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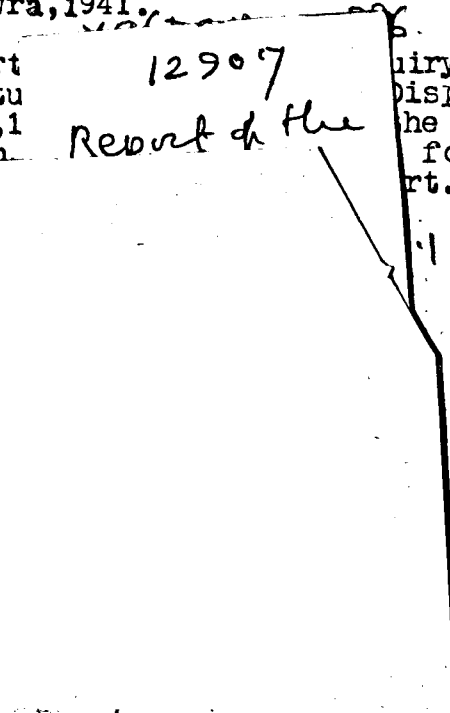
C O N T E N T S .

- 1. Report of the Court of Enquiry, Coimbatore, to enquire into the disputes between the labourers and employers in the Textile Mills. By M. Venkataramayya. 1938. 143 pp.
- 2. Report of the Court of Enquiry constituted under the Trade Disputes Act, 1929, to investigate certain grievances of the salt miners at Khewra, 1941. 68 pp.
- 3. Report of the Court of Enquiry constituted under the Trade Disputes Act, 1929, to investigate the question of the railway workers. 134 pp.

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Report of the



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**REPORT OF THE COURT OF ENQUIRY  
COIMBATORE**

**Appointed to enquire into the disputes between  
the labourers and employers in the Textile  
Mills in Coimbatore district**

[Under section 3 of the Trades Disputes Act VII of 1929 (India)]

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**MADRAS**

**PRINTED BY THE SUPERINTENDENT, GOVERNMENT PRESS**

**1938**

**PRICE, Rs. 1]**



**LIST OF PLEADERS AND REPRESENTATIVES.**

Name.	For what mill or union.
1 Mr. A. N. Rama Rao, M.A., B.L., Vakil.	Vasanta Mills Limited and Rajalakshmi Mills, Limited. In general for the Mill-owners' Association.
2 Mr. K. G. Subrahmanyam, M.A., B.L., Vakil.	Sree Rangavilas Mills and Sree Venkatesa Mills. In general for the Mill- owners' Association.
3 Mr. A. Chinnaswami Nayudu, B.A., B.L., Advocate.	Radhakrishna Mills, Limited, Thirumurthy Mills. In general for the Mill- owners' Association.
4 Messrs. P. S. Sitharana Ayyar, B.A., B.L., and C. Subrahmanyam, B.A., B.L., Advocates for District Congress Committee:	Bikara Singh and Nalliah. Textile workers, Lotus Mills.
5 Messrs. C. Basudev, B.A., B.L., Advocate and C. R. Hanumantha Rao, vakil.	Coimbatore Labour Union.
6 Mr. C. R. Ramaswami Ayyangar, B.A., B.L., Advocate.	C.S. & W. Mills.
7 Mr. P. Kolandavelu Pillai, B.A., B.L., Advocate.	Sri Palaniandavar Mills.
8 Mr. N. V. Krishnaswami Ayyar, B.A., B.L., Vakil.	Cambodia Mills.
9 Mr. K. Venkataswami Nayudu, B.A., B.L., Vakil.	Coimbatore Cotton Mills, Lakshmi Mills, Limited and Janardhana Mills, Limited.
10 Messrs. K. Srinivasa Ayyar, B.A., B.L., and G. N. Ratnaswami Ayyar, B.A., B.L., Advocates.	Somasundaram Mills and Kaleeswarar Mills.
11 Mr. P. Ramamurthi, Representative for.	The Coimbatore Mill workers' Union.
12 Mr. A. Palaniswami Gounder, Vakil.	Saroja Mills.

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From

M. VENKATARAMAYYA, Esq.,  
Court of Enquiry, Coimbatore.

To

THE SECRETARY TO GOVERNMENT,  
DEVELOPMENT DEPARTMENT,  
Fort St. George, Madras.

*Madras, dated 9th April 1938.*

SIR,

[Labour—Dispute in the Coimbatore Mills—Court of Enquiry—  
Report. Reference.—G.O. No. 2483, Public (Special),  
dated 29th December 1937.]

I have the honour to submit herewith the report of the Court  
of Enquiry.

I have the honour to remain,

Sir,

Your most obedient servant,

M. VENKATARAMAYYA,  
*Court of Enquiry.*

## APPENDIX I.

GOVERNMENT OF INDIA.

DEPARTMENT OF LABOUR.

## NOTIFICATION.

*Simla, the 7th August 1940.*

*No. L.-1714.*—Whereas a trade dispute is apprehended between the General Manager of Great Indian Peninsula Railway and the workmen employed on the said Railway regarding the grant of an allowance to the workmen in view of the increased cost of living brought about by war conditions;

Now, therefore, in exercise of the powers conferred by section 3 of the Trade Disputes Act, 1929 (VII of 1929), the Central Government is pleased—

I. to appoint a Court of Inquiry consisting of—

- (i) The Honourable Mr. Justice B. N. Rau, Kt., C.I.E., I.C.S., a Judge of the Calcutta High Court,—Independent Chairman.
- (ii) Sir Shafáat Ahmad Khan,—Independent Member, and
- (iii) Mr. A. Hughes, I.C.S.,—Independent Member and Secretary to the Court; and

II. to refer to the said Court of Inquiry the following matters which appear to be connected with or relevant to the said dispute, namely:—

- (1) What has been the rise in the cost of living for the lower paid staff since the outbreak of war, in the various areas in which they are employed?
- (2) Having regard to the previous movements in wages and prices, does the rise since the outbreak of war establish a case for a war allowance for the lower paid staff?
- (3) If so, in what areas and subject to what conditions should an allowance be given?
- (4) How should the allowances, if any, be regulated, if in future the cost of living should rise or fall?

M. S. A. HYDARI,

*Secretary to the Government of India.*

## APPENDIX II.

GOVERNMENT OF INDIA.

DEPARTMENT OF LABOUR.

## RESOLUTION.

*The 7th August 1940.*

No. L-1714.—The All-India Railwaymen's Federation and certain other organisations of railway labour have presented demands for the grant of a dearness allowance to railway employees to meet the increased cost of living brought about by war conditions. The demand of the Federation is that there should be an increase of wages ranging from 10-20 per cent. to employees drawing less than Rs. 100 per mensem. The question was discussed by the Federation with the Railway Board at a meeting in April last. The view of the Railway Board that as prices stood then there was no justification for granting a dearness allowance was explained to the representatives of the Federation and they were also told that the Government of India in consultation with the Provincial Governments were actively considering what was the best means of providing relief in the event of any relief being considered necessary in the future owing to a further rise in the prices. The reason why in the opinion of Government there was no justification for the grant of a dearness allowance had also been previously explained at length in the Legislative Assembly by the Honourable Member for Railways in his budget speech. The All-India Railwaymen's Federation, however, adhered to the view that there was a case for the immediate grant of an allowance and they have submitted an application to the Government of India for the appointment of a Board of Conciliation under section 3 of the Trade Disputes Act, 1929, to settle the dispute.

2. The Government of India, having reviewed the matter carefully, are not convinced that the present circumstances warrant the grant of any dearness allowance. Having regard, however, to the importance of the question for those employees on low rates of pay and the difference of opinion that has arisen, they believe that it would be of assistance both to railway administrations and to railway workers to have an enquiry into the matter under the Trade Disputes Act. The Government have carefully considered what machinery will be most appropriate for dealing with the question and have come to the conclusion that a Court of Enquiry will be more appropriate than a Board of Conciliation. The Government of India have, therefore, decided to appoint a Court of Enquiry under section 3 of the Trade Disputes Act, 1929, to enquire and report on the following terms of reference:—

- (1) What has been the rise in the cost of living for the lower paid staff since the outbreak of war, in the various areas in which they are employed?



- (2) Having regard to the previous movements in wages and prices, does the rise since the outbreak of war establish a case for a war allowance for the lower paid staff?
- (3) If so, in what areas and subject to what conditions should an allowance be given?
- (4) How should the allowances, if any, be regulated if in future the cost of living should rise or fall?
3. The Court will consist of—

The Honourable Mr. Justice B. N. Rau, Kt., C.I.E., I.C.S.,  
Chairman.

Sir Shafáat Ahmad Khan, Member.

Mr. A. Hughes, I.C.S., Member.

Mr. Hughes will also act as Secretary to the Court.

4. To enable the present enquiry to be conducted expeditiously, the Government of India have decided to confine it to the G. I. P. Railway. If as a result of the Court's Enquiry, the Government of India adopt any principles regulating the grant of an allowance to any classes of workers on the G. I. P. Railway, they will be prepared to apply these principles to any other railway servants in their employ to whom they may be equally applicable.

The Court will be appointed in August and will report to Government in the Labour Department.

M. S. A. HYDARI,

*Secretary to the Government of India.*

## APPENDIX III.

(First statement submitted by the All-India Railwaymen's Federation, dated Bombay, the 26th August 1940.)

We have the honour to submit the following statement on the terms of reference for the consideration of the Court:—

2. Before setting out the demands of the Railway workers and the reasons for those demands, the Federation would like to bring to the notice of the Court that the original application dated 6th April, 1940, on which action has been taken by the Government of India, was made by this Federation as representing the affiliated Unions and the railway workers in India. The Federation has, therefore, been surprised that no official intimation about the appointment of this Court of Enquiry has been given to the Federation.

3. We submit such an official intimation was due to us from the Government of India. We beg to record our protest against the lack of courtesy shown by the Government.

4. The case for Dearness Allowance for railway workers has been discussed between the Railwaymen's Federation and the Railway Board on more than one occasion since the outbreak of the war. But as no agreement could be reached, the Federation presented an application to the Government of India on the 6th April, 1940, under section 3 of the Trade Disputes Act of 1929, requesting that the dispute should be referred to a Board of Conciliation. Briefly stated, the case made out in the said application is that the rise in the cost of living has varied differently in different provinces but that generally speaking the hardships resulting from the rise in prices could be mitigated by the grant of dearness allowance on the following scale:—

20 per cent. increase in wages to those who are receiving Rs. 30 and below per month.

15 per cent. to those who are earning upto Rs. 60 and over Rs. 30.

10 per cent. to those who are receiving wages varying between Rs. 61 and Rs. 100.

Herewith attached for ready reference is a copy of the said application [Appendix—IV]

5. Since then, prices have fluctuated slightly on one side and slightly on the other; the Federation will assist the Court in examining the precise effect of these fluctuations as this enquiry proceeds. The tendency has been towards a rise in more recent weeks. But neither the fall nor the rise had been sufficient seriously to affect the demands of the railwaymen made in the application of the 6th April 1940 or before.

6. Railwaymen do not stand alone in claiming a dearness allowance due to the rise in prices since the war. Applications for a rise in wages were made by the working classes in various industries in all parts of the country; in some cases enquiries were set

up and resulted in the grant of a dearness allowance to the workers concerned. Private employers in a number of cases have granted increase in wages on their own initiative. Municipalities and other local bodies have also taken similar action. The various railway unions have been unanimous in urging upon their respective administrations the urgent need for a rise in wages corresponding to the rise in the cost of living, but invariably they were put off on the ground that it was an All-India matter and that the Railway Board alone could deal with it. The employees of the Provincial and Central Governments have similarly put forward a demand for increased wages. But while private employers and some public bodies have responded to this request of their employees, Governments, both Central and Provincial, have stood out against any increment. In fact the Government have refused to consider this matter till now and when, as in the case of the Bombay Port Trust, recommendations were made by the Trust authorities for giving dearness allowance to their employees, the Government of India have, so far as we are aware, not yet sanctioned such recommendations.

7. Even before the war was declared prices had risen in several parts of the country; after the war broke out the rise was so rapid that at least one Provincial Government was compelled to intervene, in order to prevent the exploitation of the consumer. The Government of India had by that time issued an Ordinance directing, as a measure of price control, that the rise of prices should be permissible upto 10 per cent. only. The Government of Bombay on the other hand permitted the rise upto 20 per cent. Prices went on rising higher and higher and by the close of the year 1939 an acute economic situation had developed and serious hardships were experienced by the masses. Professor T. E. Gregory, Economic Adviser to the Government of India, bore testimony to the sharp rise in prices in a broadcast on 12th January, 1940. He said:—

“Taking 2nd September as equal to 100, then broadly speaking by the end of the year, the general index of primary commodity prices had risen to 137. Manufactured articles had risen to 142; food and tobacco to 125 and other agricultural commodities to 184; raw materials generally to 130. But the important figures are those of general index 137 and the raw materials, *viz.*, 130. The impression I wish to have with you is that wholesale prices as a whole today are something like one-third higher than they were four months ago, and producers of certain kinds of raw materials are even getting Rs. 180 for every 100 that they were getting before the war broke out.”

8. This statement found support in the Finance Member's Budget Speech wherein a rise of 40 per cent. in the price level was admitted. The Chairman of the Imperial Bank of India in a recent speech to the shareholders of that Bank has shown that wholesale prices of paddy had gone up from Rs. 101 on 30th June 1939 to Rs. 122 on 29th June 1940, the peak price being Rs. 127. He also

referred to the rise in the prices of wheat, ground-nuts and tea. The prices of clothing has kept pace with the rise in the cost of food, although they may not have reached the same level. Fuel, lighting, medicine, travelling, house-rent, newspapers, etc., have more or less risen in prices. Altogether the index-number of the cost of living since the outbreak of war could be safely stated to have risen to between 20 and 25 per cent. to the ultimate consumer.

9. When wholesale prices are so high the effect on the retail prices must be considerable. Before the wholesale prices reach the consumer several factors like freight, labour, middlemen's profit, etc., have to be taken into account and these make the retail prices higher than wholesale ones. The rise in retail prices therefore must have been even higher.

10. In the case of railway workers the effect of price increase has considerably aggravated their hardships. Certain privileges enjoyed by the railway employees for years, e.g., free passes, house-rent allowances, subsidy for education of their children, etc., have during recent years been either withdrawn or curtailed and the collective financial loss to the workers in this way has been appreciable. These losses amount to a corresponding reduction in wages and have to be taken into account while assessing the increment to be given.

11. There is one expression used in the terms of reference which requires to be elucidated in order to prevent misunderstanding and that expression is "Lowerpaid staff". Our application to the Government of India was on behalf of all staff and was not intended to be restricted to any particular section of railway employees. To the best of our knowledge the phrase "lower-paid railway staff" has never been defined by any Railway Administration. Our own submission is that this enquiry should embrace railway employees drawing Rs. 160 in capital and other big towns and Rs. 120 elsewhere.

12. The Federation submits that the second term of reference has no relevance to the issues raised in the application. A comparison between the movement of prices and wages prior to the war with the rise in prices since the war is a comparison of likes with unlikes and the term of reference is calculated only to forestall the demand for dearness allowance. When a certain higher wage level has been reached and operated for a number of years and lower prices have then prevailed over a series of years such a fall in prices leads to a certain improvement in the worker's standard. He is enabled during such a period of price-fall to permit himself certain necessities and amenities which were originally not open to him. If the fall continues for a long-term he becomes turned to that improved standard which must thereafter become his minimum. It would then be improper to ask him to go back to the previous low standard on a subsequent rise in prices by refusing to pay him a dearness allowance. It should be the aim of the Railway Board and the Government of India, as indeed of all rational employers to maintain that standard. In fact that has been the accepted aim of all Civilised States and Governments gathered in the International Labour Organisation. We, therefore, submit that the present

rise in the cost of living should be in the light of the standards already reached and not with reference to a past period when prices were higher than now. We cannot, therefore, agree that any comparison between the cost of living now and the cost of living some years ago is any criterion for reaching right conclusions in the present enquiry, and we submit that the second-term of reference is irrelevant and misleading.

13. The present enquiry ought, we submit, to be limited to the examination of the standards already reached, in August 1939. It should not, of course, be assumed that even those standards were at all anything high. In numerous cases even the old scale of pay is not now in force for all employees. Wholesale demotions and abolitions of posts were in thousands of cases enforced and the position is even worse in the case of those who have been brought under the new scales of pay. This matter is so important that we would like to elaborate it a little further. Between 1927 and 1931 the Railways had run a systematic "economy campaign" as it was called which ultimately swelled into wholesale retrenchment measures. By 1930-31 as many as 117,000 workers lost their jobs, thousands were demoted and hundreds of posts were abolished. It will, thus be observed that even the old scales of pay, to which reference is made in the second-term of reference, are not maintained for all old employees. Serious hardships have resulted by virtue of that retrenchment campaign. The second term of reference is to a large extent hypothetical and reveals retrograde tendencies. If it is accepted as a test, it will only stereotype low standards.

14. The third question does not arise if our submission is upheld on the second term of reference. If the Court considers that the third term of reference is within the scope of the present enquiry, we ask for 15 days' time to enable us to prepare the case for railway workers on that footing.

15. Existing wage scales in India are much below what would be considered as minimum wages. The Royal Commission on Labour held that no minimum standard of wage could be fixed for Indian workers and that the existing standards were inadequate.

16. The question of a reduction therefore could not fairly be raised as is done in the fourth term of reference until the principle of minimum wages is accepted. In this connection, we submit that the practice in British Railways should be adopted; there, a certain level of wages is accepted as a minimum below which no reduction is permitted. This is called the "stop rate". Subject to this "stop rate" wages are regulated. If wages have reached a higher level than that basic line and prices fall, no reduction can be urged by the employers until the price-fall is five points when reduction in wages can be made, subject to the basic minimum. Conversely if the prices rise by five points an increase in wages will follow automatically. We are prepared to accept this practice as a guide for the future regulation of wages. For the above mentioned reasons, the Federation submits that the following relief may be granted:—

1. 20 per cent. increase for employees drawing up to Rs. 30
2. 15 per cent. increase for employees drawing over Rs. 30 to Rs. 60.

3. 10 per cent. increase for employees drawing over Rs. 60 to Rs. 100.
4. Such percentage as the evidence should justify for employees drawing over Rs. 100.
17. Herewith enclosed is the statement [Appendix VI] of our case as was discussed between the Railway Board and the Federation

**APPENDIX IV.**

**(Application dated the 6th April 1940, made by the All-India Railwaymen's Federation for the appointment of a Board of Conciliation under section 3 of the Trade Disputes Act, 1929.)**

Whereas a Trade Dispute exists between the All-India Railwaymen's Federation and the Railway Board and it is expedient that the said dispute should be referred for investigation and settlement by a Board of Conciliation, an application is hereby made under section 3 of the Trade Disputes Act, 1929, that the said dispute should be referred to a Board of Conciliation.

2. This application is made by the undersigned who have been duly authorised to make this application at a Convention of the All-India Railwaymen's Federation specially called for for the purpose by means of a resolution unanimously adopted by the delegates of various affiliated Unions who were deputed by the respective Unions to decide the specific issue.

3. A statement [Appendix V] giving particulars of the dispute as required by rule 4 of the Indian Trade Disputes Rules, 1929, is enclosed.

## APPENDIX V.

**Statement under Rule 4 of the Indian Trade Disputes Rules, 1929.***(a) Parties to the Dispute.*

Parties to the dispute are the All-India Railwaymen's Federation and the Railway Board.

*(b) Nature and cause of the Dispute.*

Since the outbreak of this war, the prices of various commodities began to rise rapidly and by December 1939 the rise assumed serious proportions. Urgent representations were made by various Unions to the respective Railways demanding additional wages to compensate them in the rise of the cost of living.

The percentage of rise has varied in different Provinces but generally speaking the results of the rise can be met by a grant of Dearness Allowance of 20 per cent. to those whose wages are Rs. 30 and below; 15 per cent. to those whose wages are between Rs. 60, and Rs. 80; and 10 per cent. to those whose wages are between Rs. 100 and Rs. 60.

The Railway Board have so far failed to accede to this demand and discontent of workers is growing.

*(c) Estimate of persons affected.*

Estimate of number of workers affected is between five and six lakhs.

*(d) Efforts made by the parties to settle the dispute.*

The President and the General Secretary of the All-India Railwaymen's Federation met the Railway Board informally on 2nd February 1940 and urged the need for a prompt decision in this behalf. There was a special meeting between the Board and the Federation on 5th April 1940 when this question was again argued at length and Dearness Allowance was demanded on the scale described above. The Railway Board have turned down this demand.



## APPENDIX VI.

## Memorandum on Dearness Allowance.

(All-India Railwaymen's Federation)

While referring to the recent rise in prices in presenting the Railway Budget for 1940-41, the Railway Member stated "We are at all times ready to consider any reasoned statement of the position which takes into account the considerations I have mentioned."

The considerations, he alluded to, are the following:—

- (1) That the Government's "own examination of the situation at the present moment suggests that in no area have prices risen to the levels prevailing when the bulk of the present rates were fixed";
- (2) That the question is one "of an equitable arrangement between Railway servants on one side and other sections of the community on the other." Practically "all Railway servants have been gainers at the expense of primary producers who suffered as a result of great fall in prices in 1929-31";
- (3) "Any doctrine that Railway servants have the right to increase in prices 'neutralised' by additions to their pay, would carry with it the corollary that, whenever prices fell, pay should be correspondingly reduced";
- (4) "While private employers who secured substantial reductions in their wages bills a few years ago rightly gave some enhancement, the Railway rates are rigid and have undergone no change and therefore do not require to be supplemented just now";
- (5) "The average remuneration for Railway staff as a whole rose by about 10 per cent. between 1929-39, whereas prices were substantially lower in 1939 than in 1929 and that the incremental scales which are common in the Railways tend to alleviate the effect which an upward movement in prices may produce".

*Point No. (1).*—In dealing with point No. (1) referred to by the Railway Member, the Federation desires to invite the attention of the Railway Board, that according to their figures submitted in 1912 to Datta's Committee, the real wages of Railwaymen did not practically improve between 1895-1912 as will be evident from the following index of real wage figures:—

*All-India average for Railwaymen.*

	1895-99.	1900-04.	1905-09.	1910.	1912.
Real wages	97	102	97	108	101
Nominal wages	102	108	117	136	139

The said Committee observed that in some cases the real wages worsened. The above will indicate in spite of the rises in the scale of Nominal Wages, the rise in prices 'neutralised' the effect of increases with the result that the standard of living of Railwaymen

before the last Great War had been practically stagnant over a period of twenty years. Subsequent revisions made in 1920 by absorbing war allowances constitute the highest levels ever reached and even so, were not made in exact proportion to the rise in the then level of prices. In 1920, the General Index number for all articles was 281 as against 137 in 1912 whereas the highest increases in pay for Railwaymen given in 1920 varied between 35 per cent. and 73 per cent. over pre-war monthly rates of pay. In the circumstances, it will not be unreasonable to suppose that the standard of living of Railwaymen did not materially improve between 1895 and 1920. In 1924, some Railways like South Indian Railway worsened the scales of pay and otherwise whatever little improvement of temporary and uncertain nature the men had was due to the subsequent fall in prices. The lowest paid subordinate and inferior service men have never received their wages on living wage principle and this statement can be confirmed by a consideration of the official data collected by various Railway Administrations for submission to the Whitley Commission in 1930. Whenever the prices fell, there was occasional and slight relief to the low paid Railwayman by enabling him to purchase foodstuffs and necessaries of life, of better quality instead of buying the cheapest stuff. There was no question of savings or permanent improvement in his case.

Grudging even this, in 1934-35, revised scales of pay were framed, which according to the Railway Member's Budget Speech for 1936-37 was calculated to result ultimately "in savings of between 2 and 3 crores a year". In a Wages Bill of Rs. 32 crores per annum, a cut of Rs. 3 crores is a serious one indeed!

The above considerations will point to the conclusion that the much vaunted improvements in the position of Railwaymen up to 1934-35 were really superficial and in 1934-35, when wage rates were revised taking into consideration all relevant factors from the Administration's point of view, the prices lowest as the following table of index numbers of wholesale prices in Bombay, Karachi and Calcutta will reveal:—

*Index numbers of wholesale prices in India.*

Number of articles.	Bombay	Karachi	Calcutta'
	40	23	72
1933 average . . . . .	98	97	87
1934 " . . . . .	95	96	89
1935 " . . . . .	99	99	91
1936 " . . . . .	96	102	91
1937 " . . . . .	106	108	102
1938 " . . . . .	101	104	95

Number of articles.	Bombay	Karachi	Calcutta
	40	23	72
1938.			
November . . . . .	99	104	95
December . . . . .	101	105	95
1939.			
January . . . . .	100	105	96
February . . . . .	99	104	98
March . . . . .	99	104	97
April . . . . .	100	104	100
May . . . . .	101	104	101
June . . . . .	101	103	101
July . . . . .	100	103	100
August . . . . .	103	104	100
September . . . . .	120	109	114
October . . . . .	121	111	118
November . . . . .	133	120	131

Considering the year 1934-35 when the wage rates were last revised as the base, it can easily be shown that there has been a steady increase in the price level from 89 points to 137 points by December 1939 and therefore the point No. 1 urged for consideration by the Railway Member becomes important only in the reverse sense. The position in respect of 1920 has been already mentioned and lastly it may be again stated that the wages position of the lowest paid category of staff who never received living wages has never been enviable. One cannot do better than quote the present Railway Member's following statement:—

“The cost of staff per train mile has been falling for some years and is now no higher than it was in 1922.”

*Point No. (2).*—With reference to point No. (2), it is essential to remember that the financial position of the Indian Railways has been the envy of other countries in spite of what the Railway Board have stated as “the lowest rates and fares in the world”. When the prices fell disastrously in 1929-31, the Railwaymen did not stand to benefit. Block retrenchments on an all-India scale were effected. Short-time in workshops was introduced and still continues in places like B. N. Railway Kharagpur Workshops. Wage cuts benefiting the Railway consumers to the extent of 4.67 crores of Rupees were imposed. Several service privileges were drastically curtailed. Rates and fares have been steadily reduced, benefiting the Railway

consumer to the tune of Rs. 5 crores to Railway revenues, assuming there was no increase of traffic (*vide* page 15, Railway Budget Speech 1936-37). The losses in traffic receipts due to unfair motor transport competition estimated in the same speech to be nearly Rs. 3 crores per annum are made good at the expense of the lowest paid Railwaymen. The Railways have contributed to the General Revenues between 1915-1941, nearly Rs. 119 crores. Losses on the Strategic Railways have been reimbursed by the Railway revenues and military traffic subsidised at about one crore of Rupees per annum. The job analysis operations have already benefited the Railway owner and the consumer to the extent of Rs. 1.4 crores per annum.

Besides the above, permanent savings due to staff retrenchments and new rates of pay have added to the wealth of the community that owns the State Railways in this country. Certainly the Railway servants were not gainers after 1929-31 fall in prices and especially at the expense of primary producers in view of the above savings. In the circumstances, it is but fair that when the lowest paid Railwaymen in spite of the several benefits conferred on the consumer, have become more miserable due to rising prices, they should be relieved from their distress.

*Point No. 3.*—Strictly speaking when wages are fixed on a living wage principle and the cost of living figures are worked on a scientific basis, there is scope for modification of wage rates in proportion to the alterations in the bases. Unless the above condition is satisfied, the doctrine of no compensation when prices increase denoting the prosperity of the producers and retrenchments when prices fall cannot but have deplorable results if put into practice, as has been done.

The request for dearness allowance is not a demand for improved standard of living although it would not be unreasonable to do so and the Board themselves admitted in 1929 before the Whitley Commission saying that they "recognise that accepted standards are being raised, and what would have been regarded as satisfactory even ten years ago is no longer sufficient" and "for that a revision of wages to improve the position was then contemplated."

*Point No. (4).*—Reference has been made to private employers who have granted dearness allowance to their staff. As already stated, the Indian Railways enjoy a superior financial position whether in comparison with Railway systems of advanced countries or with industries like Textiles and Sugar which are subsidised by the tax-payer. If industrial concerns, subsidised, feel it imperative to grant dearness allowance for their employees there is greater justification for Railways to do so, considering that the Railways are subsidising general revenues and several industries and establishments by charging concessional rates below economic cost. Not only employers who cut the wages of their staff during economic depression but also several others have granted dearness allowance. The colliery owners have recently granted 10 per cent. allowance. The Railway rates have been increased to give Rs. 5½ crores to the General Revenues and mention has been already made that the Railway Wages have admittedly become retrograde in recent years.

The Railway Administrations will not be justified in not granting essential compensatory allowance to the staff when the revenues are increasing for the same reasons Railway Wages were cut in 1931 to help the General Budget.

*Point No. (5).*—By the application of elementary arithmetic, it is stated that the average remuneration for railway staff as a whole rose by about 10 per cent. between 1929-39, giving a misleading impression of the relative level of wages. In 1930-31, the average cost of a Gazetted Officer was Rs. 17,267 on State-owned Railways and in 1938-39, the cost was reduced to Rs. 16,624 per annum according to one calculation. According to another, the cost of a Gazetted Officer on E. B. Railway rose from Rs. 15,010 in 1930-31 to Rs. 18,052 in 1938-39, and on N. W. Railway from Rs. 14,860 to Rs. 16,080 in the same period although the scales of pay on the two State-managed Railways are the same. No misleading conclusions should be arrived on the basis of the above figures, that either the cost is reduced or is increased or is different on the State-Railways.

While it is true that incremental scales provide for increases for some years, there are bound to be apparent increases as well as decreases in the aggregate costs in any particular series of years while the basic rates may remain unaltered. If a person retiring on the top of a grade is followed by a person on the minimum of the grade the costs will be correspondingly affected. Further the increments in the initial scales of pay do not exactly represent the increments in the needs of the employees earning such increments. A Despatch Clerk on E. B. Railway recruited in 1929 on Rs. 30—2—40 would have reached his maximum in 5 years while his family burdens are not static but continuously increased. It would be wrong to say in 1939 that his position is better off by 33 and 1/3 per cent. because his present pay is Rs. 40 as against Rs. 30 10 years ago, ignoring his additional responsibilities today. There are thousands of cases of Railwaymen who are blocked in the same pay for several years for no fault of theirs and incremental scales are less in operation in Railways compared to other Government services. Further the security of service of a low paid Railway employee is now-a-days seriously and continuously menaced by job analysis and periodical retrenchments.

In the circumstances, when prices shoot up adversely, the lowest paid employees deserve special consideration. The effect of increase in prices on the wage earners can roughly be gauged from the estimates of family budgets prepared by the Railway Administrations. (*Vide* pages 163-310 supplementary Evidence Volume XI, Royal Commission on Labour in India).

The Finance Member in his budget speech has mentioned that the rise in prices is about 40 per cent. since the declaration of War and there has been no wide divergency in the rate of increase among the different classes of commodities. Dr. Gregory in his broadcast speech delivered on 12th January 1940 stated: "Taking 2nd September as equal to 100, then, broadly speaking by the end of the year, the general index of primary commodity prices had risen to 137. Manufactured articles had risen to 142; food and tobacco to 125 and other agricultural commodities to 184; raw materials generally to

130. But the important figures are those of general index 137, and the raw materials *viz.* 130. The impression I wish to have with you is that wholesale prices as a whole to-day are something like one-third higher than they were four months ago, and the producers of certain kinds of raw materials are even getting Rs. 180 for every 100 that they were getting before the War broke out."

Estimates of increase in prices are capable of easy verification and therefore there should be no delay in granting relief.

Any differences of opinion between the Railways and their employees on the actual rate of increase in prices and its effect on the family budget of the lowest paid worker are capable of independent and impartial investigation.

Any delay in grant of dearness allowance cannot but increase the indebtedness or the malnutrition of the workers and their families due to underfeeding. When other employers already are taking action, the Railwaymen should not be differentially treated in this matter.

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**PRESS COMMUNIQUE BY THE GOVERNMENT OF INDIA RAILWAY DEPARTMENT (RAILWAY BOARD), DATED NEW DELHI, THE 5TH APRIL 1940.**

A special meeting between the Railway Board and the All-India Railwaymen's Federation was held in New Delhi, on the 4th and 5th April 1940. Mr. Jamnadas Mehta, the President of the Federation led the deputation which included Mr. S. Guruswami, the General Secretary, and eight other delegates from certain Unions affiliated to the Federation.

2. On the 4th April, the extension of Provident Fund benefits to certain categories of Railway employees was discussed. At the outset the Chief Commissioner referred to a printed representation which Mr. Jamnadas Mehta had submitted to the Honourable Member in charge of Communications on behalf of the Railwaymen's Federation and proposed that this should form the basis of discussion. In this Memorandum the President of the Federation had compared the lot of the more highly paid staff, including officers, with that of the large number of lower paid servants, who, he contended were bound to retire without having made any provision for their old age apart from gratuity which the writer said would be absorbed by their outstanding debts. Mr. Jamnadas went on to compare the condition of these workers with the large sums in Provident Fund benefits and gratuities which officers receive. He reminded the Board that the Railwaymen's Federation and all the affiliated Unions had pressed for an extension of these benefits for some time and that such an extension had in fact been recommended by the Royal Commission on Labour in 1931.

3. Mr. Jamnadas then argued that Railways had in the past saved large sums which, according to the present procedure, were disposed of in ways which he considered unjustifiable and some of which at least should have been legitimately spent on improving staff conditions. He suggested that the convention of 1924 had

placed unduly heavy burdens on Railway revenues and that it should be modified so as to give to the Central Revenues less than 1 per cent. on the capital at charge. He referred to recent savings in interest charges and changes in the allocation of expenditure as described by the Honourable Member in his budget speech, which visualized a saving on capital at charge of some 30 lakhs next year with a corresponding increase in working expenses. More particularly he referred to what he considered to be an unjustifiably large allocation from Revenue earnings to the Depreciation Fund. This, he contended, had resulted in a very large credit balance in this fund, which he said was neither the intention when the fund was inaugurated nor was it necessary having regard to the purpose that the fund was designed to serve. Allocation to the Depreciation Fund should, he said, be limited to the amount required for replacing a wasting asset. In reply the Chief Commissioner pointed out that the saving in interest charges did not necessarily entitle staff to claim higher emoluments, that the growing capital at charge of Indian Railways had from time to time caused Government anxiety and its reduction was considered an urgent necessity. As for the Depreciation Fund, it was pointed out that under the present abnormal conditions the replacement of wasted assets was difficult, so that much will have to be postponed until after the war. He did not consider, having regard to the enormous capital at charge, that the balance in the Depreciation Fund was in any way excessive or more than was necessitated by prudent finance.

4. The Chief Commissioner then went on to say that a complete extension of the Provident Fund benefits on State-owned Railways was estimated to cost something like 72 lakhs per annum and that, as had been announced by the Member in charge of Communications in his budget speech, it was proposed to set aside 12 lakhs during the present year towards ameliorating staff conditions and that he understood the Federation considered that this could best be spent on the extension of this benefit to some of those who did not at present enjoy it. He then pointed out that if the extension was made on the present scale to all lower paid workers, they would in effect receive far greater benefits than those to which similar employees in other Government services were entitled. As is well known, Government at present contribute a sum equal to that which is cut from the employees pay and it was for consideration if a reduction in the former to perhaps 75 to 50 per cent. of what it was now would not be justifiable. He pointed out that this would naturally allow a greater number of people to benefit as the 12 lakhs would be spread over a wider field. The Federation replied that they would like to have a little time to consider this proposition. The Chief Commissioner then said that various methods of extending this benefit had been considered but he would like to hear if the Federation had formulated any ideas of their own on this subject. To this Mr. Jamnadas said that the Railways were in a position today to pay the whole of the 72 lakhs of rupees and that the sum of Rs. 12 lakhs was much too small a provision. Subject to that contention Mr. Jamnadas suggested that they thought that in the first instance the Fund should be extended to all those who had 25 years' service and upwards or downwards.

until the Rs. 12 lakhs were absorbed. This would at any rate give increased benefits to employees of long service who were nearing the end of their Railway career. The Chief Commissioner replied that such a method had not been considered by the Board for length of service was not the criterion which was used in the Provident Fund Rules but he promised to do his best to make a rapid, though perforce approximate, investigation into its financial implications. He suggested that they should meet a trifle earlier on the following day in order to consider the matter further. This was agreed to.

5. On the following morning, therefore, Mr. Jamnadas Mehta said that the Federation were opposed to any reduction in the 100 per cent. contribution which at present Government made to an employee's Provident Fund contributions under the present rules. On his side the Chief Commissioner intimated that such examination as had been possible appeared to suggest that the cost of extending the Fund to those with 25 years' service and over might be met within the 12 lakhs per annum which had already been allocated for improved conditions to staff. It was agreed that the extension should be on an optional basis. The Board, therefore, accepted in principle the suggestion made by the Federation subject to further investigation as to the actual cost and administrative considerations. The examination of this would obviously take some time as many thousands of Service Sheets would have to be examined and he therefore suggested that when he and the Financial Commissioner visited Bombay in July, Mr. Jamnadas Mehta and Mr. Guruswami, the General Secretary of the Federation, with possibly 2 other delegates might meet him to discuss further details which a closer examination might have rendered necessary. Mr. Jamnadas hoped that the provision of 12 lakhs in the present year did not mean that Government considered this a final solution to the problem and that the Board would give an undertaking that this was only a step towards bringing all Railway employees within the scope of the Fund within a definite number of years. To this the Chief Commissioner replied that while it was impossible to give such an undertaking owing to the uncertainty regarding future railway earnings, Government hoped that it would be possible to take progressive steps in the direction desired by the Federation.

6. The discussion then passed to the question of the position of Railway labour due to the increased prices since the war. With regard to this subject, Mr. Jamnadas continued that prices had risen approximately 20 per cent. since the outbreak of war and in so far as lower paid employees were not drawing wages which allowed for any rise in the cost of living, they must be compensated for the present position. In reply to this the Board showed a statement of Cost-of-living Indexes for those towns which maintained these figures, from which it appeared that the general rise since last August had, on the whole, never been higher than about 10 per cent., that the present level is about 8 or 9 per cent. and that, as was admitted, prices were dropping. In reply to this Mr. Jamnadas referred to a recent Board of Conciliation of which he was a member where the method of preparation of the Bombay Cost-of-living Index was questioned for a variety of reasons and it was



contended that although the Bombay Index only showed an increase from 105 in August 1939 to 114 in January 1940 yet the true increase since the war, if the figures had been correctly compiled, would be 20 per cent. He admitted, however, that the present figure had dropped to 112 in February. He then referred to what the Mill-owners in Bombay were prepared to give in the way of increased wages in reply to which it was pointed out that in this case mill wages had been permanently decreased during the depression which was not the case so far as Railway labour was concerned. The Chief Commissioner then pointed out that the last comprehensive revision of wages on Railways in an upward direction took place in 1919-21 when the previous War Allowances were absorbed with the result that the new wages for lower paid servants were 80 to 100 per cent. higher than they had been in 1914, an increase which was comparable to the increased cost of living during the period and when in fact the Bombay Index was 182. There was a further upward revision in 1929 in respect of inferior servants and Workshop hands on many of the Railways. Moreover, the revised scales of pay for new entrants introduced in 1931 were not, as far as low paid employees were concerned, appreciably lower than the old scales. To this Mr. Jamnadas replied that it was impossible to go back so many years in considering the men's claims and that they had naturally got used to a new standard during the period of low prices since the depression of 1931. The Chief Commissioner said that, even if that argument was admitted to have some force, it must be pointed out that prices had fluctuated even in the last 8 years before the present war began and that the present levels were not in some cases higher than they were in 1937. He then asked Mr. Jamnadas if he would state in definite terms what the representation of the Federation was. To this Mr. Jamnadas replied that they considered that under no circumstances should the purchasing power of the wages of lower paid employees suffer diminution and that an increase should be allowed at a rate of 20 per cent. for those drawing Rs. 30 and less, 15 per cent. for others up to Rs. 60 and 10 per cent. for those up to Rs. 100 per mensem, above which he left the matter to the discretion of the Railway Board.

7. In reply the Chief Commissioner said that a rapid calculation of the financial effects of such an allowance excluding any allowance for those drawing more than Rs. 100 indicated that the cost was somewhere in the neighbourhood of 4 crores of rupees per annum. He continued that the Railway Board did not consider that as prices stood at present there was any justification for granting a Dearness Allowance, especially as there was a general tendency for the prices of staple commodities to fall. The Government of India had, however, been in consultation with Provincial Governments as to the best means of providing relief in the event of this being considered necessary in future owing to a further rise in prices; this consultation showed that the familiar Grain Compensation Allowance was generally considered to be the best method of achieving this end and Government proposed to examine the problem further along these lines with the intention, so far as practicable, of making such schemes as the Provinces formulated applicable to Railway staff. The exact implications of such schemes

were further discussed and it was suggested that the Federation should accept this method of approach without necessarily committing themselves to any specific formula. Mr. Jamnadas regretted, however, that the Federation must regard the proposal of the Railway Board as unacceptable, but earnestly hoped that they would join the Federation in an application to the Government of India for a Board of Conciliation. In reply to this the Chief Commissioner said that he regretted very much the Federation's inability to accept what the Board considered to be a fair and equitable method of dealing with the problem and though he was not prepared to commit himself to the proposal that the Railway Board would join the Federation in an application to Government for a Board of Conciliation, he was sure that any application which the Federation might make would receive the most careful consideration of Government.

The meeting then terminated.

## APPENDIX VII.

(Second Statement submitted by the All-India Railwaymen's Federation, dated Bombay the 9th September 1940).

1. In the first statement (Appendix III) made by the Federation, we had submitted *inter alia*, that the second term of reference to the Court of Inquiry was irrelevant and reactionary. We had also submitted that the third term of reference was not an independent term but a part of the second and therefore also irrelevant to this Inquiry. But the Court has been pleased to hold that they are relevant and we are accordingly making our submission on them.

2. We submit that the implications of the second term of reference are opposed to accepted principles and, if given effect to, will result in serious hardships to workers and in large scale social distress. Briefly stated the point of the second term of reference is as follows :—

3. "Admitting that the cost of living had risen since the outbreak of the war, it has not risen sufficiently high in relation to the wages received today by the railway workers, inasmuch as, those wages were fixed when prices were as high as, if not higher than, the present prices. That being so, the workers' standard still is what it was when the present wages were fixed. The recent rise in prices cannot, therefore, be pleaded in justification of a demand of a wage increase".

4. Our submission is three-fold. First, since the last world war, two fundamental principles have been evolved, each having an important bearing on this question: (1) the stand taken by the International Labour Organisation at Geneva on the question of human labour; (2) the measures taken by the States and Governments associated at Geneva, to counteract the world economic depression between the years 1930-35. By the establishment of the International Labour Organisation the participating Governments virtually repudiated the old economic theory of supply and demand so far as labour was concerned; it was solemnly recognised as a fundamental principle that labour, whether manual or intellectual, should not be treated as a commodity for sale in the market. Human labour thus received a new dignity. The Railway Board themselves agreed to this new conception of the relations between employers and their men and recognised that in judging of economic standards what would be considered satisfactory ten years ago would be no longer sufficient today. The Royal Commission on Labour put its seal of approval on this doctrine and recommended that the claims of lower paid workers to improved standards should continue to receive careful consideration from the Railways. The Commission pointed out that even after the improvements in wages effected twice between 1920 and 1930, four lakhs and eight thousand workers on Railways being 54 per cent. of the total number of railway employees were still in receipt of less than Rs. 20 per month. What are called the Old Scales of Wages were thus considered to be inadequate by such a high authority and but for the fall in prices due to world depression even the small improvement in the standards that was secured in 1930 and after, would not have taken place.

5. The second fundamental doctrine evolved since the last world war was the result of the depression of 1930-35. During those years the world economic mechanism had gone out of gear; the catastrophic fall in prices had disturbed the rhythm of economic activity, reduced production and resulted in the most widespread unemployment alike in agriculture and industry. Out of this travail was born the second fundamental doctrine, *e.g.*, economic efficiency of the masses as a measure of social security. Governments and States came to regard the standards already attained in pre-depression period as the minimum requirements of decent living and not as an occasional boon to be enjoyed in good times only to be sacrificed without a murmur when depression sets in. In other words, the old subsistence line theory of wages was no longer tolerated unless it guaranteed the maintenance of social well being. This doctrine of minimum economic well being accepted by the members of the International Labour Conference at Geneva has been raised to the level of a first principle as essential to national security as the need for national defence against invasion. The security of the State is to be guarded against two enemies, (1) The foreign invader, (2) Domestic Chaos arising from insufficient economic standards. As stated by an eminent publicist "the task of insuring the standard of life for its people is now as much the fundamental duty of the State as the preservation of national independence".

6. The second term of reference ought therefore to be tested in the light of these two fundamental conceptions of human relation in the economic sphere evolved since the last war and must stand or fall according as it stands that test or not. We submit that far from standing the test it flies in the face of these two bedrock principles as we shall now proceed to point out.

We begin with 1914 as the basic year. The first rise in wages was given to the railway workers in 1920-22 since 1914. On an average this rise was a little over 50 per cent. over the wages paid in 1914. But the cost of living in 1920-22 had risen by 190 per cent. over 1914 and the average increase of 50 per cent. therefore left the worker in an unfavourable position. It is true that the subsequent fall in prices was for some years sufficient to give him purchasing power equivalent to the cost of living, but in the net the wages continued to be still very low. This was realised by the railways themselves and by 1929 they accepted the justice of the demand for a rise in wages. After several enquiries, an improvement in wages was effected which with other privileges brought to the Railway workers Rs. 43,00,000 (Rupees Forty-three lakhs) of additional income in 1930-31, Rs. 83,00,000 (Rupees Eighty-three lakhs) in 1931-32 and ultimate gain to them was to be Rs. 1,31,00,000 (One Crore and thirty-one lakhs) per year. The railways also contemplated a capital expenditure to the tune of 75 lakhs of rupees for giving effect to the Hours of Employment Regulations including the cost of staff quarters.

7. This then was the position accepted by the railways in 1929-30 for the future. It must be remembered that even these increments did not assure a minimum wage to the workers. The workers continued to face a very unequal struggle and this was shown by their heavy indebtedness. The Royal Commission on Labour found that nearly 66 per cent. of the workers were in debt and their desperate

need for additional resources drove them into the arms of money lenders, who extorted a rate of interest which varied between 18 per cent. and 150 per cent. The increments given to the workers between 1920 and 1930 were not thus sufficient to bring additional grist to their domestic mills; it is only the subsequent heavy fall in prices which helped them to maintain a precarious and unstable balance; unhappily, however, before they could derive any relief from the falling prices, the railways began to undo what little they had done to improve the lot of their employees. An "economy campaign", began in 1928 became active by 1930 and assumed most virulent and widespread proportion by 1931.

8. The Railways discharged in the name of economy about a lakh and twenty thousand workers between 1929 and 1932. In addition they abolished many posts and carried out demotions by the thousand involving heavy reduction in wages even of those who were fortunate enough to retain their jobs.

9. As if this retrenchment and demotions were not enough the railways revised the scales of wages in the wrong direction. In 1934 they introduced what are called "New Scales of Wages" making them retrospective from July 1931. All those who were employed since this latter date were placed on these new scales. We are not in a position to state with any degree of accuracy the exact number of workers on these new scales. We roughly estimate them at about two lakhs and twenty-five thousand or nearly 30 per cent. of the total number of Railway employees.

10. By 1934, therefore, there were two classes of railway employees who were given two different standards of living although doing the same kind of work; those who received the wages fixed prior to 1931 and those who received the new scales thereafter. The old scales, as we have pointed out, never came to a minimum wage but the decline in price level during the world depression of 1930-35 made the workers' conditions somewhat tolerable and gave them a certain extent of improved standard. Even with the improved standard the majority of railwaymen on the old scales were, as pointed out above, in debt and had to undergo great strain to keep themselves going.

11. If that is true of the old scales of wages, the situation is infinitely worse as regards those on the new scales of wages. This reduction of wages was taken in hand after the retrenchment of 1931. The scheme was hatched in secret. The workers, whose fate was to be decided, were not taken into confidence. No railway union was asked to make submission of its views and requests made by the workers for an opportunity to make representations were not listened to. The Railwaymen's Federation which has been officially recognised by the Railway Board as a body entitled to be consulted in all staff matters was kept at an arms length. Its requests for information were ignored. The scheme of wholesale wage reduction was decided over the heads and behind the backs of the workers intimately concerned and was put into force retrospectively from July 1931. The percentage of reductions was so drastic that it came as a bolt from the blue. The reductions effected were between  $7\frac{1}{2}$  per cent. to 50 per cent. and in some cases even 60 per cent. The annual increments and the maximum were also reduced. Efficiency bars were put where

none existed before. Hardly, any class of employees, however lowly paid, escaped reduction and the wage bill as a combined result of the wholesale retrenchment and the new scale of wages caused to the workers a loss of over three crores of rupees a year or a loss of nearly Rs. 50 per worker per year and that too in a country where the wages have always been very low and in spite of the recommendations of the Royal Commission that the tendency should be towards improved wages and not otherwise.

12. It will be obvious that neither the workers on the old scales, and much less the workers on the new scales have stood to gain much by the previous movements of wages and prices mentioned in the second term.

13. In this connection we would also like to invite the attention of the Court to another factor vitally linked with the economic standards of the railway workers. Since 1931 the railways have continuously deprived the workers of their privileges and benefits. This has been true alike of the new and the old scales of wages. The number of passes for the employees has been substantially reduced; leave periods have been curtailed; workers who were getting rent free quarters are now in some cases required to pay house rent; the benefits of the school subsidy have been much reduced and the payment of grain compensation has been stopped. Thus the totality of the result of these economic changes could not have left any surplus of improved standard to the worker even as a result of the price fall.

14. Thirdly, whilst this is the position of railwaymen generally, the condition of the workers of the G. I. P. Railway is even worse. Their hardships have been aggravated by the sequel to the great strike of 1930 on that railway. So far as we have been able to estimate, nearly 80 per cent. of the staff were on strike and they were all discharged for having participated in it. When the settlement took place the reinstatement of the strikers was agreed to as one of the conditions. But for years together full relief was not secured in this direction and those who were reinstated were in a majority of cases taken on new scales of wages which means that so far as the G. I. P. Railway is concerned the old scale of wages is true only of a part of its present employees the majority being on the reduced scales. Their position, therefore, is in a sense special and any possible advantage visualised by the second term of reference in the movement of rise in wages is only partially applicable to them. Generally, we may be permitted to say that any possible improvement of the standards in favour of the workers on the old scales has not been substantial and modern ideas require that standards once reached should not be disturbed. We, therefore, submit that the attention of the Court of Inquiry should be concentrated on the standards obtained in August 1939 and on the effect on those standards of the rise in the cost of living due to the war. In the case of those on new scales even this advantage cannot even be pleaded.

15. To sum up, the evolution of the two fundamental conceptions of the dignity of human labour on the one hand and of the obligations of the community to its members in the matter economic well being on the other are the gains of the working classes from the catastrophe of the war of 1914 to 1918 and of the unparalleled depression of 1930-34 with its huge armies of the unemployed. With the acceptance by

the major part of the civilised world of these principles, States and Governments with any claim to a progressive outlook have stood committed to their implications. The Government of India is one of them. But the second term of reference is a virtual repudiation of the principles, a definite attempt to put back the hands of the clock to degrade men and women once again to the position of wage slaves to be purchased in the cheapest market like any other article of merchandise and a return to the discredited policy of callous indifference to human misery compendiously described as *laissez faire*.

16. If armaments and other means of national defence are considered indispensable for averting and defeating the invasion of a nation's frontiers and for preserving its independence, economic standards progressively raised to adequate levels are the sure means of securing social justice and the only insurance against disintegration of the social fabric from within and against the certainty of a civil war inside those frontiers.

17. We, therefore submit that our case for an increase in wages due to high prices since the war is not affected by movement of prices and wages referred to in the second and third terms of reference. The only issue before the Court according to us is therefore how to neutralise the rise in the cost of living since the outbreak of the war.

## APPENDIX VIII.

(First reply of the G. I. P. Railway Administration to the All-India Railwaymen's Federation's case for the grant of a Dearness Allowance, dated Bombay, the 11th September, 1940.)

The G. I. P. Railway Administration have received a copy of Notification No. L. 1714, dated the 7th August 1940 (Appendix I), issued by the Labour Department of the Government of India and have also been given by the Court a Statement (Appendix III) put in by the All India Railwaymen's Federation, which Federation, it is understood, will represent the workmen at this Enquiry. The Federation's statement consists of a letter dated 26th August 1940, signed by the President and the General Secretary; a copy ("A") of the Federation's application (Appendix IV) to the Government of India for a Board of Conciliation and a Memorandum ("B") (Appendix VI), which it is understood was submitted to the Railway Board in March 1940, and which formed the basis for the discussion which the Federation subsequently had with the Board in the beginning of April, and a Press Communique of 6th April 1940, regarding this meeting.

3. The Administration now replies as follows to the Federation's submission.

4. *Paragraphs 2 and 3.*—This is not a matter for which the Administration is responsible and is not relevant to the enquiry.

5. *Paragraph 4.*—This history of this case is not disputed.

6. *Paragraph 5.*—This requires no comment.

7. *Paragraph 6.*—There is no real analogy between Railway labour and outside workers. The statements made therein do not appear to be germane to this enquiry, although it may perhaps be said that according to Resolution No. 226, dated the 25th June 1940, the Trustees of the Port of Bombay have decided to await the decision of the Government of India with regard to the scheme for the grant of a Dearness Allowance to other Government employees.

8. *Paragraphs 7 and 8.*—In these paragraphs the Federation quotes Professor T. E. Gregory and other authorities in support of their contention that "the index number of the cost of living since the outbreak of War could be safely stated to have risen to between 20 and 25 per cent. to the ultimate consumer". The Administration cannot accept this contention. This is dealt with in paragraphs 37 and 38 of this reply.

9. *Paragraph 9.*—It is submitted that the statements in this paragraph are based on hypotheses which are incorrect and that the rise in retail prices has not been as high as alleged.

10. In regard to the foregoing three paragraphs the Administration relies on the official data available. That data, so far as the G. I. P. Railway system is concerned, are in the first place the official Cost of Living Indices compiled by the Government of Bombay for Bombay and Sholapur and by the Central Provinces Government for Nagpur and Jubbulpore. These published figures are given in Appendix A, together with corresponding indices reduced to a base of August

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[Appendices referred to in the Railway Administration's replies not printed.]



1939=100. The Bombay indices since 1915 are given in Appendix B and in graphs B-1 and B-2, while those for Sholapur, since 1928, and for Nagpur and Jubbulpore, since 1925, are given in Appendix C and graphs C-1 to C-3. For these places the indices are a reliable measure of the changes that have taken place. Outside these urban areas, the data available are the prices of food-grains normally published by local civil authorities, considerable detail regarding which will be found in Appendix D.

11. *Paragraph 10.*—It is denied that price increases have had the effect alleged. While there have been changes in the rules governing the concessions referred to, it is pointed out that no concessions have been withdrawn from those who previously enjoyed them. Changes in the Pass Rules may have led to some little hardship to workers in isolated instances, but such cases are believed to be few. Indeed, so far as staff residing in Bombay are concerned, the Pass Rules have been changed to their advantage in relation to the issue of residential season passes. As will be seen from Appendix E, such passes were, up to 1928, issued to staff on payment of one-third the public rate. Since 1929, however, they are issued free of charge.

12. The Federation also mentions house rent allowance, which they say has either been curtailed or withdrawn. This statement is denied. Although the rules have been altered, such changes as have been made only affect those who joined the service on and after the date from which such changes were introduced. Further, whereas previously only certain privileged lower paid staff were entitled to free quarters, while others had to pay rent, with effect from 1st April 1932, all inferior staff on less than Rs. 30 per month residing in railway quarters are permitted to do so rent free. As regards the educational subsidy referred to by the Federation, new rules were introduced a few years ago, but the staff then in the service were given the option of electing to remain on the old rules if they were regarded by them as more favourable than the new rules.

13. In view of what is stated above it is submitted that the contention that appreciable financial loss has been sustained by the staff on account of these changes is not substantiated. It is probable that on balance the lower paid staff have gained rather than otherwise on account of any changes in the rules referred to by the Federation.

14. *Paragraph 11.*—The Federation seek in effect an alteration in the Terms of Reference. They state that their application to the Government of India was on behalf of all staff and was not intended to be restricted to any particular section of railway employees. They add that, to the best of their knowledge, the phrase "lower-paid railway staff" has never been defined by any Railway Administration and go on to submit that the enquiry "should embrace railway employees drawing Rs. 160 in capital (by which presumably Bombay is meant) and other big towns, and Rs. 120 elsewhere".

15. The Railway Administration submit that the Terms of Reference cannot be so interpreted or that the term "lower-paid staff" can mean other than those drawing up to Rs. 30 p. m. Any relief which has, in the past, been considered necessary by the Government of India or Provincial Governments for such staff has normally taken

the form of a Grain Compensation Allowance. It is clear from paragraph 7 of the Press Communique put in by the Federation that when discussing the matter of a Dearness Allowance with the Railway Board, the Board had in mind some such pay limit as that applied in the case of the familiar Grain Compensation Allowance. Moreover, in connection with the consideration of the present position any compensatory allowance which may be allowed to Government servants (other than Railway servants) will also, it is believed, be limited to those drawing Rs. 30 per mensem at any rate in all mofussil areas.

16. The definition of an inferior servant in paragraph 823 of the State Railway Establishment Code is a "railway servant, other than workshop staff, belonging to a class, the sanctioned scale of pay of which does not rise beyond Rs. 30 a month". On page 152 of the Report of the Royal Commission on Labour in India, the Commission State:—

" . . . . . No menial servant is allowed to subscribe to the Provident Fund on any terms. Different interpretations of the term menial [now known as inferior servant] are formed on different railways. Generally it is applied to lower-paid employees . . . . . We recognise the difficulty in the way of low paid employees subscribing to the Provident Fund . . . . .".

17. It is submitted that no better authority could be adduced in support of this Administration's contention that the wage limit of lower-paid staff should be accepted as Rs. 30 per month.

18. In this connection the Federation have lately been discussing the extension of this Fund to these low-paid employees with the Railway Board, and in the Amplified Report of the Proceedings of the 14th Half-Yearly Meeting between the Railway Board and the Federation (para. 23), as well as in the Press Communique of 6th April 1940 (para. 2) which also deals with this subject as well as that of the dearness allowance it is clear that both the Federation and the Board were thinking of lower-paid staff as those drawing Rs. 30 a month.

19. It may be pointed out that, if the definition of lower-paid staff suggested above is accepted, it will cover about 60 per cent. of the total number of permanent employees, i.e., much more than half the total. The limit suggested by the Federation in paragraph 11 of their Statement would cover all but about 5 per cent. of the staff, which cannot possibly have been the intention of the Government of India.

20. The Railway Administration submit that the 30 rupee limit has always been accepted as the correct figure in referring to lower-paid staff, not only in connection with any relief due to rising prices, but in all matters regarding staff administration.

21. *Paragraphs 12, 13 and 14.*—The Court at one of their informal meetings decided against the submission of the Federation in these paragraphs and, as requested, granted the Federation 15 days in which to prepare their supplementary case. When the Federation's submissions in this regard have been communicated to the Administration they will prepare their reply.

22. *Paragraph 15.*—In this paragraph the statement is made that the Royal Commission on Labour held that no minimum standard of wage could be fixed for Indian workers and that the existing standards were inadequate. The Administration have been unable to trace this statement. In fact from the section dealing with the Possible Application of Minimum Wages at page 212 of the Report of the Royal Commission on Labour in India it seems quite clear that provided the necessary machinery is set up a minimum standard of wages could be fixed. This paragraph, however, it is submitted, is not relevant to the Terms of Reference.

23. *Paragraph 16.*—If the Administration's submission on the foregoing paragraph is accepted, then the Federation's submission in the first-part of this paragraph is irrelevant.

24. *Statement B—Point 1.*—A good deal of what is stated in the Federation's submission on this point appears to be irrelevant. In regard to the question of real wages, the figures quoted are from the Report of a Government of India Enquiry in 1912 presided over by Mr. Datta, regarding the rise in prices in India. Those quoted show that there was a definite rise in real wages between 1895-99 and 1912 and there is reason to believe that the scales of pay which were introduced on the G. I. P. in 1920, after the four years war, represented a rise in the pre-war scales comparable to the rise in the cost of living. An attempt has, therefore, been made to assess the real wages of G. I. P. workers since 1913-14 and the results are shown in Appendix F. In the first place the total annual cost of staff on wages below Rs. 30 per mensem was (where the figures were available) divided by the number of such staff. As a result of this analysis, if 1913-14 is taken as 101.2, real wages in 1923-24, after the very high period of prices in 1919-21 has subsided and when the Bombay index had come down to 154, stood at 133.1. In 1930-31 they stood at 174.7, in 1935-36 at 229.9 and 1939-40 at 244.0.

25. It is realised of course that the total cost figure which has been used in arriving at these figures of real wages may include not only wages proper but also certain allowances given to the staff. It would be difficult to separate these costs; moreover, their inclusion is not unjustifiable and their exclusion would not have greatly altered the figures given above. It is also realised that the figures do not bring out any distinction there may be between men on different scales of pay. For these reasons Appendix F also includes a study of typical examples of individual lower-paid workers with the pay that men in the same positions were drawing from time to time according to the changes in such scales. Here also it seems clear that the real wages have increased and the results confirm the figures derived from dividing total costs by the total number of workers.

26. On this point the Federation comments on the revised scales of pay for new entrants, which were introduced in 1935, but with retrospective effect from 16th July, 1931. The reason for giving retrospect effect to these new scales of pay was that the heavy fall in the cost of living in 1930-31 then justified a reduction in the standard of pay. The Administration, therefore, ordered that all persons employed on and after 16th July 1931, should be on a provisional footing, that is to say in an officiating capacity. The working out of new scales of pay for new entrants in a large organization,

such as the State Railways, is an enormous task, and it took more than three years to complete. The fact remains that the new scales had their base principally on the cost of living in 1931. From Appendix G it will be seen that out of 44,225 permanent lower-paid staff on the Railway on 1st August, 1940 there are 8,914 on the Manmad scales, 27,109 on the Chandwani scales and 8,202 on the revised scales for new entrants. The drop in the new scales of pay for new entrants for this type of staff compared with the former scales was, in most cases, much less than for other grades of staff. Typical examples of the new scales compared with the Chandwani scales are given in Appendix H. Those already in service before 1st April, 1930, when the Chandwani scales were introduced continue to enjoy the Manmad scales which had been sanctioned in 1920 if they are more favourable to the staff than the Chandwani scales. Even for new entrants it will be seen that the decrease in scales of pay compared with the Chandwani or Manmad scales was very small in view of the great drop in the cost of living which occurred during the depression and which has not yet approached pre-depression level even after a year of the present war.

27. Before the Chandwani scales for lower paid staff were introduced, increases of pay had been granted under the Manmad Agreement to compensate all staff for the increase in the cost of living brought about by the 4 years' war. Subsequently the pay for lower paid staff was still further improved under the Chandwani scales. It is suggested, therefore, that a comparison of the scales now in force for new entrants could appropriately be made with the scales in force as a consequence of the Manmad Agreement. A full comparison of all categories on this basis cannot be made owing to changes in the subdivisions of certain categories, but on the whole the pay of new entrants is no worse, and in many instances better, than that in force for similar categories before the introduction of the Chandwani scales. This is borne out by the figures given in Appendix I. The revised scales in fact are better than those sanctioned after the last war when the Bombay cost of living index was in the neighbourhood of 180 as against 113 at present.

28. *Point No. 2.*—A great deal of what is stated in the remarks of the Federation on this point is not in accordance with facts and cannot, therefore, be accepted by the Administration. For instance, it is stated that when the prices fell disastrously in 1929-1931 the Railwayman did not stand to benefit. This statement can surely not be intended to be taken at its face value. At that time the scales of wages, introduced in 1920 when the cost of living was at its highest, remained unaltered, yet the cost of living index number fell in 1929 to 149, against 183 in 1920 and down to 110 in 1931. It is submitted that the railwaymen must have benefitted substantially.

29. Further, rates and fares have only been reduced in a few instances to meet competition from other forms of transport. As a matter of fact the last rates and fares change, introduced this year, represented a substantial all-round increase. For these reasons it is submitted that the remarks made by the Federation in this connection are also not in accordance with facts and, even if they were, cannot be regarded as relevant to the Terms of Reference.

30. *Point No. 3.*—Apparently it is the contention of the Federation that every rise of prices should be neutralized by a corresponding wage increase. If so, it is one that the Administration cannot accept, and they are in agreement in this matter with the view expressed by the Railway Member in introducing the Railway Budget for 1940-41 that any such doctrine would carry with it the corollary that whenever prices fell, pay should be correspondingly reduced.

31. *Point No. 4.*—In so far as the Federation refers to the financial position of the Railways, this subject has been ruled out by the Court in the decision taken at one of the informal meetings that this is not a subject which comes within the Terms of Reference.

32. It is submitted that what other employers of labour are said to have done in the matter of the grant of dearness allowance is not evidence nor is it relevant to the Terms of Reference. The position of the Railway worker and that of the outside labourer are not analogous because of their widely different conditions of work, pay, allowances and amenities. Nevertheless it may not be out of place to remark briefly on this point, so far as certain labour in Bombay is concerned.

33. The Wages and Unemployment Report 1934, in regard to Bombay Cotton Textile Industry and the Textile Labour Enquiry Committee Report of 1937-38 display the great variety in the methods of remuneration and in the scales of pay, in the mills in Bombay, yet an attempt may be made to give a general summary of what has taken place.

34. During the 4 years war a dearness allowance was given to textile workers, which was increased from time to time and finally stabilized in 1920 at a level between 70 to 80 per cent. of basic pay. With a few exceptions this allowance was continued till the period 1933-34 in spite of an abortive attempt at reduction in 1926. The cuts made in 1933-34 varied very greatly from mill to mill but the general effect was to bring down the allowance to any thing from 25 to 67 per cent. of basic pay with effect from April, 1934, in addition to which the basic pay as well as a Good Attendance Allowance was also reduced in a few instances. These figures refer to basic rates of pay but in the meantime earnings had changed also, due in some cases to rationalization and in others to improvement in individual efficiency. The reduction in earnings up to April 1934 varied from 10 to 20 per cent. but later in the same year there were further reductions in earnings and by October the reduction, compared with the post-war period (1926), was about 24 per cent. and by July 1937 about 25½ per cent. In that year, however, on the recommendation of the Labour Enquiry Committee, earnings were raised on a sliding scale, which represented an increase of from 6 to 19 per cent. according to the mill, which was estimated to represent an average of 12½ per cent. It may be said, therefore, that since the last post-war period the earnings of the Bombay textile worker went down by about 25 per cent. and were then raised by about 12½ per cent.

35. This was the position when the Board of Conciliation of February, 1940, considered the matter and recommended a 10 per cent. rise in pay with cheap grain shops, which they estimated to

represent a total relief of 13 per cent. of pay. This is substantially what the men actually got after their strike, so that the Bombay textile worker has now got back to the position he was in during the post-war period. This may be contrasted with the G. I. P. Railway worker on the Manmad and Chandwani scales of pay, who has maintained the position he has occupied since these scales were introduced (1920 and 1930) and who, moreover, enjoys many concessions in remuneration and in kind.

36. *Point No. 5.*—Here again there is much, it is submitted, that is irrelevant. It would clearly not be feasible for the Administration to vary rates of pay to meet the varying private responsibilities of the employee. The argument put forward in sub-paragraph 2 under the above heading by the Federation is not one that can be accepted by the Administration. In regard to the Federation's next paragraph, the Administration does not admit that prices have yet moved up to a level which justifies any allowance on this account.

37. As regards the concluding paragraphs of the Federation's submission on this point, they have on several occasions given figures for the increase in wholesale prices since the war began, and have quoted a broadcast talk which was given by Dr. Gregory, the Economic Adviser to the Government of India, at the beginning of this year. That these fluctuations in wholesale prices give no precise information as to what is happening to retail prices was the conclusion of the Bombay Textiles Board of Conciliation. In their Report they quote Sir Walter Layton, the Editor of "The Economist", to the effect that "cost of living lagged behind wholesale prices both in time and in extent, i.e., it moved more slowly and less extensively". Apart from this, the rise in prices referred to by Dr. Gregory contained many items, such as steel, jute, etc., which cannot reasonably be included in any working class cost-of-living index, and many of these were subject to considerable fluctuations at the beginning of the war due to causes which did not affect the prices of the article which the worker consumes. The figures relating to wholesale prices are not questioned therefore, but the fluctuations in retail prices as shown by the Cost of Living Indices prove that Sir Walter Layton is right and that there is no evidence to substantiate the claim made in paragraph 9 of the Federation's statement that, compared with wholesale prices, "the rise in retail prices therefore must have been even higher".

38. The Administration submit that the Federation's claim in this connection is entirely contradicted by the evidence.

**G. I. P. Railway Administration's statement on the question of the grant of a dearness allowance.**

**FIRST TERM OF REFERENCE.**

*"What has been the rise in the cost of living of the Lower-paid staff since the outbreak of war in the various areas in which they are employed?"*

1. In regard to this Term of Reference the Administration, while admitting that there has been a rise in the cost of living since the

outbreak of war, do not consider it to be such as to require the grant of a Dearness Allowance.

2. *Lower-paid staff.*—An important question for decision in this term of reference is what constitutes the "lower paid staff", and in paragraphs 15 to 20 of the Administration's reply to the statement put in by the All-India Railwaymen's Federation, they have dealt with this matter and have put forward their reasons why the definition of "lower-paid staff" should be those whose wages are Rs. 30 or under per month.

3. *Rise in the cost of living since the outbreak of war.*—The Administration submit that the official cost of living indices give a fair indication of the position. The actual fluctuations in the indices since the war, are shown in Appendix A, which also gives the figures correlated to a base of August 1939=100. It will be seen therefrom that:—

- (1) the *Bombay* figures rose to a maximum of 109, *i.e.*, an increase of 9 per cent., in January 1940, after which it fell till March and April both of which months showed a 5 per cent. increase from which date there has been an increase to 6 per cent.;
- (2) the *Sholapur* figure showed a large increase in the first instance rising to 13 per cent. in December 1939; it then dropped in April to only 1 per cent. above the August 1939 figure, and at present stands at 4 per cent.;
- (3) for *Nagpur*, the December 1939 rise was still more, rising to 14 per cent., and although it went down to 5 per cent. in March 1940, it is now up again to 9 per cent.;
- (4) lastly for *Jubbulpore*, the December 1939 increase was the greatest of all *i.e.*, 17 per cent. It then fell to 6 per cent. in February 1940 and is now up again at 15 per cent.;

In general, it may be said that there was a rise in all the indices which reached a maximum at the turn of the year, after which there was a decline in the spring of 1940, and that now the indices are again rising slightly.

4. *Rise in grain prices in the mofussil.*—A good deal of detailed information supplied by the local civil authorities, has been obtained from the Administration's Divisional Offices. This information is printed in Appendix D and shows the fluctuations before the war and since the war began. It may be summarised as follows:—

5. On the *Bombay* Division, which represents four Talukas or Sub-Divisions, the Appendix shows average prices current in the month of December each year from 1922 to 1938, those in August 1939 and in June (or July) 1940. The latest figures, *i.e.*, those for June (or July) 1940 indicate the following increases or decreases in the purchasing power of a rupee when compared with August 1939:—

In 2 items the decrease in the purchasing power of a rupee is about 15 per cent.

In 1 item the decrease in the purchasing power of a rupee is about 9·8 per cent.

In 1 item the increase in the purchasing power of a rupee is about 1·57 per cent.

6. On the *Bhusawal* Division which represents 25 Talukas or Sub-Divisions the Appendix shows the prices current in the month of December each year from 1922 to 1938, those in August 1939 and in June 1940. The latest figures *i.e.*, those for June 1940 indicate the following increases or decreases in the purchasing power of a rupee when compared with that in August 1939.

7. In 21 out of the 25 Talukas there have been increases in the purchasing power of a rupee and in one instance it is as much as 61·70 per cent. This refers to the price of Jowari. In only 3 Talukas has there been a decrease in the purchasing power of a rupee, ranging between 2·15 per cent. to 14·14 per cent. In one Taluka there is no change.

8. In respect of wheat, in 23 out of 25 Talukas there has been a decrease in the purchasing power of a rupee ranging from 2·24 per cent. to 25 per cent., in one Taluka the decrease is 44·94 per cent. and in the other there is no change.

9. In respect of Rice, in 20 out of 25 Talukas there are decreases ranging from 1·04 per cent. to 24 per cent. and in the remaining 5 Talukas the decreases range from 25 to 48 per cent.

10. On the *Jubbulpore* Division which represents 8 Talukas the Appendix shows prices current in the month of December each year from 1926 (in two Talukas from December 1928 only) to 1938, those in August 1939 and in June 1940. The latest figures, *i.e.*, for June 1940 indicate that there is decrease in the purchasing power of a rupee ranging from 4·17 per cent. to 33·56 per cent. except in Banda Sub-Division where there is increase in the purchasing capacity by 3·70 per cent. in respect of Gram.

11. On the *Sholapur* Division which represents 11 Talukas the Appendix shows the prices current in the month of December each year from 1922 to 1938, those in August 1939 and in June 1940. The latest figures, *i.e.*, those for June 1940 indicate that in one Taluka there is an increase in the purchasing power of a rupee of 1·6 per cent., in the other the increase is 10·16 per cent. while in the remaining 9 Talukas there are decreases ranging from 2·53 per cent. to 35·71 per cent.

12. On the *Jhansi* Division which represents 8 Talukas the Appendix shows prices current in the month of December each year from 1922 to 1938, those in August 1939 and in June 1940. The latest figures, *i.e.*, for June 1940 indicate that there are decreases in the purchasing power of a rupee ranging from 0·47 per cent. to 19·23 per cent.



## SECOND TERM OF REFERENCE.

*"Having regard to the previous movements in wages and prices does the rise since the outbreak of war establish a case for a war allowance for the Lower-Paid staff?"*

13. *Past fluctuations in indices.*—It is now necessary to review the fluctuations in prices before the war, and then turn to the question of wages. The monthly movements in the Bombay cost-of-living index since 1915 are shown in Appendix B with graphs B-1 and B-2, and those for Sholapur, since 1928 and for Nagpur and Jubbulpore since 1925 in Appendix C with graphs C-1 to C-3.

- (i) The base of the *Bombay* index which was 1914=100 up to 1934 was changed in that year to that of the average between July 1933 and June 1934; but the indices have been linked up by the method which was accepted by the Madgaonkar Board of Conciliation, *vide* para. 15 of their Report at page 655 of the Bombay Government Gazette Extraordinary of 8th April, 1940. It is a method which, it is understood, has been accepted by statisticians in most parts of the world. The Bombay index, therefore, taking 1914 as 100, and considering the annual figure, rose in 1920 to 183, then dropped steadily to 154 in 1923, after which there was a slight decline to 147 in 1928. The depression began in 1930-31 and the index reached a trough at 97 in 1934. From that date until the end of 1939 there has been an increase up to about 106..
- (ii) For *Nagpur*, with a base of January, 1927 as 100, the index was 105 in 1925. The trough of the depression was, as in Bombay, reached in 1934, at 57 after which there was a general rise to 63 in 1939.
- (iii) *Jubbulpore* with a similar base, *i.e.*, January, 1927 as 100, gave 97 in 1925, dropped to 54 in 1934 and then rose to 59 in 1939.
- (iv) *Lastly*, the *Sholapur* index with a base of 100 for February, 1927 to January, 1928 reached the trough earlier, in 1933 at 69 and only came up to 74 in 1939.

14. *Rise in food costs as a whole.*—It is fully realised that the rise in the cost of living index may not necessarily be the same as the rise in any of the groups used in its compilation and as food accounts for 47 per cent. of the workers' expenditure in Bombay, and as the data available for the mofussil are exclusively in regard to staple food grains, it is expedient to consider the actual fluctuations in the cost of food in, for instance, the Bombay index. Below are given the various published indices for the groups used in compiling the Bombay index since August, 1939, from which it appears that the food group starting from a figure of 112 during that month rose to 128 in January, 1940 and now stands at 127. This may be compared with the total final cost of living index of which the published figure is 105 in August, 1939 rising to 114 in January and now standing at 113. It is admitted

therefore that the rise in food has been more accentuated than in other items of working class expenditure. But this food group only accounts for a little less than half of the worker's total expenditure:—

*Group and final Bombay Indices.*

Month.	Food.	Fuel and lighting.	Clothing.	House rent.	Misc.	Total.
August 1939 . . .	112	99	85	100	98	105.
September . . .	114	100	84	100	98	106
October . . .	119	98	88	100	98	108
November . . .	119	100	89	100	98	109
December . . .	126	100	91	100	99	113
January 1940 . . .	128	100	92	100	99	114
February . . .	124	101	94	100	98	112
March . . .	121	101	94	100	98	110
April . . .	121	101	91	100	98	110.
May . . .	122	101	91	100	99	111
June . . .	124	101	90	100	96	111
July . . .	127	103	90	100	96	113

15. It will be seen from Appendix D that staple food grains have fallen in price very substantially within recent years. Details of prices before 1926 are not available in respect of the Jubbulpore Division and are only available for the other Divisions from 1922. There can be no doubt, however, in view of the fact that the cost of living index was as high as 183 in 1920 that food grains were higher in price before 1922 than after that year. The following brief analysis indicates the change in the purchasing power of the rupee in August 1939 compared with December 1922, and in June 1940 also compared with December 1922.

For *Bombay* Division all four items show that the purchasing power of a rupee increased by 57.69, 81.43, 31.21 and 53.54 per cent. respectively in August, 1939 when compared with that in December, 1922.

In June 1940 the purchasing power of a rupee has increased for all four items when compared with that in December, 1922. The increases are 33.65, 84.29, 21.05 (July 1940) and 29.29 (July 1940) respectively.

For the *Bhusawal* Division, representing 25 Talukas, the increase in the purchasing power of the rupee in August, 1939 compared with that in December, 1922 is even greater, in one instance being as much as 162.55 per cent. There are only five items out of a total of 75 where the purchasing power of the rupee has decreased. These are for Jowari where the decrease was 0.83 per cent. at Wardha, 4.41 per cent. at Betul, 15.38 per cent. at Burhanpur, 10.23 per cent. at Chanda and 5.88 per cent. at Chandur.

In June 1940, the purchasing power of a rupee when compared with that in December, 1922 has increased generally and in one instance as much as 100 per cent. There are only five items out of a total of 75 where the purchasing power has decreased. Three of these refer to the price of Jowari where the decrease in the purchasing power was 2.22 per cent. at Chhindwara, 4.14 per cent. at Harsud and 3.85 per cent. at Burhanpur. The other 2 items in which there was a decrease in the purchasing power of the rupee, refer to the prices of rice, *viz.*, 10.49 per cent. at Murtizapur and 3.21 per cent. at Chanda.

For the *Jubbulpore* Division, representing 9 Talukas, there has been an increase in the purchasing power of a rupee in all items in August 1939, compared with that in December 1922, this increase being as much as 184.21 per cent. in one item.

In June 1940, the purchasing power of a rupee compared with that in December 1922 has increased in all cases, and up to as much as 152.63 per cent. in one item.

For the *Sholapur* Division, representing 11 Talukas there has been an increase in the purchasing power of a rupee in all items in August 1939, compared with that in December, 1922 and up to as much as 150 per cent. in one item.

In June 1940, the purchasing power of a rupee compared with that in December, 1922 has increased in 9 out of 11 items. The increase was as much as 120.31 per cent. in one item. In the remaining 2 items there has been a decrease in the purchasing power and these are 5.26 per cent. for Bajri in the Haveli Taluka and 4.12 per cent. for Jowari in the Karmala Taluka.

For the *Jhansi* Division, representing 8 Talukas there has been an increase in the purchasing power of a rupee in all items in August, 1939, compared with that in December, 1922 and up to as much as 52.94 per cent. in one item.

In June, 1940, the purchasing power of a rupee compared with that in December 1922 has increased in all cases, and up to as much as 23.53 per cent. in one item.

16. *Previous movements in wages.*—Appendix J shows these movements while Appendix K gives details of the scales for the lower paid staff, as from 1st April 1930 (referred to in the Statement as the Chandwani Scales), the scales in force before that date (the Mamnad scales) and those introduced for new entrants on 1st January 1935.

retrospectively to 16th July 1931. The Administration have dealt partly with these wage changes in paragraphs 26 and 27 of their reply to the Federation's Statement. Speaking generally, during the four years' war various additions to pay were given from time to time, including a War allowance. These additions were consolidated after the war at a level which, absorbing the allowances and granting further increases, were regarded as adequate compensation for the increased cost of living caused by the war. These may be termed the Manmad Scales.

17. Investigations were instituted prior to 1930 in connection with a general amelioration of conditions of lower-paid employees which, incidentally, included a consideration of hours of employment and other conditions apart from wages. In that year it was found possible to raise the scales of pay of such staff (apart from workshop staff) details of which are given in Appendix K. In some cases, however, the Manmad Scales were slightly more favourable and the staff concerned were permitted to retain them. These may be called the Chandwani Scales.

18. Almost immediately, however, the depression set in, and it was then found necessary not only having regard to railway earnings but also in view of the catastrophic drop in the cost of living to introduce, for new entrants only, reduced scales of pay for all such staff. These may be termed the revised scales for new entrants. It is estimated that on the average the decrease in emoluments for officers and the higher paid subordinates was considerable, but the emoluments of lower paid staff will eventually suffer a reduction of only about 9 per cent. Such reduction, however, will not be achieved until all such staff employed on the Railway are eligible only for the revised scales of pay.

19. This will not happen for a considerable time. The average length of service of lower paid staff is about 25 years. During the years 1930 to 1935, owing to men on the Waiting Lists, whose services had been dispensed with during the economy campaign, having been re-employed on the old scale of pay, new recruitment was more or less at a standstill. Consequently, very few new lower paid staff were engaged until after that date. This is borne out by Appendix G from which it will be seen that only 18.5 per cent. of permanent lower paid staff were on the new scales of pay on 1st August 1940. At this rate of progress it will take about another 20 years before the full 9 per cent. saving on the total cost of this class of staff is realised. As stated in the Administration's reply to the Federation's Statement, the scales of pay introduced for new entrants are in many instances better than those sanctioned after the last war for lower paid staff when the Bombay cost of living index was at its highest figures.

20. *Other conditions of service.*—The Administration having now given full details of the changes in the scales of pay during the last 20 years, desire to draw attention to concessions and privileges enjoyed by railway workers. These are detailed in Appendix L and include certain allowances; free passes and privilege ticket orders; rent-free quarters; generous leave rules and many holidays for most of which wages are drawn; educational assistance which in the case of inferior servants is limited to those in service prior to February

1929; clothing; Provident Fund and Gratuity; security of tenure which is probably greater than in most industries; Regulated hours of employment; free medical attention both for themselves and their families; facilities for discussing the conditions of service in Staff Councils; a Benefit Fund to which the Administration contributes liberally and which is administered by a Committee composed mainly of the staff themselves; Institutes, Athletic and Sports Clubs, an Employee's Co-operative Bank, in which connection it may be mentioned that interest on loans made to staff has dropped from 9 to 6½ per cent. p. a. in recent years; finally a Mutual Benefit Society. Facilities are granted by the Administration to the Bank and the Society which enable them to function very economically in the interests of the staff.

#### CONCLUSION.

21. *Dearness Allowance not justifiable at present.*--At the beginning of this Statement the Administration said that they did not consider that under present conditions the grant of a dearness allowance was justified. It has been shown that in the past the cost of living has from time to time fluctuated, but normally within certain restricted limits. There have, however, been two large fluctuations, one upwards and one downwards, during the 4 years war and when the depression occurred in 1931. It has also been shown that these two large fluctuations resulted in a change of scales of pay for G. I. P. Railway servants, although when a reduction was made it was only made in relation to new entrants and those on the old scales continued to enjoy them. Apart from this, one other change occurred when the scales for all low paid workers were enhanced in 1930. It cannot be contended that it is necessary or possible to be continually changing scales of pay in accordance with a frequently varying cost of living. All Government servants, and in fact many industrial workers, are continually under the necessity of adjusting their standard of living according to alterations in prices, and there have, in the past 20 years, been cases when alterations have taken place over relatively short periods comparable to the increase which has taken place since the outbreak of the present war. In such cases there has never been any question of altering the scales of pay.

22. The Federation have referred to war allowances which have so far been given in private industry or by local bodies, but it has been shown that some at least of these were in relation to industrial workers whose rates of pay had previously been reduced and it is generally believed that such allowances have not put these workers in a better position than they were before the depression of 1931. All members of the community have at times like the present to adjust their standard of living. The railway worker as a rule, is in a better position both as regards his scale of pay and other conditions of service than the average industrial worker; nor have the concessions allowed to him been in any way restricted during the present emergency. He is, therefore, better able to cope with rising prices, and the Administration cannot accept that the present rise has been such as to justify relief.

## APPENDIX IX.

(Second reply of the G. I. P. Railway Administration dated the 16th September, 1940, to the Supplementary Statement dated the 9th September, 1940, put in by the All-India Railwaymen's Federation.)

For convenience the Administration has numbered the paragraphs in the Federation's supplementary statement and comment as follows upon them:

*Paragraph 1.*—Needs no comment.

*Paragraphs 2—5.*—The Court having already ruled against the Federation's contention in connexion with the second term of reference, their fresh submissions in regard thereto should not be accepted. Their attempt to introduce the matters mentioned in these paragraphs should, the Administration submits, be regarded as irrelevant, in view of the specific instructions in the terms of reference to consider the previous movements in wages and prices before the present war, in deciding whether the rise since the outbreak of war establishes a case for a war allowance for the lower paid staff.

*Paragraph 6.*—The wage movements of railway employees since 1914 are detailed in Appendix J, accompanying the Administration's reply to the Federation's main statement and their own statement. The Federation's claim that the cost of living in 1920-22, had risen by 190 per cent. over 1914, is denied. The official cost of living indices published by the Government of Bombay, reproduced in Appendix B of the Administration's reply, show that the highest increase in the cost of living over and above 1914 figures was 83 per cent. in 1920. In 1921 it was 73 per cent. higher than in 1914 and in 1922 the increase had fallen to 64 per cent.

The statement made in this paragraph that the increases of pay given to railway workers after the last war left them in an unfavourable position is denied so far as this applies to the G. I. P. Railway. The increases referred to were granted as a result of negotiations between the Administration and delegates of workers. The staff at that time accepted the increases as satisfactory and some, at least, regarded them as generous. This is how the worker representatives telegraphed to the then Agent of the Railway their acceptance of the increases offered:—

“Meeting Manmad assembled at 8 p.m., and after deliberation on your telegram have decided to accept in terms of your letter dated 9th April 1920, and your telegram of date that increases should have retrospective effect from 1st September 1919, to be confirmed by 30th April, 1920.

Meeting expresses thanks for the courteous way you have received deputation and for the assistance rendered to delegates at Manmad . . . ”

Another telegram received from the staff in this connexion reads as follows:—

“A meeting of railway workers of all classes held at Igatpuri this evening desires to thank you for your generosity revised scales of pay.”

*Paragraph 7.*—The statement in the first sentence of this paragraph is denied and this denial is supported by the fact that in 1931 a new set of scales on reduced pay was contemplated and eventually introduced as from 16th July 1931. The Administration submit that the contents of this paragraph are in the main irrelevant as the Court are not concerned with the question of fixing minimum wages.

*Paragraph 8.*—It is submitted that the first sentence in this paragraph is irrelevant. In regard to the second sentence, the alternative to demotion was the discharge of staff in the various grades who were surplus to requirements. Thus the principle of demotion was beneficial to the staff with longer service. On this Railway the number of staff drawing below Rs. 30 per month, who were demoted, was only about 700. A large majority of these have long since been restored to their old grades whilst some of those have received further promotion.

*Paragraph 9.*—This matter is dealt with in paragraphs 16 and 17 of the Administration's main statement. Appendix G, referred to in that paragraph shows that on 1st August, 1940, the percentage of lower paid permanent staff on the revised scale for new entrants was 18.5 and not 30 per cent. as estimated by the Federation.

*Paragraph 10.*—The first part of this paragraph is correct. In effect, those on the old scales were in receipt of higher wages than the cost of living justified when compared with the cost of living in 1931 on which the revised scales for new entrants were fixed. The second part, it is submitted, is irrelevant to the Terms of Reference.

*Paragraph 11.*—Most of what is stated in this paragraph is, it is submitted, irrelevant. It is denied that the reduction in wages effected was between 7½ per cent. and 60 per cent. Appendix H to the Administration's main statement, which gives some representative categories, shows that the percentage reduction in some instances was as low as 2.8 per cent. for lower paid staff and the highest for those categories was 15 per cent. It is not denied that in some cases the reduction exceeds 15 per cent. but in no case of lower paid staff does the reduction amount to 50 per cent. as alleged by the Federation. Incidentally, there is no efficiency bar in the case of lower paid staff, although there is one for clerical staff in one grade only, that is the Rs. 30—4—50—E. B.—5—80 grade. The statement that the revised scales of wages “caused to the workers a loss of over three crores of rupees a year or nearly Rs. 50 per worker” is denied. As shown in paragraph 19 of the Administration's main statement the full saving will not accrue until all staff of the railway are on the new scales of pay, and at the present rate of progress this will take about another 20 years so far as the G. I. P. Railway is concerned. As, however, the workers

concerned are all new entrants, it cannot reasonably be said that they have been put to any loss at all for they were never entitled to any scales but the revised ones.

*Paragraph 12.*—The statement in this paragraph is denied. It is submitted that the figures given of real wages in Appendix F of the main reply to the Federation's case show quite clearly that the workers have gained substantially.

*Paragraph 13.*—This is dealt with in paragraphs 11, 12 and 13 of the Administration's reply to the Federation's main statement.

*Paragraph 14.*—It is submitted that the statements made in this paragraph in regard to strikers are irrelevant to the Terms of Reference. It may, however, be pointed out that the statement that 80 per cent. of this Railway's staff participated in the strike of 1930 is incorrect. It is presumed that the Federation refers to staff of all grades. If so, the percentage who participated in this strike was only about 28. Similarly, the statement made in the same paragraph that those of the strikers who were *re-instated* after the settlement were, in the majority of cases, taken back on the revised scales of wages for new entrants is denied.

After the settlement of the strike on 1st March 1930, a large number of the strikers offered to resume duty. Many of these were immediately put back to duty on their old rates of pay and others, for whom there were no longer vacancies, and whose names were placed on the waiting lists, were also allowed old rates of pay even though they were re-instated on or after 16th July 1931.

The names of those *ex-strikers* who did not comply with the terms of the Government of India Communique of 1st March, 1930, were placed on the Register for Re-employment and only these *ex-strikers* were subject to revised scales of pay introduced for new entrants if they were re-employed on or after 16th July, 1931.

In this paragraph there appears a statement that modern ideas require that standard once reached should not be disturbed. The Administration cannot accept this view, for, as pointed out in paragraphs 21 and 22 of its statement, all members of the community have at times like the present to adjust their standard of living.

*Paragraphs 15 and 16.*—Most of what is stated in these paras., it is submitted, is irrelevant to the Term of Reference, and otherwise calls for no comment by this Administration.

*Paragraph 17.*—The Administration, as it has already shown, does not accept the contention in this paragraph.



## APPENDIX X.

(First statement submitted by the National Union of Railwaymen of India and Burma, dated Bombay, the 22nd August 1940.)

The Annual General meeting of the Union held in Bombay on 1st August, 1940, on a detailed consideration of all relevant factors unanimously approved of the recommendations of the Executive Committee of the Union which had formulated a percentage salary increase for the employees of all Indian railways drawing below Rs. 100 per month as detailed below:—

Rs. 80 to Rs. 100 p.m.	10 per cent.
Rs. 60 to Rs. 79 p.m.	12½ „
Rs. 30 to Rs. 59 p.m.	15 „
Rs. 29 and below	20 „

The union sees no reason to vary the committee's recommendations at this stage in any detail as the position with regard to the cost of living has not materially altered since April. This year, the month in which the union concluded its investigations in the matter.

The general reduction in wages and the introduction of the revised scale of pay in recent years greatly strengthen the claims of the workers for a war allowance. The union suggests that any allowances granted now should be treated as an addition to the substantive pay of the workers concerned. This arrangement will be a great relief to the low paid manual workers, and it will serve as a great gesture to the loyal workers both during and after the WAR.

## APPENDIX XI.

(Second statement submitted by the President of the National Union of Railwaymen of India and Burma, dated Bombay, the 8th October, 1940.)

Ever since the declaration of war in September last my union has kept a vigilant watch on the prices of commodities. I was in Lahore when the war broke out and I well remember the phenomenal rise in the prices of all articles that set in when profiteering broke out. The price of food-stuffs was then up by 40 per cent. or more and those of medicines and hardware by 100 per cent. In my letter to His Excellency the Governor of the Punjab I stressed on the need to place immediate checks on profiteering. The governmental action that followed did have a stabilising effect on prices, but nevertheless the prices continued to soar high with consequent hardship to the low paid workers.

On my return to Khandwa in November, 1939, and since then I continued my investigations on the subject and the findings I arrived at are summarised in the attached statements [not printed]. In December, 1939, there was an increase of 20 per cent. or more on the August figures of the same year in the matter of the cost of living. The percentage increases which the Union has asked for is the barest minimum that is acceptable to the workers.

I raise a special plea on behalf of the low paid workers because in their case the hardship is all the more greater.

• There are several categories of workers who do not earn "living wages":—wages sufficient to keep body and soul together, and the condition of these people have greatly deteriorated since the war commenced. The permanent gangmen of the P. & W. and the Engineering Departments draw a maximum salary of Rs. 15 p. m. while those who are temporary are paid but Rs. 8-2 p. m. and it is on their loyal and efficient work that the well-being of the track and the safety of the passengers depend. I have little doubt that those who draw Rs. 50 p. m. and less are hard hit by the rise in prices, and it was this factor that led the union to ask for a higher percentage of increases on behalf of the low paid workers.

The union is aware that the paying capacity of the industries has to be borne in mind when the question of wages has to be adjudicated upon. The upward trend in the revenues of the railways these two years makes it clear that the industry can well afford to make provisions for better emoluments to the staff. It is also to be borne in mind that large scale reductions in establishment and the fixing up of lower scales of emoluments for the staff in recent years have affected the men rather adversely. These were done when the industry was passing through lean years, and now

that conditions have improved as far as the revenues are concerned and the men are hard put to on account of increased cost of living a good case is made out for the granting for decent allowances to improve their living conditions.

As explained already the demands made by the National Union of Railwaymen is the barest minimum that will be acceptable to the workers, and I strongly urge that this Honourable Court of Inquiry be good enough to consider the case of the workers with sympathy.

## APPENDIX XII.

Price-relatives for July 1940 (August 1939=100) according to the evidence produced by the All-India Railwaymen's Federation.

Names of Articles.	Official weightage of each.	Exhibit 1.	Exhibit 2.	Exhibit 3.	Exhibit 4.	Exhibit 5.	Exhibit 7.	Exhibit 8.	Average.	Average × Weight
		Bombay.	Bombay.	Bombay.	Bombay.	Thana.	Kurla.	Bombay.		
<i>Food.</i>										
Rice . . . . .	22	125(a)	129	115	147 ; 117(b)	112	100	126	121	2,662
Wheat . . . . .	3	120	127	106	127	112	87(a)	..	113	339
Jowari . . . . .	1	..	..	..	150	109	..	..	129	129
Bajri . . . . .	4	..	..	..	..	108	108	..	108	432
Patni . . . . .	6	..	..	..	118(b)	..	..	..	118	708
Toor-dal . . . . .	4	100	100	111	100	105	106	..	104	416
Gram-dal . . . . .	1	..	150	..	114	106	..	..	123	123
Sugar (refined) . . . . .	5	122	132	112	115	125	122	..	121	605
Raw sugar . . . . .	1	..	129	94	78	..	133	..	108	108
Tea . . . . .	2	100	120	..	100	117	..	..	109	218
Tea (Ready made) . . . . .	5	..	..	100(b)	..	..	..	..	100	500
Salt . . . . .	1	100	100	..	100	..	..	..	100	100

Milk . . . . .	7	112	100	..	..	..	..	112	108	786
Ghee . . . . .	2	..	122	..	124	..	..	..	123	246
Sweet oil . . . . .	2	110	133	..	122	109	150	..	125	250
Coconut oil . . . . .	2	..	120	..	137	109	120	..	122	244
Mutton . . . . .	5	120(b)	109	..	..	..	..	..	115	575
Tamarind . . . . .	2	100	..	..	150	..	..	..	125	250
Turmeric . . . . .	2	125	..	..	133	..	..	..	129	258
Onions . . . . .	1	..	129	..	100	..	..	..	115	115
Dry chillies . . . . .	3	..	..	..	133	..	..	..	133	399
Potatoes . . . . .	1	..	125	..	..	125	..	..	125	125
Total Weights . . . . .	82	..	..	..	..	..	..	..	..	9,558
<i>Fuel and lighting.</i>										
Kerosene oil . . . . .	16	125	..	..	132	118	..	..	125	2,000
Charcoal . . . . .	30	106	92	..	..	108	..	..	102	3,060
Matches . . . . .	2	133	..	..	120	..	120	..	124	248
Total Weights . . . . .	48	..	..	..	..	..	..	..	..	5,308
<i>Clothing.</i>										
Coating . . . . .	12	129(b)	..	..	..	..	..	..	..	..
Trousers . . . . .	4	121(b)	..	..	..	..	..	..	..	..

Names of Articles.	Official weightage of each.	Exhibit 1.	Exhibit 2.	Exhibit 3.	Exhibit 4.	Exhibit 5.	Exhibit 7.	Exhibit 8.	Average.	Average × Weight.
		Bombay.	Bombay.	Bombay.	Bombay.	Thana.	Kurlā.	Bombay.		
<i>Miscellaneous.</i>										
Pan-supari . . .	25	..	..	100	..	114	..	..	107	2,675
Bidis . . . . .	22	..	..	..	..	109	..	..	109	2,398
Soap . . . . .	9	..	106	..	133	106	..	..	115	1,035
Barber . . . . .	13	..	..	100(b)	..	..	..	..	100	1,300
Travelling . . .	27	..	..	..	..	..	..	..	135(c)	3,645
Total Weights . .	96	..	..	..	..	..	..	..	..	11,053

(a) Change of quality.

(b) Oral evidence.

(c) Estimated.

Total of items in Statements . . . . .				9,556 <sup>2</sup>
<i>Add from Labour Gazette for—</i>				
<i>Fish—</i>				
		Official weightage.		
Dry bumlows . . . . .	3	2/2 =	173%	519
			1/3	
Fresh bhing . . . . .	1	15/7 =	86%	86
			1/5/-	
Fresh prawns . . . . .	2	8/10 =	88%	176
			10/-	
Fresh bumlows . . . . .	2	3/7 =	134%	288
			2/8	
Brinjals . . . . .	5	1/8 =	133%	665
			1/3	
Potatoes . . . . .	5	5	83%	415
			6	
Grand total (all food) . . . . .				11,687
Index figure (all food) . . . . .				117

*Fuel and lighting.*

Total of items in statements . . . . .			5,308
<i>Add from Labour Gazette for—</i>			
Firewood . . . . .	52	98	5,096
Grand total (Fuel and lighting) . . . . .			10,404
Index figure (fuel and lighting) . . . . .			104
<i>Clothing</i> . . . . .			125
<i>House-rent</i> . . . . .			100

*Miscellaneous.*

Total of items in statements . . . . .			11,053
<i>Add from Labour Gazette for—</i>			
Medicines . . . . .	3	100	300
Newspaper . . . . .	1	100	100
Total (Miscellaneous) . . . . .			11,453
Index figure (Miscellaneous) . . . . .			115

*General index figure.*

Food . . . . .	47	117	5,499
Fuel and lighting . . . . .	7	104	728
Clothing . . . . .	8	125	1,000
House-rent . . . . .	13	100	1,300
Miscellaneous . . . . .	14	115	1,610
	89		10,137
General figure . . . . .			114



## APPENDIX XIII.

## Relief Scheme.

The first step in framing a table of relief is to classify the various stations and sections of the G. I. P. Railway according to the area in which they fall : Bombay, urban, or rural, in the sense in which we have used these terms. This classification will determine the "subsistence level" to be adopted for each station or section.

The next step is to decide which cost-of-living figure should govern the regulation of the dearness allowance. It must, of course, be the best available figure applicable to the area in question. This may be the cost-of-living index number of the area itself, or of a neighbouring area, or it may be the weighted average of a group of index numbers of several areas ; the choice will depend on what is available. As we have already said, for any satisfactory scheme of regulation it is necessary to have revised and up-to-date index numbers ; but if they are not available within a reasonable time, it may be necessary to do the best possible with the existing numbers. We would suggest that unless there is an index number for the area itself (as in Bombay, Sholapur, etc.,) the simplest plan would be to take the weighted average of all the indices available. We have already said that so far as we have been able to ascertain, the cost of living in all areas, whether Bombay, urban, or rural, has during the first year of the war risen to much the same extent, and we anticipate that this will largely continue to be the case in spite of local aberrations as at Jubbulpore. Unless our anticipations are falsified by local causes, such as, drought, floods, and earthquake, on the one hand, and bumper harvests on the other, it is probable that a weighted average of the various indices would provide not only a simple but also a fair basis for revision. We repeat that we suggest this plan for adoption only until revised and up-to-date cost-of-living figures as recommended in paragraph 111 of our Report are available. Whichever figure is selected for a particular area for purposes of regulation and whatever the base upon which it is constructed, we shall assume for the purposes of the sub-joined table that the average figure for the 12 months from September 1939 to August 1940 is reduced to 100, and that all subsequent figures are reduced in the same proportion. If, for example, the best figures available for a particular area are the existing series of index numbers for Bombay City, imperfect though they may be, the average of the official Bombay figures for the above period, namely 111, will be reduced to 100 and the subsequent figures reduced accordingly : thus the figures for September, October and November 1940, which were respectively 112, 113, and 113, will be reduced to 101, 102, and 102 for the purpose of applying the table below. Let us call these the 'reduced figures'. Although the unreduced figures may be in error—as we have found, the unreduced average Bombay figure for the 12 months from September 1939

to August 1940 ought to be about 115 instead of 111—the reduced figures will probably be freer from error, as they represent merely the ratio of the unreduced figures.

The dearness allowance payable in October, November and December 1940 will be on the scale recommended in our Report.

Some time in December 1940, the index number for November will be available and as soon as it is available the allowances payable in January, February and March 1940 will be determined thus : suppose the average of the reduced figures for September, October and November is 103. The rise being by less than 5 full points, the governing figure remains 100, and the allowances will be the same as in the previous quarter. Similarly, if the average works out to say 97, the fall being by less than 5 full points, there will be no reduction in the allowances, as the governing figure is still 100.

It must be pointed out that as on our findings the general rise in the cost of living since the outbreak of the war is 11 per cent. the average cost-of-living figures before and after are in the proportion of 100 to 111, so that if the latter is taken as 100 the former will be about 90. In other words, the average pre-war cost of living will be represented by 90, which will accordingly be the ' no-allowance ' figure. Since we have recommended an allowance of Rs. 3/- for the present rise, it follows that Rs. 3/- is the equivalent of 10 points. Therefore, for a rise of 5 points the allowance will be Rs. 1-8-0 per month.

If, therefore, the average reduced figure for the immediately preceding 3 months available on the next date of revision is 95, the dearness allowance admissible will be one-half of that recommended in our Report, with certain marginal adjustments, and the new governing figure will be 95 ; if, on the other hand, it is 105, the allowance will be increased by Rs. 1-8-0 per month, certain additional income-groups being brought into the scheme and the governing figure will then be changed to 105. These and other details are shown in the sub-joined table. We would point out that once the relevant cost-of-living index figures are available the actual revision should not take more than a few minutes and will be the same for the entire staff concerned in each class of area, whether Bombay, urban or rural. It will be seen from the table that when the cost-of-living figure rises to 110 income-groups above Rs. 56-8 per month are not eligible for relief under our scheme. At first sight it may appear from the figures of income and expenditure of the average families in the groups above this figure as shown in the Report of the Enquiry of 1932-33 that they would be unable to balance their budgets if there was a rise in prices of this magnitude. We think, however, that like the rest of the community they will have to reduce their standard of expenditure slightly, which they can do under the miscellaneous group with the least degree of hardship. If they do so, they will, we think, be able to balance their budgets

We have, therefore, not included them in our scheme of relief at this point. They will, of course, benefit from the cost-price grain concession and possibly from the free or cheap milk concession as well, if our suggestions under these heads are accepted.

It is an inevitable consequence of our scheme of regulation that just as a rise of 5 points in the cost of living from the 100-point-level entitles the worker to an extra allowance of Rs. 1-8-0 per month, so too a fall of 5 points leads to a reduction of the present allowance by Rs. 1-8-0 per month. The reduction and the increase must correspond to each other if the scheme is to be logical.

But although for logical completeness, we have included a minus scale to provide for a fall in the cost of living from the present level, we do not wish it to be understood that we advocate its being brought into operation, if the state of Railway revenues in future permits of the present allowance being retained as an integral part of the wages of those who are below the subsistence levels we have adopted in this Report.

### *Relief.*

Average cost-of-living index number for September 1939—August 1940 being taken = 100.

If the "governing figure" for any quarter is—	Relief will be on—
	<i>Initial Scale.</i>
100	Scale recommended in Report.
	<i>Second Scale.</i>
105	(a) to those entitled to relief on the "initial scale", an additional Rs. 1-8-0 per month
	<i>plus</i>
	(b) to others whose earnings do not exceed Rs. 45/40/35 per month Rs. 1-8-0 per month.
	<i>plus</i>
	(c) to those whose earnings exceed Rs. 45/40/35 per month by an amount less than Rs. 1-8-0, an allowance equal to the deficit.
	<i>Third Scale.</i>
110	(a) to those entitled to relief on the "second scale", a further addition of Rs. 1-8-0 per month
	<i>plus</i>
	(b) to others whose earnings do not exceed Rs. 55/50/45 per month, a further addition of Rs. 1-8-0 per month
	<i>plus</i>
	(c) to those whose earnings exceed Rs. 55/50/45 per month, by an amount less than Rs. 1-8-0, an allowance equal to the deficit.
	<i>Minus Scale.</i>
95	"Initial scale" minus Rs. 1-8-0.
90	No allowance.

*\*Explanation.*—The “governing figure” for any quarter is determined thus:—

(a) The “governing figure” for the quarter October-December 1940 must be taken as 100.

(b) The “governing figure” for any subsequent quarter depends upon the average of the cost-of-living index numbers for the 3 latest months available at the beginning of the quarter. If the average number is a multiple of 5, it will itself be the “governing figure”. If the average number is not a multiple of 5, the multiple (of 5) which is just higher, or the multiple (again of 5) which is just lower, whichever is nearer to the previous “governing figure”, is taken to be the new “governing figure”. Thus if the average is 103, the new “governing figure” is taken to be 100 if the previous “governing figure” was 100 or less; and to be 105 if the previous “governing figure” was 105 or more.

The “governing figure” is thus always a multiple of 5 and is the figure on which adjustment for any quarter is made, and when a subsequent adjustment operates the figure on which the new change is based becomes the “governing figure”. No new adjustment obtains until the relevant average index number for the 3 latest months available falls or rises by full 5 points from the “governing figure”. This will have a steadying effect, and will tend to minimise changes in the allowance.

We may add that this is closely analogous to the system followed on English railways in adjusting the sliding scale bonus to the cost of living.

## Bombay Area.

## Details of the scheme.

Governing figure . . . . .	Initial scale.	Second scale.	Third scale.	Minus scale.
	100	105	110	95
Pay.	Allowance.	Allowance.	Allowance.	Allowance.
	Rs. AS.	Rs. AS.	Rs. AS.	Rs. AS.
Rs. 35 and under . . . . .	3 0	4 8	6 0	1 8
Rs. 36 . . . . .	2 0	3 8	5 0	0 8
Rs. 37 . . . . .	1 0	2 8	4 0	NIL
Rs. 38 . . . . .	NIL	1 8	3 0	NIL
Rs. 39 . . . . .	NIL	1 8	3 0	NIL
Rs. 40 . . . . .	NIL	1 8	3 0	NIL
Rs. 41 . . . . .	NIL	1 8	3 0	NIL
Rs. 42 . . . . .	NIL	1 8	3 0	NIL
Rs. 43 . . . . .	NIL	1 8	3 0	NIL
Rs. 44 . . . . .	NIL	1 8	3 0	NIL
Rs. 45 . . . . .	NIL	1 8	3 0	NIL
Rs. 46 . . . . .	NIL	0 8	2 0	NIL
Rs. 47 . . . . .	NIL	NIL	1 8	NIL
Rs. 48 . . . . .	NIL	NIL	1 8	NIL
Rs. 49 . . . . .	NIL	NIL	1 8	NIL
Rs. 50 . . . . .	NIL	NIL	1 8	NIL
Rs. 51 . . . . .	NIL	NIL	1 8	NIL
Rs. 52 . . . . .	NIL	NIL	1 8	NIL
Rs. 53 . . . . .	NIL	NIL	1 8	NIL
Rs. 54 . . . . .	NIL	NIL	1 8	NIL
Rs. 55 . . . . .	NIL	NIL	1 8	NIL
Rs. 56 . . . . .	NIL	NIL	0 8	NIL
Rs. 57 and over . . . . .	NIL	NIL	NIL	NIL

## Urban Area.

## Details of the scheme.

Governing figure . Pay.	Initial scale.	Second scale.	Third scale.	Minus scale.
	100 Allowance.	105 Allowance.	110 Allowance.	95 Allowance.
	Rs. AS.	Rs. AS.	Rs. AS.	Rs. AS.
Rs. 30 and under . . . . .	3 0	4 8	6 0	1 8
Rs. 31 . . . . .	2 0	3 8	5 0	0 8
Rs. 32 . . . . .	1 0	2 8	4 0	Nil
Rs. 33 . . . . .	Nil	1 8	3 0	Nil
Rs. 34 . . . . .	Nil	1 8	3 0	Nil
Rs. 35 . . . . .	Nil	1 8	3 0	Nil
Rs. 36 . . . . .	Nil	1 8	3 0	Nil
Rs. 37 . . . . .	Nil	1 8	3 0	Nil
Rs. 38 . . . . .	Nil	1 8	3 0	Nil
Rs. 39 . . . . .	Nil	1 8	3 0	Nil
Rs. 40 . . . . .	Nil	1 8	3 0	Nil
Rs. 41 . . . . .	Nil	0 8	2 0	Nil
Rs. 42 . . . . .	Nil	Nil	1 8	Nil
Rs. 43 . . . . .	Nil	Nil	1 8	Nil
Rs. 44 . . . . .	Nil	Nil	1 8	Nil
Rs. 45 . . . . .	Nil	Nil	1 8	Nil
Rs. 46 . . . . .	Nil	Nil	1 8	Nil
Rs. 47 . . . . .	Nil	Nil	1 8	Nil
Rs. 48 . . . . .	Nil	Nil	1 8	Nil
Rs. 49 . . . . .	Nil	Nil	1 8	Nil
Rs. 50 . . . . .	Nil	Nil	1 8	Nil
Rs. 51 . . . . .	Nil	Nil	0 8	Nil
Rs. 52 and over . . . . .	Nil	Nil	Nil	Nil

## Rural Area.

## Details of the scheme.

Governing figure . . . . .	Initial scale.	Second scale.	Third scale.	Minus scale.
	100	105	110	95
Pay.	Allowance.	Allowance.	Allowance.	Allowance.
	Rs. As.	Rs. As.	Rs. As.	Rs. As.
Rs. 25 and under . . . . .	3 0	4 8	6 0	1 8
Rs. 26 . . . . .	2 0	3 8	5 0	0 8
Rs. 27 . . . . .	1 0	2 8	4 0	Nil
Rs. 28 . . . . .	Nil	1 8	3 0	Nil
Rs. 29 . . . . .	Nil	1 8	3 0	Nil
Rs. 30 . . . . .	Nil	1 8	3 0	Nil
Rs. 31 . . . . .	Nil	1 8	3 0	Nil
Rs. 32 . . . . .	Nil	1 8	3 0	Nil
Rs. 33 . . . . .	Nil	1 8	3 0	Nil
Rs. 34 . . . . .	Nil	1 8	3 0	Nil
Rs. 35 . . . . .	Nil	1 8	3 0	Nil
Rs. 36 . . . . .	Nil	0 8	2 0	Nil
Rs. 37 . . . . .	Nil	Nil	1 8	Nil
Rs. 38 . . . . .	Nil	Nil	1 8	Nil
Rs. 39 . . . . .	Nil	Nil	1 8	Nil
Rs. 40 . . . . .	Nil	Nil	1 8	Nil
Rs. 41 . . . . .	Nil	Nil	1 8	Nil
Rs. 42 . . . . .	Nil	Nil	1 8	Nil
Rs. 43 . . . . .	Nil	Nil	1 8	Nil
Rs. 44 . . . . .	Nil	Nil	1 8	Nil
Rs. 45 . . . . .	Nil	Nil	1 8	Nil
Rs. 46 . . . . .	Nil	Nil	0 8	Nil
Rs. 47 and over . . . . .	Nil	Nil	Nil	Nil

## APPENDIX XIV.

## 1. Grant of quarters rent free or on payment of rent.

*Extent to which housing is provided by railways.*—The general policy on railways is to provide quarters:—

- (a) where it is necessary for special reasons to provide accommodation for certain classes close to their work;
- (b) where conditions are such that private enterprise does not adequately meet the demand for housing the staff.

2. *Quarters for workshop employees.*—As a rule workshop staff are not provided with railway quarters, as the majority of railway workshops are located within easy reach of big towns where accommodation is available and the staff are not required to perform duties outside the fixed hours of work. So far as employees at Parel and Matunga are concerned a workmen's train is provided to convey them to and from their place of work, free workmen's tickets being issued to them.

3. *Staff entitled to free quarters.*—Railway employees who under ordinary circumstances of work are liable to be called upon at any time without notice to attend to the business of the railway are generally provided with quarters free of rent, if such staff were in service prior to 1st April, 1932.

The revised rent rule policy which was introduced on 1st April, 1932 lays down that all future entrants will have to pay rent, except:—

*men in inferior service* drawing Rs. 30 per mensem and under, who are granted rent free quarters, if available.

## 2. Grant of free clothing.

*Uniforms.*—Summer and winter uniforms, including head-dress, coat, trousers, jerseys, etc., are provided on a scale fixed with reference to the requirements of each case and to the normal wear and tear of the article supplied to staff:—

- (a) who in the performance of their duty come in contact with the public, e.g., station staff, running staff, etc., or
- (b) who are low paid and work under special conditions (such as entail the use of proper dress or involve heavy wear and tear of clothing), e.g., office peons, watchmen, certain classes of shed and carriage and wagon menial staff, etc.

2. Clothing is also supplied on a limited scale to labourers and others whose duties expose them to cold or wet weather. Thus overcoats or blanket coats are issued once every third year or so to labour employed on the maintenance of permanent way. A blanket is valued at Rs. 2-2-0.



3. An umbrella is issued once a year to employees such as office peons, watchmen, gatekeepers, etc., who have to move about in the monsoon. An umbrella is valued at Rs. 1-14-0.

4. As an example, the monetary effect of the clothing issued to certain select class of employees is indicated below:—

Class of employees.	Clothing allowed to each employee as per Dress Regulation.	Cost of garment.
		Rs. A. P.
<b>Transportation.</b>		
<i>Traffic Menial Staff.</i>		
	<i>Summer—</i>	
	1 Coat cotton blue . . . . .	0 15 0
	1 Short . . . . .	0 9 0
	1 Turban . . . . .	1 6 0
	<b>Total .</b>	<b>2 14 0</b>
Pilotmen . . . . .		
Locking Poters . . . . .		
Muccadurns . . . . .		
	<i>Winter—</i>	
	1 Coat woollen blue . . . . .	4 11 0
	1 Short cotton blue . . . . .	0 9 0
	<b>Total .</b>	<b>5 4 0</b>
Porters . . . . .		
Pointsmen . . . . .		
Levermen . . . . .		
Coolies (Train Examining)		
	<i>Summer—</i>	
	1 Coat cotton blue . . . . .	0 15 0
	1 Shorts cotton blue . . . . .	0 9 0
	1 Turban . . . . .	1 6 0
	<b>Total .</b>	<b>2 14 0</b>
Sweepers . . . . .		
Relg. Pointsmen . . . . .		
	<i>Winter—</i>	
	1 Coat serge blue . . . . .	4 11 0
	1 Shorts cotton blue . . . . .	0 9 0
	<b>Total .</b>	<b>5 4 0</b>
<i>Menial Staff.</i>		
	<i>Summer—</i>	
	1 Coat cotton blue . . . . .	0 15 0
	1 Trouser cotton blue . . . . .	0 13 0
	1 Cap . . . . .	0 3 3
	<b>Total .</b>	<b>1 15 3</b>
Augwallas . . . . .		
	<i>Winter—</i>	
	1 Woollen coat blue . . . . .	4 11 0
	1 Trouser cotton blue . . . . .	0 13 0
	1 Cap woollen blue . . . . .	0 9 0
	<b>Total .</b>	<b>6 1 0</b>

Class of employees.	Clothing allowed to each employee as per Dress Regulation.	Cost of garment.
Transportation—contd.		
Menial Staff—concl.		Rs. A. P.
	<i>Summer—</i>	
	1 Coat cotton blue . . . . .	0 15 0
	1 Shorts cotton blue . . . . .	0 9 0
	1 Cap cotton blue . . . . .	0 3 3
	Total . . . . .	1 11 3
Pointsmen . . . . .	<i>Winter—</i>	
Engine Cleaners . . . . .	1 Coat woollen blue . . . . .	4 11 0
	1 Shorts cotton blue . . . . .	0 9 0
	1 Cap woollen blue . . . . .	0 9 0
	Total . . . . .	5 13 0
	<i>Summer—</i>	
	2 Coats white long . . . . .	2 10 0
	2 Trousers white . . . . .	1 4 0
Office Peons . . . . .	1 Turban red turkey . . . . .	1 12 0
Office Hamals . . . . .	Total . . . . .	5 10 0
	<i>Winter—</i>	
	1 Coat woollen . . . . .	8 0 0
Commercial.		
	<i>Summer—</i>	
	3 Suits white drill. . . . .	7 15 6
Ticket Collectors . . . . .	<i>Winter—</i>	
	1 Suit serge . . . . .	8 12 0
	<i>Summer—</i>	
	1 Coat khaki . . . . .	1 13 0
	1 Shorts khaki . . . . .	1 0 0
	1 Turban khaki . . . . .	2 3 0
	Total . . . . .	5 0 0
Head Watchmen . . . . .	<i>Winter</i>	
Watchmen . . . . .	1 Overcoat (every 6th year) . . . . .	7 2 0
	1 Pair putties wollen khaki . . . . .	1 8 0
	1 Jersey (every 2 years) . . . . .	2 1 0
	Total . . . . .	10 11 0

Class of employees.	Clothing allowed to each employee as per Dress Regulation.	Cost of garment.		
<b>Engineering.</b>	{ <i>Summer—</i>	Rs. A. P.		
		1 Coat khaki . . . . .	1 8 0	
		1 Shorts khaki . . . . .	0 15 0	
		1 Turban khaki . . . . .	2 3 0	
		Total .	4 10 0	
		{ <i>Winter—</i>		
			1 Coat woollen . . . . .	4 11 0
			1 Short woollen . . . . .	2 10 0
			Total .	7 5 0
Trollymen . . . . .				
Gatemen . . . . .				
Ramoshees . . . . .				
Watchmen . . . . .				
Chainmen . . . . .				
Khalasis . . . . .				
<b>Medical.</b>	{ <i>Summer—</i>			
		4 Coats white cotton . . . . .	5 4 0	
		4 Trousers white cotton . . . . .	4 4 0	
		2 Caps white cotton . . . . .	0 8 0	
		Total .	10 0 0	
		{ <i>Winter—</i>		
			2 Coats woollen short . . . . .	6 14 0
			2 Trousers woollen . . . . .	6 8 0
			Total .	13 6 0
			Male Ward Attendants . . . . .	

Class of employees.	Clothing allowed to each employee as per Dress Regulation.	Cost of garment.
<b>Medical—contd.</b>		R. A. P.
	<i>Summer—</i>	
	4 Coats cotton blue . . . . .	4 0 0
	4 Trousers cotton blue . . . . .	3 4 0
	2 Turbans blue . . . . .	2 12 0
	Total . . . . .	10 0 0
<b>Male Hospital Sweepers</b>	<i>Winter—</i>	
	1 Coat woollen short . . . . .	3 7 0
	1 Trousers woollen . . . . .	2 9 0
	Total . . . . .	6 0 0
	<i>Summer—</i>	
	4 Coats cotton blue . . . . .	4 0 0
	4 Trousers cotton blue . . . . .	3 4 0
	2 Turbans cotton blue . . . . .	2 12 0
	Total . . . . .	10 0 0
<b>Conservancy Muccadums</b>	<i>Winter—</i>	
	1 Coat woollen . . . . .	4 11 0
	1 Trousers woollen . . . . .	2 9 0
	Total . . . . .	7 4 0

5. The cost on account of the supply of clothing to various staff, as reported by the Clothing Committee in 1930, is as noted below:—

Department.	Amount.
	Rs. A. P.
General Manager's Office . . . . .	450 1 0
Transportation . . . . .	1,74,685 8 0
Commercial . . . . .	33,971 14 0
Engineering . . . . .	31,183 10 0
Medical . . . . .	3,826 11 0
Mechanical . . . . .	8,073 5 0
Stores . . . . .	1,908 6 0
<b>Total . . . . .</b>	<b>2,54,099 7 0</b>

### 3. Grant of Gratuity (a) service or (b) compassionate.

(a) *Service Gratuity.*—All permanent non-pensionable employees including menials are eligible, gratuity being payable in the event of their death to their widows or dependent children, but not to other relatives on completion of 30 years' "good, efficient, faithful and continuous" service; or on attainment of the age of 55 years, provided not less than 15 years' service has been completed; or on retirement or resignation after 15 years' service, on grounds admitted by

the authority competent to sanction the gratuity as good and sufficient from the point of view of the administration; or on retirement with less than 15 years' service due to—

- (i) permanent physical or mental incapacity, or
- (ii) abolition of appointment, if other suitable employment cannot be found for the employee.

Gratuity is given at the rate of half-a-month's pay per year of service, subject to a maximum of 15 months' pay. In case of those retiring with less than 15 years' service as a result of medical unfitness or abolition of appointment gratuity is given at the rate of half-a-month's pay, which in special circumstances may be raised to one month's pay for each year of service, subject to a maximum of six months' pay in all.

(b) **Compassionate gratuity.**—If an employee dies leaving a widow, dependant children or other members in straitened circumstances, a compassionate gratuity may be allowed at the rate of half-a-month's pay per year of service, subject to a maximum of six months' pay or Rs. 2,500, whichever is less but not in addition to any other service gratuity. These limits may be raised by the Government of India in specially hard and deserving cases to six months' pay irrespective of the length of service or Rs. 5,000, whichever is less.

#### 4. *Medical attention.*

The Medical organisation on the G. I. P. Railway consists of a Principal Medical and Health Officer, assisted by 7 District Medical Officers and 2 Assistant Medical Officers. The Railway maintains 7 Hospitals and 30 Dispensaries.

2. *Gratuitous medical attendance.*—All railway servants and their families are entitled to gratuitous medical attendance when seeking it at the Railway hospital or dispensary, as out-door patients, and also, to the extent of the accommodation available, as in-door patients.

Railway servants on pay below Rs. 25 a month may claim gratuitous medical attendance for themselves and for their families at their houses in necessary cases by the Assistant Surgeon or Sub-Assistant Surgeon or appointed by local arrangement to attend on them, provided they reside within the Railway premises or in the neighbourhood; but they may also claim medical attendance by the District Medical Officer or call him in consultation, on payment if they desire to do so.

Diet is supplied free to employees whose pay is Rs. 30 or less and who are admitted as in-door patients.

3. *Facilities for anti-rabic treatment.*—In addition to the ordinary medical facilities described above, railway employees, in common with other public servants, get certain concessions for anti-rabic treatment.

4. The improved amenities recently provided in this regard for the railway employees are:—

- (a) Opening of anti-rabic centres at Byculla, Bhusaval, Igatpuri, Jhansi, and Sholapur.
- (b) free anti-rabic treatment at a Railway Hospital to such members of an employee's family as are entitled to other free medical treatment at a Railway Hospital, and also in cases where the provincial regulations allow them as members of the general public, free treatment at the Pasteur Institute or other centres;
- (c) actual conveyance charges to a Hospital or Institute and back to an employee, on the days he is required to attend for treatment, if he is not admitted as an in-door patient. The Medical Officer, however, must certify that the patient requires a conveyance.
- (d) free passes to a member of the family of an employee and one attendant when that member is proceeding to an Institute or Hospital for anti-rabic treatment.

5. The following statistics indicate the medical treatment afforded during the year 1938-39:—

(a) Total number of Railway employees treated . . . . .	1,26,348
(b) Total number of Railway employees' families treated . . . . .	86,430
(c) Daily average attendance of employees at Railway Hospitals and Dispensaries . . . . .	1588·64
(d) Daily average attendance of employees' families at Railway Hospitals and Dispensaries . . . . .	688·73
(e) Total in-patients treated in Railway Hospitals . . . . .	5,754
(f) Number of cases treated at anti-rabic centres . . . . .	360
(g) Total cost of medical services per head of staff per annum in Rupees . . . . .	7·88
(h) Total cost of health services per head of staff per annum in Rupees . . . . .	5 0L

*Note.*—Average cost per patient treated in Railway Hospitals=Rs. 6-8-0 per day.

#### 5. Leave and Holidays.

*Revised Leave Rules for State Railway Employees engaged on and after 1st September, 1928.*—The leave admissible under these Rules to subordinate staff of Asiatic Domicile is as follows:—

Total leave . . . . .	One-tenth of service to date.
Half-pay leave . . . . .	One-fifteenth of service to date.
Half average pay . . . . .	One-tenth minus one-fifteenth of service to date.
Casual leave . . . . .	Ten days in any one calendar year.

The maximum amount of leave on average pay that may be granted at any one time is limited to two months which may be extended to four months if the leave is on medical certificate or is

granted after 20 years total service except when the leave is preparatory to retirement.

2. *Leave to Inferior Servants.*—Leave to inferior servants is granted on average pay earned on the following scale:—

Length of total service.	Leave earned in a calendar year.
Less than 3 years . . . . .	Nil.
3 years and over but less than 10 years . . . . .	10 days.
10 years and over but less than 20 years . . . . .	15 days.
20 years and over . . . . .	20 days.

Provided that when the leave due amounts to 30 days the railway servant ceases to earn leave.

In addition, leave on half average pay, on medical certificate, may be granted within the following limits:—

Length of total service.	Leave Admissible.
Less than 10 years . . . . .	Nil.
10 years and over but less than 20 years.	Not exceeding 15 days in a calendar year and 60 days in all.
20 years and over . . . . .	Not exceeding 30 days in a calendar year and 120 days in all including such leave taken before completion of 20 years service.

3. *Leave to daily rated staff* is granted on full pay earned on the scales prescribed under para. 2 above. In addition the following privileges are also allowed:—

- (a) the accumulation of leave in the leave accounts commencing from the calendar year 1939;
- (b) extraordinary leave without leave salary.

4. In the case of staff—

- (a) engaged permanently before 1st July, 1925, the G. I. P. Railway leave rules apply;
- (b) engaged temporarily before 1st July, 1925, and confirmed on or after 1st July, 1925, and engaged between 1st July, 1925 and 31st August, 1928 (including the inferior servants) the Fundamental Rules apply.

5. *Holidays other than weekly rest.*—Workshop employees are allowed about 15 days holidays (*plus* Empire Day and King's Birthday) with full pay and a number of holidays without pay according to the local custom.

Bank and Public Holidays are allowed with pay to the other staff on monthly rates of pay according to the exigencies of the service. They are not generally allowed to persons whose duties are connected with the movement of trains.

## 6. MISCELLANEOUS.

(a) *Provident Fund*.—Workshop and shed employees who fulfil the following conditions are eligible to subscribe to the Provident Fund:—

- (1) If their pay amounts to Rs. 15 per mensem or above.
- (2) If they are entitled to a month's notice of termination of service.
- (3) If they have completed three years' continuous service.

All other permanent non-pensionable employees excluding menials are eligible.

*Note*.—The question of extension of Provident Fund privileges to lower paid employees is receiving the attention of the Railway Board—*Vide* para. 29 of the Railway Member's speech introducing the Railway Budget for 1940-41.

(b) *School Subsidy*.—Subject to certain conditions, the subsidy is admissible if an employee is stationed where there is no Railway School or other good School and the child is a boarder at an approved school.

- (i) The amount of subsidy admissible under the old rules is 50 per cent. of the board and tuition fees paid subject to a maximum of Rs. 15 per child per mensem and that under the new rules is as follows:—

Pay of employees.	Limits.
Not exceeding Rs. 100 p.m. . . .	Half the fees for board and tuition.
Rs. 101 to Rs. 200 p. m. . . .	1/3 of the fees for board and tuition.
Rs. 201 to Rs. 300 p. m. . . .	1/4 of the fees for board and tuition.

The assistance is subject, in all cases, to an overriding maximum of Rs. 15 p. m. per child, and to a maximum of Rs. 60 p. m. to any employee at any one time.

- (ii) Staff who joined service on State-managed Railways before 1st February 1929, were allowed the option of electing the New Subsidy Rules upto 31st December, 1932.
- (iii) Inferior servants who were in service prior to 1st February 1929 are also eligible for this concession.

(c) *Hours of Employment*.—The staff on the G. I. P. Railway, to whom the provisions of Chapter VI-A of the Indian Railways (Amendment) Act 1930 apply, have been classified under four categories and the Regulations lay down that the working hours of:—

- (i) *Continuous workers* should not exceed 60 hours a week on an average in any month and they must be granted each week a rest of not less than 24 consecutive hours.



(ii) *Intermittent workers* whose employment is essentially so, shall not be employed for more than 84 hours in any week. The provision of 24 consecutive hours' rest is not applicable in their case.

(iii) *Supervisory* }  
 (iv) *Exception.* } The staff so classified and also such staff as Chowkidars, Watermen, Sweepers and Gatemen, whose employment has been declared to be essentially intermittent and of a specially light character, have been permanently exempted from the provisions of the Act.

Statutory effect was given to the Hours of Employment Regulations on the G. I. P. Railway from the 1st April, 1932.

(d) *The Railway Staff Council.*—Through the medium of Staff Councils matters of a general nature affecting the staff and involving questions of principle are, as a rule, brought to the notice of the Administration.

(e) *The Staff Benefit Fund.*—The essential feature of this Fund is to give assistance to the staff for recreation and educational purposes as well as compassionate grants in cases of exceptional hardship falling outside the scope of the ordinary financial rules. Payments from this Fund are authorised by a Committee at the Headquarters presided over by Deputy General Manager (Staff) and consisting of seven other members, all Railway employees, one nominated by the General Manager and six elected by the staff.

There are three *Infant Welfare and Maternity Centres*, viz., one at Bhusaval, one at Manmad and the other at Jhansi, the expenses on which account are met from the Staff Benefit Fund. The charges for providing spectacles to those who need them and who draw less than Rs. 30 per mensem, and for artificial limbs supplied to staff are also met from this Fund.

*Disbursements* made from the Railway Staff Benefit Fund during the year 1938-39 on account of the following accounts are:—

	Rs.
(a) Welfare work for benefit of Railway employees . . . . .	12,992
(b) Compassionate allowances . . . . .	2,615
(c) Schools and education of the staff . . . . .	13,603
(d) Institutes and Recreation Clubs . . . . .	38,671
(e) Supply of artificial limbs and appliances for injured employees . . . . .	682
(f) Cost of spectacles supplied to the staff drawing under Rs. 30 per mensem . . . . .	3,630
(g) Extra medical aids, comforts, etc., i.e., outside the usual supply of medicines, etc., made by the Medical Department . . . . .	3,918

(f) *Railway Institute*.—The G. I. P. Railway has always paid special attention to the provision of facilities for healthy recreation for its employees and their children, and to this end there are about 68 Institutes, Clubs, Reading Rooms etc., which have been provided by this Administration free of rent.

The Institutes are generally self-supporting, although in deserving cases grants are made from the Staff Benefit Fund to meet the recurring expenses. Membership is optional.

(g) *Mutual Benefit Society*.—This Society provides any member with legal assistance for his defence in the event of his being prosecuted for an offence or offences, under the Indian Railways Act or the Indian Penal Code, alleged to have been committed by him and arising out of and in the discharge of his duties, etc., and certain benefits to members at death or on ceasing to be members after proceeding on leave preparatory to retirement or on termination of service with the Railway, etc.

All employees of the G. I. P. Railway who are permanent and draw not less than Rs. 10 per mensem are eligible for membership of the Society. No entrance fee is levied. The monthly subscription is fixed at the rate of one pie in the rupee calculated on the gross monthly rate of pay of the employee and subject to a maximum of one rupee per month. These recoveries are effected through the monthly paysheets.

(h) *Co-operative Bank Ltd.*, came into being with the primary object of reducing indebtedness among the employees and loans are advanced to staff on the following scale:—

Length of service.	Maximum limit of Loan.
Over 5 years . . . . .	6 months pay or Rs. 400/- (whichever is less).
Under 10 years . . . . .	6 months pay.
Upto 15 years . . . . .	8    "   "
Upto 20 years . . . . .	10   "   "
Over 20 years . . . . .	12   "   "

Repayment of loans is restricted to a maximum of 60 instalments. Rate of interest charged at present is 6½ per cent. per annum. The recoveries are made through the monthly paysheets.

Menials are granted loans upto a maximum of Rs. 100 if under 15 years' service or not a member of Provident Fund and Rs. 200 in other cases.

*Sir Lawless Hepper Relief Fund*.—The Fund is under the management of the Co-operative Bank Ltd., the objects being to grant relief:—

(i) as loans without interest to shareholders of the G. I. P. Railway Employees' Co-operative Bank in pecuniary distress; this amount is repayable *without interest*

through the paysheets in not more than 48 monthly instalments, the first of such instalments to become payable on the shareholder discharging his liability to the Bank and is subject to certain other conditions.

- (ii) to widows, minor children or widowed mothers of deceased shareholders left in indigent circumstances; the amount loaned is not repayable.

The maximum amount of loan to be granted under this Fund is Rs. 500 or 9 months' salary whichever is less.

(i) *Workmen's Compensation Act*.—The Act, came into force on the 1st July, 1924, and provides for the grant of compensation to all adult workmen. The Act, *inter alia* prescribes in respect of injury sustained while on duty.

- (1) No injury pay for a period not exceeding seven days, and
- (2) A half-monthly payment payable on the 16th day after the expiry of a waiting period of seven days from the date of disablement and thereafter half-monthly during the disablement of an amount as shown in Schedule IV of the Act, which amount is below half the employees full pay,

whereas in actual practice the Railway Administration allows to employees full-injury pay for the entire period of injury.

## APPENDIX XV.

Monthly cost-of-living index figures.

Month and year.	Bombay.	Cawn- pore.	Jal- gaon.	Jubbul- pore.	Nagpur.	Shola- pur.	Remarks.
August 1938 . . .	105	*	**	56	60	72	* No figures are available prior to January 1940.
September 1938 . . .	105			57	63	72	
October 1938 . . .	105			57	61	71	** No figures are available prior to June 1940.
November 1938 . . .	106			57	61	71	
December 1938 . . .	104			57	61	74	
January 1939 . . .	105			57	61	74	
February 1939 . . .	104			57	60	71	
March 1939 . . .	103			56	59	71	
April 1939 . . .	103			55	60	71	
May 1939 . . .	103			55	59	73	
June 1939 . . .	104			57	60	74	
July 1939 . . .	105			58	60	74	
August 1939 . . .	105			58	64	73	
September 1939 . . .	106			62	64	73	
October 1939 . . .	108			61	63	75	
November 1939 . . .	109			62	67	79	
December 1939 . . .	113			69	74	83	
January 1940 . . .	114	112		65	71	80	
February 1940 . . .	112	112		62	67	79	
March 1940 . . .	110	110		63	67	75	
April 1940 . . .	110	109		64	68	74	
May 1940 . . .	111	109		65	71	75	
June 1940 . . .	111	108	110	67	70	76	
July 1940 . . .	113	109	111	69	69	76	
August 1940 . . .	114	112	110	68	71	76	

## APPENDIX XVI.

Cost of Dr. Aykroyd's diet per adult per month. (Vide paragraphs 76 and 98.)

Article.	Daily quantity.	Monthly quantity.	In annas per seer in August 1939.			Bombay cost.	Sholapur cost.	Nagpur cost.
			Bombay prices.	Sholapur prices.	Nagpur prices.			
	ozs.	seers.				annas.	annas.	annas.
Cereals (rice)	15	18.6	1.5	1.8	1.5	20.4	24.5	20.4
Milk	8	7.3	4.2	3.0	3.0	30.6	21.9	21.9
Pulse	3	2.7	2.1	1.8	1.8	5.7	4.9	4.9
Non-leafy vegetables	6	5.5	0.9*	1.2*	1.4*	5.0	6.6	7.7
Leafy vegetables	4	3.6	1.0†	1.0†	1.0†	3.6	3.6	3.6
Fats and oils	2	1.8	4.8	4.0	6.6	8.6	7.2	11.9
Fruit	2	1.8	1.0†	1.0†	1.0†	1.8	1.8	1.8
						75.7	70.5	72.2
						4-11-8	4-6-6	4-8-3
Add for salt spices, sugar and fuel (percentage based on proportionate weight in cost of living index).			13.84%	13.68%	13.59%	0-10-6	0-9-7	0-9-9
						5-6-2	5-0-1	+ 5-2-0

\* Average price of potatoes + onions + brinjals (Bombay) and potatoes + onions (Sholapur and Nagpur).

† Assumed prices.

**CHECKED**  
**2003-04**