the Sub-Committee.	Final Report		Interim Report		No Reports
		N.P.C. Resolutions	Not consi-dered by N.P.C.	N. P. C. Resolution	Not consi-dered by the N.P.C.	
Group I.	Agriculture & other Sources of Primary Production	Handbook		Handbook		
1.	Rural Marketing and Finance	Pp. 97-99		Pp.		
2.	River Training and Irrigation	83-85				
3.	" " Part I	113-115				
4.	" " Part II	115-119				
5.	Soil Conservation and Afforestation					
6.	Land Policy and Agriculture					
7.	Animal Husbandry and Dairying	87-89		139-141	do.	
8.	Crop Planning and Production					
	Horticulture	102-103				
Group II	Fisheries					
	Industries or Secondary Sources of Production					
1.	Rural and Cottage Industries		do.			
2.	Power and Fuel					
3.	Chemicals					
4.	Mining and Metallurgy					
5.	Engineering Industries	75-77		77-79	do.	
6.	Manufacturing Industries		do.	130-133		
7.	Industries connected with Scientific Instruments		do.			
Group III	Human Factor					
1.	Labour	89-92				
2.	Population	85-87				
Group IV	Exchange and Finance					
1.	Trade					
2.	Public Finance					
3.	Currency and Banking					
4.	Insurance					
Group V	Public Utilities					
1.	Transport					
2.	Communications	126-129				
Group VI	Social Services-Health and Housing					
1.	National Housing					
Group VII	Education					
1.	General Education					
2.	Technical Education				do.	
Group VIII	Woman's Role in Planned Economy					

To sum up, fourteen Sub-Committees had made final reports, of which ten have been considered, and Resolutions taken upon them, by the National Planning Committee. Twelve more have presented Interim Reports, of which nine have been considered by the Planning Committee, with Resolutions thereon, while three Sub-Committees have not yet presented any report on the reference made to them.

The idea that all this material, gathered together with the help of some of the best brains in India in the several departments of our national life, should be printed and published was before the Committee from the start. But the interruption caused by the war prevented its realisation. It was once again mooted in 1941; but the moment was not deemed ripe then for such action, partly because the leading spirits in almost every one of the Sub-Committees were unable to devote time and labour to bring their Reports up-to-date; and partly also because war-time restrictions or shortages had made scarcer than ever before the statistics and other facts, which particular sub-committees would need, to bring their work up-to-date. The War time needs of Government had attracted several of them to work on Government Bodies, Panels, or Committees. For all these reasons it was deemed undesirable that material of this character—valuable as it must be—should be put out in an incomplete, inchoate, obsolete form, which may reflect unfavourably upon Indian capacity for such tasks.

The last four years of the War were thus a period of suspended animation for the National Planning Committee. Even after the end of the war, it has not been feasible, for obvious reasons, for the Planning Committee to resume its work and finalise decisions. Continuous sessions of that body are indispensable for considering and taking decisions on the Sub-Committee reports presented since 1940, and putting all the material into shape, ready for publication, not to mention making its own Report; but the political situation in the country made it impossible. Other conditions, however, are somewhat more favourable than in 1938-39, when the Central Government of the country were all but openly hostile to such attempts. Lest, however, the momentary difficulties make for needless further delay, it was thought advisable by the Chairman and the undersigned that no more time should be lost in putting this material before the Public. Following this advice, it is now proposed to bring out a complete Series of the National Planning Committee's Sub-Committee Reports, which will

serve as appendices to the Parent Committee's own Report. The Plan of the proposed enterprise is briefly summarised below.

Every Sub-Committee's Report, which is in a final form and on which the National Planning Committee has itself taken resolutions, will be edited and published, with an Introduction assigning their due importance to the suggestions and recommendations contained in that particular report, its proper place in the over-all National Plan; and following it up, wherever necessary, by a kind of Epilogue, summarising the developments that have taken place during the seven years, during which the work of the Planning Committee had been in suspension.

Those Reports, again, which, though in a final form, have not yet been considered, and no resolutions taken thereon, by the Planning Committee, will also be included in the Series in the form in which they were submitted, with such Introduction and Epilogue to each as may be deemed appropriate. And the same treatment will be applied to Reports which are 'Ad Interim', whether or not the Parent Committee has expressed any opinion on the same. They will be finalised, wherever possible, in the office, with such aid as the Chairman or Secretary of the Sub-Committee may be good enough to render. Sub-Committees finally, which have not submitted any Report at all,—they are very few,—will also find their work similarly dealt with. The essence, in fine, of the scheme is that no avoidable delay will now be suffered to keep the National Planning Committee's work from the public.

Both the Introduction and the Epilogue will be supplied by the undersigned, who would naturally be grateful for such help as he may receive from the personnel of each Sub-Committee concerned. The purpose of these additions is, as already stated, to assign its true place to each such work in the overall Plan; and to bring up the material in each Report to date, wherever possible.

Not every Sub-Committee's Report is sufficiently large to make, more or less, a volume by itself, of uniform size, for this Series. In such cases two or more Reports will be combined, so as to maintain uniformity of size, get-up, and presentation of the material. The various Reports, it may be added, would not be taken in the order of the classification or grouping originally given by the Planning Commit-

tee; nor even of what may be called the intrinsic importance of each subject.

In view of the varying stages at which the several Reports are, for reasons of convenience, it has been thought advisable to take up for printing first those which are final, and on which the Planning Committee has pronounced some resolutions. Printing arrangements have been made with more than one Press, so that two or three Reports may be taken simultaneously and published as soon as possible so that the entire Series may be completed in the course of the year.

Two other Sub-Committees, not included in the list of Sub-Committees given above, were assigned special tasks of (1) preparing the basic ideas of National Planning; and (2) outlining the administrative machinery deemed appropriate for carrying out the Plan. These were unable to function for reasons already explained. The present writer has, however, in his personal capacity, and entirely on his own responsibility, published the "Principles of Planning" which attempt to outline the fundamental aims and ideals of a National Plan. This remains to be considered by the Planning Committee. Similarly, he has also attempted to sketch an administrative machinery and arrangements necessary to give effect to the Plan, when at last it is formulated, and put into execution. Notwithstanding that these two are outside the Scheme outlined in this Preface, they are mentioned to round up the general picture of the arrangements made for publication of the entire work up-to-date of the National Planning Committee and its several Sub-Committees.

The several volumes of Sub-Committee Reports, when published, will be treated as so many appendices to the Report of the parent body, the National Planning Committee. It is impossible to say when that Committee, as a whole, will be able to hold continuous sessions, review and resolve upon Sub-Committee Reports which have not yet been considered, and lay down their basic ideas and governing principles for an all over Plan, applicable to the country, including all the facts of its life, and all items making up the welfare of its people.

The disturbed conditions all over the country, and the Labour unrest that has followed the end of the War has caused unavoidable delays in printing and publishing the

several volumes in the Series, which, it is hoped, will be excused.

In the end, a word of acknowledgment is necessary to put on record the aid received by the Editor in the preparation and publication of this Series. All those who are associated in the task,—members of the Parent Committee, or as Chairmen, Secretaries or Members of the various Sub-Committees,—have laboured wholly, honorarily, and consistently striven to give the best that lay in them for the service of the country. Almost all Provincial Governments and some States,—the latter twice in some cases,—have made contributions towards the expenses of this office, which have been acknowledged and accounted for in the Handbooks of the Planning Committee, published earlier. Suitable appreciation of these will be expressed when the Parent Committee makes its own Report. At almost the end of its task, the expenditure needed to edit, compile, and otherwise prepare for the Press, the several Reports, has been financed by a Loan by Messrs. Tata Sons Ltd., which, even when repaid, will not diminish the value of the timely aid, nor the sense of gratitude felt by the undersigned.

Bombay,
1st July, 1947. }

K. T. Shah

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INTRODUCTION

The Sub-Committee on Labour was required to deal with the following Terms of Reference:—

- (a) Labour other than agricultural labour, including the problem of unemployment;
- (b) the general policy relating to labour, with special reference to the terms and conditions of employment, rationalisation of output and efficiency, rates of wages, methods of wage determination, hours and conditions of work in factories, mines, workshops, plantations, railways and transport services, docks, etc.;
- (c) insurance against sickness, industrial accidents, old age, maternity, unemployment, and other contingencies of industrial life;
- (d) the problem of employment of women and children;
- (e) measures and legislation for the safety of workers in mines, factories, workshops, plantations etc.;
- (f) adequate provision for their housing, health and sanitation;
- (g) organisation of labour;
- (h) provision of apprenticeships for industrial workers;
- (i) other incidents of industrial life, e.g., strike, lock-outs, and labour disputes in general, and the ways and means (including legislation) of settling them by conciliation or arbitration.

Evolution of a Labour Policy in India

The realisation that the worker has some definite place in a country's economic system, or social status and civic rights, which the employer was bound to assure to him; or, failing him, which the community collectively was bound to secure for him, cannot be said in this country to date earlier than the beginning of this century. Under the ancient Indian system—where production was mainly for use and not for exchange,—these problems could not arise. The caste system,—racial in origin and economic in its principal divisions,—assured to each worker a definite place in society which the belief in past Karma, determining the place and work and welfare of everyone in the present life, made all

those holding such views reconciled with. The socio-economic organisation, moreover, based on the principle of local self-sufficiency, secured to each worker a definite traditional market, in which custom governed all lives and tradition determined all work.

All this changed with the establishment of British Rule and a new economic order in India. With the breakdown of the basis of local self-sufficiency; with the weakening of custom and emanence of contract; with the substitution of production for exchange in an unknown market in place of the old-time production for use; and above all, with the introduction of modern industrialism coupled with its governing philosophy of **Laissez-faire**, freedom of contract and of enterprise, the worker's position and prospects began to deteriorate in every way. The old ways and forms of work began to give way before the new and ever-growing vogue of the factory, with its power-driven machinery, producing on a mass scale a standardised article for an unknown customer. The traditional occupation of agriculture did not suffice to yield a living to steadily growing numbers, and increasing wants. The only relief from the growing pressure on the soil was for a portion of the village folk to abandon the hereditary work, and seek new employment in the new industries springing up in the new centres of population.

This was the beginning of the industrial proletariat in India. The wage-slave took the place of the self-employing peasant, the factory-hand took the place of the cultivator, if not the creator, the artisan if not the artist. The change-over, he soon, though dimly, perceived was no improvement of his lot. And as the capitalist employer, who in contrast with him, neither toiled nor strove in any way, went on adding to his riches, and his power to exploit, the worker in the new machine-age could not be reconciled to the new life, despite his habitual resignation to fate, or faith in the doctrine of **Karma**.

Beginnings of Factory Legislation

Difficulties between employers and workers began soon after the transfer of power from the East India Company to the British Crown. The workers, however, were far from organised; they were too illiterate, too poor, too backward to have any consciousness of their place in the new social set-up; much less any power to demand that a proper place be secured to them. Fleeing from the spectre of famine and pestilence in his village, he was at first much too thank-

ful for whatever work he got, on whatever terms, to complain against the will of God, or the fruit of past **Karma**.

With the transference of the governance of India from the East India Company to the British Crown, and the consolidation of the country into a single nation, a consciousness grew about the rights of Labour. If the worker was not deemed an equal agent in wealth production,—a partner and a co-sharer,—he was at least a human being to whom some consideration was due, if only on grounds of justice or decency. Even the self-interest of the employer requires that the employee should have enough to live and multiply his kind to add to the employer's profits for time unending.

The beginnings of this new consciousness may be traced in tea-planting, a new industry, mainly in the hands of alien exploiters. The treatment of the Coolie Labour by the Assam Tea Planters, and the conditions of work there, were sub-human. Wages were low; hours were long; sanitation elementary; ventilation still more rudimentary; and other amenities unknown. Several deaths were reported to be the direct outcome of the Planter's violence and inhumanity towards his Indian labourer. Matters had gone so far that a Commission had to be appointed, early in the sixties of the last century, to investigate the question. Its recommendations tried to assure some sort of recognition to the Plantation Worker as something more than a mere "hand", or serf, or machine, for the aggrandizement of the Planter.

But such Legislation, and executive action of the Government based thereon, was easy to ignore, evade, or defy. More often than not the workers never realised that they had any such protection given to them. And even in cases where some did realise that they had some rights assured to them, and a rudimentary machinery provided for the barest of justice being done to them, the employer was much too influential, and the administrators of law and justice had far too great sympathy with the employing class, unconscious as it might be, to allow real justice being shown to the worker.

The experience of Plantation Labour began to influence the workers in other industries that were beginning to be established in this country, employing labour on an increasing scale. The imitation of the Factory Laws enacted in England was also telling upon the new British Administrators of India. The fear of competition from such slave labour in India against Manchester and other vested British interests may also have something to do in promoting Legis-

lation for the protection of workers. Indian labour had neither Government nor the Trade Union to protect it right up to the end of the last century. Employers were free to exploit them to death. There were no restrictions on the age at which children could be employed, no limitation on the ways in which women could be exploited. There were no periodical or weekly rest days; no protection against accident or injury by machinery; no provision for sickness, old age or education. It was against these hardships that Factory Legislation was necessary.

The need for protective legislation was increased with the growth of modern mechanised industry, mining and transport, though the number even now engaged in the new mills and mines, railway workshops and factories, is relatively small.

As the following Table shows, out of every 10 000 persons in India, 4,391 or roughly 44%, were workers and earners, 5,609 or 56% were dependants. Out of the earners, 2,957 or over 67% were occupied in production of raw materials, including pasture and cultivation of land, stock-raising, fishing, hunting and forestry. Industry occupied 438 out of 4,391 earners, or less than 10%; Transport and Communications about 1½%; Trade about 5%; Public Administration about 2½%; Domestic Service 7% and miscellaneous or insufficiently described occupations 5%, while the unproductive occupations engaged 1%.

Table I

OCCUPATIONAL DISTRIBUTION OF WORKERS PER 10,000 OF POPULATION.

Class, Sub-class and Order.	Number per 10,000 of total population.	
	Earners (principal occupation) and working dependants.	Earners as subsidiary occupation.
Non-working dependants—5609		
All occupations	4,391	425
A. PRODUCTION OF RAW MATERIALS	2,957	215
I. EXPLOITATION OF ANIMALS AND VEGETATION	2,947	213
Pasture and agriculture	2,923	208

The Table has been compiled from the 1931 Census. The 1941 Census, defective in many other respects, is lacking in a Table of Occupations. It was a strange piece of wartime economy, when crores could be wasted by corruption of highplaced officials and influential non-officials; but thousands could not be found to provide this indispensable basis for proper planning. The figures given above are, consequently, inevitably out-of-date. But the relative proportions of those engaged in the several occupations could not be much disturbed in a decade.

Class, Sub-class and Order.	Number per 10,000 of total population.	Earners (principal occupation) and work ing dependants	Earners as subsidiary occupation.
Cultivation	2,766		185
Special crops	47		7
Forestry	9		3
Stock- raising	100		12
Raising of small animals and insects..	1		1
Fishing and hunting	24		5
II. EXPLOITATION OF MINERALS	10		2
B. PREPARATION AND SUPPLY OF MATERIAL SUBSTANCES	731		115
III. INDUSTRY	438		62
Textiles	117		12
Hides, skins and materials from the animal kingdom	9		1
Wood	47		10
Metals	20		14
Ceramics	29		5
Chemical products properly so called and analogous	17		4
Food Industries	42		5
Industries of dress and the toilet	96		15
Building industries	18		2
Construction of means of transport	1		..
Production and transmission of Physical force	1		..
Miscellaneous and undefined industries	40		4
IV. TRANSPORT	67		12
Tranport by air	10		1
Transport by water	36		10
Transport by rail	18		1
Post Office, telegraph and telephone services	3		..
V. TRADE	226		41
Banks, establishments of credit, exchange and insurance	9		4
Brokerage, commission and export	2		..
Trade in textiles	13		2
Trade in skins, leather and furs	3		1
Other trade in foodstuffs	110		20
C. PUBLIC ADMINISTRATION AND LIBERAL ARTS	118		19
VI. PUBLIC FORCE	24		3
VII. PUBLIC ADMINISTRATION	28		4
VIII. PROFESSIONS AND LIBERAL ARTS	66		12
IX. PERSONS LIVING ON THEIR INCOME	6		2
X. DOMESTIC SERVICE	311		51
XI. INSUFFICIENTLY DESCRIBED OCCUPATIONS	222		20
XII. UNPRODUCTIVE	46		3

This Table has been compiled from the Census of 1931; but the relative situation has not materially altered since that time. During the War, no doubt, over two millions were recruited for the Armed Forces or their Auxiliaries. But the bulk of these have now been demobilised. They can, therefore, hardly affect the relative proportions of employment. Even the new Industries and Trade developments, which had been brought about by the War, did not change the proportions except perhaps to a very small extent.

The problems arising from the congestion of large numbers in new industrial centres affecting public health and morality could no longer be ignored. The health, comfort or convenience of the ruling class was also concerned, apart from more material interests. The only way to solve these problems was Legislation.

First Factory Act

The first Factory Act in India was passed in 1881, which required all factories employing 100 or more hands to provide certain minimum conditions for child workers employed in their establishments. No child under seven years of age could be employed; none could be worked for more than nine hours a day; and each was to be guaranteed four holidays in a month. No protection was given by this Act to adult workers,—men or women, except a provision about fencing of such parts of the machinery as would be dangerous if left unfenced; and reporting of accidents. There was, however, no provision for the periodical inspection of such factories; and so the law remained a dead letter. Cotton, Jute and Textile Mills had come into being since the fifties and sixties of the last century, wherein a growing number of children and women as well as adult workers were being employed. The Mills themselves were also multiplying; and so the industrial wage-earning population was growing rapidly. The Railways were another agency employing large numbers; while Public Works like roads and canals, and building activities, may likewise be taken to be a third category employing large-scale working population. In most of these cases Government were themselves responsible;—indirectly, if not directly,—and they were particularly vulnerable to the pressure from the British non-conformist conscience in humanitarian reform. Even where private enterprise was concerned, the consciousness of intolerable conditions was growing. Another Commission was

appointed in 1810, the substance of whose recommendations was embodied in the Factory Act of 1891.

Its Amendment and Extension

The next step was taken in 1891 by amending the 1881 Act. The new law required all factories etc., employing 50 persons or more to be registered; while Local Governments were authorised to notify any concern employing 20 or more. The principal reforms made by this Act were:—

- (a) to introduce a compulsory rest period of half an hour during the day; and
- (b) of a weekly holiday;
- (c) the prohibition against the employment of a child under 9 and the limitation of the working hours for children, between 9 and 14, to 7 hours a day.
- (d) fixing maximum working hours at 11 per day and for women a compulsory rest interval of an hour and a half if required to work for the maximum period;
- (e) prohibition of night work for women or work between 8 p.m. and 5 a.m.

The term “factory”, it may be added, did not include mines. Nor did the law take any account of the dangers from machinery to workers or accidents resulting from them. The Trade Union had not come into being; and “strike” as the worker’s weapon of offence and defence was unknown or unused. The influence of the employing class, both Indian and non-Indian, remained still powerful enough to defeat workers seeking anything like justice. These efforts at reform by Legislation, therefore, proved an unmitigated failure; any industrial dispute was sure to be resolved in favour of the employer.

The twenty years between 1891 and 1911 were without any milestone in Labour Legislation, or any attempt at a general improvement in labour conditions. Two new factors also came upon the scene, viz: (1) the invention of Electric Lighting and (2) the outbreak of Bubonic Plague. The electric light made it possible to carry on work continuously in the Factory, both night and day. There was in consequence no necessity to limit the hours for operating the machinery. That continual operation of machinery led to greater wear and tear and therefore to a higher liability to accident, seemed to be no concern of the employer. On the other hand the ravages of the plague led to a migration of the city labour to agricultural districts, which made at first the supply of labour scarcer, and so to some extent

improved its value. But the plague levied its toll in town as well as in country, with the result that the agricultural population also suffered in numbers. A slight improvement in agricultural wages had also occurred; and the factory worker, who had run away from the congested town areas, naturally demanded on his return a further improvement to keep pace with the improvement in agricultural wages. For a time, however, the condition of industrial workers had fallen very low. There were auctions of workers at street corners in places like Bombay. But on the whole, the first decade of the twentieth century led to a growing strength on the worker's side, resulting in several Industrial Disputes, that had to be settled in favour of the workers.

In the years that followed, right up to the beginning of World War I, the workers' conditions remained without any improvement, though their numbers were progressively increasing. This was mainly due to the influence of the Swadeshi Movement and the consequent increase of industry in response to a steadily growing consciousness of India's own possibilities.

Labour in the War of 1914-18

World War I opens a new chapter in the history of industrial development and labour legislation. During the War, such industries as had been established in the country made heavy profits because of the absence of competition. The factor of inflation also operated to raise prices, which forced wages to follow suit though not in the same proportion. As these profits were conditioned upon Labour working continuously and efficiently, the employing class was not utterly unwilling to increase the attractiveness of factory work. The terms and conditions were silently improved, though even then they remained far below what may be deemed human conditions of labour. The worker's wage had no connection with either of the two chief determinants: the value of his work, or cost of his living.

It was, moreover, a period of growing prosperity, though the lion's share in the prosperity went, as in Victorian Britain, to the capitalist employer. Lord Curzon's programme of railway extension, and irrigation works expansion, added to the prosperity, which was reflected in the increase in the number of factories from 656 in 1892 to 2403 in 1911. The average daily attendance of workers in these factories increased from 316,816 to 791,944 in the same span of years. A Commission of inquiry in that period remarked:—"The result of the scarcity of labour was to

increase the interest of the employer in making conditions more attractive. Raising of wages was one step, provision of housing was another”.

Nothing, however, was done inside the Factory to improve conditions of work, neither reduction in hours, nor provision of amenities. Two Commissions were appointed, one in Britain and the other in India, in 1906-7, which endorsed the complaints against employers about consistent evasion of factory legislation, and unanimously held that some limitation of the hours of work was essential in public interest, though the majority were against direct limitation by law. They even suggested that the maximum hours of work for women might be increased from 11 to 12, though one of the members, Dr. Nair was opposed to it. He even advocated the restriction of adult male workers' hours to 12 per day, and suggested that the powers of Local Governments to grant exemption be reduced.

Based upon these recommendations a new Factory Bill was prepared and passed into law in 1911.

Wages and Cost of Living

The concept of any correlation between the Cost of Living and the Worker's Wage was all but unknown in this country, though the Labour Movement had progressed sufficiently in Britain to emphasize more and more the need for effective correspondence between labour and living. No satisfactory means of settling trade disputes was thought of; and political action to realise the aims of organised labour was anathema to the ruling race in India. However small in number, the British Labour Party was sufficiently strong by discipline and organisation, to make it worth while for any Government in power in England to listen to its demands; but in India there was—and there still is—no real counterpart to that influence.

World War I coming at the moment it did, and making it necessary to mobilise all available resources of the Commonwealth for carrying on the war to victory, inevitably focussed attention upon the equality of all human beings. It was further driven home by the contemporary struggle of woman to secure her own social and political rights on a basis of equality so as to make the beginnings of the new social order as sure and secure as possible. An Industrial Commission was appointed, while World War I was still in progress, to investigate these possibilities. At the same time, a pledge was given by the British Prime Minister of the day to allow the entire Fiscal Policy of India to be reviewed and recast

at the end of the War to ensure protection, if found necessary, to the new and suitable Industries in this country.

After World War I

With the ending of hostilities, the War-time boom, both in employment and in profits, was threatened with extinction. Depression did not come all of a sudden. Prices continued to be high for two or three years after the War. The realisation by the workers that their struggle lay only in more effective class organisation, closer holding together and greater discipline amongst themselves, enabled them to sustain them for some time in the coming struggle, which was even then clear on the horizon. The example of Russia dropping the old regime, and turning to an entirely new social order, with complete socialisation of all means of production, distribution and exchange; and of Britain herself in the growth of the Labour Party and ideas of social justice, provided all the elements for a grim and prolonged struggle between Capital and Labour, which became inevitable when the common danger of the War was over. Lenin had said whoever won the War, the workers would lose it. The inner meaning of this slowly dawned upon the workers, who though not ready for a revolutionary struggle, perceived that if such a struggle came, they would have to lose nothing but their chains.

In the interval, therefore, between World Wars I and II, Labour went on increasing its demands, improving its organisation, and adopting new tactics, borrowed from abroad but adapted to the conditions at home, which made the struggle both long and grim. The association, however, of men like Mahatma Gandhi, who was himself a leader of one of the strongest and most numerous of Trade Unions in the country, with his philosophy of non-violence, his economics of the Spinning Wheel, and his tactics of peaceful persuasion of the employers regarded as trustees of their wealth for the benefit of their workers, infused a new spirit, which could not bring about an identity of interests between employers and employed, but only succeeded in making the struggle more arduous and prolonged. Statistics given below show the growth of workers' organisations, and the degree of their discontent as represented by the frequency of industrial disputes, and the consequent loss in production as measured in man-days.

TABLE II
REGISTERED TRADE UNIONS IN BRITISH INDIA
AS ON 31st MARCH 1943

Province	Number of Registered Trade Unions	Number of Unions making returns of Membership	Membership of Unions making re- turns
Ajmer Merwara	3	3	4,794
Assam	5	5	1,948
Bengal	229	117	221,635
Bihar	41	11	18,738
Bombay	77	69	130,688
C. P. & Berar	49	35	29,430
Delhi	30	23	16,895
Madras	143	86	49,451
N.-W. Frontier Province	6	3	418
Orissa	3	3	359
Punjab	24	23	12,493
Sind	28	28	8,934
United Provinces	28	27	20,976
Central Trade Unions (whose objects are not con- fined to one Province) ..	27	26	168,540
TOTAL	693	489	685,299

TABLE III
STATISTICS OF INDUSTRIAL DISPUTES SINCE 1921

Year	Number of Disputes	Number of people involved	Number of work- ing days lost.
1921	396	600,351	6984,426,
1922	278	435,434	3,972,727
1923	213	301,044	5,051,704
1924	133	312,462	8,730,918
1925	134	270,423	12,578,129
1926	128	186,811	1,097,478
1927	129	131,655	2,019,970
1928	203	506,851	31,647,404
1929	141	531,059	12,165,691
1930	148	196,301	2,261,731
1931	166	203,008	2,408,123
1932	118	128,099	1,922,437
1933	146	164,938	2,168,961
1934	159	220,808	4,775,559
1935	145	114,217	973,457
1936	157	169,029	2,358,062
1937	379	647,801	8,982,257
1938	399	401,075	9,198,708
1939	406	409,189	4,902,795
1940	322	452,539	7,577,281
1941	359	291,054	8,330,503
1942	964	772,653	5,799,965
1943	716	525,088	2,342,287

The Trade Unions were, about this time, knitted more closely together in a nationwide Congress, which helped to get the place of organised Labour officially recognised. Labour Representatives began to be sent to International Organisations, like the International Labour Office. The latter, an appendage of the League of Nations, was meant to work out comparable standards of work and wages, which, even if not immediately available in India provided an objective standard that helped to make Labour's struggle far more definite than would have been the case in the absence of such standards.

National Congress Policy Re. Labour

At this point let us review briefly the evolution of a National Labour Policy, as illustrated by the Congress pronouncements on the subject. The increasing importance of organised labour in the political struggle of the country came soon to be recognised by the most considerable Political Party in the country. In the famous Resolution on Fundamental Rights passed by the National Congress at its Karachi Sessions in 1931, it was laid down:—

“The organisation of economic life must conform to the principle of justice, to the end that it may secure a decent standard of living.

The State shall safeguard the interests of industrial workers and shall secure for them, by suitable legislation and in other ways, a living wage, healthy conditions of work, limited hours of labour, suitable machinery for the settlement of disputes between employers and workmen, and protection against the economic consequences of old age, sickness and unemployment.

Labour to be freed from serfdom and conditions bordering on serfdom.

Protection of women workers, and specially adequate provision for leave during maternity period.

Children of school going age shall not be employed in mines and factories.

Peasants and workers shall have the right to form unions to protect their interest.

The State shall protect indigenous cloth; and for this purpose pursue the policy of exclusion of foreign cloth and foreign yarn from the country, and adopt such other measures as may be found necessary. The State shall also protect other indigenous industries, when necessary against foreign competition.

Intoxicating drinks and drugs shall be totally prohibited, except for medicinal purposes.

Currency and exchange shall be regulated in the national interest.

The State shall own or control key industries and services, mineral resources, railways, waterways, shipping and other means of public transport.

Relief of agricultural indebtedness and control of usury direct and indirect.

The State shall provide for military training of citizens so as to organise a means of national defence apart from the regular military force."

These, taken along with other rights assured to workers, promised new orientation, which could not but stimulate a greater sense of social justice and keener appreciation of equality. The Election Manifesto of the Congress in 1936 also enunciated the policy of the Party in regard to Labour so as:—

"To secure to industrial workers a decent standard of living, hours of work and conditions of labour, in conformity, as far as the new economic conditions in the country permitted, with International Standards; suitable machinery for settlement of disputes between employers and workmen, protection against the economic consequences of old age, sickness and unemployment; and the right of the workers to strive for the protection of their interests".

It must be added that the Indian National Congress is by no means a Socialist,—and much less a Communist,—Organisation. Mahatma Gandhi, the motive force behind all Congress policy throughout this generation, seems to be an earnest believer in the rights of individual property; though he would treat such property as a trust of the owner not to be used exclusively for the holder's own enjoyment. As such, he would not leave the Capitalist employer absolutely at liberty to exploit the worker for his own exclusive advantage. But more fundamentally Gandhiji is opposed to modern industrialisation, as represented by large concentrations of workers in fully mechanised factories, producing, on a mass scale, standardised products for an unknown market. His influence is, accordingly, cast in the balance, not against workers as regards all the latter's demands which he deems just, but against that conception of Social Order, that dictate of Social Justice, which regards man's Labour to be the only active

factor in providing new wealth; which would make the community greater than the individual, and seek from the latter all that he can contribute in order to return to him all that he may need.

Labour Under Provincial Autonomy

The Congress outlook was summarised in the declaration of the first Congress Ministry in Bombay in 1938.

"Government are aware that they are in a special sense responsible for the welfare of the industrial worker. The process of industrialisation, which has gone furthest in this Presidency as far as India is concerned, takes away the independence of the worker, places him in a difficult environment, and creates social and political problems of a peculiar and complicated character.....This Government has therefore accepted it as its duty to endeavour to work out this programme, (as set out in the Election Manifesto,) using all the means at its disposal. Government will try to adjust the social and economic mechanism in such a way as to assure to the worker the satisfaction of at least his minimum human needs, security of service, provision of alternative occupations in periods of inevitable unemployment, and maintenance during periods of unavoidable incapacity for work. It is also an acknowledged obligation of Government to secure working and living conditions which are favourable to the worker's physical and moral health, and to ensure for him opportunities for the advancement of his status and a full measure of freedom of action consistently with his obligations to industry and society. The pace at which a programme to achieve these ends can be prosecuted will depend upon various factors, foremost among them being the co-operation of the working classes and of the employers, the state of the industries concerned and economic conditions generally.

"Government are examining the possibility of devising measures for setting up minimum wage fixing machinery to meet special requirements, for promoting the provision of better housing conditions, for control of house rent in cities, and for the relief and avoidance of working class indebtedness. With regard to industries and industrial centres which fail to provide a living wage to the employees, Government have decided to institute exhaustive enquiries with a view to determining how far wages in these cases fall short of the minimum budgetary needs of the workers, to discover what circumstances are responsible for the inadequacy, and to ascertain the ways and means of improving wages to a satisfactory level.

"For the protection of the industrial population, Government visualize the development of a comprehensive system of social insurance.....Government have under their consideration the feasibility of legislation for leave with pay during periods of sickness. It is hoped that the action taken in this direction would pave the way for a scheme of sickness insurance.

"Government contemplate an immediate extension and improvement of the Factories Act in several directions. Provisions of the Act relating to the weekly holiday, the interval of rest and spreadover of the hours need amendment. Satisfactory dining accommodation and adequate medical aid will be made a legal obligation. The position regarding the maximum hours of work will be reviewed. Government find that some regulation of night-shift work in general will have soon to be considered.

"With regard to Trade Disputes, Government are determined to pursue an active policy with a view to maintaining industrial peace in the Presidency, endeavouring all the time to see that the workers obtain a fair deal. It is the intention of Government to promote legislation aiming at the prevention of strikes and lockouts as far as possible. The basis of this legislation would be the requirement that no reduction in wages or other change in conditions of employment to the disadvantage of the worker should take effect till they have had sufficient time and opportunity for having the facts and merits of the proposed change examined, and all avenues of peaceful settlement of the dispute explored either through the channel of voluntary negotiation, conciliation, or arbitration or by the machinery of the law. A corresponding obligation would rest on the workers in respect of demands on their behalf.

"While Government propose to do all that is practicable for the amelioration of the conditions of the working classes, they are convinced that no legislative programme can be a substitute for the organised strength of the working class; and till organisations of workers, run on genuine Trade Union lines, grow up in the various fields of employment, no lasting good can accrue. Government are, therefore, anxious to assist in removing real hindrances in the way of the growth of labour organisations, and to promote collective bargaining between the employers and the employees. Means will be devised to discourage victimization of workers for connection with a labour organisation and participation in legitimate Trade Union Activity."

Factory Act of 1922

This summary of the National Labour Policy, adopted by the largest political Party in the country even before it came to power in September, 1946, as Interim Government, was an inevitable interruption of the historical sketch attempted in this Introduction. Let us resume the tale of Labour Legislation, where it was left off.

Since the Factory Act of 1911, the most important milestone in such Legislation was the Act of 1922, which provided that:—

- (1) that a factory was a place where not less than ten persons were employed for wages;
- (2) such factories would have to be notified for registration, and be registered;
- (3) employment of children under 12 should be prohibited, while children between 12 and 15 were restricted to 6 hours of work per day with a half-hour rest interval after not more than 4 hours of work;
- (4) no children should be employed on the same day in more than one factory;
- (5) maximum hours of work for adult workers to be limited to 11 per day, or 60 per week;
- (6) employment of women be prohibited between the hours of 7 p.m. and 5-30 a.m. except in such seasonal industries as fish-curing and canning;
- (7) a compulsory rest interval, and a weekly holiday, for all labour.

Factories which sought exemption from any of these provisions had to comply with well defined conditions before exemption could be granted.

This law was amended by the Acts of 1926 and 1931, which made certain minor improvements; but left the basic principles untouched till 1934, when another Act was passed to overhaul the Legislation. The new Law, however, was confined mainly to the hours of work, and the exclusion of certain classes of persons from work during certain hours.

Share of Labour in Production

Nowhere, however, in all the Factory Laws passed so far was realised the broader conception of Labour in industry, its place in the economic life of the country, and its just share in the new wealth produced in the country.

Very little attempt was made to correlate Wages with the Cost of Living and still less of the wage total with the aggregate value of the National Dividend. In Bombay, which has all along been a leader in Labour Legislation, studies were made in regard to the Working Class Budgets to prepare a workers' Cost-of-Living index. These Budgets revealed some staggering facts showing that in many cases an honest hard-working labourer could not earn enough to provide for his family a diet equal to that prescribed for convicted prisoners, or even for famine rations. The subjoined tables indicate, in a broad general way, the earnings and expenditure of factory labour in India, which will suffice to show what a standard of living the workers have in this country.

TABLE IV.
AVERAGE EARNINGS OF FACTORY WORKERS IN
BRITISH INDIA.

	Average annual earnings in rupees during			Increase in 1944 over (in rupees)		Percentage increase in 1944 over	
	1944	1943	1939	1943	1939	1943	1939
Textiles	633.6	571.5	293.5	62.1	340.1	10.9	115.9
Engineering ..	589.8	529.0	263.5	60.8	326.3	11.5	123.8
Minerals & Metals	573.5	502.1	457.2	71.4	116.3	14.2	25.4
Chemicals & Dyes	484.6	398.0	244.8	86.6	239.8	21.8	98.0
Paper & Printing	474.1	414.0	332.7	60.1	141.4	14.5	42.5
Wood, Stone & Glass	368.4	303.1	194.2	65.3	174.2	21.5	89.7
Skins & Hides ..	532.1	411.0	285.8	121.1	246.3	29.5	86.2
Ordnance Factories	546.8	527.4	361.9	19.4	184.9	3.7	51.1
Mints	695.2	574.4	367.4	120.8	327.8	21.0	89.2
Miscellaneous ..	513.8	392.0	281.2	121.8	232.6	31.1	82.7

TABLE V
Comparative Table of Cost-of-Living Index in 1945, (Base, August, 1939).

	BOMBAY					U.P.		C.P.		Punjab		Madras	
	Bombay	Ahmedabad	Sholapur	Cawnpore	Nagpur	Jub'pore	Lahore	Madras					
January ..	218	282	273	301	249	287	283	217					
February ..	218	267	267	301	249	282	285	230					
March ..	214	256	267	302	247	281	303	229					
April ..	215	256	266	311	248	277	302	224					
May ..	219	262	268	294	252	275	292	227					
June ..	224	263	271	302	257	282	291	227					
July ..	229	267	275	307	262	286	290	227					
August ..	231	275	286	315	263	286	293	229					
September ..	229	281	284	320	272	287	279	231					
October ..	230	297	284	318	269	282	284	230					
November ..	230	277	282	317	270	284	291	230					
December ..	230	281	279	310	272	286	293	229					

TABLE VI.
Percentage Distribution of Expenditure

Groups	Bombay (1932-33)	A'dabad (1933-35)	Sholapur (1925)	Nagpur (1927)	Jub'pore (1927)	Rangoon (1928)	Madras (1938)
Food	46.60	49.31	49.25	64.10	66.00	52.7	52.63
Fuel & Light	7.11	6.65	9.60	9.62	7.95	5.2	6.67
Clothing	7.75	9.12	11.86	10.70	10.86	10.6	4.50
House rent	12.81	10.97	6.27	1.92	1.44	13.9	11.14
Miscellaneous	25.73	23.95	23.02	13.66	13.75	17.6	25.06
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Note:—The figures are not *strictly comparable* due to differences in the items included in the different groups. But they nevertheless serve to show the variations in the distribution of expenditure in a general way.

TABLE VII

The standard of life is more often than not conditioned by the size of the family and its income.

The following figures are of interest in this connection :—

	Bombay	A'dabad	Sholapur	Nagpur	Jub'pore	Rangoon (Burmese)	Madras
Average size (of the family in persons) ..	3.70	4.05	4.57	4.33	3.76	3.01	6.03
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Average monthly income	50 1 7	46 5 0	39 14 10	..	..	58 8 3	37 5 11

Even if the employer was unconcerned with other aspects of the worker's life besides giving him a wage in return for a fixed quantity of work, the country could not afford to be indifferent, as the working class constituted by far a greater proportion than the employing class. Conditions of the worker's personal safety and social security, compensation against accidents, matters relating to maternity benefits for women workers etc., must also be attended to, with which the average employer was utterly unconcerned. The organisation of workers in Trade Unions, recognition of those organisations for settling disputes as regards the terms and conditions of work, and the other activities of such bodies in a field wider than that covered by the programme of improving working conditions, were gradually growing upon the consciousness of the Indian workman as also of the masses of the people. The influence of the International Labour Office and the Conferences convened under its auspices worked in the same direction. Thanks to these the first **Trade Disputes Act** was passed in 1929, while a beginning in Workmen's Compensation Act was made in 1923. The same year saw the first Indian Mines Act, while an amending Trade Union Act was passed in 1926.

All these, however, made piecemeal Legislation which did not meet the ever-increasing demand and ever-widening consciousness of organised Labour regarding its own dues, and the growing awareness to the country as a whole of those dues. A Royal Commission on Labour, presided over by the Hon. Mr. Whitley, was appointed in 1928, as much because of the recognition of this new consciousness of Labour,—as of the growth of the Communist sentiment in certain sections of the Labour Movement in India. Its terms of reference were:—"To enquire into and report on existing conditions of labour in the industrial undertakings and plantations in India; on the health, efficiency and standard of living of the workers; on the relations between employers and the employed, and to make other recommendations."

The Commission had amongst its Members recognised Leaders of Employers as well as of Workmen of the Indian Government. The Chairman was a veteran of the British Labour Party, then forming the Government of that country. After long deliberations, the Commission made a number of most elaborate recommendations, too detail-

ed to be summarised here; but an attempt is made to embody the best of them in a (Draft) Charter of Labour given at the end of this Introduction.

Many of these recommendations could not be given effect to all at once by Legislation, mainly because of the impending constitutional changes. Those changes were designed to transfer a substantial measure of effective power in the governance of the country, from an alien bureaucracy, to Ministers responsible to the chosen representatives of the people. This was effected by the Government of India Act, 1935, which inaugurated a measure of Provincial Autonomy. Under the new regime, halting and restricted as it was, Labour became a provincial subject, though the basic policy of the country still remained for the Central Government to determine.

While, however, the governing policy in regard to Labour was being evolved by Political Parties in the country, like the Indian National Congress, the then existing Government were not utterly unmindful of the claims of Labour. An outstanding amendment was made by the Indian Factories' Act of 1934. For the first time, the law makes a distinction between "seasonal" and "perennial" factories, conditions of work being necessarily different in either category. Power was given to the Provincial Government to declare any factory, previously classed as seasonal, to be perennial, if the manufacturing processes were ordinarily carried on for more than 180 days in the year. They were likewise authorised to declare any factory, in which manufacturing processes were carried on for not more than 180 days in the year, and which could not be carried on except during particular seasons, and at times were dependent on the irregular action of natural forces, to be seasonal factories.

Before the Act of 1934, the working population in any Factory was classed in three groups, i.e., adult males, adult females, and children between the ages of 12 and 15. The Act of 1934 introduced a new group of "adolescents", i.e., persons of either sex between the years of 15 and 17 who have not been certified as fit to be employed as adults.

The maximum hours of work were fixed for a week for the several classes of workers. For perennial factories, the maximum was fixed at 10 hours a day and 54 per week, provided that persons employed on work necessitating con-

tinuous production for technical reasons, or those whose work was required for the manufacture or supply of articles of prime necessity which must be made or supplied every day, may be employed longer, but for not more than 56 hours in any one week. The maximum time for both adolescents and children have been limited to five hours per day in both classes of factories. The same law laid down limitation of the period of consecutive hours during which the daily maximum of hours could be worked.

Industrial Disputes Legislation

The settlement of Industrial Disputes by legislation was first attempted in 1929 as a temporary measure. It was amended in 1934 and made permanent. That Act, together with Rule 81A of the Defence of India Rules and the Essential Services (Maintenance) Ordinance of 1941, constitute a body of all-India legislation, which, though amended from time to time serves even now this purpose for the whole country. Bombay, the most industrialised Province, has its own legislation on this subject in the Bombay Industrial Disputes Act of 1938. The main Act was amended in 1938 to authorise appointment of conciliators, and was supplemented for wartime needs by the Rules and Ordinances referred to above.

It is unnecessary to go into the details of the Wartime Rules and Ordinances. The main provisions of the Industrial Disputes Act, as amended upto 1938, are:—

- (1) The Central Government in regard to the Railways and other similar concerns under them; and the Provincial Governments in regard to industries or groups of them in their jurisdiction, are authorised to refer any matter, being the cause of differences,—actually occurring or apprehended as likely to occur,—between employers and employed to a Court of Inquiry, for investigation and report.
- (2) If it appears likely to the Government concerned that the dispute would be amicably settled by mutual conciliation, they are authorised to refer the whole dispute to a Board of Conciliation.
- (3) The discretion of the Government in both these cases is absolute, where no reference is made to them by either party to the dispute; or where reference is made only by one of those parties.

- (4) If both parties to the dispute apply to Government, jointly or separately, to appoint a Court of Inquiry, or a Board of Conciliation, Government must do so, if they are satisfied that those who make the reference represent a majority of the party affected.
- (5) Such a Court of Inquiry consists of an independent Chairman and two other independent members or only of one independent person. It is a fact-finding body, intended to investigate and report upon such matters as are connected with the dispute and have been referred to them. Their report is not automatically a settlement of the dispute, which would depend upon the force of public opinion on either side.
- (6) Boards of Conciliation, consisting of one independent person by himself, or as chairman with two or four other persons being equal representatives of the interests concerned, nominated by the parties concerned, are intended to settle disputes.
- (7) These Courts and Boards are authorised to enforce attendance of witnesses and production of documents.
- (8) Though neither party to the dispute is bound to accept the findings of a Court, or the advice of a Board, in practice both parties generally do so.
- (9) There are special provisions regarding Public Utility Services, defined to include postal, telegraph or telephone services; any undertaking which supplies power, light, or water to the public; any system of conservancy or sanitation; and any railway water or transport service declared by Government to be a Public Utility. The employees in these services cannot go on strike without giving 14 days' notice of their intention to strike work; and if they do, they would be committing an offence punishable by prescribed penalties, which apply also to their abettors.
- (10) The Central Government in regard to the enterprises conducted by them, or under their authority; and the Provincial Governments in respect of enterprises within their jurisdiction, are empowered to appoint Conciliation Officers, charged with the duty to mediate in or promote the settlement of industrial disputes. These officers are entitled to call

for relevant documents, and enter premises of the employers.

- (11) Any strike or lock-out, which has objects other than, or in addition to, the furtherance of a Trade Dispute within the trade or industry in which the strikers or employers locking out are engaged; or which is designed or calculated to inflict general hardship upon the community, with a view to compel Government to adopt a particular line of action, is illegal. Those promoting illegal strikes are liable to punishment. Those refusing to join such strikes, or lock outs, will be protected against Trade Union disabilities.
- (12) On these lines, but much more advanced and comprehensive, is the Bombay Industrial Disputes Act of 1938. It makes all strikes and lock-outs illegal, until such time as the procedure provided in the Act for conciliation or arbitration has failed. All industrial matters relating to wages; conditions of employment; privileges; rights or duties of employers or employed; mode, terms and conditions of employment or non-employment are laid down in 2 schedules. Schedule I contains all matters which relate to Rules of Conduct, or Standing Orders for operatives; Matters connected with wages, hours of work, conditions of employment etc., regarding changes under which employers are required to give notice to workers' representatives are given in Schedule II.
- (13) Within 2 months of the application of this Act to any industry, every employer in it is required to submit a draft of the Standing Orders he wishes to adopt to govern his relations with his workmen. The Provincial Labour Commissioner has the right to "settle" these Standing Orders after consulting all interests concerned; and subject to a right of appeal to the Industrial Court by any one aggrieved by any such settled Standing Order.
- (14) No employer can make a change in any Standing Order once settled by the Commissioner of Labour, by the Industrial Court upon appeal. No matter included in Schedule II can also be changed by the employer without notice of his intention to do so having been previously given to the Representative

of the Employees. Any employer who wants such a change in relation to any industrial matter must give notice of such a change; copy of every such notice should also be sent to the Commissioner of Labour, the Chief Conciliator, the Registrar and the Labour Officer of Government, and to any other person that may be prescribed under the Act.

- (15) No Union would be recognised which has not been registered under the Indian Trade Union Act 1926. Any Union having 5% of the total employees within an industry or occupation, and which has been recognised by the employers concerned, will be registered on application. Similarly any Union, which, though not recognised by the employer, but has a membership of at least 25% of the total number employed in the industry or occupation concerned in the local area, may also apply for registration for the purposes of the Act. Any Registered Union may also apply to the Registrar to be recognised as a Representative Organisation of the workers in that Union.
- (16) Unions having a membership of 5% or more, but less than 25% of the total engaged in the industry, which are not recognised, may apply to the Registrar for being declared qualified Unions. The three types of Unions are: Registered, Representative, and Qualified.
- (17) Whenever any change is proposed, the employer and representatives of the employees must first discuss the proposed change by themselves. Not more than 15 days are allowed for these discussions. If during this period an agreement is reached between them, a memorandum of such agreement must be prepared and copy sent to the Registrar of Unions for registration. In cases where the Labour Officer is one of the parties to such an agreement, he must submit the terms of the proposed agreement to a meeting of the employees. He is authorised to enter into an agreement only if a majority of such employees agree.
- (18) If these preliminary proceedings do not result in an agreement, the side proposing the change, if it still desires that the change should be made, must send a full statement of the change and the reasons

for it to the Conciliator, the Chief Conciliator, and the Registrar, to be entered into a Register kept for the purpose. Once entered in the Register, the Conciliation machinery can start functioning towards settlement.

- (19) The Act provides for the appointment of a Conciliator and Special Conciliator. The Commissioner of Labour is the Chief Conciliator *ex officio*, and he can intervene at any stage in the conciliation proceedings. In addition there may be Boards of Conciliation, consisting of an independent Chairman, and members representing both sides, selected by Government from panels formed for the purpose. These authorities are entitled to call witnesses and demand documents. On the conclusion of the Conciliation proceedings, the Chief Conciliator or the Conciliator concerned must send a report of the whole case to Government. In all cases where settlement is reached, copy of such settlement must be forwarded to the Registrar.
- (20) While proceedings are pending before a Conciliator, Government may, if both parties agree either before the proceedings commence or after the failure of the proceedings, refer the matter to a Board of Conciliation. They may prescribe the time within which the different stages of the Conciliation proceedings must be concluded.
- (21) Besides the Conciliation machinery, the Act also provides for the appointment of an Industrial Court to determine Industrial Disputes, and deal with other matters under the provisions of the Act. An Industrial Court may consist of two or more members selected from persons who are, or have been qualified to be Judges of the High Court. The Court can decide all matters referred to it, including appeals brought to it from the decisions of the Commissioner of Labour in regard to Standing Orders.
- (22) In addition to the Industrial Court, provision is also made for Arbitration. Any employer or a registered Union may, by a written agreement, agree to submit any present or future industrial dispute to arbitration by any persons,—whether named in the agreement or not,—or by the Industrial Court. Unless otherwise provided, all such submissions once

made are irrevocable, though they may be terminated by six months' notice.

- (23) As soon as the matter is referred to Arbitration, Conciliatory proceedings provided for in the Act are barred, in cases where the representative of employees is a registered Union which is a party to the submission.
- (24) In certain cases Arbitration is made compulsory under the Bombay Industrial Amendment Act of 1941, which gives power to the Provincial Governments to refer any dispute to the Arbitration of the Industrial Court, if it is satisfied that the continuance of any such dispute is likely to cause serious hardship to a large proportion of the people, or seriously affect the industry and the prospects or scope of employment therein, or cause serious disorder and breach of public peace. This Act has been applied to all the Industries in the Province of Bombay to which the main Act applies.
- (25) The Act declares a strike or a lockout to be illegal if it is declared, started, or continued in cases where it relates to any industrial matter mentioned in Schedule I :
 - (a) before the standing orders relating to such matters submitted to the Commissioner of Labour are settled by him, or by the Industrial Court, or before six months have expired from the date when such standing orders came into operation.
 - (b) when no notice is given in accordance with the provisions of the law;
 - (c) on the ground that the employer has not carried out the provision of any standing order or has made an illegal change;
 - (d) where notice of change has been given, but no agreement has been arrived at before the submission of the case to the Registrar;
 - (e) where conciliation proceedings in regard to an industrial dispute to which the strike relates, have started before the completion of the proceedings;
 - (f) where a submission is registered, until such submission is lawfully revoked;
 - (g) or in contravention of the registered agreement, settlement or award.

- (26) Where in any dispute conciliation proceedings have been completed, any strike or lockout relating to such dispute will be illegal if it is commenced at any time after the expiry of two months from the completion of such proceedings. Whether or not any such strike or lockout is illegal, shall be determined by the Industrial Court. The Act provides various penalties for breaches of its provisions for instigating or inciting others to take part in illegal strikes or lockouts; for making illegal changes; for disclosing confidential information; or obstructing persons from carrying out duties imposed by the Act, and for victimisation of employees for Trade Union activities, or for participation in any of the activities under the Act.
- (27) Miscellaneous provisions of the Act are too many to be summarised here.

Aim of Industrialisation and Labour

The history of Labour, as of many other facets of our National Economy, came to a new stage with the beginning of World War II. The specific developments that took place thereafter will be recorded in the Summary of Developments at the end of this Volume.

At the point at which the National Planning Committee was set up, i.e. late in 1938, general recognition had already been given to the need for large-scale industrialisation of the country, if the immense problem of the country's poverty was to be solved. The solution of that problem required not merely an increase in the total wealth produced in the country; but also its more even, more just, more equal distribution, so as to raise the standard of living for the people as a whole. This rise must not be measured in averages; it must be a real improvement in every one's condition of living. The citizen must not only get more to live on; he must also be taught and enabled to make the best use of all that he got.

This, it was believed, could be accomplished by developing new industries in the country. But that would not be enough by itself in the existing order of society. Instead of individual enterprise being allowed to set up new industries, or develop existing ones, in a haphazard manner, without any definite plan, place or objective for every industry in the general economic structure of the country, the National Planning Committee was appointed to carry out this on a planned scale to cover all aspects of our national eco-

onomy, and all stages of its development, to a pre-conceived goal, within a pre-determined period. And in such development, Labour, or the working class, must have its full share.

Place of Labour in Planned Economy

The aim of Industrialisation thus conceived has been laid down by the National Planning Committee, in a Note for the Guidance of Sub-Committees, as follows:—

“The fundamental aim to be kept in view is to ensure an adequate standard of living for the masses. An adequate standard of living implies a certain irreducible minimum, plus a progressive scale of comforts and amenities. Estimates of economists in different parts of India put down this irreducible minimum at figures varying from Rs. 15/- to Rs. 25/- per capita per month in the present value of the rupee. The expression in terms of money is only used for the sake of convenience, the real measure being in terms of goods and services. An approximate estimate puts the average annual income per capita at Rs. 65/-. This includes the rich and the poor, the town-dweller and the villager. The average of the villager is estimated to be somewhere between Rs. 25/- and Rs. 30/- per annum per capita. This implies not only a considerable deficit in food supply, but also in the other essential requirements of human existence. The national income must, therefore, be increased greatly during the next ten years to ensure an irreducible minimum standard for everybody. In order to secure this minimum standard, not only will it be necessary to increase production; but also to bring about a more equitable distribution of wealth.

A really progressive standard of life will necessitate the increase of the national wealth five or six times. But for the present the minimum standard, which can and should be reached, is an increase of national wealth between two and three times within the next ten years. It is with this object in view that we should plan now. Planned advance has to be measured by certain objective tests from year to year. These may be laid down as follows:—

(i) The improvement of the nutrition standard to an irreducible minimum requirement of proteins, carbohydrates and minerals (as well as necessary

protective foods) having a calorific value of 2400 to 2800 units for an adult worker.

(ii) The improvement of clothing from the present consumption of about 15 yards on an average to at least 30 yards per capita per annum.

(iii) Housing standard to reach at least 100 sq. ft. per capita."

These objectives were to be achieved by a careful comprehensive Plan applicable to the whole country. The National Planning Committee defined the task of planning to consist in "the technical co-ordination, by disinterested experts, of consumption, production, investment, trade and income distribution in accordance with essential objectives set up by Bodies representative of the Nation."

In this conception is embodied not only the economic aspect, and much less the purely industrial aspect of National development, but also the cultural and spiritual values of life as a whole in a modern civilised community. The essence of planning, as thus conceived, being a simultaneous advance on all sectors of national economy, to be accomplished by predetermined stages within a prescribed period, had perforce to include industry as well as agriculture, utilities as well as services and amenities, so that all means of production from land, mines, forests or industry, as well as commerce, and transport, social services of health and education, public utilities of all kinds, and the guarantee of adequate employment, suited to each worker's training, aptitude and the circumstances, became indispensable ingredients of a scientific plan on a national scale.

Redistribution of Employment

With such a comprehensive conception of planned national economy, there need be no scale of priorities in the several objectives, which are mutually interconnected and interdependent. They have all to be achieved within the given period, and up to the prescribed degree, if the Plan is to be realised. For the sake of convenience, however, we may add that the first objective in planning would be to increase the aggregate of material wealth in the country, of services and utilities, comforts and amenities, so as not only to have a much larger national dividend in the aggregate, but also to make it more evenly shared by the total population of the country. This sharing can be done by individual participation in the work by all classes of people. This means securing of full employment

for all able to work. It would be an incidental, but nonetheless a most important objective of planned development.

Employment being once secured, and unemployment, whether casual, accidental or permanent, insured against, the terms and conditions of that employment, including the remuneration for it, would have to be standardised with a guaranteed national minimum as a lease. It must secure the irreducible minimum standard of living for every worker as stated above. These may, therefore, be regarded as corollaries or consequential aims of planning.

Another important consequence of the realisation of a scientific Plan would necessarily be a re-distribution of the population, so as to relieve the present excessive burden or pressure on the soil while agriculture remains the sole productive employment for over four-fifths of the people. Employment must be provided for the surplus population in new industries, services, or utilities which would be brought into existence or developed as the result of carrying out a planned programme. There can be no fixed proportion of the population that might be engaged in agriculture or its connected or subsidiary industries, manufactures, utilities, amenities and services. Speaking, however, in broad generalities, with reference to this country, it may be said that the present preponderant pressure on the soil must be substantially relieved. The entire economy of the country must be reconditioned, so as to make Agriculture and its subsidiaries or ancillaries directly employ not more than 50% of the total working population, in the cultivation of the soil, or exploitation of raw materials. Other industries,—manufactures,—both large-scale and small, may be taken to occupy another 20% in the various processes; while Trade, both Internal and Foreign, and its ancillary services of shop-keeping, banking, insurance and transport, may engage another 10%. The remainder would be accounted for by the social services of Health, Education and Entertainment; and Public Utilities like Transport, Drainage, Lighting and Power (10%) and the general governance, administrative, and defence of the country (10%). ✓

These are only illustrative figures, and not necessarily the precise ideal to be worked for. They only indicate the direction and the extent to which redistribution of working population is necessary. It does not also mean that the present distinction between workers and dependants would disappear altogether. Much of the labour, however, such as that of the housewife, which now escapes

any concrete recognition, or of the children at school, will have to be definitely recognised and allowed for in the aggregate National Budget. The former is part of the social services, which, like any other social service, must be treated as productive employment and remunerated accordingly, if not in money terms, in such other terms as would fully recognise the status and importance of that service. The latter,—the work of the rising generation of children at school,—is a sort of investment for the future generation, the tasks and responsibilities of which would not be effectively shouldered unless the present generation of children is properly educated for the same. Abolition of illiteracy is one of the objectives put forward by the National Planning Committee in its Instructions to Sub-Committees. The education, however, that is meant here is not merely confined to the rudiments of literacy; but will have a much richer content and wider extent, so as to make the citizen of tomorrow fully equipped for the tasks of life.

Proper regard must at the same time be paid not only to the physical well being and material training of the children; but also to their moral and spiritual growth, that does not figure as largely as it might in the existing programmes of education. It has been calculated that even in an advanced country like the United States of America, the intellectual age of the average citizen under the existing order of individual enterprise, is not more than 14 years, as measured by the Intelligence Quotient of the American Soldiers drawn from all strata of society. For this country, therefore, there is very considerable room for improvement in this regard.

As for the aged and the infirm, those temporarily or permanently disabled by illness, accident, or other disability, the community must regard them as entitled either to superannuation allowance, so to say, having been disabled, invalidated or become aged in the country's service, or alternatively being maintained out of the national provision on account of social security or insurance against illness, accident etc., for the entire working population of the country. The insurance system, as will be remarked in another connection, would be a compulsory, universal contributory system in which the worker would contribute from his working wages as much as the community as a whole to the fund and from which he would receive his share during illness or any other temporary or permanent

disability, not as a matter of charity but as a matter of right.

With the disappearance of the distinction between workers and dependants, with the abolition of the parasite, the creature of privilege or vestige of tradition, the sum total of the nation's wealth must grow at a sharply progressive rate, presenting an ever-increasing amount for the national dividend. The aim of industrialisation would be achieved not only in providing alternative employment to the population found surplus on the soil; but also in adding substantially to the sum total of the national wealth, which, being more evenly and adequately distributed, will help to raise the all-round standard of living of every citizen.

Factors of Production

The commonest conception of Planning consists in an increase of production of the material wealth of a community, viz: goods and services. Mere increase in quantity or volume, however, in the aggregate of material wealth would be of little aid in improving the individual's standard of living, unless the whole of the wealth thus increased is more evenly, more equitably distributed, and each individual member of society gets all that is necessary for existence in civilised society. If there is not enough to go round evenly for all, all must suffer privation alike; if there is a surplus or superabundance, all should enjoy the excess alike, also. But even if the latter is considered unnecessary a decent minimum of civilised life must be obtained for all, before an excess or superabundance is enjoyed by any. In no case should the fact of there being a surplus be suffered to become the means of exploitation of the many at the hands and for the benefit of a few; and so perpetuate inequality, want and destitution.

This is the worker's due as much because he helps to produce the increased wealth as because it is a primary demand of social justice. Unless he is maintained in working efficiency for all his working life, he would be unable to continue the process of production, which is needed to keep up a progressive improvement in the standard of living. In a properly planned system, all those who can work would, of course, be expected to work, and so contribute to bring about the total national wealth for being shared amongst all the members of the community. The main factors of production are really two: (1) Man, and

(2) Nature. The latter was termed "Land" by the classical economists,—a compendious term to include the initial endowment of each country of those natural advantages, such as agricultural land, rivers, mines, forests and even climate, which provide the raw materials, the necessary conditions and environment, the basis or foundation for producing wealth or the means for human welfare. But these, it must never be forgotten are only raw materials, the elements, which cannot be consumed in that state of nature.

Man, on the other hand, supplies by his labour, by his knowledge of the working of nature, by his grasp of the process of science, by his technique, organisation and enterprise, what is needed to transform the raw materials of nature into finished goods or services required for the satisfaction of human wants. That sum total of goods and services is wealth proper. The human contribution thus "creates" that value in a system dominated by exchange, called also "price" in a system of money economy. The share of Labour converted into money terms is called wages, and general conditions of work.

The three factors of production as laid down by classical economists are "Land, Labour and Capital", which their individualist successors maintain even today. These between them produce wealth; and it must be shared amongst them in the form of rent, interest and wages. The contribution of "Land" and "Labour" has been described above. "Capital in the sense of tools, implements, buildings, cultivated land, exploited mines, developed forests, bunded or trained rivers, and coastal waters worked for transport or fishing as well as plant, machinery and equipment is nothing but past human labour, the results of which, instead of being consumed at the moment they were produced, have been saved and stored up and embodied in forms designed to aid human labour still further in the process of producing new wealth year after year. Accordingly, any share in the distribution of such wealth, which may be reserved for "capital" would be so much deduction from the share given to Labour. The share assigned to "Capital" is justified, if at all, only on the ground that it makes provision for maintaining the entire apparatus for continued production. It is a collective Depreciation Fund meant to replace or renew worn out or destroyed equipment, implements, machinery etc.; and part even to stimulate saving so as to provide new "Capital" to cope with the advance of Science or Invention.

The same justification may likewise be advanced, perhaps with much greater force, for that part of the wealth produced from the raw materials of nature to replenish those natural resources, e.g., by way of manure on cultivated land, or replantation of forests, bunding of rivers, regulating of fisheries, and so on. For these various sources of raw materials must be regarded as exhaustible, if not in the sense that a mine is exhausted, at least in the sense that worn out land, or denuded forest, or untrained river, or eroding soil would be unable to yield new wealth in the same measure as before, unless they are replenished. The food and care given to cattle yielding milk or meat or muscular energy has the same justification. All that, however, is so much deduction from the aggregate available for distribution amongst the workers.

Human labour itself is exhaustible. Man's life is limited, and his capacity for working is still more so. He is a consumer from the moment he is conceived, and remains so right up till his death and disposal thereafter. He is a producer, on the other hand, only during the years that he is well and fit and properly trained for the particular job that he may be engaged upon. The full potential of a man's contribution to produce new wealth is, therefore, limited to perhaps half his normal span of life, while his demand is co-terminus with his whole life if not longer. In other words, the potential supply for half the life must equal the demand for the whole life. And that, too, will be true on the assumption that man can and does work when he is in full possession of all his faculties, for all the days each year, and all the hours every day. That is manifestly impossible, even if he needs to eat and drink, clothe himself and rest all the days of his life.

Add to all this the restrictions brought in by our social system, in which large numbers remain unworking, and so not contributing anything specific to the production of new wealth; and you will see the growing disparity between the two sides of the equation. Enforced non-working of such classes as infants or children in school need not be deemed really non-producing; since they are preparing for the future. Their maintenance, education, and training up to the age when they can be effective for new production is a sort of investment, that may be regarded as capital embodied in human beings. It will bear fruit when these young men and women, properly trained for the job before them, set to work. Somewhat similar justification may also be made for those other non-workers, who, by accident, ill-

ness, or old age, are out of work temporarily or permanently. In a properly planned society with carefully organised work, they would be provided for on account of their past contribution, even though they may not be contributing at the moment. But even if they are provided for, the fact remains that, in so far as their contribution is lacking in the production of new wealth available to the community as a whole for distribution and progressive improvement in the standard of living, the total supply would be less than it might have been. Per contra, the demand remains the same as for the entire community not to mention the larger needs of the aged and the infirm, the invalid and the under aged. The equation would break down in no time but for the fecundity of mother earth and the ingenuity of man. One provides the raw materials, ever renewed; the other provides the tools and implements, plant and machinery, which save labour and yet increase the fruits of that labour so as to supply ever more and more of the commodities and services needed for satisfying the wants of man. As it is, the full potential labour force is hardly utilised in any individualist community or class society; and that is the only true explanation of the continuance of poverty, disease and untimely death of large numbers. It is for proper planning—full mobilisation of labour and utilisation of material resources, rationalised production and equitable distribution—to guard against this needless loss to mankind.

Still further deduction is made from the total potential labour force of any community because of such artificial restriction as the exclusion of women from productive work, or at least non-recognition of such work as women may do in the home, in the aggregate National Budget. The presence of the wholly non-productive classes like Landlords, Rentiers, or Priests, not to mention certain parasitical professions like lawyers, prostitutes or religious mendicants, is distinctly a loss to the Nation's wealth producing capacity. Those, however, who render service as teachers, doctors, and nurses are not truly non-productive. Even priests provide spiritual consolation, and so may not be deemed to be utterly unproductive, and, therefore, unmitigated parasites, even though the immediate result of their labours may not be the production of material goods. For these services enter into the sum total of a Nation's wealth; the community collectively, and the individuals making it up, are enriched by it; and consequently better able to carry out their work than they would be in the absence of such service.

Nonetheless, the many restrictions on or deductions from the total man-power in a community for productive purposes diminish the potential aggregate of National Wealth.

Altogether, therefore, Labour is an active agent in production, even more important than Nature, since the gifts of nature would be unavailable for human consumption unless and until they are worked up by the labour, the knowledge, and ingenuity of man.

Labour and National Dividend

It follows, therefore, that Labour's share in the sum total of national wealth should be all the wealth produced for the workers, minus such portion as may be necessary for:—

- (i) maintenance and replenishment from time to time of sources of raw materials like land, mines, forests etc.,
- (ii) provision against the wear and tear of and obsolescence of capital goods, e.g. machinery, plant, tools and implements;
- (iii) Outlay on bringing up properly, educating and training the rising generation, upkeep of those temporarily or permanently disabled from work, including arrangements for the social security of all workers.

This, however, can only be attained if not only there is a universal mobilisation of the entire available man-power in the country, properly trained and educated to do efficiently the work of the community; and the work is distributed according to the training, taste or temperament of each worker, after being properly planned and organised; but also when there is a just and scientific system of distributing the wealth produced in the country.

In any system of planning, which claims to be comprehensive and embraces every aspect of human life, not only will there have to be Social Conscription but also the distribution of the conscript labour in the process of production as and when required in answer to the several items, sectors, or stages of the Plan. Work will, however, not have the limited connotation which is nowadays attached to it in an organised society or in planned economy. All work will be recognised as national service, in whatever capacity and wherever it is performed, provided it is in accordance with the Plan. All labour, whether it results in the production of material goods, or social service, working up the gifts of Nature, to be ready for human use; all those engaged in public utilities, or

amenities needed to make the standard of living broader, fuller and better; or even work which has hitherto not been recognised as productive labour, e.g., the work of women at home, or of those engaged in National Defence or public administration, or providing spiritual consolation, or cultural enlightenment, or entertainment, must be recognised and accounted for on the same terms as the work of those directly engaged in producing material goods. It would be no mean portion of the Plan to assign, apportion, or allocate the aggregate work to be done in the planning community between the several classes, groups or even individuals, in accordance as much with the exigencies of the Plan, as with the ability, aptitude, or education and training of the individual concerned. It would then be easy to expect a very much fuller life for every individual, and not only for the upper ten, nor an illusory average of the community as a whole. It would then be possible to eliminate any sense of injustice, and abolish all social misfits or human anomalies. Then would disappear the pauper, the parasite, and the prostitute; all thieves and robbers, for there would be nothing to steal or rob. And if life would not be an Utopia all round nor Heaven on earth, it would at least be richer and fuller for all, without unemployment or overwork.

Employment and Unemployment in Planned Economy

It becomes a necessary part of the Plan not only to mobilise all the man and woman-power of the community, but so to organise and distribute it as to be most effective in the particular sectors, items or phases of the work assigned to each individual. It is not absurd to demand full employment of all the available workers in a country, if only the work itself is planned, organised and properly distributed, with due regard to the available resources and requirements of the community concerned, and also allowing further development. When all the man-power is mobilised, and work is properly planned and carefully distributed, it may be necessary, as another Sub-Committee has suggested, to think of regulating the numbers,—by such devices as limitation of family and the like, and not suffer the blind fury of Nature, by disease, famine, or war, to allow the human race to be decimated. Until, however, a comprehensive, scientific plan has been framed and put into execution, such attempts would be isolated and unsuccessful, and likely to be as objectionable as they may be beneficial from certain points of view.

At the present time the spectacle is far more common of vast numbers unemployed, insufficiently or uncongenially employed, or employed in occupations not adequately remunerative. The standard of living, therefore, varies extremely from group to group, or individual to individual within the same group. The first requirement, therefore, of providing suitable employment for every individual, able and trained to work, would be to have the most efficient organisation of workers as well as mobilisation of all the available natural resources upon which they are to work. The Plan must, therefore, have a National Budget of Resources and Requirements, of Assets and Liabilities, so to say, which would not be content merely with recording a static destiny, but present a dynamic force working out to a higher and ever higher, a fuller and richer life for each individual.

The enterprise needed for proper organisation and employment of the available man-power in occupations where each unit will be most fruitfully and efficiently employed is at present left, in most countries, to individuals seeking their own private gain by employment under their orders and for their profit of the human labour they need. This may result in competitive chaos, which may provide disproportionately remunerative employment for a few, or unemployment or partial employment for many. Unless and until this task is taken in hand by the community collectively, i.e. Government working on behalf of the community, there will always be a risk of unemployment for a larger or smaller number, and, therefore, of inequalities in income and varying standards of living.

Lack of Enterprise the Cause of Unemployment

Full employment for Labour depends inevitably upon properly planned and organised productive enterprise in all branches of new production, including Agriculture and Industry, Utilities, Amenities and Services. The national economy of this country was perverted by a century-long alien rule, since the foreigner operated the available resources for his own benefit. Employment for trained or unskilled worker was, in consequence, to be found only in lines which helped him to secure his own advantage to the utmost. Under that impulse India became mainly a producer of raw materials from the soil and the other gifts of Nature. With the growth of population, the new wealth obtained from those sources was gradually diminishing in yield, and in its capacity to meet the needs of such a grow-

ing population. Industry, trade, services, and utilities were either neglected, or developed only to provide an ancillary or complement to the requirements of British economy.

Their ideology or policy to leave it to individual enterprise to develop all productive resources of the country and find employment therein for this available labour, not only prevented any organised and systematic effort at providing universal and adequate employment, and arranging the terms of that employment so as to assure a decent standard of living for all. It also reacted upon Indians in such a manner that, when the latter learnt the foreign industrial technique and pushed their way into new social services and utilities, they too followed the same policy. The result was that employment became limited, chaotic, unorganised. Human labour was relegated to the status of mere commodities. Its price was, therefore, regarded as determined by the equation of demand and supply.

If, however, planned economy is to undo this mischief forced upon us by the exigencies of foreign domination and exploitation, we need not only a revolution in the organisation of all productive effort, but also in the ideals, objectives and governing considerations in social organisation and economic motive-springs to guide the national economy. Enterprise cannot be left to profit seeking individuals; employment cannot be left to be plaything of demand and supply; national economy, social justice and public welfare cannot be trusted to *laissez faire*. The collective effort of the community, working up the aggregate resources of the country in men as well as materials, must be the concern of the State which can create a brain-trust, frame a Plan and guide, direct and co-ordinate the Labour needed to achieve preconcerted aims within a predetermined time.

Lack of Resources the Cause of Unemployment

Another factor, usually alleged as causing unemployment, is lack of adequate resources. This is far from true of this country, as India does not suffer from any great lack of resources. It has been the frequent boast of highly placed Anglo-Indian Statesmen that India is a rich country in initial endowment, so much so that, driven to it, there is nothing on earth she could not produce from her own indigenous resources and by her own effort. In their view this became a reason actually to keep undeveloped certain resources, so as to facilitate the entry of British Goods into this country. . Now, however, that the consciousness of the Indian people is roused to the economic potentialities of

their country; now, however, that general ignorance on such matters is slowly yielding place to a better and fuller understanding of the possibilities inherent in the soil of the country, India need no longer be a deficit country, at least so far as the essentials of modern civilised life are concerned.

Paradoxically enough, India, which was in the past a granary of the world, is today importing large quantities of food stuffs from abroad; and it may be that, because of recent political developments due to the Partition of the country, the Union of India may remain a deficit country for some time in the matter of food,—until at least the available cultural waste land is brought under the plough, and cultivation reconditioned so as to increase the yield per unit. That would more than suffice to meet all the local needs of the people.

The same applies in regard to the organisation of other resources for the production of raw materials as well as manufactured goods in all kinds of industry, mining and metallurgy, forest produce, Public Utilities and Social Services. If these resources,—such as they are and such as they may be,—are scientifically developed by means already tried and proved successful elsewhere within recent history, there would be no lack of resources, or the wherewithal to provide full employment to the entire man—and—woman-power of the country. Assuming that the total population of the Union of India is 32 crores today; and assuming further that all kinds of work done, whether in the home or outside, is duly recognised and remunerated, there need be absolutely no difficulty in providing full and fruitful employment to all. The one condition precedent for such a consummation is the framing and execution of an all round National Plan. What is needed is a scientific, organisation and mobilisation of the resources, modernisation of the technique, and rationalisation in all the productive processes to make such co-ordinated effort yield the utmost it is capable of from all our available or potential resources. Then only shall we be able to avoid any possibility of deficit in this country, any spectacle of unemployment, any incident of misery, disease or starvation of mind or body for any considerable number of our people.

Lack of Capital the Cause of Unemployment

Yet another explanation for the prevailing and recurrent unemployment in individualist countries is alleged to be: lack of capital. With our resources, however, it would be absurd to consider lack of "Capital" as a reason for leav-

ing the country undeveloped or insufficiently developed. As mentioned earlier in this Introduction, "Capital" is nothing else but saved-up human labour in the past, now embodied in tools, implements, plant and machinery, for continuing the process of production in a more rationalised form, with ever increasing yield. Even if past savings thus crystallised in productive capital goods of the modern form are not available in the quantity required, the certainty of a productive future is so great and so obvious that India cannot lack in Credit at home or abroad, so as to mobilise and make available all the necessary Capital needed for developing our resources of land, mines, forests, trade, industry, utilities and services.

Credit, it may be added, is nothing but future capital, anticipated and utilised in the present, even as Capital is nothing but saved up past labour concretised in tools and implements, plant and machinery, land and buildings. No reliable estimate has so far been made of the amount of Capital that will be needed to develop our available resources, to modernise and rationalise them to the utmost efficiency. The so-called Bombay Plan estimated the capital needs under a National Plan in round terms at Rs. 10,000 crores. The authors of that Plan have also indicated the sources from which such capital can be found. Even if one does not accept the estimate, or the sources indicated by these Planners, it may nevertheless be said that, with the mobilisation of this country's credit, and with a truly scientific Plan framed and in operation all over the country, there would be no difficulty in finding all the capital necessary for such development from our own resources, our own realised surplus of production over consumption, our own credit in the sense indicated above.

It must at the same time be remembered that **all** the Capital needed for the fullest possible development under the Plan will not be required all at once. In the initial stages of the Plan, it will take some time before new production, or the process of development takes effect. What-ever, therefore, the aggregate estimate of capital needs be, it will be wanted over a given number of years. Assuming that the estimate given above of the aggregate Capital is correct; and that the total of Rs. 10,000 crores would be required to put the complete Plan into operation, it would mean, that only Rs. 2,000/- crores would be needed per annum. The annual need would be proportionately less if the period is extended. We are at present not having any such surplus of production over consumption that we could con-

vert into capital goods. In fact our standard of living is so low in regard to mere physical needs,—the purely primary wants of man,—that much of our increased production will have to be used up, not in creating a surplus or building up reserves, but in making good the existing deficit and bringing up the standard of living in the country to some thing like a decent modicum of civilised existence. We may even have to control and regulate or ration consumption of many commodities in the years to come if we desire the Plan to proceed with any system of priorities.

Despite this, however, there is no need for pessimism. Poor as we may be in past savings, we have some capital resources, of which little account is taken by those who have considered this matter,—for obvious reasons of their own)

Capital Resources—Available and Potential

Let us calculate these available capital resources in ready mobilised form. (1) The deposits in the Scheduled Banks,—current and fixed—aggregate over Rs. 1,500 crores; while Savings Banks Deposits total over 100 crores. The total money supply in India on 31-3-1947 is given at Rs. 2569 crores, in the Reserve Bank's Report on Currency and Finance in 1946-47. (2) Our accumulated Credit outside the country, the so-called Sterling Balances, exceed another Rs. 1,500 crores. (3) The Reserve and other Funds of organised industry already in existence may account for yet another Rs. 1,000 crores. Altogether, therefore, we may find a ready, mobilised total of Rs. 5,000 crores in round terms. This means: our capital requirements for two years or more to carry out the Plan are available in the country itself at the present moment.

Even allowing that part of this,—namely Sterling Balances,—is not realizable for the time being, if a properly framed Plan with a guarantee of success is to be put into execution, there ought to be no fear of lack of "capital" for over two years to put such a Plan into working order. The experience of capital issues for investment in new or existing industry in the two years after the termination of hostilities, (Rs. 483.91 crores ending March 31, 1947) and the success of the several Loans, is enough evidence to show that this expectation is by no means without any basis.

Once this capital, however limited in amount, is put to work, it would begin to yield results, which, in manufacturing and other Industries, would be realised within less than two years, while in Agriculture or Mining and Metallurgi-

cal industry, it may take a little longer. There is difficulty in regard to available dollar exchange for importing capital goods wherever needed. And there is the still greater difficulty of securing delivery in time, as the producers of such goods are too busy filling their own home orders. On our side, the Plan has yet to be prepared, and a machinery for giving effect to it remains to be devised. Allowing for all that, though the period may be longer before returns from such investments begin to flow in, there can be no doubt about the returns. The increase by such developments in the available aggregate wealth produced in the country, if kept ready and mobilised for investment to stimulate further the productive effort, a third year's capital requirements may as well be found from within the country itself. Even if the country is unable to provide this additional capital, once, after a working of two years, the Plan has begun to show concrete results, it would not be at all impossible to borrow the necessary capital goods for subsequent years from abroad, and so expedite the growth of industry progressively, till it renovates itself and bears all the burdens that may justly be laid upon it.

It must also not be forgotten that this country is really not so poor in capital resources, or mobilised savings of past labour, as may be imagined. The amount of Precious Metals alone imported into this country, after meeting all contra charges, in the twentieth century, Rs. 665.81 crores* will suffice to show that wherever the hoards of such precious metals may be lying today, they are idle and unproductive. A strong National Government, possessing the confidence of the people, may easily be able to draw out, mobilise, and productively invest all such idle capital.

What is more, that part of the past savings of the people, or the surplus wealth of the country, which is utterly immobilised and lying idle in the so-called charitable foundations and religious endowments,—in temples, mosques, churches, and synagogues—can and should also be pressed into service for improving the country's general standard of living amongst the people by the aid of a constructive Plan. How much this easily mobilisable capital may amount to is impossible to say. But the tales of the loots carried away from India by Mahmud of Ghazni a thousand

* According to the Report on Currency and Finance by the Reserve Bank of India for the years 1946-47, (pps. 138-41), the total Gold imported from 1901 to 31/3/1947 was Rs. 547, 75,47,829, less Gold exported during the depression years aggregating 3,79,74, 60,641 or a net balance of 168,00,87, 188. In addition, there was a total import of Silver of 497,80,38,243. The combined total is Rs. 665,81,25,431.

years ago; or the inventory of treasure left by the Emperor Akbar after 25 years of prosperous rule over two-thirds of India, would suffice to provide all Capital needs,—if only the rulers of New India have the courage of their convictions, the confidence of their people, and the knowledge of the ways and means by which to give effect to such a Plan.

Be it noted, for the benefit of the alarmed and interested, that this is no suggestion for spoliation; it is only a way to convert the idle into productive wealth, invest and utilise it for the benefit of the people, and yet keep the wealth of the Religious Foundations or Charitable Endowments intact, in the form of National Bonds carrying the best security and excellent interest. The might of vested interests and the forces of superstition are, no doubt, very strong in this country, and they will remain powerful while ignorance and illiteracy continue. But once the people have become conscious of their potentialities; once they understand that after all these Foundations, Endowments, and Charities were made by their ancestors, and, therefore, by right they are part of their natural and ancestral inheritance, no consideration of ethics would bar them from resolving to utilise this otherwise unproductive wealth for better living for themselves, and a larger, fuller life for their children.

If all these fail or prove inadequate for our capital needs, recourse may be had to foreign borrowing for productive purposes. Such borrowing may be secured on the aggregate national credit; or on the success of specific enterprises forming part of the Plan, and so assured of success. The lender, against these would make no difficulty; and the task of national development need not be held up for any avoidable obstacle.

And herein lies the justification for the Plan to be comprehensive and all-sided, put into execution simultaneously on all fronts. For unless the public consciousness is roused; unless education spreads and is able to combat the menace of superstition and the forces of vested interests; unless a desire for better living,—more healthful and more agreeable,—grows, it would not be possible to mobilise public opinion, and thereby the entire strength of the masses for dislodging vested interests, and utilitising these available resources for their own good. The one and only justification for a Plan of the kind envisaged in this Series lies in its promise of a steady, progressive, substantial improvement in wider and better employment, and living conditions for the masses of the people. Once that is realised, no consideration would, no interest can, stand in the way

of the Plan being carried through in all its aspects and items.

Unequal Distribution or Undeveloped Resources— Reason for Unemployment

The real difficulty lies, not in any lack of resources of capital, of materials, or of labour. It lies in the unorganised state of all available resources, to an extent that much of our real potentiality is not even known. The existence of the hoards is unknown, both in the amount and as regards the place where they may be found; the extent of the mineral wealth of the country is unknown. The potentiality of our rivers and coastal waters remains untried. Such data as have hitherto been collected are inadequate, and often misleading, as shown, for example, in the Report on **Power and Fuel** with reference to the Hydro-Electrical resources of this country; and the same applies to other resources.

Because there has been no systematic, organised or planned effort at developing these resources, the industrial and other expansion that has taken place hitherto has been spasmodic, disjointed, uncoordinated. There is, therefore, unequal distribution of industrial growth in the different parts of the country, irrespective of material resources and other natural conditions; and still more regardless of the human factor,—Labour—needed in developing such resources. Under these circumstances, the first task of the Planner would needs be to organise and co-ordinate, not only the material, but also the human resources of Labour and Capital. The inequalities in the industrial growth or economic development of different regions, or even as between different industries; the inequalities in the employment found for the working population of this country in the several productive directions; and the inequalities in their standard of living, are all such as would be remedied easily if this unevenness in the organisation and distribution of productive employment was brought under a Plan.

The various Sub-Committees for Agriculture and other primary natural resources; in industry, utilities and services,—including Commerce, Transport and Communications, Health and Education,—have shown the ways and means by which the existing lack of development in various directions can be remedied; and the yield therefrom may be substantially and progressively increased. There are very few directions in which an absolute lack of resources may compel India's Planner to look to foreign supplement to make good the native deficit.

But even here appearances may be misleading. Because of advance in scientific research and technique, other countries have developed their resources very rapidly in all directions, to such an extent that many of us almost fear we have not got those resources. Take, for instance, Petroleum, in which apparently India is woefully deficit. It is, however, impossible to say that there is not such mineral oil in the country; and still more so to assert that an indigenous substitute,—whether power alcohol or Hydro-electric energy,—cannot be found to make good this deficit. The same may also apply to many other cases, in which new industries, like plastics, automobiles, aeroplanes, or ship-building, are found developed in a short time to an amazing extent in other countries; but in this country at the present moment they appear to be all but unborn. That these are, however, possible, is demonstrated by the stragglers now already in these fields. These, being private profit-seekers, perhaps at the expense of the community as a whole, demand help in the shape of tariffs, subsidies or bounties; and so they may not obtain all the popular support that these industries, coming at such a late stage in the industrial history of the world, may stand in need of. That, however, they are perfectly easy to establish in this country to a degree adequate to meet our own needs in peace-time or war, is quite clear from the example of these and many other industries which were formerly deemed unsuitable, if not impossible, to this country; but which have since made their existence perfectly good e.g., the Iron and Steel Industry, Cement, Matches, Sugar, and the like. Once more it is a case for proper organisation and the proper development of all available resources of men and materials, and their co-ordination and utilisation in the most rationalised manner as would admit of no dearth of results.

Full employment for the total available labour force would be possible only if such mobilisation and exploitation of all the available resources of the country is assured. As in the case of material resources, there are many untried or undeveloped possibilities in regard to the human factor. Admittedly there is no lack of quantity in this country, so far as numbers are concerned. But it is quality of such workers that leaves much room for improvement. And here comes the need for proper education and technical training so as to make the available labour force as efficient and productive as possible. All the complaints that interested parties make today about the wealth of the country being sacrificed by strikes and industrial disputes may

occur while society is organised on an unequal basis, in which few gather the bulk of the fruits of the labour of many, the latter having to be content with just a mere subsistence, if even that much. This, however, is a deficit which is easily remediable,—a matter of better organised and more widely spread education and training. On these some other Sub-Committees of the National Planning Committee have indicated the how and wherewithal.

The same applies to the efficiency and discipline of labour. It is a vicious circle: because labour is getting little better than starvation wages, it continues to have low health; and a low living standard that reacts upon its physical strength, which in its turn makes for poor efficiency. Because also the processes of manufacture and the technique of industry are backward and rationalisation does not exist, the comparative productiveness of such industries as exist is poor; and therefore the share of the worker, even if recognised, is relatively small. These factors inter-act upon one another, making the aggregate result comparatively much poorer than it need be. But these are all factors or conditions which it is within human power to remedy, and to make the effort far more successful than it is today.

Labour's contribution to National Wealth

In this conception of a carefully planned national economy, wherein all would be workers, and none parasites, consideration of the share of Labour in the total national dividend would be out of place. Until, however, the social order is radically recast from a competitive individualist system to a co-operative society; until the profit motive is replaced, as a driving force, by common service for the collective good, Labour's just share in the National Wealth will have to be considered, determined, and assured in every way that will promote Industrial Efficiency, Social Justice, and National solidarity.

As already stated above, Labour makes the most considerable contribution to the production of the country's wealth. The portion now going to "Capital" arises, in a large measure, from an accident of ownership of the means of production, which is as unjust as it is uneconomic. For it enables the possessor of such means of production to levy, by the mere accident of birth or ownership, a tax for his maintenance on society as a whole, without working for it. It is uneconomic, because it creates a sense of envy, which prevents the classes not possessing these means of produc-

tion from putting out their best effort, as, whatever surplus they produce by higher effort will not come to the worker, or primary producer; but will be monopolised by the owner. And this applies as much to the Worker who is a foreman, manager or technician, as to the Worker on the assembly line. The share, moreover, which goes to the owners of Natural Resources, like land, mines, forests, rivers and other gifts of Nature, would be equally unjustifiable, if it is in excess of what is needed to maintain and replenish these sources from time to time. In so far as it is due exclusively to the social recognition of the rights of property, it is an unsocial deduction from the National Dividend for private benefit; and as such, unjust as well as uneconomic.

The demand, however, on account of the maintenance in an efficient condition of all means of production—, including natural resources, man-made capital goods, and the human factor by education and training of the rising generation, or care of the health and safety of the workers, honest administration, and security of the community, will make a serious but necessary deduction from the aggregate of new wealth produced in the community. Hence the entire volume of new wealth produced will not go to the industrial or agricultural workers; or those engaged in the services, utilities or amenities needed for civilised existence,—as the just share of Labour.

Labour under Cash Nexus and Production for Exchange

Making due allowance for all such deduction, a comparatively small portion would be left to be distributed among the workers. Even that, however, will not be all in the form of direct payment of cash wages. Many more deductions will have to be made to provide for the workers' social security, their insurance against illness, accident or old age; their organisations and all the machinery of administering the establishments in which they or any section of them may be engaged. At the present time, thanks to the universal prevalence of Money Economy, and production, not for use, but for exchange, the share going to the workers in cash is seldom corresponding to the just value of the produce raised by their Labour. Still less does it equal their real cost of living. Those who have studied this aspect of our social organisation are agreed that wages always lag behind the cost of living, no matter how often, and how substantially, they are raised. This is an inevitable consequence of production for Exchange in place of the old system of Production for Use. But it is too late in

the day to go back, and scrap the Cash Nexus, even if it were deemed desirable to restore the ideal of local—if not individual—self-sufficiency.

Need for Guaranteed National Minimum

Admitting, however, the advantage and inevitability of Money Economy under modern conditions of large scale standardised production for exchange through mechanised means of production, we may yet demand that our laws of distribution should be made more precise and objective, so as to do justice to the worker, at the same time maintaining the community's ability to continue producing ever and ever more in quality as well as quantity. The share of the worker under these laws must be a fair proportion of the total wealth. In any case, it must be adjusted to his Cost of Living. A National Minimum of reasonable living, including not only the bare necessities, but a modicum of comforts and amenities of civilised life, should be guaranteed to all citizens, Labour included. And if workers must be assured and enabled to obtain this Minimum, if there has to be any differentiation as between the several groups of workers, or the several categories of citizens, the rationale of such discrimination must be in accordance with the basic principles of Social Justice, and in conformity with the aims and ideals of the over all National Plan. Such discrimination would ordinarily be due to some sudden emergency like a War or Pestilence; or to some far-sighted consideration of national safety e.g., in regard to work of women and children; or to temporary difference in priorities between the several items of production. These are, however, exceptions which would prove the rule.

Need for Labour Organisation

The regulation of the Worker's share in the National wealth, his Wages, is accordingly, not a matter of individual bargaining, exploiting the need of the worker; but a question of equitable distribution of the National Dividend. Primarily, it must correspond to the Cost of Living; and, next to that, it must bear some relation to the actual wealth produced. If the total active labour force of the community, including all forms of useful work, is 70%, that proportion at least of the National Dividend should go to the worker. At the present time, however, the total wage bill in all productive labour hardly amounts to 25% —the balance going to the landlord as Rent, the Capitalists as Interest and Profit, the State as Rates and Taxes Fees and Fares. A part of the latter may be said to return to the

worker indirectly; but the other shares are a net loss to labour. We must rectify this anomalous situation.

This does not mean that some workers should never be preferred to others; or that workers as a class never preferred to other citizens. It may be that, as in War-time active fighters on behalf of the community are shown some preferential treatment, so certain groups of workers engaged in essential production, may, for some time, receive differential treatment. In planned economy, such differentiation would be in response to scales of priority laid down as part of the Plan, or found necessary as the Plan takes effect. But these are exceptional, and temporary. The basic consideration must be that all work is productive, and part of the National Plan. The wealth produced as the result of the Plan must be shared evenly or equitably between workers in the several categories of work, as well as such non-workers the Plan considers necessary in the national interest to maintain.

Workers' Organisation into Trade Unions or Professional Corporations

This elaborate mechanism for regulating Labour's share would require very comprehensive organisation for its working. As a first step to such organisation, workers must be compulsorily unionised,—as they would have to be compulsorily educated, vaccinated, or inoculated—in their own as well as in common interest. Every worker in any class of work must be member of a Trade Union, or a Professional Guild. No work, no living, no amenities of life can be assured for anybody in the planned society of our conception, unless he is member of an organisation appropriate to his work. If he changes his work or residence, he may change his Union, Guild or Corporation. There must be full freedom of movement. But there must be some means to assign a fit and proper place to every worker while he is in working efficiency; and for that purpose, he must belong to some Union, Association, Brotherhood, or by any other name the Organisation may be known by.

Such organisations may be separate for the different trades; different establishments in the same industry or occupation; and for the different parts or places in the country. They may even be different for the different operations in the same shop, and in the same trade. But they must be correlated *inter se* into local, provincial, and national Unions, Federations, so as to make the entire Labour Force of the country properly organised, trained and dis-

ciplined, facilitating collective bargaining as well as effective administration of Labour.

It is unnecessary to go into the duties and functions of Trade Unions. They are summarised in the saying: Trade Unions are formed to protect Workers, to safeguard their interests, to ensure their welfare, provide training and secure work. In the early days of modern industrialism, they arranged for the insurance of the worker against the risks of his work, and even afforded some bonus when he was out of work, and pension when he was superannuated. But these functions are being progressively assumed by the State, so that the primary responsibility no longer rests with the Unions. But even now, and much more so under the Plan here conceived, the Union would be necessary to see to the due enforcement of Labour Laws, the proper carrying out of collective bargains, and otherwise functioning as the guardian, the advocate and watchman of workers.

Industrial Disputes

Such close, nationwide organisation is necessary, also for avoiding, or minimising, industrial strife, not only to prevent needless loss of national wealth, but also to maintain peace and goodwill between the several sectors of society. There is, in reality, no distinction between workers and masters, employers and employees; or even between producers and consumers. All must be producers, and none shall be parasite. Work is work whether or not there is immediate result in the shape of some material commodity.

There need be no divergence or conflict of interest in such a closely knit society. But should conflict occur, despite this organisation and sedulous regard to the claims of all, machinery must be provided for the immediate settlement of such differences, and avoid needless loss to the community. The clumsy weapon of the strike, indispensable to-day; or the unjust retaliation of the lockout, must be stored in a Museum of the relics of a vanishing age. But a condition precedent to any abandonment of the Strike or the Lockout is that either there is no occasion left for industrial unrest to crop up; or that, if just differences should arise, there must be effective means to deal with them promptly and settle them swiftly. Whether it is conciliation by Whitley Councils, or Compulsory Arbitration by Industrial Tribunals, it must be universally effective.

There is at present and under existing conditions, a certain opposition on the part of organised Labour to Compulsory Arbitration, even where simple adjudication does

not succeed. But that is due to the presence of divergent class interests in the prevalent social system, in which the worker is naturally suspicious of such machinery. He feels it is apt to operate in the interests of the governing class. When however, these divergent interests are no more, and all are co-workers and co-partners in a common Plan, the apprehensions about Compulsory Arbitration would disappear; and organised labour would not only be more helpful in maintaining industrial peace, but also in securing the utmost efficiency by every worker.

Pending, however, the evolution of such a New Order, it may be necessary to consider the alternative of Co-operative enterprise in all productive sources of new wealth. Profit-sharing would be mere corollary of such a reorganisation, though it would not be confined only to workers engaged in the actual process of production. The profit raised by co-operative effort will not be the same thing as the Surplus Value produced by Labour. But the difference in the cost of labour,—including all items,—and the price of the produce,—goods services or utilities,—must belong to the community, which will reinvest its share only in the improvement of the conditions of production, the amelioration of the position of workers, and all-round improvement in the Standard of Living.

During the War, and because of the alliance with Russia in its later stages, the Communist sentiment in Industrial Labour seems to have grown rapidly in India. The National Congress, however, had found the Communists hostile to the "Quit India" Movement in 1942 and after. Accordingly, on its coming to power in 1946, it pursued a policy of excluding Communists from the ranks of Nationalist Labour. A National Trade Union Congress was formed in June 1947; its aims and objects conform more fully to the orthodox Labour objectives than would have been the case if the Communist influence was allowed to continue. Apparently the Congress Socialist Party is equally opposed to Communist infiltration in Labour ranks.

Labour Standard of Value

This double objective in determining and regulating the rates of wages,—viz. correlation with the Cost of Living and with the amount of wealth produced,—would be simplified, if a new Standard of Value is substituted for the prevailing Money Standard. If work in all its forms is made more or less similar, with the same mechanical aids, the same hours, the same amenities, a Standard of Value

based on the unit of a **Labour-Hour** would be far more fair and steady than the present Money Standard, which varies frequently due to outside influences. For the more exact functioning of the Labour Standard of Value, a composite National Index will have to be set up to check or regulate the working of the Labour Standard. This would be based on a much wider and more comprehensive range of commodities, services, utilities, and amenities, than the so-called Index Numbers of to-day. Its maintenance up-to-date would, likewise, be a task of great delicacy. But, with the establishment and progress of universal education; with the widening of Labour's consciousness of its dues; with the general acceptance of the demands of Social Justice, it would not be at all difficult to frame and maintain this new standard in practice. And when all commodities, utilities and services come to be measured, exchanged, or dealt in in terms of the Labour Standard, the present feeling of class conflict and injustice to the underdog will disappear; social misfits vanish; and poverty become a thing of the past.

The Standard Contract of Labour

On this basis, and for this purpose, the Plan must devise and enforce a Standard Contract of Labour, which must be the creation of all interests in the community collaborating. Wages, Hours, Amenities of work; vacations, housing, holidays and health; rest and recreation for workers, their amusement and entertainment; their social security and economic insurance, these must all form clauses in the Standard National Contract of Labour. Workers' Credit, their cultural growth, the utilisation of their leisure are also items of national importance, which the scientific planner must not overlook, and which the Standard Contract cannot omit. Even discrimination as between certain classes of workers—necessitated by some exigency of the moment unprovided for in the original Plan,—work of special hardship, risk or danger, e.g., in mines, or in Wartime; or for women in pregnancy,—can and should be similarly provided for in the Standard Contract as exceptional conditions, justified by national considerations of progress, safety, or defence.

Labour Laws of India and their Administration

Labour legislation in India today is a disjointed, inchoate body of laws, each passed or amended to meet a particular problem; and none exhibiting any co-ordination and integration into a single, comprehensive consistent code,

The several laws, moreover, have been enacted,—not from a single centre. There is, therefore, visible in them no uniformity of policy. Provinces as well as the Centre are authorised to pass such legislation; and in consequence there has resulted a veritable jungle, where the numbers of trees prevents effectually the forest being seen at all. To indicate the number, variety and disjointed nature of this legislation, a brief summary is appended below of the principal laws relating to labour now in force in India. In the light of the historical note given at the beginning, this ought to be particularly interesting:—

1. The Factories Act, first passed in 1881, latest amendment in 1934.
2. The Indian Mines Act, 1923, amended in 1928 and 1935.
3. The Payment of Wages Act, passed in 1936, amended 1937.
4. Workmen's Compensation Act, 1923, amended in 1926, 1931, 1933.
5. Maternity Benefits Act, Bombay, passed in 1929, amended in 1935; C. P. Act, 1931; other Provinces followed soon thereafter. Bengal Act, 1941.
6. Indian Trade Unions Act, 1926.
7. Trade Disputes Act, 1929; 1934; and the Bombay Act, 1938.
8. Employment of Children's Act, 1938.
9. Tea Districts Emigrant Labour Act, 1932.
10. Shop Assistants Act, 1939 Bombay; while Bengal Punjab and Sind had it in 1940.
11. Industrial Statistics Act, 1942.

There is a bewildering variety of authorities and Departments of Government concerned with the enactment of Labour Legislation, and the administration of such laws. The Principal Department of the Central Government concerned with all questions relating to labour is the Ministry of Labour. Its main function is to co-ordinate labour policy and legislation as much as possible. The administration of matters concerned with the English and Indian Merchant Shipping Acts is with the Central Ministry of Commerce, which also looks after Mercantile Marine and Indian Seamen. For Railway employees on all Federal Railways, the Labour Minister is responsible for the administration of the Payment of Wages Act, Trade Disputes Act, Hours of Work for employees not covered by the Factory Act and regulation of child employment. He is also responsible for Regulation of labour and safety of workers in mines and

oilfields; trade disputes in industries or business and undertakings carried on by the Central Government, and Inter-provincial Migration. The Labour Minister is also concerned with all matters connected with the Tripartite Labour Conference and its Standing Committee, as well as with the National Service (Technical Personnel) Ordinance; recruitment of unskilled labour; Technical and Bevin schemes of training; Cost of Living Index; Essential Services (Maintenance) Ordinance etc. The Central Board of Irrigation and Geological Survey are in his charge, as well as Stationery and Printing; Electricity and Boilers.

The Government of India is, however, not the only law-making authority in India; nor the sole administrator of such legislation. Concurrent powers of legislation are vested in the Provincial Governments, who, also, have fully availed themselves of the right. Provincial legislation, accordingly, regarding (i) Factories; (ii) Welfare of labour and Conditions of Living; Provident Funds and Workmen's Compensation, Health Insurance, including Invalidity and Old Age Pensions; (iii) Unemployment Insurance; (iv) Trade Unions and Industrial Disputes; (v) Electricity and (vi) Boilers; grows in volume and variety everyday. To bring some cohesion and consistency in this bewildering mass of legislation, to devise some machinery for its smooth working; and to secure Labour its just dues in every form of employment, subjoined is a (Draft) Charter of Labour, which, it is hoped, will give point to the recommendations of the Sub-Committee.

The first sessions of the Parliament of the Indian Dominion has attempted to codify the law relating to factories; amend the Trade Union Act; introduce Minimum Wage Legislation; deal with Dock Workers' special problems, and provide for workers' health insurance. A brief note is taken of these in the Summary of Developments.

Bombay,
Dec. 20, 1947.

K. T. SHAH.

DRAFT CHARTER OF LABOUR

SECTION I

Labour's Place in Production

1. Labour is the principal active agent in production. As such it should be entitled to the whole amount of material goods produced by it.

2. The following deductions must, however, be made from the total produce of labour before its due share can be determined:—

- (a) The portion necessary for the maintenance and replenishment of natural resources, which, being worked up by human labour, yield the material wealth,
- (b) The portion necessary to repair or replace worn out tools, implements, plant, machinery, land, buildings and equipment; to substitute obsolete, and/or to introduce new, machinery needed for the process of production;
- (c) The portion necessary for the maintenance of children, the aged, the sick and the invalid,—whether temporarily or permanently disabled from working,—in the shape or by way of their upbringing, education, training and the maintenance of their health and working efficiency.

3. None of the deductions from the total volume of material goods produced in the community listed above should be considered as being on account or for the benefit of the wilfully non-productive or parasitical elements.

4. All workmen, whether in processes actually productive of material goods, or in Public Utilities Social Services, or Civic Amenities; or in regard to the renewal, repair or replenishment of natural resources, and capital goods needed for the process of production, must be regarded as productive.

5. Work of housewives, of the defence and administrative services, and other forms, not commonly regarded as directly productive, must also be included in the category mentioned in clause 4 above; and must be treated as entitled to share equally in the total National Dividend, or the aggregate of goods and services produced in the community.

6. The share taken from the National Dividend by any person, who, though capable and qualified, is not actively working, merely in virtue of ownership of capital goods, or of natural resources, or of special privileges, is not a return for services rendered or work done; but a tax levied by a parasite which must be abolished at as early a date as possible.

7. Return for any kind of work must correspond to the amount produced by the worker, less the deductions mentioned in Clause 2 above; and should, as far as possible, be equal for all.

8. The return to the entire working population, collectively and individually, should be such as to be sufficient to provide for a decent standard of civilised life for every individual, irrespective of age, sex, civil condition or class.

This standard of living should be worked out and expressed in terms of material goods and services necessary to bring up, maintain, and provide for every individual to enjoy a reasonable degree of necessities, comforts and amenities of life.

If and in so far as money term is employed to express this Standard of Living, it must be treated as only an economic convention, which must not be allowed to obscure social reality.

9. This Standard of Living must be considered as the Irreducible National Minimum, which must be guaranteed and made available by the State to every citizen, and treated as amongst the Fundamental Rights of Citizens.

10. In the event of there being a difference between the National Minimum guaranteed and made available to every citizen, and the total of material goods and services produced or available in the community, the distribution of the National Dividend should be so regulated that all should share the surplus or deficit.

11. If there is a deficit between production and consumption, the distribution should be so made as to reduce **pro tanto** the share of each, subject to such priorities as the State may lay down from time to time in accordance with the collective needs of the community.

12. **Per contra**, if there is a surplus, that also should be distributed equally, subject to such deductions as may be necessary to make provision for the continued maintenance of the productive processes, as for instance by way of a Depreciation Fund, or Reserve Fund, or Reserve for future necessity.

13. After providing for renewal, repair or replenishment, the first charge on the surplus should be used to improve still further the Standard of Living up to a predetermined point.

14. Similarly, if there is a deficit in the aggregate, which is irremediable for the time being, it must be shared **pro rata** by the community as a whole, e.g. by reduced employment, or in the shape of rationed consumption.

15. In all cases the basic principle of Distribution should be that work, or contribution in kind from each citizen should be in accordance with his ability; and the return to each citizen should also be in accordance with his necessity.

SECTION II

Return for Work

1. The usual return for work is in the form of Cash Wages, supposed to represent a certain purchasing power. It must be sufficient to provide the National Minimum, mentioned in Section I above, to every worker.

2. Differences in employment on account of age or sex, if any, should not affect the return for work, in so far as providing the National Minimum for each individual is concerned.

3. Distinction between intellectual and manual workers must not be used to set up and justify disproportionate variations in wage rates.

4. Employment of persons below a prescribed age, or of women in certain dangerous occupations, must be forbidden in the National interest. Such prohibition must in no case be regarded as in any way implying inequality on account of age or sex.

5. Wage rates between workers in the several industries and occupations, shall not be differentiated by adopting piece-rates in place of time rates.

6. In the event of any overtime becoming necessary in any industry or occupation, or special stimulus being required to meet a national emergency, differential wage rates may be permitted under the National Labour Code, without prejudice to the principle of distribution laid down above.

7. Physical differences between workers, or differences due to the nature of the work, or different needs of different workers shall not be used to bring about new privileged classes, and facilitate exploitation of one class by another, indirectly if not directly.

8. Any worker having to work overtime or in excess of the legal maximum hours per day or week must be compensated; but there should be no habitual overtime permitted in any industry.

9. In the event of a national emergency, or some unexpected calamity of nature visiting a given region, this part of the Charter relating to legally fixed maximum of daily or weekly working hours or overtime may be suspended by a specific resolution of the National Council of

Labour; provided that such relaxation of law shall be limited to the duration of the emergency or of the effects of the calamity.

10. Whether or not cash wages are paid to workers engaged in their own home, such as housewives, or in cottage industries or handicrafts carried on in a worker's own home, full account shall be taken on a basis of equality of all such workers in the total National Budget and apportionment made on that basis.

11. In order that equal wages may also represent as far as possible equality of effort or contribution as far as possible, the technical equipment for work in the shape of tools and implements, plant and machinery, shall be of comparable or of similar standard.

12. Mechanisation should be made as wide spread as possible to save human labour. All labour-saving appliances, whether in the home, workshop, factory, public office, public service or utility, as well as in all processes of agriculture and its subsidiary or connected industries, shall be used to the utmost degree possible.

13. If the scale of operations in any unit of production, e.g., in the individual home, would not permit the economic employment of such labour-saving devices, social reorganisation should proceed side by side so as to bring about co-operative domestic labour and handicrafts work, to save labour, and yet bring about the utmost efficiency in productive labour, and the provision of maximum necessities, comforts or amenities in the home etc., with the minimum output of effort.

14. Workers not working in any organised industry or occupation, or for any definite employer, like artists or professional consultants in law, medicine etc., shall be assured their share in the National Minimum in return for their work being made an integral part of the National Plan.

15. The ultimate Standard of Value must be a definite unit of output by a unit of labour within a standard unit of time, which may be converted into and expressed in money terms. The money wages of workers must conform to the real standard of value in the ultimate analysis, and be regulated by it.

SECTION III

Amenities of Work

1. The hours of work in every factory, workshop, utility or service, including public administration, and national security services, shall be prescribed by law, viz., the National Code of Labour.

2. The Code shall prescribe the maximum number of hours that any individual worker, no matter where working, should be required to work per day and per week. The unit of time for calculating the maximum number of hours shall not be longer than a week.

3. The Code shall permit a distinction being made between the maximum hours of work in industries or occupations which provide regular work all the year round, and those that are, by the very nature of the work, seasonal or periodic e.g., Agriculture, Fishery, and the like. Special arrangements may be made under the National Labour Code to allow variations in the legal maximum hours of work per day or per week, with adequate safeguards for the worker's health, rest and recuperation; and with due regard for the demands of social justice.

4. If at any time it becomes necessary, in order to make up the national deficit in industry, or for the sake of continued operation of some types of machinery, to continue production by more than one shift of workers, such additional shifts of workers should work so as to conform to the law fixing the maximum of working hours, conditions regarding overtime etc.

Differentiation in the several classes of workers engaged in the same workshop, factory, service or utility shall be reduced to the minimum in respect of wage rates, and other conditions, privileges or amenities as far as possible.

5. Fixed intervals of rest during each working day, during the week and the month shall be prescribed under the National Labour Code. Longer vacations with pay shall also be similarly provided for every worker. Maximum working hours, both daily and weekly shall be so operated as to cause the least industrial fatigue—bodily or mental—to the worker; and permit of recuperation at as short an interval as possible.

6. Employment of children below the age upto which Basic Education is compulsory shall be prohibited in any factory, workshop, office, or establishment.

7. Working hours, both per week and per day, shall be fixed for persons under a prescribed age, so that a larger rest period and less total time would be expected of such workers in actual exertion; and time will be available to them to continue their technical training as well as general education.

8. Any time spent in technical training for workers of any age in the factory or workshop, office or establishment, service or utility, shall not be deemed to constitute a reduction of the maximum time put in by the worker per day or per week.

9. Night work shall be prohibited for young persons as defined by law for this purpose. Ordinarily work in occupations deemed dangerous to life or limb shall be prohibited to women. Women in pregnancy shall not be worked six weeks before and six weeks after delivery, without prejudice to their wages being earned and paid to them during that period.

10. Differences in wage rates in the different occupations, industries, utilities, or services, where deemed unavoidable, shall also be reduced to the minimum. In no case shall any such differentiation be allowed to infringe upon the National Minimum mentioned above in regard to any individual.

SECTION IV

Discipline of Workers

1. To ensure smooth working in any factory, workshop, office or establishment, where large numbers are employed, as also to ensure the utmost efficiency in production, it is necessary to provide for and maintain proper discipline in such factory, workshop, office, or establishment.

2. Appointment and removal of every worker shall be entrusted to a Staff Council, which shall be set up in every factory, workshop, office, or establishment, employing more than fifty workers at any time. The prevailing system of making appointments through jobbers, mukadams or bulk contractors for Labour shall be abolished and declared illegal. Every one appointed as a worker in any factory workshop, office, or establishment, shall, as soon as possible after such appointment, become member of an appropriate Trade Union.

3. In every factory, workshop, office or establishment, there shall be a Staff Council, consisting of equal representatives of workers' organisation and Management. The Regional Labour Officer, a public official, shall be Chairman. The Council shall select from among applicants individuals for appointment when any vacancy arises, or when new appointments have to be made.

4. All transfers, promotions, and general supervision of the entire labour force employed in any factory, workshop, office or establishment, shall be entrusted to the Staff Council, who shall act in every such case in consultation with the Management, paying full regard to all considerations or circumstances put forward by the latter in each case. Rules shall be made wherever possible to regulate all these matters, and shall be adhered to in every case coming before the Council, with due regard to the special circumstances of each case.

5. In consultation with the representatives of the workers' organisation in each case, the Management shall prepare and publish a schedule of qualifications required for every job. This schedule shall be subject to approval by the Regional Labour Officer; and is intended to avoid nepotism or the abuse of personal influence.

6. In making any appointment, shall have full regard to the qualifications required of the individuals selected and the nature of the job to be filled. The Council may for this purpose function through a specifically constituted Sub-Committee, composed on the same lines as govern the constitution of the Council itself.

7. In the event of any difference arising in the Council as regards the suitability of any individual for a particular post, with equal votes on either side, the Chairman's casting vote shall decide the issue.

8. No one shall be dismissed from employment, nor removed from his particular job at any moment, except after joint consultation between the representatives of the Workers' Organisation in the Council, and those of the Management. No such consultation shall be necessary if the parties primarily concerned are agreed among themselves in any case.

The Management shall have the right to censure any employee for inefficiency, irregularity or indiscipline.

9. The worker shall have the right to appeal to the Staff Council in any case of illegal dismissal, or unjust removal from a particular job, or undeserved censure in any case where such censure would involve punishment or degradation in any degree.

10. Punishment of defaulting, irregular, or inefficient workers, or for any breach of discipline, shall be regulated by rules made by the Staff Council; provided that no punishment shall be permitted as lawful which takes the form of bodily injury to such defaulter, or personal restraint.

Punishment in the shape of pecuniary fine, or degradation, or deduction from pay, shall not be inflicted by the Management, except in consultation with the Staff Council.

SECTION V

Amenities of Industrial Employment

1. Every factory, workshop, office, or establishment, employing in the aggregate more than 10 persons, shall be built, lighted and ventilated according to standards prescribed by the National Board of Health. All necessary precautions shall be taken to guard against fire in any such place; and the necessary appliances provided to extinguish it in the event of a fire breaking out, as well as of escape. Accidents from other causes, liable to cause bodily injury to any worker, shall be similarly guarded against.

2. Any factory, workshop, office or establishment, using power-driven machinery for the purposes of its work, shall take all reasonable precautions, and adopt first aid and all safety measures deemed necessary for the personal safety of workers against accidents, in accordance with the requirements in this behalf laid down by the appropriate public authority, e.g., National Health Board.

3. All boilers, plant and machines shall be inspected periodically by independent inspectors duly qualified for the purpose; and their reports shall be submitted to Government as well as the Management and the Staff Council for such action as may have been recommended in the Report, or deemed necessary by the Authorities concerned.

4. The personal safety of workers engaged in mines, ships, and other means of transport, and any other noxious or dangerous trade, industry, or occupation, shall be duly assured, and all such devices and appliances as may be found necessary for the purpose shall be provided.

5. Every factory, workshop, office or establishment; every ship, car, plane and any other vehicle of transport by land, rail, or water, shall be adequately equipped with life-saving devices, e.g., provision of life boats on board large vessels, or parachutes on board airplanes, and other appropriate safety devices.

6. Proper facilities shall be provided in every factory, workshop, office and establishment, as well as on board ships, air planes, trucks and other vehicles of transport, for the housing, feeding, washing, bathing, and recreation of the employees engaged therein.

7. Adequate arrangements, by way of creche, nurseries, or play-rooms, shall be made in every factory, workshop, office or establishment, where considerable numbers of women are employed, to keep the children of such working women in safety and properly amused during the period that the mother is at work.

8. Sufficient and suitable provision shall be made by way of sanitary arrangements, canteens, dining rooms and other such amenities for the convenience and welfare of the workers.

9. In every factory, workshop, office or establishment; and in every other place of work, employing at one time and in one place more than 50 workers, a special officer should be appointed to look after the welfare of the workers. A Woman Welfare Officer should, similarly, be appointed wherever in any factory, workshop, office or establishment, more than 50 women workers are employed at the same time and in the same place.

It shall be the duty of such Welfare Officers to aid and advise the workers in all matters connected with their work.

10. Wherever the workers engaged in any factory, workshop, office, establishment, or any other place of work, desire, they must be encouraged and helped to form a Co-operative Society for themselves to supply them with the necessaries of life at reasonable prices, and afford all other facilities, services or amenities as may be required, and found economical to provide on a large scale. No such facility or amenity for the workers shall be designed or used to serve as a means for introducing Truck system which shall be abolished and deemed unlawful in any form. Such a co-operative organisation, primarily a Consumers' Society, may also have a department of credit to assist steady workers to pay off their debts, and also provide timely credit assistance to prevent them getting into debt.

SECTION VI

Housing and Transport

1. Every factory, workshop, office or establishment, employing more than 50 workmen in one place at one time, shall provide for such workmen standard housing accommodation, on such terms as regards rent, tenure, etc., as may be laid down by a statutory public authority, like a National Housing Board, set up for the purpose.

Housing provided for workers under this Charter is a facility and amenity, not a duty or obligation upon the worker to utilise.

2. Any factory, workshop, office or establishment, desiring to provide housing accommodation on a standard or approved pattern for its employees, shall be aided and subsidised by the State, or its representative, the Local Governing Body, or some Statutory Authority specially created for the purpose, financially and technically, by getting or granting Building Loans, obtaining land on easy terms, supplying standard designs, and procuring all building materials needed at reasonable prices.

3. All such houses shall be so planned, built and located, as to have the prescribed standard of living space, light and ventilation, sanitary fittings and service and other equipment deemed necessary for the workers' comfort and convenience, for saving the housewife's labour, and for promoting healthy living and co-operative endeavour.

4. It shall not be compulsory for any workman to reside in the housing accommodation provided in or by the employer. Nor shall it be open to the employer providing such housing accommodation to demand rent and make other regulations governing tenancy as would prove oppressive, or exploiting to the worker. Such housing being only for the worker and his family, it shall not be open to the worker-tenant to sublet or otherwise abuse the amenity and convenience provided for him.

5. Housing accommodation provided by the employer shall be chargeable to a fair economic rent, making due allowance for the financial and other assistance provided for such enterprise by Government, or any Statutory Authority set up for the purpose at public expense. Such Hous-

ing Service should be made self-sufficient as far as possible without rack-renting the tenant. It shall not be a source of additional profit to the employer building such houses for his workmen.

6. Unless otherwise permitted by the Statutory Public Authority, or the Department of Government concerned, as the case may be, such accommodation provided for his workmen by the employer shall be reserved only for the employees of that factory, workshop, office or concern. None but the employees of that particular concern should be entitled to avail themselves of this facility, service, or amenity. Under the special circumstances mentioned in the National Housing Code, other workmen in the industry or in connected occupations, or any other class of employees may be permitted to occupy such housing, on special permission and approval by the National Housing Board or the Local Body as the law may provide.

7. Subject to the appropriate regulations passed for the purpose by some Public Authority,—e.g., in regard to Town Planning, or Building within a given area, or providing adequate open spaces, playgrounds etc.,—workmen's housing shall be as near their place of work as possible, to avoid needless loss of time in going to and coming from the day's work.

When any employer is unable, or not allowed to build such accommodation for his workmen near their place of work, for reasons entirely outside his control, every assistance required by the worker to find suitable houseroom for himself and family, shall be forthcoming from the appropriate public authority e.g., a National Housing Board.

8. Whenever the accommodation provided by the employer is at a considerable distance from the place of work, the employer shall, in collaboration with the Local Transport Service, make arrangements for the cheap, safe and speedy transport to and from the place of work to their homes for the employees. Such transport may be provided exclusively by the employer, but not so as to make an additional profit for himself; or it may be obtained by the employer in collaboration with the Local Authority. In each case, this service shall be offered to the workers on as economic terms as may be feasible.

9. The primary objective for providing adequate and appropriate living space and housing accommodation to the workers, as also of the arrangements for their transport from and to their work and home, is to guard against undue congestion in industrial centres. In devising all arrange-

ments in this regard recourse to proper town-planning would be indispensable. Suitable plans for this purpose shall be prepared by the appropriate Local Governing Body, who shall also provide all the utilities, amenities and services, necessary to assure a decent standard of living for the workers.

10. Provision for proper medical advice and treatment of the worker and his family shall be included in the utilities, amenities and services mentioned above. It shall be provided as part of the amenities of employment by the employer in co-operation with the National Health Service.

SECTION VII

Workers' Health and Social Security

1. Adequate and up-to-date provision to safeguard the health of the community, including the workers, shall be an obligation of the State, and an integral part of the Fundamental Rights of the workers as citizens. Provision of pure food and drinking material shall be treated as part of the functions of the National Health Service.

2. As part of this arrangement, medical advice and treatment, including supply of drugs and medicines, instruments or apparatus, in hospitals or nursing homes, convalescent homes and sanatoria, will be provided free as part of the National Health Service.

3. All workers of every category, in every industry, service or occupation, shall be compulsorily insured against illness, injury or disability of any kind arising from accidents in the course of the employment, and maternity in the case of women.

4. The National Health Service shall be based on the contributory principle. Every worker shall be required regularly to contribute from his earnings such percentage or amount as may be prescribed in that behalf. Such contributions may be deducted from a worker's wages. The amounts thus deducted shall forthwith be paid into the Worker's Insurance Fund.

5. Every employer of any form of labour shall contribute a prescribed amount in proportion to the workers engaged in his Factory or workshop, office or establishment, agriculture, industry or occupation of all kinds. The employer's contribution shall forthwith be credited to the Worker's Insurance Fund.

6. The State, representing, the community as a whole, shall likewise contribute a part of this Fund as prescribed by law; and shall undertake the management and utilisation of the Fund thus formed, to provide the necessary benefits or service in the shape of medical assistance and advice, nursing, hospitals and dispensaries, convalescent and nursing homes, asylums and rest houses, drugs and medicines, instruments, apparatus or equipment. Rules shall be made defining the nature, amount and duration of the benefits receivable by the insured under this Fund.

7. In utilising this Fund and benefiting the worker by this service, every emphasis shall be laid on disease preventive possibilities under the modern Medical Science. Curative or remedial measures shall, however, not be neglect-

ed. The National Health should be so organised as to provide all the necessary safe-guards against epidemics or communicable or inheritable disease.

8. In regard to illness, injury, disability or maternity, the insured worker shall get his benefits, not only in the shape of free advice, and treatment, drugs and medicine, but also all the usual expenses of his own and his family's or dependents' maintenance during the period that he is disabled from work by illness, or injury.

9. Provision for superannuated workers shall be in the form of Old Age Pension payable to every worker considered past the working age, as part of his deferred wages earned during the period of his active work. This pension will be earned after such length of service in such sums and on such terms, as may be prescribed in the National Health Code, and deemed to maintain such superannuated worker in a decent standard of civilised living,—not below the National Minimum guaranteed to every citizen, as part of the Fundamental Rights.

10. Insurance should also be provided to every worker against want or fear, arising out of any temporary or permanent unemployment, due to reasons outside the control of the worker.

The incidence of such Unemployment will, under a carefully planned national economy, be very much smaller than it is under the present unplanned anarchy of freedom of enterprise, governed by the Profit Motive.

11. Such Unemployment as may be found should be guarded against by (a) distributing the reduced volume of available work among the same number of workers working fewer hours or less time; or (b) granting Unemployment Benefits. Such grants must in no case be treated as doles or charity.

12. A full sense of Security must be provided for the worker, not only against the possibilities of unemployment, however infrequent economic crises or depressions may be in a planned society, but also against the normal increase of population, or the size of the family, pending the education of the working population into realising the advisability of a voluntary restraint on numbers.

13. As in the planned society envisaged above, all will be workers and no parasites; and as all forms of work will be regarded as contributing to the nation's wealth, the National Insurance System will embrace all individuals and classes in the community. This would minimise the dangers and consequences of mass unemployment, and periodic wastage of energy, frustration of individuals, and embitterment of life.

SECTION VIII

Education and Training

1. It is one of the most precious Fundamental Rights of citizens to obtain, free of cost to the recipient or his parents, a modicum of Basic Education upto a prescribed age period, and of a standard laid down by the appropriate educational authority; and it shall be a sacred obligation of the State to provide it.

No person below the age of the final stage in compulsory Basic Education programme shall be employed, part-time or whole-time, in any factory, office, workshop, establishment, service, utility or amenity.

2. Though the obligation rests upon the State to provide Basic Education to all children in the community, the National Labour Code must require every employer of labour in a factory, workshop, office or establishment, service or utility, employing any considerable number of women, to provide adequate facilities by way of creches or nurseries for the children of the women workers in that factory &c.

3. In order effectually to remove all social inequalities or economic handicaps of workers, arrangements must be made, by co-operation among the employers and the Local Governing Bodies concerned, to provide pre-school education to the children of workers in their respective industrial area, by way of kindergartens or montessory schools for children below the age when compulsory Basic Education begins.

4. The employer in any factory, workshop, office or establishment, ship, mine, service or utility shall provide facilities for such of the workers as desire technical training in their own industry, by way of allowing the necessary time and space needed for holding such classes on the factory's own premises, and teachers required for the purpose.

5. Workers desiring to acquire additional qualifications in their own work or experience should be afforded adequate encouragement and stimulus by the employer in the shape of continued wages while such worker is acquiring additional qualification for a certain period, and subject to such terms as may be agreed upon.

6. Workers desiring advanced technical training, not available in the factory, workshop, office or establishment where they work, and which they could not secure for obvious economic reasons, in continuation of their Basic Education, should be provided facilities, by co-operation between the employer, the Local Governing Body, and the Central or Provincial Government. The selected workers may be deputed for training to some Central Training and Research Institute, in or outside India. Such deputation shall be regulated by definite rules made in advance and administered by the Staff Council.

7. During the period of such deputation of a worker, who has already put in the stipulated minimum of working period in the same industry or occupation, his expenses shall be provided by the Central, Provincial and Local Governing Authorities, as well as the employer, in agreed proportions.

8. To regulate the rights and obligations of all parties concerned in every such training deputation, a formal agreement shall be made between the parties concerned, defining their respective rights and obligations, including the obligation of the employer to employ such trained workman on return from deputation, and of the workman to accept employment in consonance with his enlarged training, knowledge or experience.

9. Time spent in such training shall be regarded as productive work and continued employment of the worker concerned. It shall be counted for earning any pension as well as insurance benefits that may be provided for workers in or under the National Labour Code.

10. The Workers' Trade Union may also participate in any such Agreement for securing the higher training and education of selected members; and guaranteeing the performance of rights and obligations undertaken by the worker under such agreement as part of the collective bargain system.

11. Deputation for higher technical training or scientific research outside the country shall be provided for workers already employed in any industry or occupation, only in case there are no sufficiently suitable institutions of the required character within the country.

12. If and when a worker is thus sent abroad for training; it shall be on the understanding and agreement that no one so highly and specially trained at public expense shall remain without work suited to his training and aptitude on his return from deputation.

13. The obligation lies on the State to educate members of the community in all branches of knowledge and technique. It must be shouldered for the benefit of the entire community upto the completion of the Basic Stage for every child in the country, free of cost to the recipient of such benefit, its parents, or guardians.

14. For higher scientific education and technical training, this duty may not be possible for Government, under existing conditions, to undertake on a universal scale for the moment. The benefit, however, must be available for selected scholars, or workers, who have proved their fitness for such higher education or training by actual work.

15. Expenditure, incurred on account of such education and training of selected workers, actually employed, must be borne by the public Exchequer in the final analysis, even though, in the first instance, it may appear to be shouldered by the employer. The latter must be compensated in some form directly or indirectly for affording facilities for such training.

SECTION IX

Workers' Organisation

1. Comprehensive, scientific national planning is impossible without a complete mobilisation of the entire working force in the community with a view to its proper employment in accordance with the requirements of the Plan and the training, taste or temperament of the individual worker.

For this purpose the National Labour Code should permit and facilitate the establishment of Compulsory Social Service for all citizens within prescribed age limits.

2. Systematic and universal organisation of all workers, according to their several industries or occupations,—including Agriculture and all its associated and subsidiary industries, services, utilities and amenities,—is indispensable to secure complete mobilisation of the entire working population in the country and its employment in the appropriate industry or occupation, utility or service, forming part of the Plan.

3. Workers' Organisations,—whether Trade Unions, professional Corporations, Artists' Guilds, or by any other description known,—must, under a proper National Plan, be conceived and treated, not as sectional bodies, striving for exclusive benefit for each its own particular section; not even as organisation of producers against consumers. They must be conceived and dealt with as integral cogs in the social mechanism founded on specific aims, and working towards a predetermined goal. The whole community must be organised to attain the object of planning.

4. Any divisions, groups or sections appearing in a planned society must be considered as machinery set up for operative or administrative convenience, and not as mutually exclusive and hostile classes.

5. Workers' organisation must have its basic unit in each individual farm, factory, workshop, office, establishment, mine, service or utility, being centre of employment, employing a given minimum number of workers. Within each such farm, factory, workshop, mine, office or establishment, there may be different divisions of workers according to their different functions; but these must be organised as a single unit belonging to the particular farm, factory, workshop, office or establishment.

6. Workers' unions in the several units in each farm, factory, workshop, office, or establishment, in any industry or occupation, should be organised into nation-wide federal unions of the particular industry, occupation, utility or service; and be known as the National Trade Union of the particular industry, occupation, utility or service. There shall be no organisation of workers on any basis that would suggest class differentiation, exclusiveness, as all workers belong to the same class and are equal inter se.

The gap between the basic unit of an individual farm, factory or workshop, and the national organisation in each industry or occupation should be filled by grouping the basic units on a District or Provincial scale. The District and Provincial Units shall be branches or affiliations federated into the National Union in each case.

7. The several National Unions in the several industries and occupations,—including agriculture, mining, forestry, utility or service,—should be combined and integrated in a National Congress of Industrial Workers, comprising all industries, occupations, utilities and services, as well as agriculture, mining and forestry.

The National Congress of Industrial Workers shall be the Workers' Parliament. It shall lay down the basic policy in all matters affecting the workers, but not the administrative details on the technical side of their employment. These shall be left to be dealt with by the Staff Council concerned.

8. Every Union and every unit within it, shall be constituted on a democratic basis. Each employed worker shall, from the moment of his employment, be a member, entitled to vote at the Union meeting and hold office in the Union executive without distinction of caste, rank or sex.

The administration of this policy, concretised in national or local legislation, regulation or ordinance, or not, should be entrusted to the several links in the federal chain, each link according to the jurisdiction or sphere of activity belonging to it.

9. Within such links in the chain, the functions of the organisation shall be to keep the workers mobilised, disciplined, and efficient; provide for their comfort, welfare and education; secure justice; administer their several funds, whether Provident, Pension or Insurance; suggest lines for new legislation or executive orders on problems arising from the daily experience of workers, and do all other things that concern the worker's employment efficiency, discipline and welfare.

10. Workers not engaged in any single centre, or not employed by a single employer, e.g., lawyers and charwomen, housewives and domestic servants, doctors and artisans working in their own homes, must also be organised, each in accordance with his or her craft or work. There must be National Unions for these workers.

In the planned society here envisaged, no adult citizen shall be without his appropriate Union, as all citizens are workers, and none parasites. Those superannuated or disabled from work by some permanent handicap, shall be treated as belonging to the Union they had belonged to in the days of their active work. Children under working age will be treated as belonging to the Union of the Alumni who will be future workers. There shall be freedom for every worker to seek change of occupation or employment at any time; or to migrate from place to place, without loss of membership of his Union or its privileges. Any workman changing his occupation or employment will replace his membership of the old Union by that of the new.

SECTION X

Miscellaneous

1. Workers being organised in appropriate Unions, and the entire working force of the country being mobilised, there will be no need of jobbers, or contractors supplying the required labour to particular farms, plantations, mines, factories or workshops. All such intermediaries must, therefore, be abolished; and their functions taken over by the Workers' Organisation from the basic unit upwards.

2. Every intending worker shall be found appropriate employment, in consonance with his training, aptitude, or convenience; and in response to the requirements of the National Plan.

3. For this purpose every School, College, University, Research and Training institution, as well as the Central, Provincial and Local Governing Authority shall organise and set up an Employment Exchange of its own, registering all would be workers with their qualifications, experience and peculiar characteristics, if any. The same body should also register the requirements in regard to skilled or unskilled staff or labour from every industry and occupation,—in farm, factory, workshop, office or establishment, service or utility. Every employer seeking workers; and every worker seeking employment will, by this machinery, be brought into contact so as to meet their mutual demand.

4. The educational and training institutions, mentioned in the preceding clause, shall provide certificates of training, qualifications and experience each worker claims to have. The Employer shall likewise supply to the Exchange his requirements in detail regarding the kind of work, and the qualifications of worker needed.

5. The National Planning Authority, or the National Trade Union Congress, or the National Federation of each particular industry or occupation, or its local branch or affiliation may be charged with the latter duty in regard to the recruitment of the required labour, skill, and experience.

6. It would be, under the planned economy here envisaged, unnecessary to negotiate terms and conditions of employment in any particular industry or occupation for

each employer or worker, as these will have been standardised and contained in a Standard Contract of Employment.

7. The terms and conditions of employment for workers not engaged under a specific employer in a farm, factory, office, mine or workshop; but working each in his own home with his own tools and skill, like an artisan, housewife, artist, or professional consultant, shall be defined by the Central Planning Authority and prescribed in the National Code or Charter of Labour.

8. No Plan can be said to have succeeded, if these, or any other class of workers fail to secure the guaranteed National Minimum; or if the demand and supply of skilled or unskilled labour do not equate.

9. For those not engaged in specific employment under a given employer, but working for themselves each in his own home, the Local Governing Body in the area of their residence shall organise and establish a corresponding co-operative society primarily for the benefit of such workers, their families or dependents.

10. Each such society shall meet, on a non-profit basis, all the needs of the individual members and their families in sickness or in health. A Housewives' Co-operative Society is as necessary as the Army & Navy Co-operative Stores.

11. There must be in each such Co-operative Society, a banking or credit department to do the banking business necessary for every worker; e.g., receive his dues and make payments on his behalf; provide credit, manage and safeguard his savings and investments including Provident Fund.

12. Workers' wages may be paid in the shape of orders upon the Bank, or department of the appropriate Co-operative Society; and the latter shall honour orders, or issue tokens, to serve the need of workers for current cash and periodic payments. This will help to economise the currency needs of the country. The circulation will consist largely of cheques drawn on bank deposits. In this way all problems which now face national banking and credit institutions will be solved or smoothed.

13. The Banking department of the local Co-operative Society should be integrated or co-ordinated with the Central Banking Authority of the country, and shall function as part of the Central National Banking System.

14. If the mobilisation and organisation of the total labour force of the country does not suffice to meet all the demands of the Plan, and at the same time provide for the safety and security, peace and order in the country, it must be open to the National Legislature to institute and keep in force a system of Social Conscription of labour in accordance with the objectives of the National Plan, and the fundamental aims of our Social order.

REPORT OF THE LABOUR SUB-COMMITTEE

INTRODUCTORY

(I) The Labour Sub-Committee was appointed by the National Planning Committee in June 1939, with Mr. N. M. Joshi, M.L.A. (Central) as the Chairman and Mr. V. R. Kalappa, M.L.A., as the Secretary. Besides the Chairman and the Secretary the following persons were appointed as Members* :—

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|-----------------------------|-----------------------------|
| (1) Mr. Gulzarilal Nanda, | (7) Dr. Suresh Chandra |
| (2) Dr. B. R. Seth, | Bannerjee, |
| (3) Mr. Padampat Singhania, | (8) Mr. H. B. Chandra, |
| (4) Mr. K. C. Mahindra, | (9) Mr. S. R. Deshpande, |
| (5) Mr. S. D. Saklatwala, | (10) Dewan Chaman Lall, |
| (6) Mr. B. Shiva Rao, | (11) Prof. S. R. Bose, |
| | (12) Miss Anusuya Sarabhai. |

Prof. K. T. Shah, the Honorary General Secretary of the National Planning Committee, was an ex-officio member of the Labour Sub-Committee.

(II) Out of the members originally appointed, Miss Anusuya Sarabhai and Mr. K. C. Mahindra declined to accept the membership, and Mr. Gulzarilal Nanda did not give any reply to the invitation.

(III) The first session of the Sub-Committee was held in Bombay on the 25th and 26th August, 1939. The Sub-Committee, at the beginning of its first meeting of the Session, co-opted the following three members :—

- (1) Miss Kapila Khandwala,
- (2) Miss Godavari Gokhale, and
- (3) Mr. N. V. Phadke.

(IV) During the first session of the Sub-Committee a number of proposals made by the Chairman in his memorandum were discussed and adopted with modification in some cases.

* (V) At the last meeting of the first session, the Sub-Committee authorised the Chairman and Prof. K. T. Shah

* All names are given in this list as they were in June 1939, without any titles or honorifics the persons concerned may have received thereafter.

to co-opt a representative of the employers from Bengal as a Member of the Sub-Committee. Mr. Girja Prasanna Chakravarti was accordingly requested to be a Member of the Sub-Committee and he accepted the offer.

(VI) The Second Session of the Sub-Committee was also held in Bombay on the 7th and 8th January 1940. As the Chairman, Mr. Joshi, was unable to attend the meetings owing to illness, Mr. V. V. Giri, who was co-opted at the beginning of the first sitting, acted as the Chairman at the request of the Sub-Committee.

(VII) Besides the Chairman, Dr. Suresh Chandra Bannerjee and Dr. B. R. Seth submitted memoranda to the Sub-Committee.

(VIII) At the end of the deliberations of the Sub-Committee, it was resolved unanimously that the proposals and recommendations given below be forwarded by the Chairman of the Sub-Committee to the National Planning Committee.

(IX) It was further resolved that the Memorandum of the Chairman be generally approved by the Sub-Committee, and that the Chairman be authorised to forward it to the Planning Committee along with the proposals and recommendations of the Sub-Committee.

PROPOSALS AND RECOMMENDATIONS

HOURS OF WORK

1. Working hours should be limited to 48 per week and 8 per day in the case of workers engaged in the following industries and undertakings:—

(1) Factories regulated by the Indian Factories Act, 1934; (2) Unregulated industrial undertakings recommended to be regulated; (3) Mines; (4) Docks; (5) Shipping,—both maritime and inland; (6) Railways; (7) Tramways; (8) Bus services; (9) Plantations; (10) Building work in bigger towns; (11) Shops and other commercial establishments including restaurants, eating houses, haircutting saloons; (12) Domestic Servants.

2. Hours of work in “seasonal” factories, as defined by the Factories Act, should be limited to 48 per week and 8 per day. In the case of seasonal factories, however, some latitude as regards overtime working may be allowed.

CHILD LABOUR

3. The Minimum age of employment of children in all industrial undertakings recommended to be regulated by

the Factories Act, should be raised to 15. A similar rule should be made in the case of plantations also. The minimum age of employment in industrial establishments and workshops covered by the Employment of Children Act, 1938, such as those manufacturing 'bidis', carpets, soap, cement, matches, etc., should also be raised to 15. The same regulation should apply to the employment of seamen also, and all the existing exceptions to the minimum age rule for seamen should be removed.

HEALTH AND SAFETY

4. Safety regulations in factories should be more strictly enforced and amended where necessary.

5. Safety provisions of the Factories Act should be extended to non-regulated factories as recommended by the Royal Commission.

6. Legislation to ensure improvement in the sanitation and hygiene in mines should be immediately undertaken. Safety provisions of the Indian Mines Act should also be strengthened.

7. Legislation to ensure improvement in the conditions of health and hygiene on plantations should be immediately undertaken. It should provide, among other things, for bathing and washing places for the workers, adequate medical facilities and the establishment of a statutory Board of Health and Welfare for each definite planting area with the necessary funds and powers at its disposal.

8. Safety of dock workers should be ensured by improving the provisions in that behalf contained in the Indian Dock Labourers' Act, 1934.

9. Legislative provision for the safety of other classes of workers such as building workers should be made.

10. There should be special safety provisions and regulations for occupations which are specially dangerous or hazardous. These should be on the lines of the provisions in this behalf made by the British Factories Act.

11. In view of the specially complicated nature of the problems of health and safety, a special Committee should be appointed to make detailed investigations and recommendations in this respect.

CRECHES

12. Provincial Governments which are empowered by the Factories Act to make rules "requiring that in any spe-

cified factory wherein more than 50 women workers are ordinarily employed a suitable room shall be reserved for the use of children under the age of six years belonging to such women," should immediately exercise their full powers in this respect. It would be well if the Factories Act itself is amended so as to make the installation of creches compulsory in all factories wherein more than ten children under the school going age are found to be dependent on the women workers.

13. The management of creches could with advantage be undertaken by local bodies like the municipality and the costs might be recovered by means of a levy on employers in proportion to the total volume of labour force employed by them irrespective of whether they employ or do not employ women workers. The employers' responsibility should be shouldered by all the employers together.

WAGES

14. **Minimum Wage:** First, attempt should be made, by means of Minimum Wage Legislation, to raise the level of wages that are too low to maintain even a minimum standard of health and decency for the workers. A 'living wage' should be defined with as much care and precision as possible and no worker should be required to work for less than a 'living wage'.

15. Wage level in any given industry should be placed as high as possible consistently with the social claims on production other than wages.

16. The more skilled and able workers should receive higher wage rates than others. There should, therefore, be different minima for different classes of workers either in different industries or in different occupations of the same industry.

17. **Administration of Minimum Wage Legislation:** The Minimum Wage Legislation should be administered by the Provinces on the lines of the administration of Minimum Wage Legislation in Great Britain. In Great Britain, both time and piece workers get the advantage of such legislation. Minimum rates are fixed by the Trade Boards so as to apply universally to a trade or to any special area. The rates become legally effective only after confirmation by the Minister of Labour.

18. The procedure suggested for Canada of having a series of Wage Boards with a Dominion Wage Board at the top with powers to ratify or to reject the proposals of the

Wage Boards is not suitable to India, because it will be extremely difficult to find people in India for the Central Wage Board who will fully know conditions in all the various Provinces and be in a position to discharge their duties as members of the Central Wage Board. Moreover, the task before the Central Board being very unwieldy and cumbrous this Board is likely to act as a handicap to Provincial Boards. The Central Wage Board should, therefore, be only consultative or advisory in character.

19. **Automatic Adjustment of Wages:** It is yet very premature to consider the question of the automatic adjustment of wages owing to the facts that in India there is no such thing as a "Living Wage" or a "Fair Wage" enforced or even defined, and that there is need for the level of wages being raised even though the price level does not rise.

SOME SPECIAL PROBLEMS.

(i) Unregulated Industrial Undertakings.

20. The Factories Act should be amended so as to make its provisions applicable to industrial establishments engaging five or more workers and using mechanical power. Its scope should be widened by bringing under its regulations all industrial undertakings employing ten or more persons even without mechanical power.

(ii) Plantations.

21. In order to remove the practical restriction on the freedom of movement and association of the workers on plantations, legislation should be undertaken with a view to providing public roads leading to the worker's places of work and residence and sufficiently large open spaces near their houses.

22. The right of repatriation of the workers on plantations should also be extended.

(iii) Seamen.

23. **Recruitment:** An Employment Bureau under Government's control should be set up in each major port, and recruitment of seamen should be made only through such a Bureau. The work of the Bureau should be carried on by persons possessing practical experience; but there should be a Joint Maritime Board to tender advice on all matters concerning the work of this Bureau.

24. The Joint Maritime Board should consist of an equal number of representatives of shipowners and seamen.

25. The Joint Board should keep a general register of all seamen in each port and classify the list according to the last date of discharge of each seaman, the man who was discharged first being placed at the top of the list. On the appointed date of the embarkation of the crew, seamen of all categories who desire to be engaged should be asked to present themselves at the office of the Joint Board; and they should be called in the order in which their names appear on the rolls and be presented to the captain or his representative. The captain should generally accept the men thus presented, but he may have the right of rejecting any of them only if he shows any good reason which should be verified by the Joint Board. Similar right of not accepting an engagement on a particular ship should be granted to seamen. With a view to equitably distributing the available volume of employment amongst all seamen of the port, the Joint Board can introduce a rule that men should be discharged after a prescribed period of continuous service and be re-employed according to each man's turn. Under this method there will not be much scope for bribery or corruption, as every seaman in the ordinary course will have to be engaged at regular intervals. If there would be any case of either favouritism or victimisation, it would be immediately brought to the notice of seamen's representatives sitting on the Joint Board, who would make an enquiry into the matter. This procedure would serve as a proper check on corrupt practices.

26. **Accommodation on Board:** Provisions of the Indian Merchant Shipping Act regarding accommodation for Indian seamen on board ships should be brought into line with provisions on the subject contained in the British Act. It should, therefore, be provided that each seaman should have a space on board of not less than 120 cubic feet instead of the present 72, which gives very inadequate accommodation. Again cooking galleys whatever their situation, should be prohibited by the Indian Act, as the British Act does, from being regarded as spaces intended for the crew. Similarly there should be a provision in the Indian Act that the flooring of the ship and the lower parts of its beams should at least be seven feet apart in its parts in which seamen are required to stay. Statutory provisions regarding adequate light and air during day and

night need also to be made in unambiguous terms. For instance it should be provided that there should always be enough light in seamen's cabins to enable them to read a newspaper in any part of the cabin. The section of the Indian Merchant Shipping Act in this connection is very vague as it only lays down that seamen's place of accommodation on board should be "properly ventilated and properly protected from weather and sea." There is no mention of light. Moreover, the Section does not even give the authorities any rule-making powers. It is, therefore, necessary that it should be amended on the lines suggested above.

27. In the matter of food for seamen specific rules regarding the quality and quantity of eatables to be supplied should be framed with a view to ensuring to seamen the supply of adequate and regular meals on board ships.

28. The discrimination made between Indian and European seamen regarding the scale of compensation to be paid to them for bad or insufficient food supply should be removed, by raising the scale of compensation of Indian seamen to the level of that of the European.

(iv) Workers on Inland Vessels.

29. In the case of inland navigation the recruitment of the crew should be made through a Joint Board consisting of an equal number of representatives of workers and employers.

30. The scale of rations should be fixed by the local Government concerned and the employer should be responsible for the supply of this ration free of charge.

31. Regulations regarding decent accommodation on board ships should also be framed for the benefit of inland navigation workers.

(v) Dock Workers.

32. Each major port should have a register of all workers who have a genuine claim to be regarded as dock labourers. Each man on this register should be given work when his turn comes. The system of registration should be supervised and controlled by the port authority with the approval of the Provincial Governments concerned and with the help of the representatives of ship-owners, stevedores and labourers.

(vi) Building Workers.

33. The proposals contained in the Convention regarding building workers passed by the International Labour

Conference in 1937 prescribing rules relating to scaffolds, hoisting appliances, safety equipment and first aid etc., should be immediately put into effect.

(vii) The Problem of Domestic Servants

34. In view of the complicated nature of the problems involved in the character of the domestic service in rural parts they are excluded from this section. So also is excluded the question of domestic servants in cities who serve more masters than one, because it will not be practicable to regulate their working conditions. The section deals with the question of domestic servants in bigger towns and villages who are employed for wages by their masters.

35. In India it should be desirable, while framing legislation for the protection of domestic servants, so to define the word 'domestic servant' as to include the largest number of workers engaged in household and personal services. The definition should include, besides domestic servants of the more common type, all workers who render personal and domestic service even such as cooks and servants in boarding houses, gardeners, chauffeurs and cleaners of private motor cars, watchmen, 'bhaiyyas' and the like.

36. Children under the age of 15 should not, as a rule be employed as domestic servants.

37. A domestic servant should have a 9-hour continuous rest period during night. Young persons between the ages of 15 and 18 should have an 11-hour rest period during night preferably from 8 p.m. to 7 a.m. During the day also a domestic servant should be free from work from 1 p.m. to 5 p.m.

38. A domestic servant should have at least half a day's holiday on every Sunday. He should be freed at 1 p.m. and should not be required to return to work till Monday morning. The employer should provide for the meal of the servant on Sunday evenings also.

39. Domestic workers, like others, should be enabled to enjoy a normal family life. Generally they should not be required to stay at their master's house. They should have their own places of residence from which they should go to their master's house only during periods of duty. As far as housing arrangements are concerned a complete change in the existing system is thus necessary.

40. In bigger towns the wages of a domestic servant should not be less than Rs. 20 per month with food. Bene-

fits of minimum wage legislation should also be extended to domestic servants. Payment of wages should be made more regular, if possible, by extending the application of the Payment of Wages Act to domestic service.

41. The benefits of the Workmen's Compensation Act should be made available to domestic servants also. The definition of the term 'workman' in the Act and Schedule II of the Act should be suitably amended.

42. All the benefits of social insurance legislation should be extended to domestic workers along with other workers. Women domestic servants should be enabled to claim maternity benefit as of right. All social security measures should operate as much in the interests of domestic servants as in the interests of other workers.

(viii) Shop Assistants and Workers Employed in Commercial Establishments.

43. The working conditions of shop assistants and workers in commercial establishments should be suitably regulated and a beginning may be made by framing legislation for towns and cities with a population of 25,000 or more.

44. The definition of the word 'shop' should be sufficiently comprehensive to cover all categories of workers engaged in the distributive trade. Workers who are sometimes excluded from the benefit of Shops Acts, e.g. those working in residential hotels should not be so excluded.

45. The hours of work should be limited to 8 per day and 48 per week. The spread-over should, under no circumstances, be allowed to be longer than the actual working hours plus a reasonable period of time for rest during the day. The outer time limits of opening and closing the shops should be fixed. Where this is not practicable, e.g. in the case of cinemas and restaurants, an efficient system of time-keeping for the benefit of the employees should be insisted upon.

46. Shop assistants should have a full day's weekly holiday. It would be very well if a common closing day (e.g. Sunday) is fixed for all the shops. To guard against the excessive inconvenience caused by the rigidity of 'closing orders' it might be provided that the orders should be relaxed for the purpose of dealing with special circumstances or particular areas for a limited period of time.

47. No child under the age of 15 should be employed in any shop and no young person under the age of 18

should be required to work before 7 a.m. and after 8 p.m. More severe punishment should be provided for breaches of regulations regarding children and young persons.

48. Educational facilities and encouragement to organise should be given to shop assistants in an adequate measure. Other amenities such as holidays with pay, social insurance and minimum wage should also be made available to them along with industrial workers.

The Problem of Housing.

49. The responsibility of providing adequate housing accommodation to the industrial workers should be taken over by the State or by the Municipalities and Local Boards subsidised if necessary by the Government for this purpose.

50. Municipalities and local bodies may if necessary be required to spend a suitable proportion of their incomes on industrial housing.

51. On principle, the system of employers providing housing accommodation to their employees is not desirable.

52. In the meantime, steps should be taken immediately to improve the existing housing conditions both as regards the minimum standard of conveniences and as regards rent. Rent should be so restricted as to enable the worker to secure adequate accommodation within 10 per cent of his earnings.

53. A site for any new industry should not be chosen unless it is found suitable from the point of view of industrial housing. A careful survey of prospective industrial areas should be made with a view to ascertaining the possibility of making available to the workers adequate housing accommodation as soon as the industries are started.

Holidays with Pay.

54. All industrial employees should be given at least 10 working days (exclusive of public holidays) as paid holidays after 12 months' service.

55. Special consideration should be given to the case of those workers in factories who, on account of being employed on continuous processes or for other reasons, have to be deprived by exemptions of the benefits of the Factories Act relating to the weekly hours of work.

56. Details regarding the provision of paid holidays should be worked out by a Committee of experts specially entrusted with this task.

Social Insurance.

57. **Workmen's Compensation:** The present rates paid by way of compensation should be raised to the level of rates recommended by the Geneva Recommendation of 1925.

58. Rules regarding payment of compensation should be modified so as not to deprive a worker of compensation for serious accidents even though the accidents may be due to his negligence.

59. There should be compulsory insurance for compensation so that even smaller employers will find it easy to meet compensation claims.

60. **Maternity Benefit:** Maternity Benefit legislation in India should be broadly on the lines indicated in the Child-birth Convention adopted by the International Labour Organisation in 1919. The Convention lays down that in public or private industrial or commercial undertaking, a woman should not be permitted to work during the six weeks following her confinement and should have the right to leave her work on production of a medical certificate to the effect that her confinement will probably take place within six weeks. While she is thus absent from her work she should be paid benefits sufficient for the full and healthy maintenance of herself and her child. As an additional benefit she should be entitled to free attendance by a doctor or a certified midwife. When she returns to work and if she is nursing her child she should be allowed half an hour twice a day during her working hours for this purpose.

61. In India a woman worker should get at least eight annas per day or her full daily wages whichever amount is bigger as maternity benefit during six weeks before and six weeks after her confinement. Maternity benefit should be paid out of a special public Fund. The extent of the liability of an employer to contribute to this Fund should be determined not by the number of women workers actually employed by him but by the total number of operatives employed whether men or women. This arrangement will mitigate to some extent the alleged evil of women as such being thrown out of employment on account of the obligation of the employer to pay maternity benefit.

62. **Other forms of Social Insurance:** A system of social insurance for industrial workers should be established without undue delay. The system should cover the risks

caused by sickness, invalidity and involuntary unemployment and should also provide for survivor's pensions. It should be compulsory and unified in character and should be controlled and managed by the State. It should also be on a contributory basis. The contribution of the worker should be proportionately much smaller than that of the employer and the State also should make its fair contribution.

63. The beginning of the scheme should not be delayed for want of adequate statistics but the scheme to begin with should be cautious.

64. The system of old age pensions should be established by means of a special State-controlled scheme which should be of a non-contributory character.

65. Various questions in connection with the social insurance scheme such as the character and the rates of the benefits to be paid, the conditions of payment of the benefits, the exact rates and proportion of contributions and the detailed arrangement for the management of the funds should be considered by a Committee of experts.

Education.

66. **Literary and General:** A nation-wide campaign of adult literacy and education should be started by making it obligatory on every illiterate adult to attend a literacy centre for a fixed period. The necessary finances required for launching the scheme should be provided by the State.

67. **Technical Education:** This should be provided to workers in (a) Evening Technical Schools or (b) Day Technical Schools according to their desire. Workers wishing to attend the day schools should be released by the employers for at least two half-days during a week. Or, in the alternative, part time instruction should be provided before 6 p.m. every day and employers should be under an obligation to release their workers for this purpose for not less than eight hours per week during at least two years.

Trade Unions.

68. Government and employers in the country must change their attitude towards the Trade Union Movement and treat it as a part of the national life. The movement as representing the working class should be given its due place in all aspects of national life. This recognition cannot be given merely by a special law but has to be expressed or borne in mind on all occasions.

69. Giving proper representation to the Trade Union Movement in legislatures, Municipalities and other institutions of public importance is a method of recognising it as a part of the national life.

Trade Disputes.

70. For peaceful settlement of trade disputes recognition by the employers of trade unions for the purposes of collective bargaining is necessary.

71. The system of arbitration in which the decisions of the arbitrators are binding on both parties must be rejected.

72. Machinery for the settlement of disputes should be provided by Government in the form of a Conciliation Board and an Industrial Court.

73. A fair trial should be given to the Central Trade Disputes Act, 1929.

Statistics.

74. A Statistics Act should be passed in order to oblige all persons concerned to furnish the necessary statistical information to the proper authorities whenever such information is required by them.

The Organisation of Labour Inspection.

75. The two important recommendations regarding labour inspection made by the Royal Commission on Labour were:

(1) The appointment of women inspectors; and (2) The Co-ordination of inspection services. It is imperative that all the Provinces should now make it a point to appoint a sufficient number of factory inspectors with an adequate number of women inspectors. For bringing about co-ordination in inspection services, as the Royal Commission recommended, periodical conferences of chief inspectors and inspectors of all other grades from all the Provinces should be arranged. Provincial Governments that have not yet appointed Commissioners of Labour should do so without delay.

76. In mines the proportion of fatal and serious accidents has been steadily increasing since 1903. In 1903 it was 1.65 per one thousand workers while in 1936 it reached the figure 5.51. This state of affairs calls for drastic reforms both in the nature of the safety regulations and their enforcement though the Government of India have since passed legislation.

77. In order to increase the efficiency of the inspecting staff the number of inspectors should be increased and some of the inspectors should be doctors and engineers. This is all the more necessary now that some of the Provincial Governments are extending the application of the Factories Act to smaller industrial establishments. Moreover, proper training should be given to prospective inspectors.

Labour Legislation: Provincial and Central.

78. Generally speaking, labour legislation which substantially restricts output or throws a substantial financial burden on competitive industries or which affects industries which are in their character Central should be the sphere of the Central Legislature. Legislation which does not restrict output of production or by which production is affected very slightly or the financial burden of which on Provincial Treasuries is small or which affects sheltered industries or industries of a local character need not be Central.

79. Administration of labour legislation should be generally the duty of the Provincial Governments except in circumstances where the administration of legislation affects an industry of an essentially inter-provincial character.

80. There should be as far as possible, co-ordination between the labour legislation in different provinces. For this purpose a Tripartite Industrial Council representing the Government, the employers and labour should be formed. The Council should consider programme for Provincial and Central labour legislation. The Indian States should also be invited to send their representatives on the Council.

81. The need for uniformity and co-ordination should not, however, stand in the way of progressive labour legislation being undertaken by Provincial Governments immediately.

The Plan for Labour Legislation.

82. The period during which labour legislation suggested here should be carried out should not be longer than five years. Social Insurance schemes should be taken in hand first of all. The Statistics legislation and collection of statistics can be carried on simultaneously with this. Next should come the reduction in hours of work. After two years, during which statistics should be collected, minimum wage legislation should be launched upon.

83. Housing and Educational reforms, being within the scope of the Provincial Governments should be started immediately and completed within five years.

Worker's Voice or Control.

84. If the National Plan for developing industries is to succeed, workers engaged in industrial work must be given such conditions as will place them in a position to devote to their work all the intelligence, physical skill, energy and enthusiasm they possess, so that their work will be efficient and the output of their production both in quantity and quality will be the highest. Under the present industrial system in which those only who invest capital in the industry control it fully, two of the greatest fears of the workers are that to the extent they improve their efficiency and their production, they stand the risk of unemployment and of their wages going down. To free them from this risk and to remove their fear it will not be enough to provide social insurance and machinery to fix their wages without changing the system as regards the control of the conditions, under which the workers work. As in politics "good government is not a substitute for self-government", so in industrial system, besides providing good conditions of work, they will also require the higher satisfaction that by doing their work well they are rendering service to the community not as slaves of the system but as free men. In order both to remove their fear about the future and to give them security and also to give them the satisfaction of a higher motive, the workers will require to be given a voice or control in the conduct of the industrial system. It is too early to decide what will be the nature, form and extent of that voice or control which will depend upon the nature and form of the machinery that will be devised to settle and to carry out the Plan and also upon the Political constitution under which it will be carried out.

MINUTE OF DISSENT OF MR. S. D. SAKLATWALA

I am signing the Sub-Committee's report subject to the following minutes. I have set forth my views generally, but these are based on my experience of the Cotton Textile Industry.

(1) Unilateral action by British India in the direction of a statutory reduction in hours of work in factories regulated by the Indian Factories Act, 1934, is inadvisable for the reason that India has to compete very strenuously even in her home market against the cheap manufacturers of Japan, and any further reduction in hours of work as contemplated by the majority is bound to increase the cost of production of Indian manufactured goods, and thus seriously undermine India's competitive capacity vis-a-vis Japan. In the present conditions of the Industry, this is a very serious matter. If hours of work are at all to be reduced, the proper time to do it would be when the Industry is prosperous.

The Indian Industry is already at a disadvantage when competing with foreign manufacturers on account of various handicaps imposed on it by both the Central and Provincial Governments, and a reduction in hours of work will only accentuate its difficulties. In this view of the case, a demand for further protection against foreign competition is bound to be put forward on behalf of the Indian Industry, and I take it that, in this event, labour and its representatives will actively support this demand.

(11) This recommendation appears to be very vague. It is not clear whether the expression "a Special Committee" refers to an All-India Special Committee or a Special Committee for each Province, or whether the "Special Committee" referred to is to be appointed as a part of the National Planning Committee's programme, or whether it is going to be a Standing Committee. If, however, the recommendation means a Special Committee within the framework of the National Planning Committee, then I have nothing to say.

(12) In exercise of the powers conferred on them by Section 33 of the Indian Factories Act, the Government of Bombay have already declared that the occupier of every factory other than the seasonal factory wherein more than

100 women workers are ordinarily employed should provide a suitable room or rooms for the use of children below the age of 6 years belonging to such women. The recommendation of the majority goes much further, and compels every occupier to instal creches if more than 10 children under the school going age are found to be dependent on the women workers. That is to say, the provision of the creche will depend on the number of children "below school going age dependent on the women workers", whereas at present it depends on the number of women employed. I do not agree with the recommendation on the ground that the expression 'dependent' has a very wide meaning. It may, for instance, be reasonable to provide accommodation in the creche for a woman employee's own child, but the employer should not certainly be expected to provide similar accommodation for her sister's child or some other near relation's child, and this is bound to become a serious problem for the employer if his women employees have large families.

(23) Creches where they exist at present are maintained and supervised by employers themselves, and I do not see any virtue or advantage in allowing local bodies to run them. If the majority contemplate the establishment of central creches in addition to or in lieu of those at present provided in factories, then I have the following observations to make:

If the central creches are in addition to the creches obtaining in mills, then they should be maintained at the expense of the Municipality or the Local Government, for it is not fair to expect employers to run creches in their own mills and also contribute towards the central creches.

If, on the other hand, the proposed creches are in lieu of those at present maintained in mills, individual factory owners may perhaps be found willing to contribute to such establishment an amount equal to the average expenditure incurred by them in the last year or two in running their individual creches, but I would point out that a central creche has a disadvantage, inasmuch as women workers in factories which have their own creches at present visit their children for feeding them without any inconvenience, at stated intervals, whereas with a central creche, which may not always be very near the mill, such frequent visits may become impossible and inconvenient from the point of view of both the employer and the employee.

The recommendations also states that the cost of running the creches should be recovered from all employers irrespective of whether or not they employ women workers. I am afraid, I cannot agree with this; I do not see any point in asking employers, e.g., in the Engineering trade who do not as a rule employ women, to contribute to such creches as employers.

(14) and (15) As the Committee are aware, this matter is the subject of a special reference to the Bombay Textile Labour Inquiry Committee, and being associated with that Committee, I regret I cannot say anything in the matter, but I would only point out that expressions like 'living wage', 'minimum wage', 'minimum standard of health' are all vague. Further, these two recommendations ignore the all important factor "capacity of the industry to pay."

I do not understand the expression 'social claims'. If it means and includes amenities like entertainments, clubs, free trips to native places, sight seeing, etc., I cannot agree with it. It should not be forgotten that in matters like education, health, housing, etc., the State and the Local Authorities have their own responsibilities to their workers, and it would be idle to pass them on to the employers.

(17), (18) & (19) The subjects covered by these three recommendations were also before the Bombay Textile Labour Inquiry Committee, and I suggest that report should be awaited.

(23) & (29) I object to these recommendations in principle as they seek to lay down that the employer should not use his full discretion in selecting his workmen.

(34 to 42) In view of the serious practical administrative difficulties involved, I feel that the question of domestic servants should not be tackled at present. The Bombay Shop Assistants Bill which was recently passed by the Legislative Assembly has not yet been given effect to, and I suggest that the working of that legislation should be carefully watched before its extension to other types of employees is considered.

(43 to 48) Do not arise at present because, as I have stated, the Shop Assistants Bill has already passed into law. If desired, similar legislation may be enacted in other provinces after experience of the practical working of the Bombay Act has been gained.

(54) The recommendation is very vague, and I would have very much preferred a practical proposition. It is

not clear whether the majority propose ten "consecutive working days" or "consecutive days" (which will, of course, include holidays), or ten "working days" in a year, which need not necessarily be continuous. It is not also clear whether the "12 months' service" referred to is "12 months' continuous service"; and it has not been explained under what circumstances would such "continuity" be deemed to have been broken. Vague generalisations of this character are likely to do more harm than good inasmuch as they are a fruitful source of friction between the employers and the workmen.

In this connection, I might point out that the recommendation as it stands will react to the detriment of employers, for, workmen may absent themselves, as they have been doing for two to three months at a stretch and come back with a claim for 10 days' wage on the ground that they have put in 12 months' service and that they are entitled to 10 days' holiday with pay.

The Standing Orders for Operatives in the Cotton Mill Industry recently settled by the Bombay Industrial Court provide for the grant of a Month's leave for 12 months' service and ten days' casual leave in a year, and I feel that the practical working of this provision should be watched before granting leave with pay.

(56) I suggest that the Committee referred to should tackle the problem on a national basis.

(57) I disagree with the view that the existing rates of compensation under the Indian Workmen's Compensation Act are inadequate.

(60) The maternity benefits legislation at present operating in various provinces in India appear to have worked satisfactorily, and the allowances prescribed are adequate. Legislation provides for maternity allowances and leave for a period not exceeding 4 weeks before and 4 weeks after child birth, and no case has been made out for an extension or increase in the rate of allowance. The recommendation lays down that, as an additional benefit, the women should be entitled to free attendance by a doctor or a certified mid-wife. This certainly is taking things too far. I am not aware of employers in Japan or other places providing such facilities unless, of course, they have their own hospitals. In any event, the recommendation, if accepted, would make it necessary for an employer to retain in his staff a maternity expert and mid-wife, in addition to providing maternity allowance for his operatives.

It is obviously the duty of the State to provide such attendance.

(61) The recommendation is vague. I presume that what is contemplated is a special fund administered by Government to which contributions will be made by employers. It is not clear whether Government contributions will be available or whether employers in agriculture would also be expected to contribute. In any event, relief from this fund is probably to be given to all women workers of the country irrespective of the industry or industries in which they are employed, and irrespective of whether that industry is covered by the Act or not; that is to say, even though the agricultural industry is not covered by the Act and the landholders are not expected to contribute, the employers of the manufacturing industries would be compelled to contribute to the cost of paying the maternity benefits to a woman working in, say, paddy fields. This is obviously unfair. I have no objection to the present maternity arrangements being extended to industries which are not at present covered by the Act, but I certainly object to the creation of a central fund as suggested and to the suggestion that employers of industries which do not as a rule employ women, should also contribute to it. The recommendation refers to the alleged evil of women being thrown out of employment on account of the obligation of the employers to pay maternity benefits. This after all is an allegation and, so far as I am aware, it has not been supported by facts; but let me assure the Committee that, so far as the Bombay Cotton Mill Industry is concerned, we are employing more women now than for many years.

(62) I do not agree with the recommendation as it stands, but I would have no objection if the insurance fund was set up, Government contributing the major share and the employers and employees each making a fair contribution.

(64) I regret I cannot express an opinion on this recommendation unless further details of the scheme are available, but if the idea is to have a State-Controlled scheme with State contributions, I would have nothing to say to it.

(66) I think we are starting at the wrong end. The first step to spread education is to make primary education compulsory.

(68) I have no quarrel with the recommendation as at present worded, but would point out that the employers need not be expected to recognise or treat with trade unions which are not run on strict trade union principles or which exist only for the propagation of certain subversive ideals.

(69) I am opposed to reservation of seats in Local Legislatures and Municipalities on the lines suggested, but would have no objection to labour candidates being put up and returned by constituencies which have a predominantly large number of labour voters. The fifth Schedule to the Government of India Act, 1935, however, provides for special representation of Labour in Provincial Assemblies, and I think matters should rest at that for the time being.

(71) I must point out that this recommendation is to a certain extent inconsistent with the provisions of the Bombay Industrial Disputes Act. The award of the Industrial Court on all matters referred to it is final and binding on both parties. Legislation on Bombay lines, it is understood has already been or will shortly be introduced in other Provincial Legislatures.

(74) I have no objection to a Statistics Act provided the collection of information is strictly limited to essentials, these essentials being defined in the Statute.

(80) & (81) I am in agreement with 80. 81 would appear to contradict 80. Having conceded the principle of uniformity and co-ordination in 80, the majority propose in 81 that "the need for uniformity and co-ordination should not stand in the way of progressive labour legislation being undertaken by Provincial Governments immediately". I am in favour of co-ordination always preceding legislation in a country like India. There are no insuperable difficulties in securing co-ordination between the Provinces, and as we are all aware, a lead in this direction has already been given by the Government of India. I, therefore, fail to see the necessity of recommendation 81. A small delay necessitated by the preliminaries connected with co-ordination, etc. is well worth our while, which would, in any event, be less harmful than sacrificing co-ordination to haste and trying to mend matters later.

(82) I think it is a pious hope to get the programme completed within five years. It is a question of money, and I do not know whether that problem has been considered by the Sub-Committee.

(84) I do not agree with this recommendation. All I wish to say in this connection is that it seeks to introduce communism by the back-door.

(Sd.) S. D. Saklatvala.

Minutes of Dissent of Mr. V. V. Giri and Mr. V. R. Kalappa

I have indicated my desire to send a note on the recommendation of the Planning Sub-Committee on Labour in regard to certain matters like the question of the system of arbitration being adopted in certain exceptional cases in labour disputes and recognition of Trade Unions. In Madras during the time the Congress Government was in office, they have given the fairest and exhaustive trial to the Trade Disputes Act, 1929. Several Courts and Boards were brought into being to settle trade disputes and, in most cases, the Government either at the instance of the parties or on their own initiative settled trade disputes whenever they occurred. The Government have also encouraged reference to arbitration in cases, where disputes were not settled either by the intervention of the Government or through conciliation machinery; and nearly in all cases the workers and the management mutually agreed to refer the dispute to arbitration, there was no difficulty and then the Government always referred such disputes to an arbitrator. The question arose in extreme cases where all the methods such as conciliation had failed and the interests of the workers were at stake or where there was a likelihood of the industry itself crippling down more to the detriment of the workers. My experience is that on these occasions, employers were adamant in refusing to accept the suggestion of the Government for constituting arbitration machinery and the workers were most anxious and persistent that the Government should compel the employer to appear before an arbitration tribunal. In fact, many organisations of labour, engaged in trade disputes with employers, have suggested Government acquiring power through legislation as a last resort in extreme cases, to constitute arbitration machinery to settle disputes. As a trade unionist of some standing, I have always stood for conciliation machinery without enforced arbitration methods, but as a member of Government for Labour and Industries in Madras after giving the most exhaustive and the fairest trial to the Trade Disputes Act, I felt matters reached a deadlock when the employers refused to carry

out the most reasonable recommendations of a conciliation Board or a Court of Inquiry or agree to arbitration, because they felt, at a certain stage, they could crush the workers and their spirit for collective bargaining. The result of that was the extinction of trade unionism after that dispute was over and the workers brought to their knees by the employers. I feel that so long as the Government intervene as a last resort the method of enforced arbitration will be useful to the workers. Therefore power may be taken by legislation, with all the safeguards necessary in the interests of the workers and industry, that a trade dispute shall be submitted to compulsory arbitration in exceptional cases only, when all other methods have failed and after giving opportunities to the parties to the dispute to be heard. The following circumstances and any other further circumstances that may be thought over may constitute exceptional cases:—

1. when there is reason to believe that the continuance of a dispute will seriously cripple the industry and curtail the prospects and scope of employment in the future; and
2. when there is the fear of the industry itself closing down for ever.

I do feel that the Central Trade Disputes Act, 1929 requires immediate amendment, if necessary, after meeting of the representatives of the different provinces. I quite agree that the bill framed should be applicable to all the provinces and it may be on an All-India Basis.

As for recognition of Trade Union, I believe, there should be some legislative provision to recognise Trade Unions having a minimum membership as may be provided for.

(Sd.) V. V. Giri.

I hereby subscribe to the Minute of dissent written by Mr. V. V. Giri in connection with the Report of the Labour Sub-Committee of the National Planning Committee.

(Sd.) V. R. Kalappa.

**Minutes of Dissent of Mr. S. R. Bose and
Mr. G. P. Chakravarti**

I beg to acknowledge receipt of your letter of the 19th January 1940, forwarding a copy of the draft report of the Labour Sub-Committee of the National Planning Committee.

tee. I am sorry I could not attend the second session of the Sub-Committee held in Bombay on the 7th and 8th January 1940 as I had to go to Madras and Mysore to attend the annual session of the Indian Statistical Conference.

I have gone carefully through the Report which you sent me for my signature and I find that I am generally in agreement with the proposals and recommendations embodied in the report. I feel, however, that I must express my dissent from two of the recommendations made in the report relating to fixation of minimum wages and regulation of conditions of domestic service.

Though I agree with the recommendation that attempt should be made by means of minimum wage legislation to raise wages in occupations where they are too low to ensure the maintenance of a minimum standard of health and decency (ART. 14), yet I am not in favour of the wage fixing machinery attempting anything more than guaranteeing a living wage to the workers in a specially low paid occupation, as it would be doing, if it were to attempt also to lay down the rates of wages of different categories of workers in the selected industry who, by virtue of special skill and ability, may be already earning more than this living wage. Of course, the minimum wage laid down would be a varying minimum depending, among other things, upon the cost of living in the different centres of the industry. To attempt anything more than this in the present condition of India (or for the matter of that in the conditions likely to exist in five years' time when the recommendations made shall have been carried into effect) would be putting too great a strain on the wage fixing machinery set up. I cannot, therefore, agree with the recommendation contained in Art. 16. I had already raised this point in the first session of the Sub-Committee held on the 25th and 26th August, 1939.

I cannot also agree with all the recommendations made on the subject of the regulation of the conditions of service of domestic servants (Section vii). I am prepared to admit the desirability of the recommendations so far as they apply to domestic servants employed for profit as in restaurants, boarding houses, hotels, etc. Where, however, they are not employed for profit, the conditions under which work is performed are so various in different households and the effective enforcement of the regulations would be so difficult, that no useful purpose would be served by attempting a too ambitious, strict and uniform regulation. So far as this category of domestic servants is concerned I would,

therefore, while submitting them to regulations contained in sections 36, 38, 40 and 42, exempt them from the operation of provisions under section 37, 39 and 41. Normal family life for the vast majority of workers under this category is not available particularly in big cities; and they would be living a more healthy and moral life if they spend the nights in their masters' house than if they are made to live outside. Further a strict enforcement of the provision in section 39 will have a tendency to substitute part-time employment with more than one master (which it is proposed to exempt from all regulations under section 34) with a greater strain of work for wholtime attachment to one family.

(Sd.) S. R. Bose.

I hereby subscribe to the Minute of dissent written by Mr. S. R. Bose in connection with the Report of the Labour Sub-Committee of the National Planning Committee.

Sd./- Girija Prasanna Chakravarti.

A NOTE ON LABOUR PROBLEMS

Dr. B. R. Seth, M.A., Ph.D.

Before dealing with the actual subjects on which my views differ from those of my colleagues, I feel that a word of explanation is necessary in order that my personal position may be made quite clear. I must say at once that basically there is no difference between us. I am in full agreement with practically all the recommendations made in the report, but I do feel that my colleagues in their haste to submit the report, have omitted to consider some important labour problems, such as the methods of labour recruitment and the nourishing diets for the workers. Again, some of the recommendations in the report with which I am in sympathy are put forward in rather weaker terms than I can subscribe to. It is only to make up these deficiencies that I am submitting this note.

Hours of work

I quite agree with the recommendation that the limit of hours of work should be placed at 48 per week and 8 per day, so far as the male workers are concerned. As regards women workers, this limit is a bit high, because women are not only wage earners but also domestic drudge and have thus to do a lot of house work. So it is desirable that in

their case the limit of hours of work be reduced to 7 per day, if not 6 per day.

Restraint on Workers' Movements

In this connection it has been suggested that, in order to remove the practical restriction on the freedom of movement and association of the workers on plantations, legislation should be undertaken with a view to providing public roads, leading to the workers' places of work and residence and sufficiently large open spaces near their houses. In my view such a legislation be applicable not only to the workers on plantation but also to workers in the mining areas, as the latter also suffer from the same restrictions as the plantation workers. What to say of ordinary freedom of movement, in many cases miners are not even free to make their daily purchases anywhere they like! This I have explained in a comprehensive note which I have already submitted to the Committee.

Health and Safety

In addition to the suggestion already made in the Chairman's memorandum regarding the health and safety of the workers, I would like to suggest that there is a need for evolving model or standard nourishing diets for workers engaged in different industrial and commercial occupations. It is an admitted fact that the diets of most of the industrial workers in India are deficient not only in quantity but also in quality. They suffer from lack of balance and uniformity. Poverty of fat and protein, excess of starch and deficiency in vitamin A and B, are their common defects. Such defective diets are as potent cause of sickness and proverbial inefficiency of the Indian workers as unhealthy conditions of living and working in industrial and commercial areas. They make the worker an easy victim to diseases like dysentery, diarrhoea, epidemic, dropsy, malaria, tuberculosis, leprosy and beri beri. In the words of the Public Health Commissioner of the Government of India: "No preventive campaign against Malaria, against Tuberculosis or against leprosy, no maternity relief or child welfare activities are likely to achieve any great success unless those responsible recognise the vital importance of this factor of defective nutrition and from the very start give it their most serious attention." When the diet is defective the most perfect hygiene will fail to check mal-development, disease and premature mortality. The dispensing of medicines to promote the health of underfed people is a mere waste of time. Adequate nutrition is the best preventive

for diseases. The mal-nutritional condition of the Indian workers is due not only to their inadequate wages but also to their ignorance about the food value of different commodities. Moreover, their women-folk hardly know the art of cooking. This ignorance must be dispelled if the mal-nutrition is to be removed. A Government institute of nutrition should carry on researches to find out model nourishing diets for workers engaged in different commercial and industrial occupations in the country. They should be popularised among the workers through the welfare centres which must be established by the Provincial Governments in their respective industrial areas. At these welfare centres provision should also be made for educating women-folk in the art of cooking. In suggesting model nourishing diets the workers should be told not only the amount of protein, fat, carbohydrates and calories that they should take daily, but also the commodities and their amount that would constitute a well balanced and uniform nourishing diet.

As regards medical aid, there is considerable prejudice among industrial workers against allopathic treatment and hence adequate provision should also be made for indigenous treatment. The latter may be Ayurvedic, Unani or Homeopathy.

Lastly, there is need not only for improving safety regulation and their strict enforcement but also for the enhancement of punishments for the breach of the provisions of the safety Acts. At present, it is an admitted fact that the punishment for the breaches are not severe enough to exercise a deterrent effect. The fines that are imposed in most cases are ridiculously low and constitute an important cause of frequent deliberate violation of the safety Acts. The only remedy against the frequent breaches of the Acts is frequent and surprise inspection, followed in case of violation by heavy penalties which may sometimes amount to light imprisonment.

Wages

As regards wages, I do agree with the Committee that there is urgent need for standardisation of wage rates and fixation of minimum wages, but I am constrained to doubt whether these two steps alone would solve the whole problem of wages. There is another aspect of the wage problem, that is, the protection of the wage earner and the wage earned, which ought not to have been ignored by the Committee. Mere guaranteeing of minimum and fair wages will hardly improve the economic condition of the workers,

unless the latter are enabled to get and enjoy their earned wages. At present, in many industries, both the wage earners and their wages need some sort of protection. Earned wages require to be protected against delayed payments, arbitrary fines, deductions, their attachment for debt and their payment in kind. Wage earners need protection against besetting for collecting debts and imprisonment for debt.

Of course, some legislative measures have already been adopted to accord such protection. The most important of these measures is the Wage Payment Act, 1936. It contains adequate provisions to secure prompt payment and regulations of deductions and fines from earned wages. But unfortunately it applies only to persons employed in factories and on railways. Its extension is badly required in case of Bihar, Bengal and the Central Provinces' coalfields, as there arbitrary deductions, heavy fines and truck systems of payment are widely prevalent. Again, the Act needs to be amended in one respect. The working of the Act has shown that the management of the industrial undertakings, to which this Act applies, now punish their workers not by fines but by suspending or by refusing work to them for a number of days. Their punishment of forced absence is worse than that of fine and hence it is necessary that the Act should be amended in such a way as to regulate the extent or the amount of this kind of punishment along with that of fine.

As regards the protection of the wage earners, of course, the Government of India have amended the Code of Civil Procedure to give protection to the workers against attachment of wages and imprisonment for debt, but they have done nothing to protect the workers against besetting for collecting debts. As a result of the above amendments the money lenders, instead of taking legal proceedings, are now using more frequently intimidation or even violence for the recovery of the debt. The Bengal and Central Province Governments have already passed the Workmen's Protection Acts which provide that whoever loiters in or near any industrial establishment with a view to recovering debt from any workman employed therein is to be liable to punishment with imprisonment or with fine. The Central Provinces Government have also passed an Act relating to the liquidation of unsecured debts due from workmen. This Act is known as the Central Provinces Adjustment and Liquidation of Industrial Workers' Debt Act of 1936. It aims at discouraging the money-lender from entering into such

contracts with the workers, which he knows the latter cannot fulfil, by restricting the assistance of the law to the recovery of such sums as the borrower can reasonably repay in a limited period of time. This Act is applicable to industrial workers receiving not more than Rs. 50 p.m. If the Government of India show their indifference in passing such legislations for the whole of India it is highly desirable that other Provincial Governments should adopt these two legislations without wasting any more time. It is needless to say that they will go far in improving the economic condition of the workers, whose sufferings are not to a small extent due to their indebtedness.

Workmen's Compensation Act.

In dealing with workmen's compensation, the Committee has recommended the raising of the level of rates, compulsory insurance and the compulsory payment of compensation in case of serious accidents, even if the latter are due to the fault of the workers. In my view the Present Indian Workmen's Compensation Act needs many more amendments which are as follows:

Firstly, the present law covers only accidents arising out of and in the course of employment. It should be made to cover all accidents in connection with employment, including accidents occurring on the journey to and from the work place. Such a provision is especially needed in mining areas as there the workers have to cross subsided areas, tram lines and sometimes railway lines to reach their working places or to return home from their work.

Secondly, provision should be made for the supply of artificial limbs and other prosthetic surgical appliances, especially those required to improve working capacity of the injured person. These limbs and appliances should also be renewed from time to time. This is the practice in Belgium, Canada, France, Germany, Netherlands, Poland, S. Africa, U.S.S.R., and U.S.A.

Thirdly, there should be made an explicit legal provision for vocational rehabilitation or provision to take over the injured worker as he leaves hospital and render him fit to resume his old occupation, to train him if necessary for a new one, and if possible to place him in employment.

Fourthly, workmen are now entitled to compensation for injuries resulting in disablement for more than seven days. In view of the poverty and low wages of the Indian worker this period of seven days should be reduced to three days. In Canada, Germany, France, Great Britain, Poland, Nether-

lands and South Africa this waiting period does not exceed 3 to 4 days. If incapacity lasts for 15 days, the worker should be paid compensation from the very first day.

Fifthly, the present practice of making deductions from the compensation for fatal or serious accidents for the assistance rendered during the temporary period should be stopped. The victims or their dependants should be paid full compensation in case of permanent incapacity or fatal accidents.

Again, in case of fatal accidents funeral benefit should be paid even if there are dependents of the deceased. The funeral benefit should not be less than one month's wages.

Lastly, as suggested in the chairman's memorandum, the list of occupational diseases coming under the Act should be enlarged so as to include all industrial diseases. Respiratory diseases should be treated as occupational diseases, at least in case of miners.

Holidays with Pay

I do agree with the Sub-Committee's view that all industrial and commercial employees should be guaranteed some working days as holidays with pay after 12 months' service. But I regret to differ from the Committee's view regarding the number of such holidays. A period of ten days, which has been recommended by the Committee, hardly seems sufficient to enable the worker to get relief from the monotony of daily toil and recoupment of health, which is the main purpose of this reform. The workers would like to spend these holidays in their homes, and as their homes are generally far from their working places, they will have to incur a lot of expense even in one home visit. Not to say of workers from the Punjab, U.P., and Bilaspur and Raipur in C.P., even the workers from Patna district working in Jharia and other Bihar coalfields will have to spend at least Rs. 6 to 7 per head for visiting their homes once. It is doubtful if the worker would consider it worth while to incur so much expense, especially when he has got his wife and children with him, to spend eight or nine days at home. More so is the case with the workers in Assam and Bengal tea plantations and Bengal Jute Mills who have migrated from long distances to earn their livelihood. In view of all this the minimum periods of holidays with pay should not be less than 12 days after twelve months' service. After that they should be increased yearly by one day upto 30 days as maximum. The latter will be granted after 18 years of service. Again the holidays should be allowed to be accumulated for at least two years if not

three. This is important, especially for those workers who come from distant places to work in industrial areas and cannot afford to visit their houses every year.

As regards the pay for holidays, it should be calculated on the basis of the 12 civil months preceding the departure on holiday. In the case of workers who have been employed in the same undertaking for less than one year, account should be taken only of the wage received since the day the workers entered the undertaking. For calculating the average wage, account should be taken of all forms of remunerations in kind and cash, including bonuses, overtime pay, the wage paid during a stoppage of the undertaking and compensation for temporary incapacity. The payment for holidays should be made on return from holidays as this would go far in minimising the evils of rapid turnover of labour from which at present not a few industrial undertakings are suffering.

In order to avoid inconvenience to the employers the holidays should be taken in comparatively slack seasons of the industry. Further, more than 10% of the employees should not be granted these holidays at a time. The order in which these holidays be granted must be determined by a joint board of employers and employees. Again, a worker who desires to go on holiday must so notify the Manager of the works at least two weeks before the date.

The wages for holidays should be paid, as suggested in the chairman's memorandum, out of a publicly controlled fund raised from the employers concerned who should contribute to it in proportion to the number of workers they engage and their total wage bill. Any undertaking to relinquish the right of annual holidays or to forego such holidays should be void. If an employer does not grant the worker his statutory holiday he must pay him compensation equal to twice the holiday pay which would have been due; on the other hand, if a worker accepts any paid work during the period of the holidays, he should not only be deprived of the pay for the holiday but also of his right to a holiday in the following year. Lastly, these holidays may also mean leave. As a general rule these holidays should be taken in one unbroken period, but for special reasons the workers should be allowed to take them in periods not less than six consecutive days.

Arbitration

As regards arbitration, I beg to differ from the view expressed in the Report that the system of arbitration in which the decisions of the arbitrator are binding on both

parties must be rejected. In my view if arbitration is to be used to settle trade disputes, especially when it is asked for by the employers and the employees themselves, it must be compulsory arbitration. Any other kind of arbitration has no meaning except that of unnecessary wastage of time and money of the Governments. The compulsory arbitration is not only likely to give much needed peace in the industrial sphere—peace which is not the exploitation of workers but which results from the sense of security, but would also eliminate unnecessary and useless strikes which are harmful to workers, employers and the public on the whole. Of course, this method of settling disputes can hardly find favour with the so-called labour leaders who always have their own axe to grind and the justification of their leadership lies in keeping the workers and employers always at daggers drawn, or with the communists whose immediate object is not so much to improve the condition of the industrial workers but to disseminate the revolutionary doctrine of class hatred so that the progress of the industry is retarded, capitalism uprooted, stable government smashed and batches of disgruntled workmen are once again back to their native village to be the tillers of the soil. The suggestion that if the decision of the arbitrator or industrial court is not accepted, then the disputes should be allowed to be settled by a trial of strength between the two parties, seems to be somewhat absurd. The workers who are the owners of a perishable commodity like labour can hardly enter into any fair trial of strength with the employers without inviting some serious consequences to themselves. The failure of majority of strikes and the frequent appeals of the workers to Government for conciliation and arbitration bears ample testimony to the above fact. Again in Madras, as Mr. V. V. Giri, Ex-Minister of Labour, pointed out at the meeting of the Labour Sub-Committee, it is the workers who have been asking the Government to arbitrate in matters of disputes with the employers. Besides the helplessness and the weakness of the workers, there is another consideration which calls for compulsory arbitration, and that is public peace. Strikes and lock-outs which are likely to result from the trial of strength between the parties are not only risky and costly for the employers and employees but are also likely to endanger the public peace, the maintenance of which is the primary function of the Government. The difficulties of coercing large number of men into accepting the decision of the arbitrators and of finding independent impartial persons are not as cannot be solved by popular governments.

Resolutions of the National Planning Committee on the Report of the Sub-Committee on Labour

The Final Report of the Labour Sub-Committee was presented by the Chairman of the Sub-Committee, Mr. N. M. Joshi, on the 6th May 1940. Mr. V. V. Giri, a member of the Sub-Committee, was present. The Secretary of the Sub-Committee, Mr. V. R. Kalappa, was unable to be present. Discussion continued on the 7th and 8th May. The following resolutions were adopted.

1. Regulation as regards living and working conditions of the employees, including hours of work, employment of children, provisions for safety and sanitation, social insurance and such other matters, should apply, subject to such variation as may be necessary owing to the nature of the occupation, to industries and occupations to which so far no such regulation has been applied.

2. It is of paramount importance that certain essential human standards be maintained. In giving effect to any regulations for the improvement of living and working conditions, due regard will be paid to the interests of the consumer, and the capacity of each industry to support this obligation. In the event of an industry not being able to comply with these conditions, the State may protect, subsidise, or take it over, if it is in the interest of the community to do so.

3. **Hours of Work:**—Working hours should be limited to 48 hours per week and nine hours per day. This should not lead to any reduction of earnings. It is recommended that a committee should investigate into all the questions arising out of the application of a 48 hour week on an All-India basis, including conditions of work.

4. This provision (relating to hours of work in resolution 3 above) shall apply to all employees in

- (a) factories and workshops, employing five or more persons and using mechanical power, or to factories and workshops employing ten or more persons even though not using mechanical power;
- (b) mines and quarries;
- (c) public transport services using mechanical power.

5. The principle of limiting the total weekly hours of work should be applied to other industrial and commercial

occupations, including plantations, building works, public utility services, with due regard to the nature and varying conditions of the occupation.

6. Child Labour:—The minimum age of employment of children should be progressively raised to 15, in correlation with the educational system.

7. Health and Safety:—In view of the specially technical nature of the problems of health and safety, a special committee should be appointed to make detailed investigations and recommendations for improving provisions for the health, safety, and conditions governing night work, in all regulated undertakings.

8. Wages:—A wage fixing machinery should be established early in all provinces, in order to secure for the workers a living wage, fix minimum wages, consider other questions relating to wages, and obtain for them a decent standard of life, health and comfort.

There should also be a Central Board in order to co-ordinate the activities of the Provincial Boards.

9. Housing:—The question of Housing should be considered as a national obligation of the State; and should, therefore, be more fully considered in connection with the housing sub-committee's recommendations. It is desirable, therefore, for the State, including the Local Body, to make provision for housing as well as for co-operative schemes to be undertaken.

During the period of transition, and in order to improve housing conditions as rapidly as possible, employers should be required to erect suitable houses for workers, provided that full provision is made for freedom of movement and association, and against victimization by way of ejection during industrial disputes. Where necessary, facilities for transport should be provided.

10. Holidays with Pay:—All industrial employees should be given at least 10 continuous working days (exclusive of public holidays) as paid holidays after 12 months service

11. Workmen's Compensations:—The present rates paid by way of compensation should be examined and made adequate.

12. Maternity Benefits:—Maternity benefit legislation should be undertaken on the general lines laid down by the Geneva Convention of 1919, in regard to the period before and after childbirth, payment being made out of a special public fund.

13. The Committee resolved that the right of woman workers to get equal pay for equal work must be recognised.

14. A system of compulsory and contributory social insurance for industrial workers should be established directly under the control of the State, to cover the risks of sickness and invalidity other than those covered by the Workmen's Compensation Act. Schemes for providing alternative employment to those involuntarily unemployed, Old Age Pensions and Survivors' Pensions, and also Social Insurance to cover risks of sickness and invalidity for all, should be established directly under the State. These schemes should be extended by stages, priority being given to particular classes of workers, with due regard to the relative urgency of their needs, facility of application, and to the ability of the community to provide for them.

15. **Literacy:**—A nation-wide campaign of adult literacy and education should be started by making it obligatory on every illiterate adult to attend a literacy centre for a fixed period. The necessary finances required for launching the scheme should be provided by the State.

16. **Technical Education:**—Provision should be made for technical education of the workers by establishing Day and Night Schools for the purpose, so that the worker might become more efficient in his own industry, and might also learn an alternative occupation. After the State has made suitable provision, a certain period should be fixed after which only literates will be employed.

17. **Trade Unionism:**—Legislation should be passed to recognise Trade Unionism as an essential and integral part of the economic system.

18. **Trade Disputes:**—Machinery for the settlement of disputes should be provided by Government in the form of a Conciliation Board and an Industrial Court.

19. **The Labour Inspectorate:**—Should be strengthened in the various provinces, and should include women. Co-operation between Inspectors of various provinces should be established by periodical conferences.

20. **Labour Legislation:**—It is desirable to have uniformity and co-ordination in labour legislation all over India. There should, therefore, be full co-ordination between the Centre and the Provinces, and the Provinces and States inter se, and appropriate machinery for this purpose should be devised, such as Tripartite Industrial Councils representing the Government, the employers and labour. This principle of uniformity and co-ordination should be

borne in mind when prescribing the respective spheres of Central and Provincial Legislation affecting labour.

21. Both in the interest of industry and the community, it is desirable to associate the workers progressively in the control system.

22. **Domestic Service:**—The case of those engaged in domestic services requires special attention and legislation in regard to their hours of work, wages, holidays, social insurance, and the like.

23. In order to remove the practical restriction on the freedom of movement and association of the workers on plantations, legislation should be undertaken with a view to providing public roads leading to the workers' places of work and residence, and sufficiently large open spaces near their houses.

24. The right of repatriation of the workers on plantations should be made adequate.

25. **Seamen:**—An Employment Bureau under Government control should be set up in each major port, and recruitment of seamen should be made only through such a Bureau. The work of the Bureau should be carried on by persons possessing practical experience; but there should be a Joint Maritime Board to tender advice on all matters concerning the work of this Bureau. This Joint Maritime Board should include an equal number of representatives of ship-owners and seamen.

26. There should be adequate accommodation, with light and air, and sufficient food of proper quality on board, and there should be no racial discrimination in regard to these.

27. **Dockworkers:**—Each major port should have a register of all workers who have a genuine claim to be regarded as dock labourers, and appropriate arrangements should be made for the proper rotation of work. This principle should be extended to other classes of casual labour, wherever possible. Labour Exchanges and other appropriate machinery should be devised for the recruitment of all classes of workers.

28. **Industrial Disputes:**—Under Planned Economy, legislation should be passed for adjudication of industrial disputes by impartial tribunals *

* The question of arbitration in industrial disputes had been previously discussed on May 7th. It was further discussed before this resolution was passed. Prof. R. K. Mukherji was opposed to any provision which might come in the way of strikes even under Planned Economy. Mr. N. M. Joshi stated that he would like to see the future State before he could commit himself to the principle underlying this resolution. Much depended on the nature of this State. He would therefore suspend judgment till then.

**QUESTIONNAIRE ON LABOUR ISSUED BY THE
NATIONAL PLANNING COMMITTEE AS GIVEN
IN RED BOOK I**

34. What is the experience in your Province of the efficiency of available Industrial Labour? To what extent do the conditions of work and employment of industrial Labour safeguard on the one hand the worker against undue exploitation, and on the other, the community collectively against inefficiency in Labour?

54. In what way is the status of the landless agricultural labourer in the Province protected or safeguarded by the provincial government, local bodies, or any other institution concerned therewith?

57. What steps have been taken or are in contemplation for the organisation of:—

- (a) agricultural labourers who have no land of their own, nor any sort of ownership rights in land,
- (b) of tenants of agricultural land owned by Zamin-dars, Talqudars or other such categories of Land-lords,

with a view to secure a more equitable distribution of the annual wealth produced from agriculture, and to assure a guaranteed minimum standard of living for every citizen in the province?

99. Are there any Railway Workshops or plant making establishment in your Province? To what extent do they provide employment for local labour, capital, skill and experience?

100. Have you had any occasion to make any representation on behalf of the Provincial or any commercial or industrial organisation within the Province in regard to

- (a) policy and incidence of railway rates,
- (b) employment in railway labour,
- (c) development of outlying regions by means of cheap transport facilities. How far is there room for fostering such facilities in your Province?

116. To what extent would it be possible to widen the field of employment in the process of developing the Province as indicated above, in regard to establishing or developing the new industries, improving agriculture, exploiting forest resources, developing transport services, marketing of finished products, and the development of all other accessories, such as Banking, Insurance, Transport,

Health, Education and the general welfare of the community?

117. What are the average rates of wages or income in the Province for:—

- (a) wage earners employed in industrial, commercial or transport services,
- (b) agriculturists with or without any land of their own,
- (c) tenants of agricultural land holding larger land owners,
- (d) those employed in private administrative or public services such as Public Education, Public Health, Communications etc.?

118. Have any measures been adopted by your Provincial Government to regulate the terms, conditions and hours of work of the working population, and to provide amenities of civilised life and safeguards against the risks of working life like insurance against industrial accidents, old age pensions, unemployment benefits, apprenticeship, etc.? What further measures would you suggest should be adopted in the same direction?

119. To what extent is industrial labour organised in your Province and how far have such organisations succeeded in improving the conditions of such labour in general? How far have such organisations been recognized for making effective bargaining with workers and maintaining Industrial peace and harmony?

120. To what extent Industrial disputes resulted in your Province in the loss of working days and of new wealth in consequence? What machinery is there to prevent such disputes or to minimise the loss and damage to the workers as well as to the wealth of the Provinces resulting from such disputes? How far is it possible in the interests of Planned Economy, to insist on a system of compulsory arbitration enforceable on both parties by means of appropriate sanctions?

121. To what extent is it possible effectively to organise agricultural labour directly owning or holding land of their own, but working for a wage on the land owned or held by another or work for another?

122. To what extent would it be possible to bring about a transfer of the working population from the primary occupations of agriculture or its subsidiary industries to

- (a) new or developed industries of all kinds on cottage, medium or large-scale operations;

- (b) commerce and its accessories like transport, banking, etc., so as to be a more planned community, from the standpoint of and even or balanced distribution of the occupation within the country?

123. What should be the standard of living which you consider to be adequate for the proper maintenance of bodily and mental efficiency of the general mass of population, including workers as well as dependants, and their cultural growth in your Province? What steps ought to be adopted for improving that level?

124. To what extent is the problem of unemployment prevalent in your Province in regard to:—

- (a) educated classes,
- (b) uneducated classes in towns,
- (c) agricultural population which has no land of their own?

125. What are the causes of such unemployment with special reference to the:—

- (a) organisation of industry and agriculture
- (b) education and training of these classes.

What attempts have been made to remedy the same?

126. What organisation is there for the prompt and effective finding of employment for those needing and qualified for it?

127. What steps have been taken by the Provincial Government to relieve the volume of unemployment, and if so, what is the measure of success which has attended those steps?

128. Is there any scheme of Unemployment Relief or Insurance in your Province, if not, would you suggest organising such a system of relief?

130. Is there any organisation or machinery in your Province which will act as Labour Exchange serving to record the employment needs and qualifications of workers as also of employers and adjusting the mutual requirements of workers and employers so as to minimise the volume of current unemployment at any time; would you make it a Public Institution or allow organisations of labour like Trade Unions to start their own Exchanges, with or without official recognition and support?

148. Are there any organisations of Trade, Commerce, Industry or Labour as well as of Agricultural interests, which collect, compile and discriminate statistics and information relating to these respective interests? What steps do you suggest to improve, develop and popularise such information.

SUMMARY OF DEVELOPMENTS

As noted in the Introduction, the first effects of the War were felt by Labour somewhat adversely almost as soon as the War had commenced. The hectic prosperity of industry which followed a year or two after the War began was not realised at first. The immediate reaction seemed to be a great shortage of essential commodities, like coal; and increasing demands on the transport services which made the movement of goods more than ever difficult. Prices also began to rise, thereby affecting unfavourably the cost of living. Many industries had to go on shorter hours, or suffer a setback in other ways, which reacted upon the workers unfavourably. The trading classes suffered a crisis of panic which reacted on piling up stocks and reduced consumption. All these factors told against Labour engaged in industry and accustomed to a comparatively higher standard of living.

As, however, the War proceeded, new circumstances began to develop, which gave industry an indirect, adventitious, unexpected protection to an ever increasing degree. The supply of foreign goods competing with Indian products in the Indian Market gradually shut off, partly because of the growing shortage of shipping space due to heavy losses of ships in the War; and partly also, because of the conversion of peace-time factories and workshops to produce war requirements in the countries immediately affected by the European War, formerly supplying the Indian market. Because of these factors, Indian Industry began to look up; and India gradually attained, especially after the United States and Japan had entered the War, the position of the Arsenal of the East for supplies which had to be obtained at any cost from this country for the Armies in Burma and Malaya and South East-Asia. A brief interval of panic in the first months of 1942 was followed by an unprecedented impetus which made the volume of industrial output break all records. Prices rose still higher, thanks to ceaseless inflation following upon the endless stream of British purchases in India against Sterling securities in the Paper Currency Reserve.

Prices and Wages

These forces had their inevitable reaction. Labour demands grew in proportion. Many industrial disputes occurred, involving considerable stoppages of work which had to be resolved by ever increasing concessions. As orders for urgently needed war supplies began to flow in from Government regardless of prices, the industrial employer also began to be more yielding; and so the wage-rates began to rise steadily. This advantage was, to a very large extent, counterbalanced by the rise in prices, though the increase in prices was, for the first two or three years of the War, not so rapid as it has been after August 1942, as the following figures show:—

*Index Numbers of Wholesale Prices and Cost of Living in India since 1938.

Original Base	(January—June 1939 — 100)	
	India	
	Calcutta (P) July 1914	Bombay (C) July 1933 to June 1934
Year & Month		
1938	96	102
1939	109	102
1940	121	108
1941	141	120
1942	187	151
1943	311	223
1944	302	229
1945	292	227
1946	328	250
1946 January	287	233
February	303	234
March	306	238
April	308	230
May	317	240
June	327	250
July	331	259
August	338	258
September	338	260
October	351	255
November	364	262
December	371	269
1947 January	377	258
February	382	254
March	374	260

* (P) = Wholesale Prices. (Sources : Calcutta-Indian Trade Journal.)

(C) = Cost of Living. (Sources : Bombay—Labour Gazette.)

Two Criteria Determining Return to Labour

The rise in the price-level is much greater than that in the Cost of Living. Notwithstanding all measures of control, regulation of price, Governmental procurement and distribution of essential supplies, like food, kerosene, sugar; and the entire rationing system applied to town after town and Province after Province, prices continued to soar; black market flourished; corruption knew no bounds of rank or sex. The Cost of Living was in reality, therefore, much higher than the official index showed, and so the rise in workers' earnings failed to bring a corresponding relief.

The wave of rising prosperity was, however, so great that it was impossible as well as useless to resist Labour's ever-rising demands. The Introduction has already indicated that there are two criteria—not mutually exclusive—according to which the share of Labour in the country's wealth may be determined and regulated. These are:—

- (1) cost of living, i.e., the return to labour in the shape of cash wages should be at least sufficient to meet all the normal needs of civilised existence for the worker and his family; and
- (2) that the earnings of labour should represent a fair share in any increase of prosperity which the industry as a whole comes to enjoy from adventitious circumstances such as were brought about by the war.

The former was partly met by granting 'dearness allowance' to workers, proportioned, to some extent, to the rise in the cost of living. In all organised industries, with Government Service leading the way, this allowance went on rising. Illustrations are given below of the principal industries in which the system of "dearness allowance" was adopted, without, however, the formal acceptance of the principle that wages shall equate the cost of living of the worker and his family including unavoidable dependants. Until this principle is officially accepted and universally given effect to, the demands of social justice will not be satisfied.

The second objective was secured by the system of Bonuses, which were frankly a share in the ever rising profits the private employer went on making, thanks to the exigencies of the War demands. Few have yet realised that these Bonuses are a share in the produce of labour, concealed and indirect though it may be.

As in the case of the equation between wages and cost of living, no formal acceptance of the principle: that the worker is entitled to a fair share in the produce of his labour, regulates the size of the Bonus. Any increase in profits that

occurs due to unexpected conjuncture of circumstances belongs in equity to the community collectively. If any part of it goes to the employer, the worker has no less a claim; the bonuses are, nevertheless, calculated *ad hoc*, e.g., from one to three months' extra wages to workers who had put in a certain minimum period of work in the concern distributing such bonuses.

In either case, the precedent is valuable, indicating the trend, if not the acceptance of the governing principles mentioned in each case. As stated already, the two principles are not mutually exclusive, nor incompatible. They may well be combined to introduce a degree of social justice while fixing or regulating wage rates.

"Dearness Allowance"

The highest rates of "dearness allowance" given in this country are in the Cotton Textile Mills of Ahmedabad. Small beginnings were made in other Industries in the shape of fixed addition to the wages with every rise of one point in the cost of living as compared to the price level of August 1939. The Industrial Court in Ahmedabad held that workers in that industry should be compensated up to two-thirds or 66.67 per cent of the actual rise in the cost of living at any particular date. Part of this was made up by the employer providing cost-price grain shops for his workers. As, however, considerable difficulties were found in operating these shops to the satisfaction of both the parties, that particular system was abandoned with the consent of the Industrial Court.

On the other hand, as the rising tide of prosperity was nowhere so marked as in the Mills of Ahmedabad, the Ahmedabad Textile Labour Association demanded, in the middle of 1941, that the entire rise in the cost of living should be borne by the millowner and added to the wages, though still expressed in terms of a special "dearness allowance". The Employers' and the Workers' organisations in Ahmedabad reached an agreement in August, 1941 under which the dearness allowance was calculated month by month, and would be increased by 45 per cent with retrospective effect from July 1941. The Industrial Court ratified this agreement in the following month.

It resulted from this that the "dearness allowance" for Cotton Mill workers in Ahmedabad for October 1943 amounted to as much as Rs. 77 per month for each individual worker. The Ahmedabad Mill Owners' Association applied to the Industrial Court demanding a reduction in August 1943 in this scale of "dearness allowance", on the ground that the profit-earning capacity of the industry had

declined during that year. The Court, however, rejected the plea, and sustained the original award, as the industry was still making heavy profits. The fixation of ceiling prices for cotton had aided the owners to add to their profits at the expense of the cotton grower, who was adversely affected in another direction by the Grow More Food campaign. Price control of cotton goods was blatantly evaded or circumvented; while measures of steadily increasing taxation on war profits met with the same fate. Inflation could not be checked even by an insatiate programme of public borrowing through a variety of ways; and so wages had inevitably to remain high.

Under the original award of the Industrial Court, the "dearness allowance" was to be paid up to the end of the European War which involved England, and for a period of three months thereafter if prices continued to be affected by War conditions still. The War in Europe came to an end in May 1945, and the Ahmedabad Mill Owners' Association consequently suspended the payment of "dearness allowance" in all Member Mills. The Textile Labour Association of Ahmedabad filed a petition before the Industrial Court, Bombay, demanding continuation of the dearness allowance on the then existing scale up to the 31st of August 1945, which was granted. Another notice was also served by the same Association on the Mill Owners asking for continuation of the same "dearness allowance" until the cost of living for Ahmedabad reached the pre-war level. The figures given earlier will show what substance there is in this demand.

Bombay had followed suit in the same direction; and the Jute Mills' Association in Calcutta has copied the practice, though not to the same extent. Railways, Tramways, Municipalities, and other large-scale employers were also obliged to fall into line. Profiting by the experience gained by the employers in Bombay and Ahmedabad, as also to check the rise in prices through inflation, Bengal tried to neutralise the effects of increased prices by means of "freezing" dearness allowance given in cash as addition to wages at the point prevailing in August 1942. As prices, however, continued to rise much more sharply after that date, the arrangement gravely prejudiced the interests of labour. To compensate for any further rise in prices, workers were permitted to obtain supplies of essential food stuffs and other necessities of life at the prices for these articles prevailing at the time when the allowances were frozen. This was not quite fair to the workers; and there

has in consequence been greater dissatisfaction there than anywhere else.

The "freezing" system has also been adopted by the Tata Iron and Steel Works at Jamshedpur. The "dearness allowance" granted in that industry from the 1st August 1940 through the mediation of a Board of Conciliation, were increased from 1st October 1941; and a further increase was made from 1st October 1942. The last revision in the scale of allowances was introduced from 1st May 1943, the rates being Rs. 10 per month for those drawing less than Rs. 100 p.m. Rs. 13 per month for those drawing between Rs. 100 and Rs. 200 p.m. and Rs. 16 per month for those drawing between Rs. 200 and Rs. 300 per month.

From July 1944 "Rationing" was also introduced in Jamshedpur. Nevertheless, the Company continued to bear the difference between the control prices of grains and those prevailing in October 1942, in the shape of a compensatory food grain supply.

For industrial or commercial employees under the Government of India, the following compensatory rates were fixed from March 1944:

- (1) For persons employed in the cities of Bombay, Calcutta and Cawnpore drawing up to Rs. 250 per month.....Rs. 16 p.m.
- (2) For persons employed in other towns with a population of over 250,000 each and drawing up to Rs. 200 per month.....Rs. 14 p.m.
- (3) For persons employed in towns of over 50,000 inhabitants and drawing up to Rs. 150 per monthRs. 9 p.m.

All workers getting more than the maximum thus fixed in those areas but less than Rs. 266, Rs. 214 and Rs. 150 per month, would be paid dearness allowance sufficient to bring their total wages up to these figures. These rates were revised again in July 1944 and April 1945, the latter to take retrospective effect from January 1945. Under this all Government Servants were divided into two main groups.

- (a) Railway employees and
- (b) others.

The former were further grouped in four grades of x, a, b, and c, corresponding to the cities and towns described above. A further distinction was made between those having a pay of Rs. 40 and above and those getting Rs. 40

and below. Under this scheme the allowances were as under:—

The x areas received Rs. 20 and Rs. 19 per month respectively for those drawing under Rs. 40 per month or $17\frac{1}{2}$ per cent whichever was greater.

The 'a' areas received Rs. 19 and Rs. 17 per month respectively or $17\frac{1}{2}$ per cent.

The 'b' areas received Rs. 16 and Rs. 14 per month respectively or $17\frac{1}{2}$ per cent.

The second category of workers (b) were graded into three zones of a, b, and c, according to the expensiveness of the areas concerned. The pay limits for these areas also vary. The rates in June 1945 for this grade of Government employees as well as industrial undertakings were:

For 'a' areas Rs. 20 per month for those earning under Rs. 40 per month, and Rs. 22 or $17\frac{1}{2}$ per cent. whichever is greater for those drawing a pay of over Rs. 40 and up to Rs. 250 a month.

For 'b' areas Rs. 16 and Rs. 18 per month with an upper limit in pay of Rs. 200 and

For 'c' areas Rs. 14 and Rs. 16 per month with an upper limit of pay of Rs. 150.

Government also set the scale for higher paid Government servants by granting them war allowances from the 1st July 1944.

Persons drawing Rs. 1,000 per month, if married get 10 per cent of their pay subject to a minimum of Rs. 50.

Unmarried persons drawing up to Rs. 750 get 5 per cent subject to a minimum of Rs.

With effect from January 1945 these were further increased to:—

$17\frac{1}{2}$ per cent in the case of married persons drawing up to Rs. 1,500 per month and $7\frac{1}{2}$ per cent in the case of single persons drawing up to Rs. 1,000 the minima in both cases being the same.

As regards married persons drawing over Rs. 1,500 per month and up to Rs. 2,000 a flat allowance of Rs. 263 is allowed with marginal adjustment of Rs. 2,263, that is to say the officer drawing Rs. 2,150 would get a war allowance of Rs. 113 to make the maximum up to Rs. 2,263.

Mainly because of the continued rise in prices, even after the close of the World War II in all theatres; and the virtual failure of the control system to prevent profiteering and Black Market, employees in public utility services, —like railways, tramways, post offices, Banks, Insurance

and other such occupations, as well as industries—were not satisfied with these allowances, however substantial they seemed on paper. They demanded an increase; and after considerable strikes and dislocation of work, in 1946-47 the Pay Commission, appointed by Government for their own services, reported in May 1947, and made recommendations, which appear to have satisfied most of the workers' demands, even though the basic principle of those demands has not been formally accepted. Other industries and occupations, utilities and services, have inevitably had to follow this example; so that the wages of workers have at last begun to approximate to the cost of living on a very meagre standard. The "Dearness Allowance" has had in many cases to be integrated with substantive pay; and post-war employment of industrial labour will have to concede, formally or virtually, the plain principle that no worker shall get wages below his normal standard of living, as the Pay Commission has suggested.

Wages—A Share in Produce of Labour

The technique adopted for securing the second principle,—namely workers' wages to equal a just share of the produce of their labour,—was essentially the same as that followed in equating wages with the cost of living. Even before the War, the consciousness was steadily growing among organised industrial workers that they were the real producers of new wealth; and as such ought to receive the whole of that new wealth, less such proportions as were deemed necessary to deduct for maintaining the process of production continuously. The War made the position more glaring than ever. Industries went on making huge profits while Workers got only an increase in the cost of living. Notwithstanding imposition of an Excess Profits Tax, the employers' profits went on rising breaking all past records; while even the indirect benefit of the increased receipts into the public exchequer was not available to workers, as the increased revenues were more than swallowed up by the destructive needs of the War.

The first step towards realising this consciousness of workers for a share in the profits came in 1940. During the general strike in the Cotton Industry in Bombay 1940, Government enquired of the Mill Owners whether they would give an undertaking to give a War Bonus to their workers, if they made higher profits because of the war, when those profits were determined. The Mill owners did not respond favourably. The workers, therefore, took up the matter once again in 1941, basing their demand clearly as

a just and adequate share in the improved profit-making capacity of the industry. Discussions followed, and resulted in the Cotton Mills in the city and island of Bombay granting a Bonus to their workers equal to $12\frac{1}{2}$ per cent of their actual earnings (or about six weeks' wages) without counting dearness allowance, for the calendar year 1941. This was paid early in the year following. In 1942 the Mill Owners, in consultation with Government, decided to give a higher Bonus, $1/6$ th of the total earnings accruing from the basic rates of pay during the year. This Bonus was to be paid in two instalments, on the 23rd of January and 21st March 1943, to all workers whose names were on the muster roll on the 1st December, 1942, as also on each of the days when the instalments fell due. Workers, also, who had come as substitutes for others were allowed this Bonus if they fulfilled these conditions, and had put in 75 days' work during 1942. In the two following years 1943 and 1944 the same practice was followed. All workers retrenched during each of these years were also given the Bonus, provided they had agreed with their employers regarding the terms of retrenchment. In 1944 the Red Flag Union put forward a demand for a three months' Bonus or 25 per cent, payable in one lump sum and unconditioned; but this was rejected.

In Ahmedabad the course of events was similar. In August 1941 the Textile Labour Association of that city put up a demand to the local Mill Owners' Association for a 25 per cent increase in wages. After long negotiations the parties agreed to refer the matter to the Industrial Court on the basis of the agreed settlement. According to this the Mill Owners agreed to grant for the year 1941 a Bonus ranging from Rs. 2-4-0 to Rs. 10-8-0 per head for each month in 1941, in accordance with the several categories of workers and their different wages. This was equivalent to the Bonus secured for that year in Bombay. In 1942 and 1943 the Ahmedabad Mill Owners paid a Bonus equal roughly to $2\frac{1}{2}$ months' wages according to basic rates to all permanent as well as substitute workers employed in their Mills, the Bonus for the year 1943 being paid without any conditions. For 1944, the Textile Labour Association of Ahmedabad served a notice of change upon the Mill Owners under the Industrial Disputes Act of 1938, demanding a Bonus equivalent to four months' wages. The matter was taken into conciliation before the Chief Conciliator, where the Labour Association showed its willingness to accept a bonus equal to three months' wages. The Mill Owners.

however, did not agree; and the Conciliation proceedings therefore failed.

On the report of the Conciliator being published, the Textile Labour Association of Ahmedabad served a Notice on the employers of a general strike in the Cotton Mills. Under powers conferred upon them under Section 49A of the Industrial Disputes Act, the Government of the Province intervened and referred the matter to a compulsory Arbitration of the Court, Bombay. In reply, a Mill in Ahmedabad, acting on its behalf and that of other Members of the Mill Owners' Association, filed an application in the Bombay High Court praying the Government Order be set aside on the ground that "Bonus is not a part of wages and is not an industrial matter within the meaning of the Act", but the High Court dismissed the application on the ground that the parties were outside its jurisdiction.

We have given these two cases at some length as they are typical of the Workers' consciousness of a fair share being due to them in the produce of the industry they are engaged in. Hundreds of disputes occurred all over the country on this ground from 1942 onwards with varying success. Provincial Labour Departments have had hundreds of applications for mediation. In many cases employers have announced a bonus to avoid further trouble with their workmen without accepting the principle of the Workers' right to share in the profits. Some others agreed to do so immediately Government Conciliators intervened. In cases, also, where the employers were at first resolutely against the payment of a Bonus, strikes or direct action resulted; and in consequence employers were compelled to agree to the labour demands. Notwithstanding all this, however, the principle has yet to be frankly accepted and formally incorporated in the National Code of Labour viz., that the workers have a right to a fair share in the produce of their labour.

These are the two outstanding developments during the war years and after. They go to the root of the question. The decisions taken on these, or the practice adopted, will affect post-war industrial relations; and Government, as the most considerable employer in the country, will not be exempted. As noticed already elsewhere in the case of Railway, Postal and other public employees whether in commercial departments or in defence or in administrative services, Government have accepted recommendations made by the Pay Commission's Report, which approach very closely the objectives held out in the Introduction and in

this Summary of Developments The system of public employment will have to be very much extended as the Plan takes effect, whether directly by actual ownership and conduct of industrial enterprise or indirectly through controlled enterprises which may have been subsidised, protected or otherwise aided by Government.

National Service Labour Tribunals

In the same line may also be noticed another war-time development which has brought in an element of compulsion upon employers to accept and continue employment in certain essential services. It was justified primarily by the War and its needs; and applied, in the first instance, to what were known as Technical Personnel. Government desired to release technical personnel engaged in private undertakings such as mines, or other technical industries, and get them for employment in factories or workshops engaged in work of national importance.

An Ordinance of the Governor-General called the National Service Technical Personnel Ordinance of 1940, issued in June, and amended in January 1942 and July 1943 began this system. All persons over 17 years of age and under 50, who were British Indian subjects or Asiatic immigrants from Malaya, Burma, Portuguese and French India, and came under the definition of "Technical Personnel" as given in the Schedule to the Ordinance, were made liable, under heavy penalties for default, to undertake service for the nation whenever called upon to do so.

Such personnel was classed into three categories, namely, Managerial staff, Supervisory staff, and Skilled and Semi-skilled trades. In the first grade came works managers and all kinds of engineers. In the second were included foremen, chargemen, and mistries. The third comprised all occupations in the engineering, electrical, wood and chemical trades, photographers and lithographers, rope workers, riggers, slingers, motor men, petrol machanics, brick layers and brick moulders.

Any factory which was engaged in the production of munitions, or other war supplies; or in work which was likely to assist in the efficient prosecution of the war, could be declared by the Central Government under this Ordinance as being engaged on work of National importance. On such declaration being issued by Government the Factory concerned would become a "notified factory"; and work therein would be compulsory for the classes of workmen mentioned above.

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In order to give effect to the operative provisions of this Ordinance, the Central Government were authorised to constitute National Service Tribunals, in all areas or places where Government thought fit to do so. These Tribunals consisted of a Chairman, and not less than two other members, all from the Public service of the Crown. The Tribunal may associate with it in its deliberations any other persons it thought fit. Every "notified factory" was entitled to apply to the Central Government to secure the services of the necessary technical personnel which the Tribunal must find. These Tribunals are empowered to ascertain particulars of technical persons employed in all industrial undertakings, the suitability of such persons for employment in national service, and the capacity of the undertaking to release such personnel or any part thereof for employment elsewhere in national service.

To exercise effectively these powers, these Tribunals have been given powers of Civil Courts for enforcing attendance of witnesses, production of documents, recording of evidence on oath, etc. Wide powers of inspection and carrying out of trade tests are also given. The Management of any factory or undertaking may, similarly, be called upon to release any person or persons whom the Tribunal thinks necessary and suitable for serving elsewhere in National Service Work.

Any individual worker could likewise be directed, if he comes within the definition of the term "technical personnel" and be made to undertake such work as the Tribunal thinks proper in the National Service within its jurisdiction, or any other technical posts under the Crown in any part of British India. Persons thus selected could be directed to submit themselves to the required test of their technical skill; and if the tests were satisfactorily passed, the Tribunal could lay down the terms and conditions of service for each such person as may be prescribed.

Once taken into National Service in this manner, such persons cannot leave, or be discharged from employment, without the previous permission of the Tribunal in whose jurisdiction they may be operating. On the other hand, no employer in any undertaking can discharge or dismiss any person who comes within the classification of technical personnel without obtaining the previous permission in writing of the Tribunal concerned, except in cases of medical unfitness, gross insubordination, habitual absence from work, serious misconduct, or adverse police report. The Employer must notify such exceptional cases to the Tribu-

nal within 24 hours of the discharge or dismissal of such persons.

This Ordinance was amended in July 1943, whereby both the employer and employed were placed on the same footing as regards the previous permission for giving up employment or for discharging a technical person. Once a "notified factory" applies to a Tribunal or to Government for the services of some technical personnel, it will be obliged to take into employment any such person as may be sent to it by the Tribunal; and accept such terms and conditions as the Tribunal may have prescribed or Government directed. There is no appeal against the decision of the Tribunal in this behalf except to the Central Government, and none whatsoever from the decision of the latter.

No person employed in any industrial establishment which is a "notified factory", or a factory which has sought the protection of the National Service Technical Personnel Ordinance against the exodus of technical personnel under Section 13 of the Ordinance, who is classed under one of the capacities mentioned in the Ordinance, can leave his employment, unless he has previously obtained the permission in writing of the Tribunal. Correspondingly no employer can dismiss or discharge any such person without such permission. While Tribunals can control the engagement of technical personnel in industrial undertakings, Government alone has power to transfer technical personnel from one employment to another.

All employers in non-notified factories can be compelled to reinstate technical workers, who may return to their original employment, on the same terms as were obtaining when their services were requisitioned for national service. The terms, however, may be modified or compensation given on or after an appeal to a Tribunal. Heavy penalties, including imprisonment and fine are stipulated for any infringement of the terms of the Ordinance.

An Employment Advisory Committee is associated with the work of the Tribunal in each area, and the Chairman of the Tribunal is ex-officio Chairman of such an Advisory Committee. There are ten such Tribunals in:—Bengal, C. P., Bihar and Orissa, Sind, Madras, Punjab, Assam, Bombay, U. P., and Delhi.

The amendment of 1944 (7th October) brought ships registered in British India under the terms of this Ordinance, and enabled Government to deal with them as if they were Factories. The Tribunals constituted under this Ordinance are now empowered to direct suitably qualified

officers to undertake employment in any Shipping company to release any of their officers who are in excess of their requirements, and direct the latter to take up National Service elsewhere.

Maintenance of Essential Services

Of the same genre is another Ordinance, issued in 1941, which ensures the continued maintenance of what were called Essential Services. With the entrance of Japan into the War, the threat to India's own safety became much more immediate. The danger of a panicky flight of workers from their work became a nightmarish reality. If these fears materialised, it would be impossible to maintain services essential for public safety, law and order, or the efficient prosecution of the War, including supplies needed for the War.

To guard against these dangers, an Ordinance, called the "Essential Services (Maintenance) Ordinance" was issued. It applied not only to every Government servant, but also to those employed in any undertaking, which the Central or Provincial Government declared to be essential. No person engaged in any such employment would be allowed to leave the area of that employment. Refusal by any worker thus engaged to obey reasonable orders given in the course of the employment, or habitual absence from duty, or abandoning it, are made offences liable to serious penalties. The employer, likewise, in any such undertaking, who discharges any person engaged in the employment without reasonable cause, or discontinues or closes down his works and so causes discontinuance, would be equally guilty of an offence under this Ordinance.

Under this Ordinance, the Central as well as Provincial Governments are empowered to regulate wages, and prescribe other conditions of employment of any person in such "declared" employment; or they may authorise any person to do so on their behalf. Both the employer and employee must accept the wage rates and conditions of employment so fixed.

Among the most important Services coming within this Ordinance, mention must be made of railways, oil and fuel installations, port trusts and dockyards, gas and electricity producing plants, municipal services, telephone system, some banks, etc. The Ordinance was by no means a dead letter while the War lasted, though its penal clauses had to be applied mostly to Government servants. Prosecutions of this kind are reported to have exceeded 3000.

The Ordinance is interesting from the point of view of planned economy as a precedent for compulsory employment. What could be done for the destructive purpose of a war may well be permitted for the productive purpose of increasing the national wealth and bringing about its more equitable distribution.

Prevention of Hartals and Compulsion in Work

The principle of compulsion to work was, in fact, carried much further after the happenings of August 1942, when considerable stoppage of work in the leading industries occurred or was threatened, following the "Quit India" Movement taken up by the Congress.

By a notification dated 17th April 1943, the Government of India amended the Defence of India Rules by adding a new one, called Rule 56A, which sought to prevent **hartals** in certain places of employment. A **hartal** was defined as any concerted cessation of work, by a body of persons in any place of employment, which was not a stoppage or refusal in furtherance of a trade dispute with which such a body of persons was immediately concerned. In other words, **hartals** for political purposes were to be prohibited. If a Provincial Government thought that a body of persons employed in any place of employment was likely to take part in a **hartal**, they may order the person owning or having the management of such places of employment to take, within a prescribed period, measures which would secure the prevention of a **hartal**, or its end if one had actually begun. And this in addition to any other proceedings that they may be able to take for the same end. The same principle was applied to the employer also; so that, if a Provincial Government thought that any place of employment was closed for reasons other than those concerning the trade, they may require, by order in writing, the owner or person having the management of such a place of employment, to take within the specified time, such steps as may be necessary to ensure that the place of employment shall be reopened if it had been closed, or shall remain open for the unimpeded continuance of the work. Any person breaking the rule is liable to penalties.

Another Rule under the Defence of India Act was promulgated early in 1943, and numbered 78A. It conferred powers on both the Central and Provincial Governments to compel certain persons to work. Any officer of Government, duly authorised for the purpose, may make a general or special order to require any male person within the area specified in the order to assist in the doing of work on land,

for such time and in such manner as the officer may direct, provided that the work so ordered to be done is necessary to meet an actual or apprehended set-back; or to repair or reduce damage resulting therefrom, or to facilitate Offensive or Defensive operations during the war. In this Rule also penalties are mentioned for anybody contravening it.

Coal Mines Labour Welfare Fund

Another development during the war period in this field concerns the setting up of a Coal Mines Labour Welfare Fund in 1944. Coal Mining has always been regarded as particularly dangerous and unattractive. Special safeguards have accordingly been deemed necessary which involve considerable expenditure. To meet this expenditure the Government of India, under Section 72 of the Government of India Act 1935, promulgated in 1944 the Coal Mines Labour Welfare Fund Ordinance (31st January 1944), under which a special Fund has been created to meet the outlay needed for the safety and welfare of coal-miners. The principal source of revenue for the Fund is from a cess, or excise duty, at a rate not less than one anna or more than four annas, per ton of coal mined. Certain classes of coal and soft coke are exempted from this duty.

The principal objects for which the Fund is to be utilised are:—

- (1) improvement in standards of living including housing and nutrition of the mine worker; of the social conditions among the miners; and the provision of recreation facilities for them.
- (2) provision of adequate transport facilities to bring the worker from his home to work, and take him back at the end of the working day.
- (3) expansion of educational facilities.
- (4) improvement in the supply of water.
- (5) improvement in the conditions of public health and sanitation, prevention of disease, supply of medicines and drugs, and extension and betterment of existing medical facilities.

* A special Committee is established to administer the Fund. It consists of Government Officers and an equal number of non-officials representing Colliery Owners and Workers. One of these must be a woman. It is also intended that special welfare administrators, inspectors, and other officers to supervise or carry out the work financed from the fund must be appointed. The Advisory Committees advise

Government in the utilisation of the Fund, and on all matters connected with the welfare of the miners.

AVERAGE DAILY NUMBER OF PERSONS EMPLOYED IN INDIAN MINES.

Province	1938	1939	1940	1941	1942	1943	1944
Assam	2,361	2,463	2,704	2,732	2,325	2,539	
Baluchistan	829	617	707	884	1,181	2,518	
Bengal	60,661	60,965	65,643	65,431	60,501	60,507	
Bihar	167,248	166,394	180,845	200,577	209,565	206,922	
Central Provinces	46,611	41,466	49,421	49,722	51,741	48,792	
Bombay	4,220	43,890	3,420	1,203	2,528	2,304	
Rajputana	668	1,312	1,403	3,768	3,661	3,870	
United Provinces	1,275	1,570	2,283	2,377	2,543	1,436	
Orissa	365	576	688	775	1,195	1,097	
Punjab	5,851	5,823	7,378	5,308	5,578	5,311	
Sind	157	142	173	259	309	643	
Madras	12,746	14,549	14,339	12,862	15,812	17,603	
Delhi	193	1,266	810	1,179	732	755	
N. W. Frontier Province	..	7	6	..	25	24	
Total	303,101	301,054	329,770	347,018	357,646	349,361	

Control and Recruitment of Employment

By a notification of 9th June, 1944, Government have directed that Rule 81 of the Defence of India Rules is applicable for controlling the recruitment and employment of labour in such areas as may be specified in the Order to ensure sufficient workers being available for essential services. This order applies particularly to certain controlled districts in Bengal, Bihar, Central Provinces and Berar. Under the Order Contractors of Labour and Employers are required to obtain Licences for recruiting labour from certain controlled areas for work outside those districts. It seems to recognise the **Mucadam** system of labour recruitment, and even, in a manner of speaking, authorise it. The practice is objectionable for many reasons; but may be excused under the extraordinary conditions of war-time work. The establishment of Employment Exchanges would serve the purpose much better in the normal, peace-time, planned economy.

Creation of Employment Exchanges in India

When the National Service Labour Tribunals were established under the National Service (Technical Personnel) Ordinance, they were intended gradually to assume the role of Employment Exchanges for technical personnel. They have served this purpose. The statutory powers, however, given to them to fix wages and terms of service, and to compel an employer to give up an employee, and an employee to take up employment in the National Service, have marked them off from the voluntary Employment Exchanges in other countries.

As the War progressed it was felt necessary to look ahead, and provide for re-employment of persons demobilised from active War work, or discharged from their technical employment in national service. Re-employment machinery adequate to deal with proper registration of demobbed personnel and their voluntary placement in suitable occupations was indispensable. The machinery of the National Service Tribunals, who had gained much experience regarding the requirement of labour, were accordingly continued after the War to help set up a voluntary system of employment exchanges for skilled and semi-skilled personnel. Such Exchanges were accordingly established at Calcutta, Bombay, Ahmedabad, Madras, Cawnpore, Lahore, Nagpur, and Delhi, in the beginning of 1944, and at Dhanbad and Karachi later; placed under the control of the local National Service Labour Tribunals. Government intended to open 71 such Employment Exchanges all over India by the end of February, 1946. The complete organisation will be a net-work of Employment Exchanges located as follows:—

Central Exchanges	1
Regional Exchanges	9
Special Exchanges for Naval Air-Craft	2
Sub-regional Exchanges	59
	71

There will also be one Employment Information Bureau in each area covering 1,000 demobilised persons.

Objects and Methods of Work

(i) Each exchange provides a place where information is collected and furnished to the public in respect of employers who desire to engage technical personnel as well as of persons seeking employment.

(ii) Information obtained from employers regarding vacancies is recorded on "order cards" for vacancies, maintained on the card index system.

(iii) Information obtained from intending employers is similarly recorded and maintained on individual card index envelopes, each forming a correspondence file relating to the individual concerned.

(iv) Employers are encouraged to apply to the Employment Exchanges for any technical personnel they require, as the Exchanges are in a position to find suitable candidates to fill their needs. They are, however, not obliged to accept candidates sent to them by the Exchange,

provided they give reasons for not accepting the candidates.

(v) These voluntary Exchanges have no concern with the wages and terms of service of the men they supply, which must be settled between the parties concerned. Once a man has been engaged, the Exchange has no further concern with him.

Classes of Workers Covered

For the present, Employment Exchanges have been asked to deal with all classes of Technical Personnel as defined in section 2 of the National Service (Technical Personnel) Ordinance, drawing a wage of Rs. 1/- per day or more when last employed. It is hoped, in the near future to grade persons belonging to each occupation on the basis of their skill and duties and responsibilities which they are capable of discharging. Clear definitions have been framed and detailed classification of the different classes of technical personnel provided. Unemployment technical personnel are being encouraged to register with the Employment Exchanges. But such registration is not compulsory. The Exchanges are consequently far from being a complete machinery for a wholesale mobilisation and full employment of every worker in accordance with his taste, temperament, training and experience.

Statutory Obligations of Employers

Though employers are **not obliged** to accept candidates sent by the Exchanges to fill vacancies under them, they must notify the Exchange of all vacancies as they occur for technical personnel in their establishments except those reserved for their own apprentices. They must furnish monthly reports to the Exchanges as to how the vacancies have been filled. Every industrial undertaking is also required to issue to any technical personnel discharged, dismissed or released by it, or permitted by the Tribunal to leave their employment, a Service Certificate; or, if the employee is already in possession of such a certificate, to make such additions to the certificate as will bring it up to date.

Each Exchange is managed by a Manager appointed by the Tribunal, being generally the Tribunal's Technical Inspector, and having sufficient technical qualifications and experience to appreciate the requirements of the industry as well as of the particular job. He must:—

- (i) maintain close contact with employers and local bodies and assist them to secure the personnel they require.

- (ii) deal sympathetically and tactfully with technical personnel visiting the Exchange to register themselves.

The Manager is assisted by a representative of the Army, a clerical staff, the strength of which depends on the volume of work, and a Tradesman Supervisor where necessary for carrying out trade tests.

Every Exchange has attached to it a local Employment Committee consisting of representatives of employers and labour, 1 representative of the Provincial Government, and 1 Army representative, with a Chairman elected by the members. The Chairman advises on all matters affecting the working of the Exchange, including the general aspects of the problem of placement of personnel, but not on individual cases.

Central Exchange

A Central Government Employment Exchange has been opened in their Labour Department at Simla, which issues general directions when required; co-ordinates the needs of the different provinces; and ensures that no province goes short of skilled or semi-skilled labour while there is a surplus in any other province. For this purpose each Exchange reports to the Central Exchange giving a brief outline of the needs and surpluses of the areas in its charge. The Central Exchange will not register unemployed personnel, nor will it accept orders from private employers. It will only accept orders from employing Departments of the Government of India or their attached and subordinate offices, which find it impracticable to place orders on any particular Exchange or Exchanges.

Manner in which the Exchanges are operating

Every one seeking employment through the Exchange must register himself, giving full particulars of his age, experience, education and kind of work wanted. This information is placed in a special envelope, which will form the file for correspondence regarding the person concerned. The applicant is given an Identity Card, which may be supplemented by a copy of his photograph for purposes of identification. The employer seeking technical personnel may submit his requirements to the Exchange by letter, telephone, or in person on a prescribed form. Particulars about available vacancies are recorded on envelopes; and these as well as the envelope containing information regarding the workman seeking employment are maintained on the Card Index system.

Every time a vacancy is notified, the Exchange staff goes through its records, and selects the most suitable persons for the job. Such person may then be interviewed by the would be employer. The duplicate of the card directing the workman for interview is sent to the employer, with the recorded information about the candidate. The employer must state on this card, the result of the interview, if any took place, and return it to the Exchange. If a local Exchange is unable to fill a vacancy, or find work for a given workman, it will inform the Central Exchange, giving all necessary particulars. The latter would then contact other Exchanges, and try and fill the bill as far as possible. The following table gives an indication of the extent to which this machinery has proved successful.

*** REGISTRATIONS AND PLACEMENTS BY EMPLOYMENT EXCHANGES.**

1945 Month	No of employ- ment Exchan- ges sub- mitting returns	Total Regis- tration	Placing during the month	Total vacan- cies	Vacan- cies cancel- led	Vacan- cies- out- standing at the end of the month
July ..	10	8,713	1,420	11,205	1,621	8,697
August ..	10	9,688	1,175	13,485	2,650	10,245
September ..	10	10,922	893	14,257	4,304	9,366
October ..	13	16,150	1,132	13,562	2,358	10,896
November	14	19,293	1,057	16,755	2,903	12,850
December ..	18	23,954	1,476	20,428	2,914	16,366

Unskilled Labour Supply Committees.—During the earlier stages of the War the supply of unskilled labour had been satisfactory. No special measures were therefore needed for its control or allotment. By the end of the year 1942, however, thanks to political developments, there were indications that the problem of supply of such labour was assuming importance in a few areas. The Government of India accordingly decided to set up both Provincial and

* More than 14,000 applicants, including 7,474 ex-servicemen, were placed in employment during the month of October by the 52 Employment Exchanges in the Indian Dominion; according to an official announcement. The total number of persons placed in the Union up-to-date was 2,00,862, of whom 1,26,093 were ex-servicemen, the announcement adds.

Regional Labour Supply Committees, for areas where serious shortages were being experienced or were likely to be anticipated. A beginning was made by setting up such a Committee at Jubulpore where the needs of the Central Government establishments predominate.

These Committees have no statutory powers. They are ordinarily, under the Chairmanship of the Chairman of the National Service Labour Tribunals of the Province in which they are established. The recommendations are to be followed by the local undertakings of the Central Government—any differences to be decided by that Government at headquarters.

The functions of Unskilled Labour Supply Committees are as follows :—

- (1) to co-ordinate the recruitment of unskilled labour for all Government undertakings in the area;
- (2) to arrange a priority of utilization of any other recruited labour, and of existing labour forces in accordance with any priority orders that may be received from competent authorities;
- (3) to advise on any measure necessary to secure adequate unskilled labour force, including all amenities and conditions of service, grain shops, housing, medical relief, etc; and
- (4) where necessary, to advise on scales of wages and dearness allowance.

Social Security: Investigation and Planning

Perhaps the most noteworthy development towards a fuller recognition of the rights of Labour was in relation to the institution of some sort of a Health Insurance system. A beginning was made by the Workmen's Compensation Acts which provided for some compensation to workers injured or killed in the course of their employment. The Maternity Benefit Act was also a step in the same direction, affecting women workers and concerning the commonest contingency in women's life incapacitating them from work. During the War Prof. Adarkar prepared a scheme to insure the health of industrial workers, which, though confined to a very small section, was nevertheless a step in the right direction. The following Tables show the extent of these various benefits and the numbers benefited.

STATISTICS OF WORKMEN'S COMPENSATION: 1924 to 1942.

Year	Total number of cases	Total compensation paid	Year	Total number of cases	Total compensation paid.
		Rs.			Rs.
1924(July-Decr.)	4,168	1,50,224	1938 ..	14,559	8,13,949
1925 ..	11,371	6,44,120	1934 ..	16,890	8,68,847
1926 ..	14,096	8,21,476	1935 ..	22,999	11,61,465
1927 ..	15,216	11,11,254	1936 ..	28,510	14,64,180
1928 ..	16,768	10,95,730	1937 ..	29,645	12,88,764
1929 ..	18,865	12,60,164	1938 ..	35,065*	14,32,723*
1930 ..	23,574	12,46,764	1939 ..	38,681	15,09,327
1931 ..	17,480	10,66,356	1940 ..	41,015	19,38,476
1932 ..	14,261	8,23,145	1941 ..	39,045	15,84,298
			1942 ..	44,443	18,69,359

Another forward step was taken by the Tripartite Labour Conference, at its meeting in September 1943 when it passed unanimously the following resolution:—

“This Tripartite Labour Conference recommends that, with a view to provide adequate materials on which to plan a policy of social security for labour, the Central Government, in co-operation with the Governments of Provinces of British India, Indian States, and the Chamber of Princes, should immediately set up machinery to investigate questions of wages and earnings, employment and housing, and social conditions generally, and that, as soon as possible after receipt of the required statistics and other data, the Central Government should appoint a mixed Committee to formulate plans of social security.”

In pursuance of this resolution, and in order that information may be collected bearing upon various aspects of social security, so as to enable the Planning Committee subsequently to be set up to draw up a programme of social security for labour in India, the Governor-General-in-Council appointed, early in the year 1944, a Committee of Enquiry under the Chairmanship of Mr. D. V. Rege, I.C.S., to be

* Excludes figures for Sind (Not available).

known as the Labour Investigation Committee, with Mr. S. R. Deshpande, M.B.E., Dr. Ahmad Mukhtar, and Mr. B. P. Adarkar, as Members.

The Committee was required:—

- (a) to collect data relating, *inter alia*, to wages and earnings, employment, housing and social conditions of labour, and, in particular, of industrial labour in India; and
- (b) to investigate and report *inter alia* on: (i) the risks which bring about insecurity, (ii) the needs of labour, by various classes, to meet such risks; (iii) the methods most suitable for meeting such risks; and (iv) housing and factory conditions.

The Committee toured India to discuss with representatives of workers and employers, the main question, and gather material by visits to important industrial centres. On completing the tour, they issued general and special questionnaires, and also launched sample and *ad hoc* surveys in all major and certain minor industries. Surveys into wages have been completed, and the Committee is now engaged in writing its Report.

A special branch, entitled the Social Security Branch of the Labour Department of the Government of India, was opened towards the beginning of 1945 with Mr. B. P. Adarkar as Officer on Special Duty and ex-officio Deputy Secretary in charge to deal with the special problems of Social Security Planning. The following three distinct schemes have been considered in this Branch:—

- (1) A unified scheme of Insurance against sickness, accident and maternity for factory workers, to replace the original Health Insurance Scheme drafted by Mr. Adarkar. (An outline of this latter Scheme has been circulated amongst Provincial Governments and Associations of Employers and Workers for eliciting opinion).
- (2) A unified scheme of Insurance against sickness, accident and maternity for coal miners, and,
- (3) A scheme of Sickness Insurance and Old Age Pensions for Indian seamen serving on Indian and Foreign ships.

War Injuries (Compensation Insurance) Scheme

A War Injuries (Compensation Insurance) Scheme was enacted by the Central Government under the War Industries (Compensation Insurance) Act of 1943 and brought into

operation in November 1943. This Act was intended to impose an obligation on the employer to pay compensation in respect of war injuries to workmen covered by the Essential Services (Maintenance) Ordinance, 1941, factory workers, mine workers, workmen employed in the major ports, and to those employed on any estate where cinchona, coffee, rubber, or tea was grown. The amount of compensation was roughly the difference between the amount paid by Government under the War Injuries Scheme, and the amount which would have been payable under the Workmen's Compensation Act, if the war injury had given a right to compensation thereunder.

In this Scheme there is no limit as regards the monthly salary of the workman for computing benefits, as in the Workmen's Compensation Act. Insurance has been made compulsory for every employer covered by the Act. A policy must be taken out by every such employer for insurance from the Central Government on payment of an advance premium at the rate of annas four per Rs. 100, subject to a minimum of Rs. 8/-, on the wage bill for the quarter ended 31st December 1943, if the employer was an employer for one quarter before the 1st January 1944; otherwise for any subsequent quarter during which he became an employer for the first time; provided the quarterly wage bill has exceeded Rs. 1,500/-. All the premia received from the employer go to make the War Injuries Compensation Insurance Fund from which all payments of compensation etc. were met. The Fund cannot be utilised to pay compensation to Crown employees, as the Crown is not required to pay insurance premia in respect of its employees. But *ex gratia* or compassionate payments are common in public service for such purposes. The same machinery as administers the War Injuries Scheme is to be utilised for the purpose of the War Injuries Compensation Insurance Scheme.

Payment of Family Allotments

A scheme was sanctioned early in 1942, enabling Government servants in "threatened" areas to arrange for a regular monthly remittance of a portion of their salaries (not exceeding 50 per cent) to their families living away from them. The scheme has now been extended to all daily rated labourers in Central Government undertakings whose employment is expected to last for at least 12 months from the date of first appointment.

Technical Training Scheme

On the technique side, the most noteworthy development is in regard to a systematic programme of technical training for the industries and services urgently needed by the War. Almost every Sub-Committee that has reported to the Planning Committee has stressed the need for an organised system of Technical Training and Scientific Research. A special committee on the subject has also reported on the same lines. And though the system which was evolved during war-time was designed only to meet the urgent needs of that day, it has now become in a modified form, an integral part of the national educational system.

The immense possibilities which a systematic Technical Training, forming integral part of the national education system, hold for the industrialisation of the country after the War do not seem to have yet been realised, notwithstanding the coming and spread of mechanisation, i.e., skilled workers are at any time an asset of great value. It is generally admitted that one of the most serious setbacks to the development of Indian industries in the past has been the absence of trained workers. With the outbreak of War, and the vital importance which mechanisation quickly assumed, the number of skilled workers we could produce became the key to victory. Such workers are required not only for the production of tanks, guns and munitions, but also for their maintenance and repair in the field. Primarily to meet this need, and also to build up an army of skilled workers, which after the war will enable India to compete on equal terms with other highly industrialised countries, a Technical Training Scheme was started by Government which is noticed more fully hereafter.

With a view to secure an adequate supply of technical personnel to meet War demands, administrative needs and industrial development in the country in the post-war period, Government have appointed a Special Committee with Mr. N. R. Sarkar as Chairman to consider the question of the establishment of a high grade technological institute in India possibly on the lines of the M. I. T. to provide advanced instruction and training in technology. The foundation stone of this institution was laid at Bangalore in November 1947.

About the end of the year 1940, the Government of India instituted a Technical Training Scheme intended to provide for the intensive training of a large number of skilled tradesmen required for the technical branches of

the Defence Services, and for ordnance and munitions factories. When the scheme was first initiated the number of persons to be trained was fixed at 15,000. This was soon increased to 44,600.

The scheme embraces special technical institutions which have been expressly opened for this purpose, as also a large number of existing factories and workshops. The total number of training centres in India on the 30th April, 1945, was 163, of which 30 were in Madras, 25 in Bengal, 14 in Bombay, and 23 in Indian States. The total number of trainees who had passed out of the various training centres since the scheme was first started up to 30th April, 1945, was 80,352, the Indian Army taking 69,592; the Royal Indian Navy, 6,100; the Indian Air Force, 1,940; Ordnance Factories, 4,125; Civil Industry 3,890; and Civil Pioneer Force, 195.* The maximum training capacity in all centres was, on April 30, 1945, 30,096, and those taking advantage of the scheme numbered 21,266.

The qualifications required of candidates are: age limit between 17 and 30, conformation to certain standards of height and physical fitness; and, as a general rule, literacy. The extent of the knowledge of English required varies according to the trades for which they desire to be trained. The course for training lasts for one year at the most; but trainees used to be passed out as soon as they were able to pass the rather elementary tests laid down by Government. Candidates for such training were ordinarily selected by the National Service Labour Tribunals, and Selection Committees appointed for each District. Selected candidates receive T. A. from home to the centres to which they are posted, and also from the centres to places of employment if they are 'placed' on the conclusion of the training. Such appointment is not guaranteed, and so the training runs the risk of getting the candidate into a blind alley. In war-time, however, every effort was made to get persons so trained suitably employed. Every selected candidate has to enter into an undertaking to accept any employment that may be offered to him under the Crown either in India or overseas. The parent or guardian of such person has likewise to enter into an agreement with Government to refund all expenses incurred on his training if he fails to carry out the undertaking.

* These figures are taken from the Indian Year Book, 1947, p. 502. The total of the several items is much larger than the total given above.

Such training in all centres is given free of charge; and during the training all candidates receive generous stipends, varying according as whether they are matriculates or not. These stipends are varied from time to time according to dearness plus free medical treatment. All trainees are entitled to the benefits provided under the Workmen's Compensation Acts.

When a person thus trained is elected, he is posted to a Civil or a Civil Military Centre. After a period of two months such trainees in a Civil Centre as are willing to enrol in the Defence Services are enrolled and transferred to a Civil Military Centre where they remain until they pass certain trade tests. Each trainee is then drafted into one of the Services on a minimum salary which varies. All drafted men are entitled to free board and lodging, clothing and medical attendance. Men sent overseas are entitled to an expatriation allowance and **batta**, if authorised. Promotions depend on efficiency.

Arrangements have recently been made enabling technical personnel, directed to take up employment in the national service at distant places, to visit their homes once a year at Government cost. Persons who have completed 12 months' national service, and who have not taken their families to their place of work, and are 100 miles or more from their homes, with pay not exceeding Rs. 200 per month, are allowed actual rail fare and/or charges of road journey from place of work to home and back.

At the earlier stages of the scheme, efficiency was, to some extent, sacrificed to speed. Recently there has been a tendency to concentrate on improving training, and turning out a better article in somewhat smaller numbers. Regular trade testing panels have now been formed at most headquarters centres. With a view to improve the training standards of instructors, classes for instructors have also been started in all training centres. Hindustani is being taught with the object to universalise training in this language throughout the country. Recruitment of a better type of trainee is being effected by requiring candidates seeking admission to training centres to pass intelligence tests on the lines of the psychology tests given in other countries. To improve the physical standard of the trainees, two teaspoons of shark oil are given a day to under-developed men.

To enable trainees who have not passed the prescribed trade tests qualifying for industrial employment at the date of conclusion of hostilities, Government have decided

to continue their Technical Training Scheme on a diminishing basis for a period of 18 months after the War. Under this Trainees will continue to receive free instruction and the usual stipends and concessions. A new Instrument Mechanics Training Centre was started at Hindupur near Bangalore with 275 seats in 1944 for training boys in the manufacture of precision tools which at one time was considered unsuitable for India. Each trainee is given a scholarship of Rs. 59-4-0 p.m. with free food, lodging, and clothing. The Technical Training Scheme has demonstrated that, with intensive training, semi-skilled men can be trained for all industries, and that the standard of such men, after six to eight months' training, is at least up to, if not above, the standard reached under ordinary peacetime apprenticeship schemes of two to three years' duration. Government believed that if the training imparted under this Scheme is supplemented by further 'biased' training, the final product would be more acceptable to employers. With a view to adjust the scheme to the war-time needs of civil industry, they decided to set up an Advisory Committee whose functions are:

- (1) to review the existing methods and syllabuses of training under the Scheme, and to advise how it should be adjusted to meet the present day needs of industry; and
- (2) to advise Government as to how their trainees may be utilised for dilution and upgrading so that skilled and highly skilled men can be released for more important jobs which the less skilled men are unable to perform.

Two more helpful functions were allotted to this Advisory Committee early in the year 1945:

- (1) to find employment for trainees who will be discharged from the army when the war was over and for those who will be completing the prescribed courses of training; and
- (2) to revise the scheme of technical training as a part of the post-war plan of industrial reconstruction with a view to make it serve fully and completely the present day needs of civil industry.

This Committee consists of six representatives of private engineering employers, two of Labour, one representative each of the Railway Board, the Ordnance factories and the ship-building industry, and two senior Chairmen of the National Services Labour Tribunal. The Additional

Secretary in the Labour Department is the Chairman and the Director of Training, Department of Labour, is the Vice-Chairman of the Committee. At a recent meeting of this Committee held in Bombay it was decided to start a training scheme designed to train craftsmen for the post-war needs of civil industry in India, and to aim at a national system of training including a National Certificate of Craftsmanship on the completion of training.

The number of technicians trained under the scheme and supplied to the Defence Services up to 31st October 1945 was 83,867. More than 10,000 trained men have passed through the Training Centres during the five years of the operation of the scheme. With the termination of the War, however, the recruitment of trainees under the Scheme has ceased.

The Bevin Training Scheme

In November, 1940, Mr. Ernest Bevin, the British Minister of Labour, formulated a scheme in Parliament for training Indian workers in factories and workshops in England. It was intended to accelerate munitions production in India; and, at the same time, to inculcate in the men an appreciation of British methods of industrial co-operation between employers and workers and the value of sound trade union principles.

Candidates for scheme were chosen from the working classes preferably from among men of the Engineering trades, e.g., fitters, turners, millers and grinders. Selected Candidates must be 18 years of age, married or single, healthy and literate; they must have had three years experience of factory work, possess manual dexterity, some knowledge of English, and have given promise of intelligence and adaptability. Preference was given to persons who were likely to be adaptable to English conditions, those who were prepared to mix, and least likely to raise difficulties over food. In August, 1944, the Government of India relaxed the condition of three years' workshop experience, and those trained under their Technical Training Scheme were also made eligible. Every batch sent to England under the Bevin Scheme would include 15 ex-trainees, provided they had passed the prescribed trade test; and had acquired at least one years' practical war-time workshop experience.

The courses of training cover engineering occupations mainly, e.g., fitting and machine operating. They ordinarily last for nine months for aircraft trainees and eight months

for others. For the first two months the trainees work at a special training centre at Letchworth, where they receive elementary training and instruction in English, and get time to become acclimatized. They are then placed in groups with selected employers in factories where they receive training side by side with British workmen. For the first month after arrival in England, candidates are accommodated in a hostel run on English lines, after which they are lodged with selected British families. All selected candidates receive travelling allowances to port of embarkation and from port of disembarkation on return, free return passage and food on the journey to and from the United Kingdom, a subsistence allowance of Rs. 30 per month for the whole period of the journey to and from England, the necessary warm outfit in India, plus an allowance in the United Kingdom for the purchase of suitable clothing. The allowances in England are:

- (a) during preliminary training: free boarding and lodging in a special hostel, plus pocket money at the rate of 11½ shillings per week;
- (b) during subsequent training: wages at 64 shillings a week, out of which he is required to pay 31 shillings per week for his board and lodging. In addition to the above, a separation allowance of Rs. 44 per month was paid in India to the family of a married man.

On their return to India, the services of the trainees are at the disposal of the National Service Labour Tribunal, who decide how best their services can be utilised; but no guarantee of appointment is given.

By the end of May 1945, 788 candidates were selected, of whom Madras provided 139; Bombay, 161, Bengal 192; United Provinces 98; Bihar and Orissa 89; Delhi 19; Central Provinces 43; Sind 29 and Assam 14. Of these 643 had returned to India, most of whom have secured suitable jobs.

In the Autumn Sessions of the Constituent Assembly (Legislative) of India, 1947, three important Bills were introduced and passed relating to Labour Organisations of Trade Unions, the Insurance of Workers including accident and maternity benefits, and remedying certain specific evils in regard to Dock Labourers.

Amendment of Trade Union Act 1926

The two most important changes made by the amending Act in the Trade Union Law are:—

(a) the introduction of "recognition" of a Trade Union, in addition to registration and,

(b) enumeration of unfair practices by employers as well as by workmen.

A new definition has also been added including in the term "employer" any public authority or Government conducting an industry directly as a public enterprise.

The power to recognise a Trade Union is reserved both to the Central and Provincial Governments. The former are the "appropriate Government" in regard to Trade Unions made up of workers, not less than 70 per cent of whom are employed by the Central Government, by a Federal Railway, or by a major Port Authority.

Changes are also made in the appointment, constitution, powers and procedure of Industrial Courts. The composition of the Court may include one or more persons qualified to be appointed Judge of a High Court; and there may be more than one such Court set up by the appropriate Government. Such a Court has all the powers of a Civil Court for purposes of receiving evidence, administering oaths, enforcing attendance of witnesses, and compelling production of documents. Its proceedings are regulated and conducted in the manner prescribed.

An employer may agree to "recognise" a Trade Union, under a memorandum of agreement signed by him and by the officers of the Trade Union or their Representatives. This memorandum must be presented to the Registrar who must record it in a Register kept for the purpose. Either party may revoke such an Agreement by application to the Registrar in the prescribed form. So long, however, as the Agreement is in force, the relations of the Trade Union and the employer will be determined by that agreement. Under such an agreement, the Trade Union will have all the rights of a recognised Union.

No Trade Union shall be recognised unless:—

(a) all its ordinary members are workmen employed in one and the same trade or industry;

(b) it is and has been, for at least twelve months preceding the date of the application for recognition, a **registered** Trade Union, and has complied with all the requirements of a registered Trade Union;

(c) its rules are so framed as not to exclude any member on communal or religious grounds;

(d) these rules lay down the procedure necessary for declaring a strike;

(e) the meetings of its executive is held at least once in every six months;

(f) it is a representative Trade Union; and

(g) has applied for recognition to the employer at least three months before the date of the application to the Industrial Court for recognition, and the employer has refused to do so.

Other conditions not consistent with these may also be prescribed to meet local requirements.

No Trade Union would be deemed to be a "representative" Trade Union unless the prescribed conditions have been fulfilled. If, all the prescribed conditions are fulfilled a Registered Trade Union may apply in writing giving all the particulars required to the Industrial Court for recognition. On receipt of such application, the Court must investigate if all the conditions mentioned have been fulfilled by the Trade Union. After the investigation it must forward the application to the appropriate Government, together with a report of the investigation, and a recommendation as to whether or not the application be granted. The appropriate Government, on receipt of this report, and recommendation, if satisfied that the Union is fit and proper to be recognised, notify accordingly in the official gazette and declare the Union to be a recognised Trade Union.

The Amending Act gives to a recognised Union certain rights, e.g.:—

(1) Its executive is entitled to negotiate with the employer in respect of all matters connected with the employment, its terms, and conditions of labour, for all or any of its members.

(2) The employer must receive and send a reply to letters sent by the executive, and grant interviews to that body on all matters relating to the above.

While, however, the employer is bound to receive and reply to communications from the Union executive, he is not obliged to receive or reply to communications or grant interviews on matters on which he has arrived at a conclusion after negotiations with the Trade Union or the executive concerned, even though his conclusion is not in accord with the Trade Union Executive.

If however, a period of six months has elapsed since the employer has made up his mind on a given topic; or there has been a change in the circumstances of the situation, the employer must receive such communications and reply thereto.

(3) In the event of a dispute between the employer and recognised Trade Union, whether or not the former has arrived at a conclusion, or where there has been a change in the circumstances, it is a matter for the Registrar to decide; and that decision would be final.

(4) Recognition once given to a Trade Union is not final. The Registrar, or another Trade Union in the same trade or industry, or the employer, may apply in writing to the Industrial Court for withdrawing recognition on any of the following grounds:—

(i) the executive or members of the Trade Union have committed unfair practices as described within three months of the date of the application, or

(ii) the Trade Union has failed to submit any return required under the Act, or

(iii) that the Trade Union has ceased to be represented.

On receipt of this application, the Industrial Court must call upon the Trade Union to show cause why its recognition should not be withdrawn, unless the Court feels that the application is too frivolous to be considered at all, and so dismisses it summarily. After reasonable opportunity has been afforded to the Trade Union to show cause, the Court concerned must forward the application to the appropriate Government, together with a report from itself or recommendation as to whether or not recognition be continued. The Government concerned, if satisfied that the Trade Union should not be recognised, shall notify the fact in the official gazette, and declare that recognition of that Trade Union has been withdrawn.

A recognised Trade Union whose recognition has been withdrawn may apply for fresh recognition, provided that not less than six months have elapsed from the date of the withdrawal, and the Trade Union is a Registered Trade Union.

Every recognised Trade Union must submit to the Registrar within the prescribed time and in a prescribed manner all the returns mentioned in Section 28 of the Act of 1926.

The Amending Act lists the following as "Unfair practices" on the part of the Trade Union:—

(a) that the majority of its members take part in an irregular strike;

(b) its executive advises, actively supports, or instigates an irregular strike;

(c) an officer of the Union submits a return required under the Act containing false statements.

There are also "unfair practices" of which an employer may be guilty, e.g.:—

(i) interference with, or restraint or coercion of his workmen in the exercise of their right to organise, form or assist a Trade Union, and to engage in concerted activities for mutual aid or protection;

(ii) interference with the formation or administration of any Trade Union, or contributing financial or other support to it.

(iii) encouraging or discouraging membership of a Trade Union by discrimination in regard to employing or continuing employment or any other term or condition of employment;

(iv) discharging or otherwise discrimination against any workmen because he has made allegations or given evidence in an enquiry relating to any matter mentioned in the Act.

(v) failure to comply with the provisions of the amending section.

The same law also provides for certain amendments of Act XVI of 1946. A proviso is added to Section 29, sub-section 1 of that Act that the making of regulations under this section to give effect to the provisions of Chapter 3A (relating to the recognition of Trade Union) is to be deemed to be a purpose of that Chapter within the meaning of the amending section 28A.

A new sub-section is also added to Section 29 providing that the Central Government may give directions to a Provincial Government as to the regulations to be made under this section for the purpose mentioned in that section.

Yet another amendment to the main Act (the Trade Union Act of 1926) section 31, consists of an addition of a new section 82A providing penalties for unfair practices, i.e., a fine on the employer upto Rs. 1,000.

As the Amending Bill passed through the Legislature, certain further changes were made including the right of the Trade Union Representatives to enter the premises for purposes of making investigations into the complaints or collecting dues from members, or putting up notices. The first of these was not accepted; but the other two were.

They indicate the direction in which further amendments would be necessary.

In the statement of objects and reasons accompanying the Bill, it was stated that while the Trade Union Act of 1926 provided for the **registration** of a Trade Union, no provision was made for its automatic **recognition** by the employer. An attempt was made during the passage of the Bill through the Legislature to secure automatic recognition the moment a Trade Union was registered; but it failed. The Royal Commission on Labour had recommended recognition, but deprecated compulsory recognition because they had felt that such a course would not secure full and real recognition of a Labour Organisation. The amending Act provides for obligatory recognition of a "representative" Trade Union. The question of whether or not a Trade Union is "representative" is left to the Industrial Court to determine in the event of a dispute.

Minimum Wages

The Autumn Sessions of the Indian Constituent Assembly (Legislative) 1947, passed an act fixing Minimum Wages in certain scheduled occupations, viz:—

1. Employment in or under Woollen carpet making or shawl weaving establishment.
2. Rice mill.
3. Tobacco (including bidi making) manufactory.
4. Plantation, that is to say, any estate maintained for the purpose of growing cinchona, rubber, tea, or coffee.
5. Oil mill.
6. Local Authority.
7. Road Construction or Building Operations.
8. Lac Manufactory.
9. Mica Works.
10. Public Motor Transport.
11. Agricultural Employment is also brought under the Schedule in Part 11.

This list may be increased from time to time by an Order of the Provincial Government under Section 17. Power has been reserved to the Central Government to carry out the provisions of this Act.

As the Schedule shows this Legislation is of a very limited scope. It is confined to employment only in the listed industries, which provide employment for a very small fraction of industrial workers in India. The main

reason is that in the occupations listed 'sweated labour' is most common, and hence the necessity to fix by law the minimum wages.

Though Agriculture is also an occupation where labour gets utterly inadequate return, because of administrative difficulties, a longer margin is allowed for fixing Minimum Wage in all agricultural occupations, including tillage of soil, dairy farming, raising of live-stock, bees or poultry, and any practice performed by any farmer on his farm as incidental to or in conjunction with farm operations (including any forestry or timbering and the preparation for market, storage transport and delivery of farm products).

Minimum Wages, fixed by law, are open to revision from time to time by and through the machinery appointed for the purpose. They must be fixed by the Provincial Government within three years in the case of agricultural workers, or two years in other scheduled employment.

No such minimum wages need be fixed for any scheduled employment where there are in the whole Province less than one thousand workmen engaged in such employment.

Different minimum wages may be fixed for:—

- (i) different scheduled employments;
- (ii) different classes of work in the same scheduled employment;
- (iii) adults, adolescents, and children;
- (iv) men and women;
- (v) different localities;

Minimum Wages may be fixed by the hour, by the day or by any greater wage-period not exceeding one month;

Provided that where any wage-periods have been fixed under section 4 of the Payment of Wages Act 1936 (IV of 1936), minimum wages shall be fixed in accordance therewith. Minimum wages for piece work must be fixed so as to enable the normal workman doing his work with normal diligence to earn the same wage in the same time as a workman employed on the same work at time rates.

For fixing minimum wages in respect of any scheduled employment for the first time under this Act, the Provincial Government must either

(a) appoint an advisory committee consisting of equal representatives of employers and workmen in the scheduled employment, or

(b) publish its own proposals for the information of persons concerned at least two months from the date of the

notification, on which the proposals will be taken into consideration. After considering the advice of the Advisory Committee, or after considering all representations received before the date specified in the notification, the Provincial Government must notify the minimum wages fixed by it in respect of each scheduled employment. The Minimum Wages thus fixed shall come into force after three months from the date of the notification, unless otherwise provided.

Advisory Boards and Committees

1. For the purpose of revising such minimum wages the Provincial Government must appoint as many Advisory Committees as it considers necessary to advise it in making such revision. To co-ordinate the work of these Advisory Committees, to advise Government generally in the matter of minimum wages revision, Government may appoint a Provincial Advisory Board which also must have equal representatives of employers and workmen in scheduled employments.

Before revising any Minimum Wages Government must consult all its Advisory Committees or the Provincial Advisory Board and inquire into the conditions prevailing in the scheduled employment concerned.

The Minimum wages must be paid in cash unless in any case custom allows such payment wholly or partly in kind. The latter must however be specifically authorised by Government, and its cash value be properly estimated.

The Statutory Minimum is the lowest payable; but notwithstanding Minimum Wage being fixed by law for every hour or part of an hour in excess of eight hours during which such a workman works in any day, the employer must pay in addition to his fixed Minimum Wage, one-eighth at least of his daily rate.

Claims

1. The Provincial Government may notify the appointment of a Commissioner for Workmen's Compensation to hear and decide for any specified area all claims arising out of payment of less than the Minimum Wages to workmen employed or paid in that area.

2. Where a workman is paid less than the fixed Minimum Wages, the workman himself, or his legal adviser, or any official of a registered trade union or an Inspector may apply to such authority for a direction under subsection (3):

Provided that every such application must be presented within six months from the date on which the minimum wages became payable. Such application may be admitted even after this if the applicant satisfies the authority that he had sufficient cause for not making the application within such period.

3. On such application the authority concerned must hear the applicant and the employer or give them an opportunity of being heard, and may, without prejudice to any other penalty to which the employer may be liable, direct the payment of the amount to the workman by which the minimum wages payable to him exceeds the amount actually paid, together with the payment of such compensation as the authority may think fit.

Any contract or agreement, whether made before or after the commencement of this Act, whereby a workman either relinquishes or reduces his right to minimum wages fixed under this Act, is null and void.

The Provincial Government may, subject to specified conditions direct that the provisions of this Act shall not apply in relation to the wages payable to disabled workmen, as well as to all.

Or any classes of workmen employed in any scheduled employment for special reasons deemed sufficient for the purpose.

Minimum wages fixed under this Act shall not apply to persons employed in any undertaking owned by the Central Government or on a Federal railway, except with the consent of the Central Government; nor to wages payable by an employer to a member of his family living with him.

Dock Workers

Special Legislation relating to Dock Workers in the principal Ports of India was enacted in the Autumn Sessions of the Indian Constituent Assembly (Legislative) 1947. This is obviously a seasonal or fluctuating occupation depending upon the arrival and departure of ships, the size, and nature of their cargo, and the vagaries of the season. There is, consequently always an amount of floating or casual labour in excess of the minimum requirements, and the employers tend to have a fairly large margin against emergencies.

The main problem, therefore, of ensuring a regular and adequate supply of dock labour is to devise measures so as

to reduce the hardships due to unemployment or under-employment. The Royal Commission on Labour had recommended that a policy of decasualisation should be adopted to regulate the numbers of dock workers according to requirements, so that the distribution of employment depended, not on the caprice of intermediaries, but on a system that gives all efficient men an equal share. The principle was accepted by Government and efforts were made to induce the Port Trust to formulate the necessary proposals for decasualisation. These efforts did not succeed; and so compulsory registration of workers in the principal Ports had to be formulated in 1939. The outbreak of war prevented its being enacted into law, which was eventually passed in 1947 Autumn Sessions of the Indian Constituent Assembly.

The War had brought about considerable modification to facilitate the Registration of Labour, mainly because of the system of Rationing, and the organised system of Food and Clothing Supplies. Nevertheless the problem of casual labour in Docks had continued; and so the new Legislation gives power to the Central Government in respect of major Ports, and to Provincial Governments in other Ports, to arrange for compulsory registration of all Dock Workers. With a view to secure greater regularity in the employment of such workers and for the reulation of these workers, whether registered or not, the Law permits provision being made for the terms and conditions of employment of workers, including rates of wages, hours of work, and conditions regarding holidays with pay. It may also provide for payment to registered workers of minimum wages for days on which work may not be available to them, as well as for their training and welfare. A Special Advisory Committee must be constituted consisting of not more than 15 Members representing Government, workmen and their employers in equal proportion, to advise on matters arising out of the administration of the Act, or any scheme made thereunder which the Government may refer to the body for advice. Penalties are provided for contravening the provisions of the Act, and Inspectors are to be appointed to see that the Legislation is duly enforced.

The principal provisions of this Act are given in Sections 3 and 4 quoted below:—

3. Scheme for ensuring Regular Employment of Workers

(1) Provision may be made by a scheme under this Act for the registration of Dock Workers with a view to ensur-

ing greater regularity of employment, and for regulating the employment of dock workers, whether registered or not, in a port.

(2) In particular, a scheme may provide—

- (a) for the application of the scheme to such classes of dock workers and employers as may be specified therein;
- (b) for prescribing the obligations of dock workers and employers subject to the fulfilment of which the scheme may apply to them and the circumstances in which the scheme shall cease to apply to any dock workers or employers;
- (c) for regulating the recruitment and entry into the scheme of dock workers and their registration, including the maintenance of registers, the removal, either temporarily or permanently, of names from the register and the imposition of fees for registration;
- (d) for regulating the employment of dock workers, whether registered or not, and the terms and conditions as to holidays and pay in respect thereof;
- (e) for securing that, in respect of periods during which employment, or full employment, is not available for dock workers to whom the scheme applies and who are available for work, such workers will, subject to the conditions of the scheme, receive a minimum pay;
- (f) for prohibiting or restricting the employment of dock workers to whom the scheme does not apply, and the employment of dock workers by employers to whom the scheme does not apply;
- (g) for the training and welfare of dock workers, in so far as satisfactory provision therefor does not exist apart from the scheme;
- (h) for the manner in which, and the persons by whom the cost of operating the scheme is to be defrayed;
- (i) for constituting or prescribing the authority to be responsible for the administration of the scheme;
- (j) for such incidental and supplementary matters as may be necessary or expedient for the purposes of the scheme.

(3) A scheme may further provide that a contravention of any provision thereof shall be punishable with imprisonment for such term as may be specified but in no case exceeding three months in respect of a first contravention

or six months in respect of any subsequent contravention, or with fine which may extend to such amount as may be specified but in no case exceeding five hundred rupees in respect of a first contravention or one thousand rupees in respect of any subsequent contravention, or with both imprisonment and fine as aforesaid.

4. Making, variation and revocation of schemes

(1) The Government may, by notification in the official Gazette and subject to the condition of previous publication, make one or more schemes for a port or group of ports, and may in the like manner and subject to the like condition add to, amend, vary or revoke any scheme made by it.

(2) The provisions of section 23 of the General Clauses Act, 1897 (X of 1897) shall apply to the exercise of a power given by sub-section (1) as they apply to the exercise of a power given by a Central Act to make rules subject to the condition of previous publication.

(3) The Government may direct the port authority of any port to prepare, in accordance with such instructions as may from time to time be given to it, one or more draft schemes for the port, and the port authority shall comply with such direction.

Workmen's Health Insurance, Maternity Benefits and Accidents Insurance

Piecemeal legislation for providing some sort of social security, or insurance for Industrial Workers against unemployment through accident, sickness or disability, had been adopted by the Government of India for some years before the War; e.g., Workmen's Compensation Acts; Miners Legislation, Maternity Benefits, etc. But these provisions arose out of a wholly different conception of the worker's dues, in such matters, not only as against the employers for whom they worked, but as against the community who benefited by their labours. The need to provide for a comprehensive scheme of Health Insurance, Accident and Maternity benefits, was slowly recognised, mainly because of the conditions brought about by the war. The law passed in December, 1947, envisages compulsory State Insurance, providing for certain benefits in the event of sickness, maternity, and employment injury to workmen

employed in perennial factories. It is an all-India scheme, to be administered uniformly throughout the country.

The scheme does not apply to the largest number of workers, viz.,—agricultural labourers; nor to seasonal factories. It leaves out of its operation employees in banks, insurance companies, commercial offices, transport services and municipal workers of all kinds, mines and workshops. Nor does it provide any old age pension or unemployment insurance. Defective, therefore, as the scheme is, it is a step forward which Indian labour has welcomed in the spirit in which it is taken.

With the object above named in view, the law sets up a Statutory Corporation, to be managed by a Central Board, consisting of:

1. Ministers of Labour and Health in the Central Government, as Chairman and Vice-Chairman, respectively.

2. Five nominated by the Central Government, two of whom must be officials of the Ministries of Finance and Labour.

3. Nine representatives of Provinces, nominated one each by the Provincial Governments, as prescribed by the Central Government.

4. One nominee of the Centre representing the Chief Commissionerships and other Centrally administered areas;

5. Three nominated by the Central Government representing workers in consultation with worker's organisations.

6. Three nominated by the Central Government to represent employers, after consultation with the employer's organisations.

7. Two nominated by the Central Government, representing the medical practitioners.

8. Two elected by the Central Legislative Assembly.
(In all twenty-seven members.)

Members of the Board hold office for 5 years, except those who are ex-officio members. A Standing Committee of this Board, consisting of a Chairman nominated by the Central Government, and three officials of that Government, together with seven elected by the Board itself from among its members, i.e., 3, representing Provincial Governments, one employers; one labour, one medical profession, and one, Legislature, will carry on the day to day administration of the corporation, and its fund as well as the benefits prescribed.

A separate Medical Benefits Council is set up by the same legislation to advise on the administration of medical benefit, certification of sickness, etc. Members of the Board, its Standing Committee, and the Medical Benefit Council, will receive such salaries and allowances as the Central Government prescribes. The day to day executive working of the Corporation will be entrusted to a Director General of Workmen's State Insurance, assisted by an Insurance Commissioner, a Medical Commissioner, a Chief Accounts Officer, and an Actuary. These officers are wholtime servants of the Corporation, holding office for 5 years, drawing such salary and allowances as may be prescribed by Government. Certain qualifications and disqualifications for holding each of these offices, as well as membership of the Board, its Standing Committee, and the Medical Benefit Council, have been laid down in the Act.

The powers and functions of these several bodies, the scale of contributions from workmen and employers, and of the benefits to be awarded on the occurrence of the contingencies insured against, and the management of the fund made up of these contributions are also provided for in the legislation. The relevant sections are summarised below:

Powers of the Board and of its Standing Committee

The Board exercises all the powers and performs all the functions of the Corporation.

Subject to its general superintendence and control, the Standing Committee administers the affairs of the Corporation, exercising any of the powers and functions of the Board that may be delegated to it. It must submit for the consideration and decision of the Board all cases and matters which may be specified in the regulations; and may submit any other case or matter for the decision of the Board.

The Board may, in addition to the scheme of benefits specified in this Act, promote measures for the improvement of the health and welfare of insured persons and for the rehabilitation and re-employment of disabled and injured workmen. It may incur for such measures expenditure from the funds of the Corporation within the prescribed limits.

Holding of property, etc.

The Board may, subject to such conditions as may be prescribed by the Central Government, acquire and hold

property, both movable and immovable, sell or otherwise transfer any such property which may have become vested in or acquired by it.

Subject to the prescribed conditions, the Board may from time to time invest any moneys not immediately required for expenses defrayable under this Act, and may also reinvest, or realise such investments. The Board may, with the previous sanction of the Central Government and on such terms as may be prescribed by it, raise and pay off loans.

The Board may constitute for the benefit of its staff a provident or other benefit fund.

Budget Estimates

The Board must every year frame a budget showing the estimated receipts and expenditure during the following year. A copy of the budget must be submitted for the approval of the Central Government before the prescribed date. It must contain provisions which Government consider adequate as the working balance.

Duties of Medical Benefit Council

The Medical Benefit Council advises the Board, its Standing Committee and the Medical Commissioner, in matters connected with the administration of medical relief of the insured, including advice and treatment. The Regulations may impose upon it other duties of this kind.

Duties of Principal Officers

The Principal Officers exercise the powers and discharge the duties laid upon them by the Act or the Regulations made thereunder.

Workmen's State Insurance Fund

All moneys received on behalf of the Corporation shall be paid into the Workmen's State Insurance Fund, which must be held and administered by the Board. The Board may accept on behalf of the Corporation donations and gifts from the Central or any Provincial Government, Indian State, or any individual or body, whether incorporated or not, for all or for any of the purposes of this Act. Moneys accruing or payable to this Fund must be received by the officers of the Corporation authorised in this behalf, to be forthwith paid into the Reserve Bank of India or any other approved bank. These amounts shall be credited to the Workmen's State Insurance Fund Account. This account is to be operated on by officers autho-

rised by the Standing Committee for the purpose with the approval of the Board.

Purposes for which the Fund may be expended

Subject to the provisions of the law and of any rules made by the Central Government, the Workmen's State Insurance Fund shall be expended only for the following purposes, namely:

(i) payment of benefits, and provision of medical treatment and attendance, and defraying charges and costs in accordance with the provisions of the law;

(ii) payment of fees, salaries and allowances to members of the Board, the Standing Committee and the Medical Benefit Council;

(iii) payment of salaries, leave and joining time allowances, travelling and compensatory allowances, gratuities and compassionate allowances, pensions, contributions to provident or other benefit fund of officers and servants of the Corporation, and meeting the expenditure in respect of officers and other services set up for the purpose of giving effect to the provisions of this Act;

(iv) establishment and maintenance of hospitals, dispensaries and other institutions, and the provision of medical and other ancillary services for the benefit of workmen;

(v) payment of contributions to Provincial Governments, Indian States, any private body or individual, towards the cost of medical treatment and attendance provided to workmen, including the cost of any building and equipment, in accordance with any agreement entered into by the Corporation;

(vi) cost (including all expenses) of auditing the accounts of the Corporation, and of the valuation of its assets and liabilities;

(vii) defraying the cost including all expenses of the Workmen's Insurance Courts set up under this Act;

(viii) payment of any sums under any contract entered into for the purposes of this Act by the Board or the Standing Committee, or by any officer duly authorised by the Board or the Committee in that behalf;

(ix) payment of sums under any decree, order or award of any court or tribunal against the Corporation or any of its officers or servants for any act done in the execution of his duty, or under a compromise or settlement of any suit or other legal proceedings or claim instituted or made against the Corporation;

(x) defraying expenditure, within the limits prescribed, on measures for the improvement of the health and welfare of insured persons and employment of disabled and injured workmen; and

(xi) such other purposes as may be authorised by the Board with the previous approval of the Central Government.

Contributions

Contribution payable under this Act in respect of a workman comprise contribution by the employer and that payable by the workman.

These contributions shall be paid weekly at the rates specified in the Schedule. If no services are rendered during a whole week, no contributions would be payable.

Principal Employer to pay contributions in First Instance

The principal employer pays in respect of every workman employed in or in connection with any work of a factory both his own contributions and the workman's contributions. He would of course be entitled to recover from his workmen the contribution made on their behalf by deduction from their wages.

No deduction can, however, be made from wages other than for the period in which the workman's contribution was due. Notwithstanding any contract to the contrary, the principal employer shall not be entitled to deduct the employer's contribution from any wages payable to a workman or otherwise to recover it from him.

Any sum deducted by the principal employer from wages under this Act shall be deemed to have been entrusted to him by the workman for the purpose of paying the contribution in respect of which it was deducted.

Subject to any regulations made in this behalf, the principal employer shall bear the expenses of remitting the contributions to the Corporation.

Recovery of contribution from immediate employer

A principal employer, who has paid contribution in respect of a workman directly employed by an immediate employer, shall be entitled to recover the amount of that contribution, from the immediate employer, either by deduction from any amount payable to him by the principal employer under any contract, or as a debt payable by the immediate employer. In that case the immediate employer

shall be entitled to recover the workman's contribution from the workman directly employed by him by deduction from the worker's wages.

General Provisions as to Payment of Contributions

No contribution will be payable by any workman whose average daily wages do not exceed ten annas.

Where a workman is employed by more than one principal employer in a week, the principal employer who first employed him in that week will be responsible for his contribution.

Provided that such employer shall be entitled to recover a proportionate part of the contribution paid by him in respect of the workman from the employer or employers who subsequently employed the workmen during the same week.

Method of Payment of contributions

Subject to the provisions of this Act, the Board may make regulations for any matter relating or incidental to the payment and collection of contributions payable under this Act. In particular, such Regulations must lay down:

- (a) the manner, time, and conditions in which payments of contributions may be made;
- (b) the payment of contributions by means of stamps adhesive or affixed to or impressed upon books or cards;
- (c) the entry in books or cards or particulars of contributions paid and benefits distributed to the insured;
- (d) the issue, sale, custody, production and delivery of books or cards and their replacement if lost, destroyed or defaced.

Benefits

Subject to the provisions of this Act, the benefits conferred upon insured persons are:

- (a) Sickness Benefits, or periodical payments while rendered incapable of working by illness;
- (b) Maternity Benefit or payments, in the case of confinement, to a woman worker;
- (c) Disablement Benefit, or regular payments during continuance of incapacity for work because of employment injury;

- (d) Medical Benefit or periodical payments to the dependants of an insured person who dies by reason of employment injury.

Where the provisions of this Act relating only to some of the benefits have been made applicable in relation to a factory, the workmen employed there shall be entitled only to the benefits so provided for.

Subject to the provisions of this Act, a workman shall not be entitled to receive any benefit unless:

- (a) in the case of sickness cash benefit, he is certified by a duly appointed medical practitioner, to be incapable of working by reasons of sickness;
- (b) in the case of maternity benefit, the woman is certified by a duly authorised person;
- (c) in the case of disablement or dependants' benefit, he is entitled to compensation under the Workmen's Compensation Act, 1923.

Cash benefits payable under this legislation are not liable to be attached or sold in execution of any order or decree of a competent court. They can neither be accumulated or commuted, nor combined.

Entry into Scheme

A workman joins the Insurance Scheme from the beginning of the first week for which his contribution is paid.

Sickness cash benefit

An insured workman, if certified by a duly appointed medical practitioner to be incapable of working by reason of sickness, will be entitled to receive sickness cash benefits at the rate specified in the Second Schedule to the Act, for a total period of eight weeks during any continuous period of 12 months, except for the first three days.

No one shall be qualified to receive such payment unless:—

- (a) at least six months have elapsed after his joining the scheme;
- (b) and seventeen weekly contributions at least have been paid on his account in a continuous period of six months preceding the week in which the protected period commences.

A workman, ceasing to be an insured person for a continuous period of six months, shall on his re-entry be deem-

ed to be a new entrant, into the scheme. In computing the continuous period of twelve or six months referred to above no count shall be taken of any break in continuity because of

- (a) any period during which the workman was in receipt of sickness or maternity benefit; and
- (b) any period not exceeding six months during which he was in receipt of full disablement benefit.

A person who has ceased to be an insured person shall be entitled to retain his right to sickness cash benefit for a period of six months commencing with the week in which he ceases to be an insured person, provided he was otherwise qualified for it.

Maternity Benefit

Maternity benefit is payable to an insured woman, at the rate of twelve annas a day for a period of twelve weeks. Not more than six of these must be before confinement, the benefit being payable for full seven days in the week. Rules for qualifying for this benefit are similar to those governing Sickness Cash Benefits as also those for computing the period of continuous contributions entitling a woman to enjoy these benefits.

Disablement Benefit

This is payable:—

- (a) to a workman who sustains temporary disablement, during the period of such disablement; or
- (b) sustains permanent partial disablement for life; or
- (c) total disablement for life;
- (d) and to the dependants of a workman who dies of an employment injury.

No disablement benefit is payable for the first three days.

Disablement and Dependant's Benefit

Where an insured person is entitled to receive or recover, from his employer or any other person, any compensation or damages under the Workmen's Compensation Act, 1923, or otherwise, the following provisions apply, namely:

- (i) the insured person shall, in lieu of such compensation or damages, receive the disablement benefit under this Act direct from the Corporation.

- (ii) if the insured person dies as a result of the employment injury dependant's benefit will be paid at the rates and in the proportion specified in the Second Schedule to his widow during her widowhood, and to minor legitimate or adopted sons and daughters, if unmarried.
- (iii) In the absence of such widow or children, dependant's benefit is paid to the other dependants of the deceased at such rates as may be determined by the Commissioner appointed under the Workmen's Compensation Act, 1923. The rate of such dependant's benefit will not exceed one half of the amount payable to the workman as benefit on permanent total disablement. Needless to add that this law does not take away the employer's liability under the Workmen's Compensation Act.

Medical Examination

Medical examinations and treatment under the Workmen's Compensation Act shall be carried out by duly appointed medical practitioners.

Medical Benefit

Medical benefit may be given either in the form of out-patient treatment and attendance in a hospital, or dispensary, or visits to the home of the insured person or treatment as in-patient in a hospital or other institution. It includes medical, surgical and obstetric treatment. Out-patient treatment may be given without limit of time so long as the wage earner continues to be insured. In-patient treatment in a hospital will be available to an insured person so long as he is entitled to sickness cash benefit, disablement benefit or maternity benefit. During this treatment, the sickness and disablement benefit will be reduced to half the amount the insured wage-earner is entitled to receive.

Scale of Medical Benefit

An insured person shall be entitled to receive medical benefit on the scale provided by the Provincial Government or the Board. No insured person shall have a right to claim any medical treatment except such as is provided by a dispensary or hospital to which the factory where he is working is allotted.

The Provincial Government must provide for insured persons in the Province reasonable medical, surgical and obstetric treatment at specified dispensaries or hospitals.

Where the incidence of sickness cash benefit payment to workmen in any Province exceeds the all-India average, this excess may be shared between the Corporation and the Provincial Government in agreed proportions, unless the former waives its due.

The absence of an agreement between the Corporation and any Provincial Government, the nature and extent of the medical treatment to be provided by the Provincial Government and the proportion in which its cost or excessive incidence of sickness benefit should be shared between the Corporation and that Government, shall be determined by an arbitrator.

Establishment and Maintenance of Hospitals, etc., by the Corporation

The Corporation may, with the approval of the Provincial Government, establish and maintain in a Province such hospitals, dispensaries and other medical and surgical services as it may think fit for the benefit of workmen. Agreement for providing such services may likewise be made with any State or private body.

Corporation's Right to Recover Damage from Employer in certain Cases

Where any employment injury is sustained by an insured person because of the negligence of the employer or any wrongful act of his or his agent, the Corporation is entitled to be reimbursed by the employer liable to pay compensation under the Workmen's Compensation Act.

Corporation's Right to be Indemnified in Certain Cases

Where an insured person is entitled to recover or receive from his employer or any other person, compensation or damage under any law in force in respect of any employment injury, the Corporation is entitled to be indemnified by any person so liable; but no such indemnification will be allowed where the employer has paid contributions under this law.

If an employer fails or neglects to pay any contribution for which he is liable; and if because of that, a workman is disentitled to any benefit or entitled to a benefit on a lower scale, the Corporation may, pay to the work-

man the benefit at his due rate and to recover from the principal employer either:

- (i) the difference between the amount of benefit paid to the worker and that which would be payable on the basis of the contributions actually paid by the employer; or
- (ii) twice the amount of the contributions which the employer failed or neglected to pay, whichever is greater.

Liability of Factory Owners for Excessive Sickness Benefit

Where the Board believes that the incidence of sickness among insured persons is excessive by reason of:

Insanitary working conditions in a factory, in any tenement or lodgings occupied by insured persons, due to the neglect of the owner of the tenements or lodgings, the Board may claim from such owner or occupier payment of the amount of the extra expenditure incurred by the Corporation as sickness cash benefit.

If the claim is not settled by agreement, the matter may be referred to the Provincial Government, which, if satisfied that a **prima facie** case is disclosed, may appoint a competent person to hold an inquiry.

If the investigator is satisfied that excessive sickness among the injured persons is due to the default or neglect of the owner or occupier of the factory or lodgings, he must determine the amount of the extra expenditure incurred as sickness cash benefit by the Corporation; and order it to be paid to the Corporation.

Industrial Truce and Labour Dues

At the Industries Conference held from the 15th to 18th December, 1947, several resolutions were passed to increase production in the country, and bring about a 3 years' Truce in industrial relations.

The resolution on industrial production passed unanimously passed says:—

1. This conference views with great concern the continued decline in industrial production which had occurred during the last two years.

2. This conference is of the view that the present inability of industry to produce its installed capacity and to expand as planned is mainly due to

- (a) inadequacy of transport to meet present needs;

- (b) unsatisfactory relations between management and labour;
- (c) shortage of raw materials and defects in their procurements and distribution;
- (d) difficulty in obtaining capital goods and constructional materials to install them;
- (e) supply and exchange limitations on the import of the full requirements of industry; and
- (f) paucity of technical personnel.

This conference recommends the following immediate measures:—

1. Transport

(a) the increase in the movement of coal by four million tons per annum over the existing level of 25 to 26 million tons per annum to enable existing requirements to be met. For this purpose the fullest use should be made of the present wagon availability, and every effort should be made to increase wagon availability and other railway facilities;

(b) the assessment of the transport required for the movement of finished goods and raw materials necessary for full production and arrangements to secure such transport through a reduction of less essential movements, whether of goods or passengers;

(c) an examination of all possibilities of increasing total goods traffic such as rationalisation of line, power and wagon capacity and fullest use of present resources.

(d) the fullest utilisation of road, river, sea and air transport.

2. Raw Materials

(a) Special assistance for increased production in India of industrial raw materials like steel, cement, caustic soda and other chemicals, light metals, etc.;

(b) The increase of imports of essential raw materials in short supply like steel, non-ferrous metals, caustic soda and other chemicals, etc. Foreign exchange difficulties should be overcome to the extent possible increasing exports including export and loans in cash or commodities on lines approved by Government.

(c) The planned utilisation of industrial raw materials in short supply with a view to secure increased production. To the extent possible, such distribution of raw materials

should be effected in consultation with representative associations of industry in the case of organised industries and with Provincial and State Governments in other cases.

Provinces and States should be invited to consider in consultation with industries in their areas, the possibilities of rationalising the use of raw materials in short supply so as to secure maximum production. Standards of classification of units in an Industry according to efficiency in production, so that All-India standards may be laid down.

3. Technical Man-Power

(a) The establishment of Scientific and Technical liaison offices abroad for the recruitment of technical personnel and the placing of advanced Indian students and technicians in foreign universities. Technical Institutions and the acquisition of technical information;

(b) The increase of facilities in India for the training of scientific and technical personnel and the training of labour to increase its efficiency and skill.

(c) The maintenance of a register of scientific and technical personnel.

3. This Conference recommends that during the next three to five years the increase of capacity and production in certain industries for which plans have been approved and are under execution should be pressed forward with vigour. The essential pre-requisite for such expansion is the increase of production of commodities and provision of services in the basic industries without which any expansion would be impossible.

The following measures are, therefore, recommended:

(a) **Railways:** The capacity of rail transport should be increased to meet prospective demands of movement of constructional materials, fuel, raw materials and finished products. The import of locomotives and wagons should be given high priority and existing capacity for manufacture should be developed so as to secure self-sufficiency at the end of this period.

(b) **Steel:** New steel plants should be erected and brought into production and in the meantime every effort should be made to import the country's essential requirements in iron and steel.

(c) **Cement:** The approved plan for cement production should be hastened to an early completion so that this important constructional material becomes available for the installation of new industrial plants.

(d) **Electric Power:** Simultaneously with the preparation and execution of hydro-electric projects like the Damodar Valley Scheme, which take time, existing plans for the installation of ancillary Thermal Power Stations should be speedily implemented.

(e) **Coal:** The recommendations of the Indian Coal-fields Committee regarding the acquisition of mineral rights, planned and co-ordinated development of production in new areas, regulation of use and distribution and creation of suitable executive machinery amongst other things, must be implemented early, so that the growth of the coal industry on rational lines can be facilitated.

(f) **Oil:** In order to reduce dependence on foreign sources prospecting for oil should receive increased attention and the possibility of producing substitutes from coal should be investigated.

In addition legislation to secure the fullest utilisation of power alcohol produce in the country should be enacted.

(g) In the light of the development anticipated under (a) to (f) above, the target for the next five years should be fixed in a realistic manner for other important industries like Cotton Textiles, Paper and Newsprint, Chemicals, Penicillin, Sulpha drugs and Anti-Malarials, Heavy and Light Engineering Electric and other machinery and Machine Tools, suitable machinery for watching and ensuring progress towards the targets.

(h) Machinery for watching and ensuring the execution of immediate and short-term plans, the need for close consultation between the various ministries concerned with industrial development needs no emphasis.

It is also necessary to associate representatives of Provincial and States Governments, Industry and Labour in periodical review of progress and the measures necessary to stimulate it.

(i) A central Industrial Advisory Council should be set up with appropriate sub-committees for important reviewing and advising on problems of transport in relation to industry. Similar Industrial Advisory Committees in the Provinces should also be constituted.

(j) To assist Government on the proper utilisation of scarce raw materials, capital goods, foreign exchange and other resources, a Priorities Board should immediately be set up.

The Resolution on national policy was also passed recommending to Government that while enunciating their

national policy of Industrial Development, the following aspects, among others, should be kept in view:—

(1) The need for an equitable distribution of the country's wealth and production leading to rapid Improvement of the standard of living and comfort of the masses of the Indian people, based on social justice.

(2) The need for the fullest utilisation of the country's resources without allowing wealth to accumulate in the hands of a section of the people.

(3) The need for Central Planning, co-ordination and directions so as to obtain maximum efficiency and output, a fair and reasonable distribution of the Industries throughout the country in relation to the potentialities of each area, and also to determine a fair basis of wages and profit.

(4) The division of industries into three broad categories:

- (a) Industries which should be under State Ownership and Management.
- (b) Industries which may be jointly owned and managed by the State, and
- (c) Industries under Private enterprise.

In selecting the industries as aforesaid, which will be reviewed from time to time, the paramount considerations will be the country's basic Economic and Defence requirements on the one hand, and the possibility of quick and efficient production on the other.

Terms to Foreign Capital

The resolution on Foreign Capital and Enterprise, while recognising that participation of Foreign Capital and enterprise, particularly as regards Industrial Technique and knowledge, will be of value for the rapid industrialisation of the country, considers that the conditions under which they may participate in Indian Industry should be carefully regulated in the national interest, and that all arrangements between Private Industry in India and abroad should have the prior approval of the Central Government.

Labour's Role in Present Crisis

"This conference considers that the increase in industrial production, which is so vital to the economy of the country, cannot be achieved without the fullest co-operation between labour and capital and stable and friendly relations between them. The employer must recognise the proper role of labour in industry and the need

to secure for labour fair wages and working conditions. Labour for its part must give equal recognition to its duty in contributing to the increase of the national income, without which a permanent rise in the general standard of living cannot be achieved.

“Mutual discussion of all problems common to both, and a determination to settle all dispute without recourse to interruption in or slowing down of production, should be the common aim of employers and labour.

The system of remuneration to capital as well as labour, must be so designed that while in the interests of the consumers and the primary producers, excessive profits should be prevented by suitable measures of taxation and otherwise, both will share the product of their common effort after making provision for payment of fair wages to labour, a fair return on capital employed in the industry, and reasonable reserves for the maintenance and expansion of the undertaking.

“For attaining these objectives, this conference recommends:—

(a) That the fullest use should be made of statutory and other machinery for the resolution of industrial disputes in a just and peaceful manner; where it does not exist, it should be created without delay. Such machinery should as far as possible be uniform throughout India.

(b) The establishment of machinery—central, regional, and functional—for the study and determination of fair wages and conditions of labour, and fair remuneration for capital, and methods for the association of labour in all matters concerning industrial production, such as the formation of central, regional and unit production committees.

(c) The constitution in each industrial undertaking of works committees, representing management and duly elected representatives of labour, for the settlement of any dispute which may arise from day to day.

(d) That, as a first step towards improving the standard of living of workers, immediate attention should be devoted to the problem of housing of industrial labour; the cost of such housing should be shared in suitable proportions between the Government, employers and labour, the share of labour being given in the shape of a reasonable rent.

This Conference invites labour and management to assist Government to agreements between the parties as

will usher in a period of contented and orderly advancement towards a co-operative commonwealth."

Following this Resolution, a Committee to consider the question of profit sharing and to draw up a scheme for this purpose was set up.

The Industrial Truce Committee is to consist of 16 members, representing Capital, Labour, Consumers and Peasants, also two Specialists, Industries Member and Finance Member. Pandit Jawaharlal Nehru, Prime Minister, will be the Chairman of this Committee.

The object of this Committee will be to evolve a formula on the basis of which a truce may be called by the Capital and Labour in India for a period of three or five years in order to step up production in the different industrial spheres.

Since this resolution was passed, a demonstration general strike was organised for just one day in the most important industrial centre in India, Bombay. Over six hundred thousand workers stayed away from their work for that day to mark Labour's discontent with the decisions of the Conference. The legislation so far undertaken, and the administrative arrangements following in consequence do not seem likely to satisfy Labour or maintain Industrial Truce.

K. T. SHAH

