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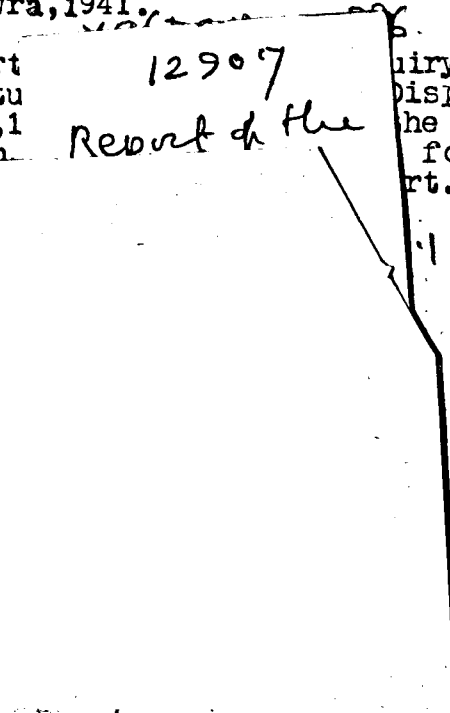
C O N T E N T S .

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)]

சுற்றுலா

**MADRAS**

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**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.*

## Chapter I.

### INTRODUCTORY.

The events which led to the appointment of the Court of Enquiry happened in October 1937. The unrest among the workers in the Coimbatore area which was till then smouldering, took a serious turn, resulting in a number of strikes. At first the labourers in the Lakshmi Mill struck work. It was followed by strikes in the Kaleswarar, Somasundaram and Coimbatore Spinning and Weaving Company's mills. Various are the causes given for the strikes. As is only natural, each party has its own version, casting the responsibility on the other. It seems, however, unnecessary to go into these versions and determine the exact cause. Refusal or apprehended refusal of Deepavali bonus, apprehended reduction of bonus, one-sided being asked to look after two sides of the ring-frame, have been some of the causes mentioned before me. When strikes on a large scale thus took place, the situation required delicate handling as attempts to ease the situation proved unsuccessful. The Government issued the following Communiqué, announcing that a Court of Enquiry would be constituted at a very early date. It ran thus :—

*No. 723, Fort St. George, dated 9th November 1937.*

About the 31st of October 1937, the workmen in ten mills in the Coimbatore area went on strike. As a result of the efforts of the Hon'ble Minister for Industries and Labour, the workmen in seven of these mills resumed work on or about the 4th November, the Government having given assurances to them that an enquiry would be held regarding their grievances. It is regrettable that workmen in three mills are still on strike.

The Government have decided to appoint a Court of Enquiry under section 3 of the Trades Disputes Act, to investigate and give findings on the points in dispute. The Collector and District Magistrate of Coimbatore is requested to obtain memoranda of grievances from the workers and statements by way of replies from the managements of the mills and reduce them to specific issues and submit them to Government who will finally formulate them for findings by the Court of Enquiry. The Collector and District Magistrate is requested to submit his report as early as possible. The personnel of the Court of Enquiry, will be announced by the Government as soon as the report is received.

The Government hope that the workmen who are still on strike will resume work immediately and the managements concerned will facilitate resumption of work without any restriction or delay.

In some mills the Deepavali bonus was paid or promised to be paid. All the men on strike resumed work after the issue of the above Communiqué. On the 29th December 1937, the following Communiqué was issued, announcing the constitution of the Court :—

In their Press Communiqué, dated the 9th November 1937, the Government announced their decision to appoint a Court of Enquiry under section 3 of the Trade Disputes Act, 1929, to investigate and give findings on the points in dispute between the mill-owners and their employees in the Coimbatore district. They also directed

the Collector and District Magistrate of Coimbatore to obtain memoranda of grievances and statements by way of replies from the managements of the mills, and to reduce them to specific issues so that the Government might formulate them for findings by the Court of Enquiry. The Collector and District Magistrate has submitted the memoranda and the statements called for and also draft issues, and orders have issued in G.O. No. 2483, Public (Special), dated 29th December 1937, appointing M.R.Ry. M. Venkataramayya Garu, who was until recently acting as District and Sessions Judge, North Malabar, as a Court of Enquiry, to enquire into the above dispute. The Court is directed to hold the enquiry and submit its findings on the following issues:—

- (1) whether the demands mentioned in the different memoranda by textile workers are just and reasonable, and if so, what should be the recommendations;
- (2) whether the representations made by the mill-owners are just and reasonable, and if so, what should be the nature of the recommendations; and
- (3) other recommendations, if any, by the Court regarding the textile industry of Coimbatore as a whole.

\* \* \* \*

The first sitting of the court was held on 7th January 1938. But all the parties did not appear. After the Communiqué, dated 9th November 1937, grievances of workers in eleven mills in the Coimbatore area and of the workers in the Udamalpet mills were received by the Collector and District Magistrate of Coimbatore. The memoranda of grievances and the answers to them furnished by the millowners' association were submitted to the Government. Some of the grievances appeared to be individual complaints of a few of the workers.

Consequently it became necessary to issue notices to the mills and the complainant-workers. The individual complaints were of a personal nature such as, that the complainant was wrongly dismissed, that the weighment of knots was not properly done, that the worker was assaulted by the maistri, etc. When on notice to them they appeared, some of the complainants stated that they had nothing more to say than what they have mentioned in their petitions while others said they would appear later and give evidence, which they did. The individual complaints do not require scrutiny. The mill managers deny that there was a wrongful dismissal or that there was improper weighment or that any assault was made. These are matters which should be left to responsible officers of the mill to settle; for, before me, it is a statement against a statement and there is no data on which a definite opinion can be pronounced.

Even the parties did not appear to be concerned about these comparatively small points in the face of the grave and more important issues which engaged the attention of the Court of Enquiry.

On behalf of the millowners, certain preliminary objections were taken. The rulings given on them will be found at Appendix A. and Appendix A-1.



The following issues were settled for decision :—

*Issue 1.*—Whether the demands mentioned in the different memoranda by the textile workers are just and reasonable and if so, what should be the recommendations? (as per Press Communiqué).

The following subsidiary issues were framed under this issue :—

- (1) What should be the suitable general conditions for the recognition of a Trade Union by the employers? Do the Coimbatore Labour Union and the Mill Workers' Union comply with the necessary requisites for such recognition?
- (2) What are the conditions of employment that should be accepted by both the employers and the workers to secure reasonable security of employment to the workers? (This would include a consideration of what conditions are necessary to secure continuity of service to the employer.)
- (3) Are the rates of wages now being paid to the textile workers in the Coimbatore district too low, as compared with the rates paid in other textile factory areas in the Madras Province, having regard to the cost of living and other factors? If so, what would be a reasonable increase and in what departments should it be given?
- (4) Is it necessary to fix a minimum wage? (Mr. A. N. Rama Rao urges that this is outside the scope of the enquiry.)
- (5) Having regard to the trade conditions in the textile industry, the necessity for regular attendance at work of the employees and the profits earned in the Coimbatore area in particular, which, if any, of the following demands put forth by the workers' representatives are reasonable and could be granted without destroying a reasonable return on the capital invested :—
  - (a) Bonus of one month's average wages a year.
  - (b) Casual leave including special leave for women on full wages up to 15 days in the year.
  - (c) Observance of public holidays and important festivals with grant of full wages on such days.
  - (d) Grant of sick-leave up to one month on half wages.
  - (e) That for absence without leave only proportionate wages shall be deducted. (See, however, Payment of Wages Act.)
  - (f) That female workers should be paid the same rate of wages as male for the same work.

- (g) That the mills should be closed entirely on a fixed day, in the week, preferably Sunday.
- (h) That provident funds be established in each mill to which the employer should contribute one month's pay for every twelve months' work.
- (i) Payment for extra work done when another worker is absent without substitute, e.g., attending to three-fourths and full-sides in spinning frames instead of half or three-fourths.
- (j) That wages should not only be disbursed on a working day, but within the normal working hours.
- (k) Hours of work on night shifts not to exceed eight, and to be paid for at higher rate, namely, 25 per cent than for day-work.
- (l) Free quarters for all workers.
- (m) Educational classes for workers and their children in or near the mills during the working hours.
- (n) Is the multiple shift system to be abolished completely?
- (o) What would be the best means of controlling the timing in the mills?
- (p) Are the minimum wages suggested by the mill workers, namely, Rs. 25, Rs. 20 and Rs. 15, for a man, woman and a boy reasonable?
- (q) Should the mills allow a grace period of 15 minutes for late-comers?
- (r) Is the maximum period of working hours to be reduced to 8, where it is at present 9?
- (s) Is pay to be paid when work has to be stopped owing to breakdown of machinery or other causes? If so, for what time?
- (t) Whether the night-shift should be reduced to eight hours.
- u) How are piece-rate workers to be protected against reduction of wages owing to changes in nature of work?
- (7) Is it a fact that unauthorized deductions for cinemas, charity funds, etc., are being made contrary to the Payment of Wages Act?
- (8) Is it a fact that probationers are kept on for excessive periods without wages? If so, should a limit be fixed?
- (9) Should the ticket system of attendance be made compulsory or which is the best method of marking or noting attendance which can be introduced in all the mills?

- (10) Has there been any evasions of the provisions of the Maternity Benefit Act so as to deprive a woman of that benefit? What period of service should be considered reasonable to entitle woman-workers for the benefit?

*Issue 2.*—Whether the representations made by the mill-owners are just and reasonable, and if so, what should be the nature of the recommendations? (As per Press Communiqué.)

The following subsidiary issues are framed under this:—

- (1) What should be the condition under which alone the labourers shall have a right to strike?
- (1) (a) Is any more legislation than what is already existing necessary to prevent unjustifiable strikes?
- (2) Whether the protection given to the spinning mills in Coimbatore district is adequate, compared to the protection that is given to the weaving mills?
- (3) Whether the employers' representation that the rates, taxes and charges that they have to pay are too heavy to admit of an increase in the wages of workers just and reasonable?
- (4) Whether the worker in the Coimbatore mill area is less efficient than workers in the same departments in other mills in the Madras Presidency?

*Issue 3.*—Other recommendations, if any, by the court regarding the textile industry of Coimbatore as a whole (as per Press Communiqué).

The following issues are framed under this:—

- (1) Are incorrect weights and measures for calculating piece-rates being used contrary to the Payment of Wages Act, 1936, and the Madras Payment of Wages Rules, 1937? Can a suitable agency be found for more frequent surprise inspection of such weights and measures than the Factory Inspector with his large jurisdiction is able to do?
- (2) Are the allegations of non-observance of proper timings by the managements true? If so, how is this to be remedied?
- (3) Having regard to the conditions in the Coimbatore area,
  - (i) Should the Government notify the mills under rules 110 and 111 of the Factory Act for provision of tiffin sheds and creches?
  - (ii) Should a rule be made to enforce provision of cycle shelters?

- (4) Is it reasonable that the employers should make provision for medical attendance beyond the first-aid appliances kept under the Factory Act Rules?
- (5) Are drinking-water facilities conveniently situated? If not, should rule 13 of the Factory Act Rules be amended so as to give the Factory department powers in this respect?
- (6) Is the provision of spittoons in working places a reasonable request, and if so, is it necessary to provide in the Factory Rules for this?
- (7) Should rule 10 (2) of the Factory Act Rules be made applicable to the cotton mills?
- (8) Is the introduction of the air-conditioning plant necessary in the Coimbatore district, and if so, is it to be enforced by a Factory Act Rule?
- (9) Should the Factory Act or rules be amended so as to put a stop to the system of multiple shifts now prevalent in some of the mills?
- (10) Is it necessary or desirable to appoint a permanent Conciliation Board for the area? If so, what legislation would be necessary?
- (11) Can the Factory Inspector with his present jurisdiction devote sufficient attention to the prevention or evasion of the Factory, Payment of Wages and the Maternity Relief Acts and the rules made under them?
- (12) Is the dust preventing machinery in use in any of the mills? If so, is the use of such machinery to be insisted upon in mills where it is not provided?

These issues resolve themselves into five major heads, (1) welfare schemes; (2) hours of work and shifts; (3) trade unions; (4) wages; and (5) conditions of service. I am therefore dealing with the various issues by grouping them under these five heads.

In order to get fully acquainted with the conditions in the mills, I visited the mills named in Appendix B, and for further elucidation of some of the points to be decided, I paid visits to the mills mentioned in Appendix C also. I express my thanks to the Managing Agents of these mills for the facilities they gave me for my visits.

A questionnaire † was sent to all the mills in the Coimbatore district and all sent their replies. This has helped in the saving of considerable time and also the trouble of examining witnesses and recording of evidence. Through the good offices of Mr. T. G. Rutherford, the Commissioner of Labour, I was able to get information about the rates of wages prevailing in the different mills in the Presidency and also outside and a statement showing the same was produced by his Personal Assistant, Mr. C. G. Reddi.\* The figures contained in the statement appear to be correct as care was taken to secure accuracy and no attempt was made by

\* Vide Appendix D.

† Reproduced in Appendix G.

either party to challenge their correctness. In my visits to the mills, I also made enquiries regarding the rates of wages of the workers in important sections.

There were, at the time of the strikes, which necessitated this enquiry, 25 mills functioning in the Coimbatore district. Of these, 19 were merely spinning mills, while 6 were both spinning and weaving mills. The total number of workers employed in all these mills is approximately 25,791 of whom, 15,670 are men, 6,050 women, and 4,265 adolescents of both sexes.\* My observations are mostly confined to what obtained in the mills in the Coimbatore area and more particularly to the following eleven mills in respect of which only memoranda of grievances were submitted by workers and those individuals and bodies who took up their cause:—

1. The Cambodia Mills, Limited.
2. The Coimbatore Cotton Mills, Limited.
3. The Coimbatore Spinning and Weaving Co., Ltd.
4. The Janardhana Mills, Limited.
5. The Kaleeswarar Mills, Limited.
6. The Lakshmi Mills, Limited.
7. The Radhakrishna Mills, Limited.
8. The Rajalakshmi Mills, Limited.
9. The Somasundaram Mills.
10. The Sri Ranga Vilas Ginning, Spinning and Weaving Mills, Limited.
11. The Vasanta Mills, Limited.

All these mills are within a radius of five miles of the Coimbatore Municipality.

Even a casual visitor to Coimbatore, taking a stroll in the morning or evening, cannot but be struck at the large numbers of men and women of the working classes hurrying along the road (but not necessarily to the textile mills as there are other industries too which are carrying on business in Coimbatore). The outskirts of the town on the eastern and southern sides, and partly on the north too, reveal how fast industry has taken possession of the land which not long ago belonged to agriculture. The buildings of several mills are surrounded by land on which cotton is grown. There are ginning presses in close proximity to the mills. The town presents the sight of an active, industrial city. The steam-power formerly used by the mills has been replaced in most cases by electricity. There is copious water-supply within the municipal area and outside it too. There are good roads, some tarred, leading to most of the mills; but unfortunately no road to all the localities where the poorer section of the workers live—a want which I noticed in the case of a few cheris.

I shall proceed to consider the five subjects under which the issues mentioned above have been grouped.

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\* Vide Appendix E.

## Chapter II.

### WELFARE SCHEMES.

The issues on this subject are—

1. Having regard to trade conditions, etc., are the following demands put forward by the workers' representatives reasonable and can be granted without destroying a reasonable return on the capital invested?

(a) Free quarters to all workers.

(b) Educational classes for workers and their children in or near the mills during the working hours.

(c) Is it reasonable that the employers should make provision for medical attendance beyond the first-aid appliances kept under the Factory Rules?

One of the questions included in the questionnaire issued to all the mills related to the provision so far made by the mill authorities for the housing of their employees. The replies show that in a few mills, houses have been provided on rent within the mill premises or near it to certain officers, clerks and maistris. That is all. No mill has provided houses for the large numbers of its wage-earning workers. It was represented that a few managing agents or their relatives have constructed tenements at Peela-medu and Uppilpalaiyam, and let them on cheap rents to mill-workers. But this smacks more of an investment with a view to the return expected by way of rent than as an expression of the conviction of mill-owners that they have got a duty to provide for the housing of their employees, as is claimed by the workers. Even these houses, form only a small number and touch but the fringe of the problem.

Nearly 20 to 23 thousand men and women work daily in the mills situated in Coimbatore and a radius of five miles from the municipal limits. Assuming that each worker has a family of four (including himself, his wife and children, dependents in the shape of old parents, sisters or brothers, or other relations) which number cannot be held as high, the housing accommodation that is required is for 80,000 to 100,000 persons. That shows the extent of the problem. It is manifestly impossible that this vast number can be conveniently and comfortably accommodated within the municipal limits or near the mills, with such resources (or lack of it) as the workers have. The worker is, therefore, left the choice of either putting up with the intolerable conditions and high rents in the town or of pitching upon a hut or a cottage in a village in some cases between 3 to 4 miles from the mill and trudge his way to and from work.

I visited some of the areas where the workers are put up in Coimbatore. The conditions are insanitary and unhealthy. The description given by the Royal Commission of Labour in 1931 is

as true to-day as then but in a more intensified degree owing to increase of population. The description is worth recapitulation :—

In Coimbatore . . . no provision of any kind has been made either by municipal councils or employers. Many of the poorer classes, seeking in vain for accommodation, squat on private land and build flimsy shelters to serve as houses. When the landowners' demand for ground-rent becomes excessive, these people move to other sites equally unsuitable and precarious. Eventually "cheris" spring up where overcrowding and bad sanitation produce their usual deleterious effects. For most part, these colonies receive little attention from the authorities. More often than not the primary necessities of life are altogether inadequate. Even where pipe-water supplies are available, the nearest tap may be far distant, so that water is obtained from unprotected surface wells. The lack of roads give the municipal cleansing staff an excuse for their neglect of conservancy.

Everything that is said in this quotation was by a strange coincidence found to exist in the case of 28 families of workers, to whom I refer presently.

In the course of the enquiry, I received a petition from certain " Harijan " (Madiga) employees of one or two mills. About 28 families were having huts on land belonging to a mill. They were asked to quit it, as the mill authorities wanted to enclose the area for purposes of construction or other reasons. The people moved to a land of a neighbouring landowner who is taking a ground-rent of 8 annas per family, besides free labour from them. The petition mentioned these facts and also complained that the municipality closed the only tap which was serving the needs of these people. I verified some of the facts by a personal visit. When questioned what the matter was, the Manager of the mill said that the people were asked to vacate the land, as the mill wanted to enclose the land and construct new latrines for the workers of the mill.

I wrote to the Commissioner of the Coimbatore Municipality on the 3rd of March 1938, and also to the Tahsildar to report about the matter. I have not received a reply from the former. The Tahsildar has apparently verified the facts but could only say that there was no Government land available for being granted to these poor people. His reply is given in the Appendix.\* This incident ought to be an eye opener to the authorities who are seeking to ameliorate the condition of the depressed classes. If land is not available, I say, land must be acquired. But what to say of the municipal authorities? They do not seem to have ever realized that they owe a duty to assist these poor people in the matter of house and water-supply. I got no answer as to why the tap was removed. I consoled myself in the thought that discourtesy to the court need not be taken as a worse offence than continued indifference to the lot of these people. The primary duty of housing the poor lies with the municipality : but the words of the Royal Commission in this regard have fallen on deaf ears.

\* Copies of the letters to the Tahsildar, Coimbatore, and Commissioner of the Coimbatore Municipality, and a copy of the reply from Tahsildar, are given at Appendix F.

But the responsibility rests equally at the door of the mill-owners. One of their frequent arguments against an increase in the wages of the worker is that with his efficiency as it stands now, he does not deserve an increase. I doubt if all the mill-owners have actually seen the wretched condition of the dwellings of their workers and would still believe that the worker can either improve or retain his efficiency when he has to live under such conditions. If the employer is really sincere about increasing the efficiency of the worker with a view of increasing both his output and wages, there is no better way of showing it than by giving him better living conditions and a chance to improve his health and efficiency. Logically it becomes his duty to provide housing to his worker at whatever cost, even as he houses the other essentials of production, namely, the machinery, cotton, etc. The *turnover* of labour will not be so large as it is to-day, if the mills provide accommodation to the labourers either free or at a reasonable rent, and give them decent living conditions.

I was informed of the inauguration recently of a co-operative scheme for housing, particularly of the workers employed in the textile mills and factories situated in Coimbatore Municipality and taluk. The scheme is outlined as follows.

The scheme is to be in the hands of a co-operative society registered under Madras Co-operative Societies Act VI of 1932. Its share capital for the present is made up of 180 A class shares of Rs. 500 each and 10,000 B class shares of Re. 1 each. A class shares are intended to be taken by mills or factories registered under the Indian Companies Act, and B class shares by workers or employees in mills and factories. The society is empowered by its by-laws to borrow loans from the Government and take deposits from individuals or others up to a maximum of four times the paid-up share capital at the time. The society proposes to purchase or acquire lands in the vicinity of mills suitable for construction of houses. These plots will be laid out into streets, roads, etc., with provisions for drainage and water-supply. Houses according to type designs to be approved by the Registrar of Co-operative Societies will be constructed and let on hire to members holding B class shares. It is estimated that a house may not cost more than about Rs. 400 and that the monthly rent fixed will be within the means of the working class families or at any rate not more than the rate now actually being paid by them, with this essential difference that the monthly rent the worker pays to the co-operative society will include also the value of the house in small instalments of principal, plus interest at a very reasonable and low rate, and will enable him to become its absolute owner at the end of twenty years. If a tenant after living for sometime feels it necessary to give up the house and go away, he can arrange to get back all the amount which he had paid so far, by selling his right to acquire it to a willing third party approved by the society. The



regular repayment of the monthly rent is being secured by the society by asking the tenant and the employer of the mill or factory in which he serves to agree to deduct from his wages the requisite amount regularly every month and pay it direct to the society to his credit.

The scheme was inaugurated by the Hon'ble Mr. V. V. Giri, Minister for Industries and Labour, after the Court of Enquiry started the enquiry. Being a cautious yet a sound one, it can be expected to solve the housing problem to some extent. But the housing problem of the textile mill workers is a vast one. I have already stated its extent; nearly 15,000 families have to be housed, even assuming that about 6,000 workers have their own houses. Even if a good progress is made by the co-operative society, it can only provide housing for 500 families with its expected resources. The cost of 500 houses by itself will come to Rs. 2,00,000. The cost of the land, the lay-outs, provision for roads, water-supply, drainage, lighting and other amenities and the establishment and other charges will cover up another 1,00,000 to put it at a modest estimate; assuming that building sites are available at cheap rates. The construction of a colony of 500 houses, with roads, drains, water-supply, lighting, etc., including the cost of establishment and contingencies of the society will far exceed the total resources of a society with a capital of Rs. 1,00,000 and it will take about 3 to 5 years to materialize, before the colony is regularly formed and occupied. I wish, however, that greater expedition is shown.

Consequently, I would urge the authorities of each mill to take up the question of housing their workers into their own hands. The mill-owners not only deserve but are entitled to the co-operation and active help of the municipal council and the Government, the former by granting free of cost, or at cheap prices the land required for construction of houses and also for the lay-outs, roads, water-supply and lighting; and the latter by helping the mill authorities with loans equal to half the cost of construction met by the mill-owners to be paid to the Government in easy instalments spread over ten or twenty years. The time is very opportune, I believe, for making an immediate beginning of the scheme. Above all, a successful scheme of housing the employees will not only help the workers but will enrich the textile industry in Coimbatore and also ensure its permanence and prosperity, with a contented and stable labour supply.

As regards medical relief, it must be evident from the conditions existing here, that the provision of first-aid appliances alone will be quite insufficient. In fact, most of the mills have dispensaries within their mill premises. Some of them are in charge of qualified compounders also. Some mills have appointed their own qualified doctors and some others have arranged for the part-time attendance of doctors but they only make occasional visits to the mills. I recommend a systematisation of medical attendance.

Either there should be a whole time doctor in attendance, or, if this is deemed prohibitive in cost, 3 or 4 mills can make an arrangement among them and appoint one doctor who will visit each of the mills every day and stay there at fixed hours of the day. The institution of a hospital for the workmen and their families can easily be fitted into the comprehensive scheme of housing for the workers.

In some mills, the storekeeper is asked to treat the patients. This practice must at once be stopped. No unqualified person should be permitted to give medical treatment or administer medicine as the danger and risk involved in it are obvious. First-aid can of course be given but no more than that. Evidently these mills intend just to comply with the rule under the Factories Act, imposing on them the duty to keep first-aid appliances, and they have added some medicines to the stock and a dispensary. No useful purpose will be served by keeping medicines and a dispensary when there is no qualified hand. Far more dangerous it is to have an unqualified storekeeper to treat patients than to have no doctor at all. The action of some of the mills in employing doctors and qualified compounders shows a general feeling that the mills ought to supply medical assistance to the workers (and their families) and therefore, I would answer the question propounded by saying that it is not unreasonable to request the mill owners to give it. As a matter of fact, Madura mills afford far larger facilities and the mills in Madras too, have provided medical relief, not only to workmen, but to the members of their families.

It would appear that many of the mills set apart every year a sum of money for some charitable object; in the purchase of cotton and in other transactions, a small percentage is collected and the fund is called *mahimai*. It looks from what I have heard that each mill realises about Rs. 1,500, if not more every year.\* I do not say that religious benefactions should be stopped, but the welfare facilities to be afforded to the workers is of greater importance and each mill can easily have a ward in the headquarters hospital, in Coimbatore or in any other hospital near to the mill, solely intended for its workers. If the younger mills cannot afford it, a few of them can pool their *mahimai* collections together. The ward in the hospital will cater to the needs of the workers and also of their wives and children or dependents. There may be a rule made in each mill, who such dependents shall be. It may include father and mother and sisters and no other. A certificate from the mill that the patient is a worker or a dependent ought to be sufficient for admission into the ward. Besides a ward of this kind, a maternity ward for the women workers is also, I think, to be desired, especially as the number of women employees in this district is very large, largest in the Presidency. The objection would be that the mills cannot afford to give these

\* Vide Exhibit XXXVII. In eight mills alone, the amount at credit of charity funds, etc., totalled Rs. 25,505 on 31st December 1937.

facilities; but even if the *mahimai* collections only are devoted to these benevolent objects, what I have suggested can be achieved within a few years. Many of the mills, which have been in a continuous state of prosperity for a number of years, will I hope sanction some amount for the construction of a ward at an early date. Besides *mahimai* there is also available the amount of fines, and unpaid wages. I do not see why the Government should not give a direction that these sums shall be devoted to the workers' benefit in this manner and call for report regarding the disposal of the amount every year.

The number of children now employed in mills is very small and even eight years ago, the hope was expressed by the Royal Commission on Labour, that the number of children employed in mills would go down and ultimately no child would be employed in a factory. I think, we have reached a stage when there may be a rule made, that no child below the age of 14 shall be employed in any mill. It will have a two-fold benefit; the child will grow in health and strength, and secondly it will help in the reduction of unemployment.

Instances have come to my notice of boys less than 12 being employed in the mills. In the course of my inspection, I found there were as a matter of fact, some girls and boys who appeared to be definitely less than 12 years of age. A girl in the Ranga Vilas Mills said that she was getting a wage of Rs. 3 a month and did not know her age. Even the manager was of opinion, that she could not be more than 12 or 13 years of age at the most.

Very young boys were found working in the Radhakrishna, Ranga Vilas Mills, and also in the Somasundaram Mills. When questioned they said their age was 15.

This fact was noticed by Mr. Rutherford, Commissioner of Labour, whose efforts to stop their employment, however, were not successful. He directed that the boys should be sent for re-certification but they were certified to be of the prescribed age.

Some of the managers of the mills say that they also feel that boys and girls of less than 14 are working in the mills as adolescents, but that they cannot refuse to take them so long as they are certified by doctors to be 15 years and above. One need not question the honesty of the medical officers' opinion concerning the age, but experience of the managers seems to show that the present system is not working properly. A boy 12 years of age will have a medical certificate to show that his age is 15 or 16, but that certificate might have been obtained not by this boy who is in possession of it, but by his elder brother. The medical officer can easily certify the latter to be above 15. In this manner, one who is clearly an adolescent obtains a certificate and gives it to his younger brother who makes use of it. No doubt the medical officer has got to note the marks of identification. But hardly anyone in the mills takes the trouble to see that the

certificat  was the one granted to the possessor of it. The managers of mills state that they have absolutely no interest in taking these young lads and that they themselves are against such young children working in the mills; but on the other side, it is mentioned that at least in some mills a definite attempt is being made to get only young children as far as possible so that the wages may be kept low. I do not think I can express any opinion as to the latter, but one thing which has become clear is that the management pays no attention to the age of the child but accepts every child as an adolescent who produces a medical certificate, without any further verification. No doubt the parties, viz., the child, its parents or its guardian who by obtaining a medical certificate by wrongful method pushes the child into labour at a premature age are responsible for this state of affairs but it is necessary to put a stop to it. A periodical and surprise inspection by responsible officers like the District Medical Officer may be a sufficient safeguard to see that the rule is not infringed.

The evil has increased by a deliberate abuse of the certificate. A boy who obtains a certificate, gives it to another, or even sells it, and on the ground that he lost it appears again before the certifying surgeon and gets in almost all cases a fresh certificate. It is not to be expected that the certifying surgeon will remember the faces of these lads to detect the fraud, i.e., that a boy who had obtained a certificate has come again. But this evil has increased at such a rapid pace, that Major Cox, as well as his assistant, Mr. Sengaliappan were able to detect it. Major Cox has stated that, "between 8th August 1935 and 21st December 1935, 316 children were so recognized and when questioned, after some hesitation they admitted having come and obtained certificates previously." He has even seen certificates in the hands of children whose identification marks did not tally with the marks noted in the certificates possessed by them. He considers that this evil could be minimized if the children are sent for certification by the manager or some responsible person of the mill with names, identification marks, etc., entered. It is time that this vicious system is put an end to.

Until last year, the Government were paying to the certifying surgeon 4 annas for every certificate granted. In the Coimbatore district the amount disbursed during the last three years was as follows (vide Exhibit XXXI) :—

1935			1936.			1937.		
RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
1,692	4	0	2,345	8	0	1,825	12	0

But since last year, this fee is not being paid. The Government has thus made a saving in the expenditure. This saving, I would suggest could be usefully applied for a better inspection of the mills. The children working in the mills may be called up at a surprise inspection and the identification marks on the person may be compared with the identification marks noted in the certificates.

But Major Cox has stated that he has not inspected any mill and added that it is physically impossible for a District Medical Officer to visit these mills, without detriment to his ordinary duties. I agree that it is no easy task. Nearly 6,000 boys and girls are being examined by the District Medical Officer every year. Rule 130 (1) of the Factories Rules requires that the certifying surgeon shall ordinarily inspect the mill once in six months. Textile mills alone are 26. I agree with Major Cox that this work cannot be satisfactorily attended to by the District Medical Officer. The Health Officers have a duty cast on them by the rules framed under the Factories Act. They will be in a position not only to estimate the age of the worker but can also find out the date of birth by reference to birth registers. Some of the defects now noticed can be remedied by a stricter enforcement of the Factories Act and the Health Officers may be appointed as certifying surgeons. The appointment of a Special Medical Officer to inspect the mills may also be considered, if my recommendation for prohibiting the employment of children altogether is not found acceptable.

Adolescents are undeveloped individuals and they are at an age when the body must be given good nourishment, exercise and *sleep*, for its full growth. Night work for adolescents ought to be prohibited and a rule to that effect passed under Factories Act. In many factories workers employed during nights are paid some extra remuneration. I see no reason why Coimbatore should be an exception. If they want to have the benefit of work during nights, in their own interest, it is but fair that there should be an extra payment to the worker. As Major Cox put it, it should be considered an abnormal state of affairs if a man should go without sleep in the night, and if he is to work for nine hours together in the nights; in fact, it will be even ten hours if we include the rest hour. The rest hour between two periods of shift is too short to admit of sleeping. It will be just enough to come out into the air for a short time instead of being continuously in the work room for about nine hours. I am therefore of opinion that night shift men should be paid 20 per cent in addition to the usual rate of wages paid for day work.

The next question is about provision for education of the workers and their children. Practically no step has been taken in this direction, by any mill. In any scheme for the welfare of the workers, education of the workers and their children must occupy the front place. I recommend the consideration of this demand of the workers along with the scheme of housing to be undertaken by the employers and municipalities and district board. The construction and equipment of an elementary school with facilities for training in handicrafts and useful arts for every colony of 100 working class families will be a desideratum. Till such time, the municipalities and district board should be directed by Government to attend to this urgent need. The municipal and the local boards owe a duty

in this regard to the mills which pay a decent amount of taxes. Within the municipal area there are two or three groups of mills in close proximity to one another and many of the labourers live in Uppilipalayam and Papanayakanpalaiyam; I consider that it is the duty of the municipal council to have one elementary school at least, near each of these mills and one in the cluster or group of mills in Peelamedu, where also live a number of labourers. Singanallur, where there are more than half a dozen mills, is outside municipal limits but there is a panchayat board. Considering the fact that no amenities are provided by the panchayat board, the Government will do a great help to the workers and their children in Singanallur, by compelling the Singanallur Panchayat Board, to open schools near each mill which employs more than 500 workers. Between the indifference of the municipal and local bodies and the mill-owners being concerned more about the profits than about the welfare of the worker, proper education of the worker and his children has been neglected too long. This defect must soon be remedied. I suggest the opening of one elementary school in each place where the labour population lives.

The creation of working class colonies may also be used for the development of thrift and a co-operative spirit among the workers who settle in them. Their domestic and other requirements could be purchased wholesale and therefore cheaply. A co-operative stores must work side by side with co-operative thrift and better-living society, which will inculcate the habits of saving in the members and prevent waste of their slender resources on ceremonial occasions like marriages or funerals. The workers as a rule are deeply immersed in debts which sometimes carry interest at the rate of two annas per rupee per month. The provision of a reasonable amount of credit at a fair rate of interest is a need which has existed for a long time; but the formation of co-operative credit societies and stores need not be put off till the colonization scheme matures. The President of the Coimbatore Labour Union filed before me a communication received by him from the Co-operative department to his proposal for organizing a workers' co-operative society. The conditions laid down by the department, in the communication, for the registration of the society are—

- (i) that the employers of the workers in question should undertake in writing to take an active part in the management of the society;
- (ii) that the president and secretary of the proposed society should be the employers, or the representatives of the employers of the workers;
- (iii) that the employers should deduct the dues of the members to the society from the wages payable to them from time to time;
- (iv) that the employees (members) should agree in writing permitting such deductions;

- (v) that definite provision should be made for compulsory saving or thrift by members in the by-laws; and
- (vi) that the society will not be permitted to borrow from outside.

The first two conditions do not appear to me to be in consonance with the principles of self-help to be inculcated in the workers; nor are they likely to promote free and independent deliberation by the members of the affairs of the society, but would rather hinder it. If the object of providing for representation of the employers in the executive committee of the society is to enable them to have authority to deduct from the wages of the members their dues and their payment into the society to the credit of the members, it is not necessary to place the employers on the executive of the society. If the workers agree to such deductions and say so in writing the employers are permitted under section 7 (2) (j) of the Payment of Wages Act (1936) to make such deductions and pay them over to the society. I cannot see what objection the employers can have to adopt this procedure if the workers agree to it, and there is legal provision also. If the presence of the employers is intended for ensuring correct maintenance of accounts and to see that cash and other valuable property are in the hands of responsible men the object can be achieved by other means. The Co-operative department are lending the services of Co-operative Inspectors free of cost for certain special classes of societies. I would recommend the free services of an Inspector of the department being given to societies for mill workers with functions as accountant, secretary and treasurer at least for the first few years of the start of the society and till a sufficient number of members are educated and trained in the management and administration of the society. Co-operative Inspectors are, I believe, paid Rs. 35 per mensem to start with and the cost of the services of one such Inspector for organizing and running a co-operative society in the Coimbatore area cannot be considered prohibitive.

The Secretary of the Y.M.C.A. Rural Reconstruction Centre in Ramanathapuram produced before me a copy of a memorandum prepared by him which is found printed in appendix.\* It is a matter of purely voluntary effort. If organizations like Y.M.C.A. take up schemes for the amelioration of the conditions of the workers in an area and obtain the co-operation of the millowners, it will be a blessing to the workers, and I have no doubt that both the public and the Government will greatly appreciate such efforts. Such schemes, however, cannot solve the problems confronting the workers in other areas. If the mills around Ramanathapuram cannot independently take up and organize the welfare activities, they may get the needed facilities provided to their workers by stimulating the activities of the Rural Reconstruction Centre by making grants.

The millowners are agreed that the workers do require the above facilities of education, medical relief, housing and co-operation.

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\* Reproduced in Appendix H.

They also say that they are doing what all they can. In Sarada Mills and Lotus Mills, I was shown a school where there were a few urchins. They are not really schools, though they pass by that name and both are a few *months* old. They are rooms; one is not more than 15 feet by 12 feet. There is but one teacher. I am saying this to show the inadequacy. But it also shows the good intentions behind the project. The question is, should the mills be compelled to afford the advantages of education, medical relief, etc., to the workers in the manner indicated in this chapter. I answer this question in the negative. Such acts of help must come as a spontaneous response to meet the need.

I cannot say that the employer is bound to provide free quarters to his workers or maintain an hospital or school. It can only be a recommendation to such of the mills as can undertake these acts of amelioration for the welfare of the workers. If a mill cannot undertake the work by itself, it can use its influence effectively on the local or municipal body to give those facilities to its workers. I feel that many of these schemes rightly fall within the duties of the local or municipal bodies.



### Chapter III.

#### HOURS OF WORK AND SHIFTS.

The following issues relate to this subject :—

- (1) Having regard to trade conditions in the textile industry generally, the necessity for regular attendance at work of the employees and the profits earned in the Coimbatore area in particular which if any of the following demands put forth by workers' representatives are reasonable and could be granted without destroying a reasonable return on the capital invested :—
  - (a) That the mills should be closed entirely on a fixed day in the week, preferably Sunday.
  - (b) That wages should not only be disbursed on a working day but within normal working hours.
  - (c) Whether the night shift should be reduced to 8 hours?
  - (d) Is the multiple shift system to be abolished completely?
  - (e) What should be the best means of controlling the timing in the mills?
  - (f) Should the mills allow a grace period of 15 minutes for late-comers?
  - (g) Is the maximum period of working hours to be reduced to 8, where it is at present 9?
- (2) Are the allegations of non-observance of proper timings by the managements true? If so, how is this to be remedied?
- (3) Should the Factory Act or Rules be amended so as to put a stop to the system of multiple shifts now prevalent in some of the mills?

It will be seen that some of the issues overlap and refer to identical matters. I am therefore dealing with them in general.

Regarding the first issue, the mills *are* being closed as a rule on Sundays. In some mills the workmen are asked to work on a Sunday if during the week preceding it, the workmen were given a holiday on account of some festival or feast. Anyway the workmen get one day's complete cessation of work in each week, and there is not much point in raising this demand. Nevertheless, I am of opinion that Sundays must be observed as a holiday in all mills, except when substituted for a holiday.

From the reply of the millowners' association to the workers' memorandum of grievances, it is seen that pay is always disbursed during mill hours. Mill hours means the working hours and it must be understood that the pay is actually paid to the workmen within the period of nine hours of his duty. I am told it is being paid within that period.

Now about multiple shifts. There is great divergence of practice prevailing in the several mills and the opinion concerning the advisability of having multiple shifts is also divided. The evidence of the Inspector of Factories with regard to the 25 mills reveals these facts.

Ten mills work for 18 hours per day on two 'shifts' each of 9 hours' duration, one relay of workers during day and another relay of workers during night.

Two mills work 20 hours per day in two shifts of 10 hours for five days in the week (Monday to Friday) and for 8 hours on Saturday. The workmen are arranged to work in groups in such a manner that each group gets a half-holiday on a week day and a full holiday on Sunday.

One mill works for 64 hours in the week, with day shifts of 10 hours from Monday to Saturday and 4 hours on Sunday. (This working on Sunday should in my opinion be stopped.) The workmen get a full holiday on a week day. The machinery, however, works for 20 hours on week days with night and day shifts of 10 hours each and two day shifts of 4 hours each on Sundays.

Twelve other mills work for six days in the week, but with a system of multiple shifts in which several relays of workmen each for  $\frac{2}{3}$  duration of 9 hours are so arranged as to allow the machinery to be in motion,

In three mills for 20 hours per week day;

In one mill for 21 hours per week day;

In four mills for 22 hours per week day;

In three mills for  $22\frac{1}{2}$  hours per week day; and

In one mill for all the 24 hours per week day.

(The last mill has since changed over to two shifts of 9 hours each per day, from the middle of March 1938.)

The hours of work for the various relays of workmen who begin and end their work at various points of time in the day so as to permit the machinery to be continuously in motion for nearly the whole day, may be illustrated by the system in operation in one mill.

The mill works for 22 hours per day starting at 7 a.m. and closing at 5 a.m. Relay No. I starts work at 7 a.m. and goes on till 6 p.m. with an interval of 2 hours between 1 p.m. and 3 p.m. Relay No. II starts work at 7 a.m., works for 3 hours till 10 a.m., restarts at 1 p.m., and goes on till 7 p.m. Relay No. III starts work at 9 a.m. and goes on till 7 p.m. with an interval of one hour between 3 p.m. and 4 p.m. The night shifts contain two relays who both start at 7 p.m. and finish at 5 a.m. with an interval between 12 and 1 in the midnight. In this mill therefore the arrangement of relays is such that it permits the machinery to run without a stop for 17 continuous hours from 7 a.m. to 12

midnight and again from 1 a.m. to 5 a.m. (In a few other mills the arrangement provides for continuous running of the machinery for 22 hours at one stretch.)

The apparent defects of the multiple shift system are—

- (i) It gives the employers the power to manipulate the "spread-over" (or total period of work during one day including an interval for rest) according to their convenience, but without a proper consideration of its effect upon the worker. The hours of work and rest are of course within the letter of the law but not to my mind according to its spirit. Groups of labourers are made to wait for a long number of hours (generally between 3 to 4 hours) after finishing one "half" of their period of work and before beginning the other "half." The evil in this system is, it lengthens the period beyond what is required normally for rest or taking food on the one hand and reduces the hours of permanent rest or recreation which the worker should have at the end of his day's work. Take the case of a workman who begins work at 7 a.m. and finally comes out of the factory for the day at 8 p.m. If he happens to live 3 or 4 miles away from the factory (as is indeed true in many cases) he loses another two hours by the time spent in travelling to and from the factory. He will have left to him barely 9 hours for all his other needs of rest, etc. The interval of 3 to 4 hours between the two parts of his shift period are too short to allow him any rest as the expression is understood, or sleep, as he has the fear of being shut out for late-coming if he falls asleep.
- (ii) The second defect of the system of multiple shifts in which the periods of work of several groups of labourers overlap each other is that it makes it well-nigh impossible for the Factory Inspector or any other inspecting authority to check the attendance satisfactorily and find out for himself that a particular workman belonged to the first or the second or the third group of workmen who started work in the morning and to find whether at the time of inspection a particular individual had worked for less than the total period of 9 or 10 hours for the day. This difficulty is not imaginary but what was actually stated to be the case by two Factory Inspectors who were examined as witnesses.
- (iii) The third defect of the system is the perpetual suspicion it creates in the mind of the worker that more work is being extracted than what is legal. The ordinary worker is not so educated as to rely on his knowledge of either time or method. So when he finds a large number of workers going out and he continues to work, he gets a feeling after some time that he too should be going but was being asked to work beyond what was due.

It is, however, urged that double or multiple shifts are a necessity in Coimbatore as whatever profit the mills are making here is due to the shifts. This cannot be considered to be a satisfactory reason at all. As far as I see the mills have been making not ordinary but extraordinary profits even at a time when the other parts of the country felt the effects of the depression. The figures given in another part of the report will bear this out. Moreover the argument is inherently unsound even from the facts furnished by the mills. Take for instance, the Kaleeswarar Mills and the Cambodia Mills. In them there has been only one day shift and one night shift. They have been making a good profit which is not incommensurate with the progress of the mills where multiple shifts prevail. If the Kaleeswarar Mills and the Cambodia Mills could show an adequate profit with two shifts only, it stands to reason that multiple shifts are not an essential factor in the making of profit. But profit-making is not the only consideration in considering the desirability of having shifts which will deprive the worker of the ordinary and necessary requisites of rest and sleep. In all matters concerning the worker, the mill-owner has a responsibility to see to his health and welfare in the same way as the mill-owner looks to his own profits. It is a consummation to be desired that the mills in Coimbatore would place the health and welfare of the worker even before the desire for profits.

Profits when contrasted to the strain on the machinery and men ought to look small indeed. Even though it may be said that the machinery does not suffer owing to the absence of pauses in work (which I do not concede) it cannot be denied that there are positive disadvantages through such ceaseless running of machinery.

The continuous din, the heat generated through the machines working and the fouling of the atmosphere are conditions which must tell immediately on the efficiency of the worker and ultimately upon his health. In the spinning departments at any rate (and this department employs a large number of hands) there is a tendency to keep the windows closed while the machinery is working, so as to keep out a draught of wind and to avoid dryness. If after every shift of 9 or 10 hours, the machines are stopped and the windows are opened and things left still for an hour or half-an-hour before beginning the next shift with the fresh relay of men, there is an opportunity for the dust and fluff to settle down, for the machines cooling and purer air coming in. The fresh relay of men will thereby have better conditions to work in when they begin work. All this will not be possible under the multiple shift system in which machines are kept going continuously for 20 to 22 hours. Taking therefore into consideration the advantages resulting to the workers' health and efficiency by the abolition of the multiple shift system and the advantages accruing to the employer, by its retention, namely, of a slight increase in profits, the beneficial effects of double shifts on the whole preponderate over a possible advantage in the multiple shifts. Opinion

was also divided among the protagonists of the system which varied in detail as between mill and mill. Some managers of mills were in favour of uniformity of shifts in all mills. The number of mills having two shifts of 9 hours, is, as has been shown already by far in excess of the other groups of mills.

Both the Buckingham and Carnatic Mills and the Choolai Mills in Madras do not ordinarily have a night shift at all. Their working hours are ordinarily from 7 a.m. to 5 p.m. with an hour's interval for rest. The same is the case in Calicut. Even in Coimbatore a number of mills have only two shifts. One reason which suggests itself as being the cause of the ever increasing number of shifts is this. If some mills with two shifts for some reason or other find themselves making less profits than those having three shifts, they raise the number to three. The other mills then add another shift and the competition goes on to the length of some mills having six shifts per day. In the light of the actual example in Madras and Calicut where the mills are working profitably with single shifts and certain mills in Coimbatore too have two shifts only, it can be stated that the time is ripe to make a beginning to prevent unhealthy competition among mills in the matter of multiple shifts. I recommend that a rule prohibiting multiple shifts be made under section 49, Factories Act.

The issue that may be considered next is that relating to timing in mills. There is a general complaint among the workmen, that proper time is not being kept by the mills. Evidence has actually been let in that the maistries or others with their connivance put the hands of the clock backwards and thereby make the workers remain longer at their work. Whatever be the truth in these allegations, there can be no denying the fact that there is no uniform standard time kept in the various mills and even in the several clocks in the same mill. In one mill which I visited, the clock in the spinning and roving room showed 11-45, when it was 12 noon according to my watch which was set to correct time. To make myself sure I asked the Inspector of Factories, Coimbatore, who accompanied me in the inspection what the correct time then was. He said it was 3 minutes to 12. Of course, this does not prove that the clock was meddled with that morning after the workers came into the mill. But it shows that standard time is not kept by some mills.

Section 3 of the Factories' Act prescribes that factories should keep the Indian Standard Time. I have referred to the actual instance in which this was not followed, and similar was the case in three or four other mills. If a mill keeps a time which is say, faster than the standard time, and a worker who comes in at a time which is the correct hour according to standard time is shut out or marked late according to the mill time, it would not be proper or just. One suggestion has been put forward by which it is claimed that standard time can be kept and that accurately without any room for suspicion of the clock being meddled with.

This is by installation of electric clocks with synchronised timing controlled by a central agency other than the mill-owners. It was pointed out that such clocks are already installed in several public places like railway platforms, etc. As all the mills in Coimbatore are being run by the same source of power, namely, the Pykara Hydro-Electric System, it was pointed out that the system can be introduced without difficulty. The investment upon electric clocks is not prohibitive, even if each mill were to find it necessary to have four or six clocks. This system ought to dispel a potential source of suspicion. The representatives of the mill-owners when this suggestion was put to them, were not averse to its introduction. I therefore recommend for the consideration by the Mill-owners' Association, the authorities of the individual mills and the Government of the possibility of the introduction of the system of electric clocks with synchronised timing in the mills in Coimbatore district. I also recommend that pending introduction of that system all the mills should keep the Indian Standard Time and their clocks be kept in such a position as not to be tampered with.

I cannot recommend it being made a *rule* that 15 minutes grace should be allowed for late-comers, as it will be an encouragement to late-coming.

The issue relating to the reduction of working hours to 8 from 9 has more than a provincial importance. The Royal Commission on Labour left it for consideration at a later time whether the working hours should not be lower than 9. Some of the members of the Commission actually were of opinion that the hours should be still lower, even in 1930. (Vide pages 45 and 46 of the Report.) The textile mill is by no means a healthy atmosphere to work in. If dyeing and bleaching and weaving are also attached to it, the unhealthy conditions prevailing inside a mill are worse. At one stage of the enquiry discussion turned on the question as to the rate of mortality obtaining among the mill workers. There are no data or statistics on the subject. Only a bald statement was made that the life of a worker in a mill is shortened owing to the conditions which inevitably exist such as dust, fluff, heat, humidity, etc. Of one thing, one may be sure; that is, that the work inside the textile mill produces a deleterious effect on the respiratory system. It would be helpful if the Government should gather statistics relating to the diseases contracted by textile workers, how many of such people contracted diseases such as tuberculosis or asthma or other diseases of the respiratory organs and also the percentage of mortality and the longest age lived by a worker in the mixing, carding and frame sections. The worker in all these departments has also to be standing during all the nine hours. If he goes out frequently or sits down for any length of time he has to stop the machine which means loss of production and loss of wage to him or reports, complaints and consequent fining. Nine hours in the standing posture for a man or a woman is a strain. I believe, I am right in thinking that

the trend of modern opinion is for a reduction of the working hours of the labourers throughout the world. It is true that in some Indian States 10 hours work is still permitted but that should not be a consideration. According to the International Labour office, there is no country where the hours are more than 8, except in India, China and Japan. We need not copy the latter.

A greater objection which has some force in it is that if the mills in Coimbatore district should reduce or are compelled to reduce the hours of work from 9 to 8, it will have two or three adverse effects. The first is that the wages earned by the workers will go down. I do not think that this need be the case. The efficiency of a worker increases by a reduction in the hours. As a matter of fact, when the 10 hours was reduced to 9, there were apprehensions that the outturn of each workman would go down. In this connexion the Vasanta Mills have filed a statement, showing the cost of labour involved in the production of 1 lb. of yarn for six months—three months preceding the introduction of the 9 hours system and three months immediately following its introduction. I am not prepared to accept the accuracy of the working which led to the result of nearly 5.4 pies per lb. But assuming that the figures are correct the statement shows that in October 1934, the cost of labour (for 20 counts) was 5.04; in November, 5.38; and in December 5.39. The variations in these three months when the working hours were stationary at 10, seem to signify nothing to the mill-owners. But when we get into January 1938, the variation is said to be striking. In January 1935, the cost of labour arrived at is 5.83 pies; in February 5.77; and in March 5.67. What is worthy of note is that from January to March the cost of labour was progressively and rapidly going down. I have not heard any one complaining of a fall in production. It is inevitable that when the 9 hours system was introduced during the first few months, there would have been a drop in the production, compared with the immediately preceding months. But it was the hope and expectation of the Royal Commission that the introduction of 9 hours should not affect the earnings of the labourer and I find that that expectation was fulfilled. There is no fall in the production. I have also heard it stated that in 1933-34, the weaver was producing  $11\frac{1}{2}$  lb. of cloth in a day of 10 hours, whereas now the average production is  $12\frac{1}{2}$  in 9 hours. This was the informal opinion of a weaving master but I have not been given any data for this view. Anyhow, coming as it does from a man who can be expected to know the subject well, I should attach some value to it. Leaving this alone, we have the fact that when the 10 hours rule was in vogue the production of 2.85 oz. of 40s. was considered a fair outturn per spindle and it is 2.805 in a mill in December 1937. The average in all mills is 2.65 (all for 40s.).

It is well-known that the efficiency of a worker is at its maximum when he begins work and it does not continue at the same

level for a long time. That is why the efficiency is generally calculated at 75 per cent in the case of a weaver and it is as much as 90 per cent in the case of all others in Coimbatore. If the hours are reduced, the efficiency will not in my opinion go down. On the other hand it is one way of promoting increased efficiency. For these and other reasons based on general principle, I should advocate the reduction from 9 to 8—all the more reason to reduce the number of hours to 8 for night work.

If the mills in Coimbatore work 8 hours, the production becoming less in the beginning as is apprehended and the mills in other parts of India continue to work 9 hours, the Coimbatore mills will be at a disadvantage. I do not think the mill-owners are wrong in this representation. More than in any other matter, it is here that there should be uniformity in all centres of textile industry. There is even now a competition between one centre and another though I cannot say it is an unhealthy competition. The prices are kept at a level as a result of this competition and there lies the safety to the consumer! But such competition should not go beyond the limits of safety to the producer. Effort should therefore be made to bring about uniformity in all the textile mills before the 8-hour rule is introduced in one particular area. I am strongly of opinion that reducing the hours from 9 to 8 is quite feasible if only the Governments take a broad and liberal view instead of being parochial. Bombay Presidency has a large textile industry. Central Provinces also has it to a certain extent; Delhi and Bengal are the other provinces which may be mentioned. Bombay and Madras, Central Provinces and some other Provinces too have Governments which are administered by representatives of the Indian National Congress. If they should co-operate with one another and bring about legislation applicable to all those provinces, a great achievement may be said to have been made. But if on the other hand Madras reduces the hours from 9 to 8, Bombay continues to work at 9 hours, then the result will be a great handicap to the mill industry in the Madras Presidency. Along with this suggestion that the other Provincial Governments should be asked to co-operate in reducing the hours of work, I imagine that it will not be difficult to convince the Indian States, where longer hours are obtaining now of the desirability of reducing them. The Mysore State is so close to the textile centres of the Madras Presidency that one finds the market is having a plethora of the Mysore textile products and naturally with low wages and longer hours of work, the Mysore mills hold a decidedly advantageous position in relation to the other mills. I therefore emphasise the need for uniformity of the hours in all or at least in as many textile producing areas as possible in the whole of India. I am against introducing the 8-hour rule in the Madras Presidency until at least Bombay Province adopts it.



## Chapter IV.

### TRADE UNIONS.

The issues pertaining to this subject are:—

- (1) What would be the suitable general conditions for the recognition of a Trade Union by the employers? Do the Coimbatore Labour Union and the Mill-Workers' Union comply with the necessary requisites for such recognition?
- (2) (a) What should be the conditions under which alone the labourers shall have a right to strike?  
(b) Is any more legislation than what is already existing necessary to prevent unjustifiable strikes?
- (3) Is it necessary or desirable to appoint a permanent Conciliation Board for the area? If so, what legislation would be necessary?

The non-recognition of a Trade Union by the mills has been in my opinion responsible for much of the difficulty experienced in the past in the settlement of labour disputes. At present there is no labour union which is recognized by any of the mills. There is the Coimbatore Labour Union in existence for about 16 years and during all this period it has failed to receive recognition from the mills, although it is registered under the Trade Unions Act. The usual objection to the recognition is, that it is influenced by "outsiders." It is too late in the day to contend that there is no need for a Trade Union.

One writer who has made a study of the subject gives striking figures to show how far industrial peace has been the result of the existence of properly worked Trade Union in one area and how an area without such unions has suffered from serious industrial strike.\* It is said that between April 1921 and June 1929, 738 disputes occurred in the Bombay Presidency. Of these, 54 per cent or 401 disputes occurred in Bombay Presidency alone. 1,077,927 labourers in Bombay City were affected by them out of a total number of 1,309,511 involved in the disputes throughout the Presidency; that is to say, over 82 per cent of the incidence of the strikes fell upon the single area of Bombay City as against about 18 per cent in the rest of the Presidency. Ahmedabad was an equally big industrial centre, like Bombay City. The Ahmedabad area suffered only a small percentage of the industrial disharmony in the Presidency. Hence one cannot but attribute the comparative peace in Ahmedabad to its having had a well organized Labour Union in the Ahmedabad Textile Labour Association.

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\* "Trade Unionism and Labour disputes in India." A. Mukhtar. 1935.

One of the arguments on the mill-owners' side was that there were no strikes at all prior to October 1937, and that even the strikes which occurred during October 1937 were due to incitement of the workers to strike by "irresponsible" outsiders. The complaint of the mill-owners further was that the workers really had no grievances and that they never gave opportunities to them to redress what grievances the workers had. The first of these statements that there were no strikes at all prior to 1937 cannot stand. The following strikes occurred in the district:—

1933.—A partial strike of 16 workers in one mill having 293 workers.

1934.—One strike involving 1,500 workers out of 2,803 workers in one mill regarding cut in wages. The increase was given and the workers resumed after one day's strike.

1935.—Six strikes occurred, of which three were against cut in wages, two against change in the system of work for night-workers and one regarding change in working hours.

1936.—Two strikes occurred in the same concern. One of them was against the dismissal of certain employees and the other regarding change in the working hours.

1937.—No less than 16 strikes occurred, in different mills, all subsequent to September 1937. (This led to the appointment of the Court of Enquiry.)

The contention that the workers had really no grievances and that they were incited by outsiders is not also borne out by the evidence. In fact, the issues framed cover the entire field of the welfare of the workers and a strike based upon such issues cannot be regarded as having been resorted to by men without grievances. No attempt was made by the mill-owners to prove that any outsiders "incited" the workers to strike. But whatever their prior attitude towards the recognition of unions, the representatives for the mill-owners admitted before me their willingness to recognize trade unions. They also think that it will be very useful to have a labour union, but they would add that it must be "a genuine trade union." It is difficult to understand the meaning of the word "genuine" in this regard. The Royal Commission at page 325 of their Report observe that registration of a union creates a presumption of its "genuineness." The Mill-owners' Association has given a memorandum (Exhibit XXIII) containing the conditions under which alone they are prepared to recognize a trade union. The conditions are—

(1) That the unions should be registered under the Trade Unions Registration Act.

(2) That there should be one union for the workers of each mill.

- (3) That if unions are formed with workers from more than one mill, only such of them as have more than 50 per cent of the workers in a mill or mills will be recognized by that mill or mills concerned.
- (4) The executive committees of each union should consist only of workers actually in employment and should not be open to the membership of non-workers or discharged workers.
- (5) Every employee of a mill whether a clerk, maistri or other employee, should be entitled to become a member of the union.
- (6) The union should not directly or indirectly promote class-hatred or encourage class war.
- (7) A strike should be called only when over 50 per cent of the workers involved cast their votes and over two-thirds of the votes cast are in favour of the strike.
- (8) The union should not negotiate on behalf of persons who went on strike without its permission, till such men resume work.
- (9) The union should always give a notice of 14 days before launching upon a strike in an individual mill and one month's notice in case of a general strike.
- (10) The members should not engage themselves inside the mill premises in their Trade Union activities except to the extent mutually agreed upon between the Trade Union and the mill authorities.
- (11) The accounts of the union should be audited once a year by a Government Auditor.
- (12) That the union should submit a list (certified by Government) to the mills to which it applies for recognition showing the names of the members who had paid their subscriptions to the union regularly during the preceding three months.
- (13) That records of disputes should be maintained and produced by the union before the mill-owners and whenever called for by the employers.
- (14) That a copy of its rules and regulations should be filed by the union with the mill-owners and the changes in the rules and regulations should be communicated from time to time.

The first condition laid down is that the union should be registered under the Trade Unions Registration Act. In their memorandum, the mill-owners refer to it as an "absolutely necessary" condition of recognition. The Trade Unions Registration Act is only a permissive legislation leaving it open to such trade unions as are inclined, to get themselves registered. There is no doubt

that registration gives a legal status to the union as an incorporated body with powers of contracting and perpetual succession, etc. It will also entail the maintenance of systematic accounts, records and submission of audited returns to Government. There are, however, trade unions working successfully, without registration. Nevertheless I would recommend that every trade union which wishes to be recognized by the employer should get itself registered.

The other conditions appear to be rather rigorous and absolutely uncalled for. To speak of a union composed of workers themselves, as conditions are at present, is as good as the mill managers starting a union with no beneficial result to the worker. The condition of the labourer has not improved in spite of the recommendations of the Royal Commission. He continues to be the same ignorant, illiterate and indebted man that he was. To expect that the workers should organize themselves without external assistance is to demand something that is impossible of achievement. Most of the workers are in a state of abject dependence. They cannot with any show of boldness assert either their rights or their grievances. This objection to the outsiders has been considered in the report of the Royal Commission. At page 325 they observe that the employment of a proportionate number of outsiders is inevitable. It is idle therefore to expect that the workers are capable of forming and leading trade unions. They require assistance. It is obvious that the assistance which the mill employer will give to the employees in the promoting and working of a union which is intended to safeguard and protect the interests of the workers, cannot be of a kind which one should desire. Their interests often-times clash, though one should say that they should not. In every walk of life, where there is a conflict, an outsider comes in and renders help to the weak. I am not unaware of the fact that outside help is not always of a healthy kind. It depends upon the nature of the outsider. There are well-meaning, altruistic and sincere men and women who take interest in labour cause not for self-aggrandizement, not for money, but with the laudable object of improving the lot of the workers. Such men and women have not become scarce in the country. If the labour in India to-day is raising its head, it is due to the work of such selfless leaders of labour organizations. It would not be appropriate to mention names but they would suggest themselves, to one who has been following the history of the labour movement in India.

Taking Coimbatore alone, we have had a gentleman, Mr. N. S. Ramasamy Ayyangar—a well known and leading lawyer of Coimbatore, who appears to have been an office-bearer (President) in the Coimbatore Labour Union and who gave evidence before the Royal Commission. The Coimbatore Labour Union has now as its President Mr. Basudev, an advocate, who has been interesting himself in the cause of labour. Recently another Union was started, the

Coimbatore Mill Workers' Union. Neither of these Unions is recognized by any mill and there is no doubt that these unions, especially the Coimbatore Labour Union, has been formed and has been functioning under the guidance of outsiders. But where is the need to think that the external influence has been of an undesirable kind? As observed by the Royal Commission, if an undesirable person is at the helm of the Union and is not honestly working for the good of the Union, he will soon find his way out of it. The mills cannot be unaware of the fact that an outsider is a very helpful being in times of trouble. In January 1936, there was trouble in one mill. The Coimbatore Labour Union sought to interfere and negotiate with the mill for a speedy settlement. At that time Mr. Basudev was the President. He had a talk with the management of the mill and the strike ended in an amicable settlement. But within a short time, there was further trouble and a strike. This was due to the fact that the mill management, having obtained the assistance of Mr. Basudev for the settlement of the dispute would not take back 5 leaders and the Union objected to it, as it was victimisation. But the mill would not deal with or even correspond with the Secretary of the Labour Union. And that dispute too was settled through the intervention of Mr. Basudev and his deputy Mr. Jesudasan. If Mr. Basudev was a person with whom the management had no objection to discuss matters, and through whose agency the dispute could be settled, how can we say that the outside influence in the labour Union was undesirable? He has given evidence, enumerating events which happened at the time. A letter from the managing agents of the mill shows that they resented having received a letter from the Secretary of the Union. What *locus standi* has Mr. Basudev to speak on behalf of the workers except as President of the Coimbatore Labour Union? He apparently did not mind consenting to speak on his own responsibility the object being to bring about a better understanding between the employer and the employed. But as soon as this settlement was effected, the mill management turned round and said that they would not have any correspondence with the Union. This is not a very healthy state of affairs and no one can deny that it is better to have a union with an intelligent person of some social standing and integrity who could speak on behalf of the labourers rather than that the management should speak to an individual, whose influence with the workers will be very little but for the fact that he held a responsible position in the Labour Union.

The necessity for outsiders' presence is due to the helpless and backward state in which the workers are. He has neither money nor education nor sufficient strength of courage and these are the elements which are required by any person who wants to better his condition. It is well known that even where a dispute arises between two brothers or two members of a family, a third party does intervene and help the suffering man to seek redress in a Court of Law. Such a helper is some times a tout but even, a tout is of

some use to a person who has no one to help him. A broker whose assistance is sought for the buying and selling of a share or land or house makes money out of his profession, because of the ignorance of his client of the conditions prevailing in the trade. That of course is a profession. The point is where there is ignorance, external help is needed. The workers are not in a position now to maintain costly establishments either of themselves or of outsiders. Consequently it is abundantly clear that the demand contained in Exhibit XXIII that there shall be no outsiders, is only a pretext for non-recognition of any Trade Union.

As for the dismissed employee member also there is no valid cause for objection. Suspicion only begets suspicion. If the mill-owners on their side suspect that a disgruntled, dismissed worker will incite the others against the mill authorities and on that ground ask for his exclusion from the executive of the Union, the workers have likewise a suspicion that such a condition will be used by the mill-owners as a handy weapon for removing from power in the Union every one whom they find active in its functioning. The Royal Commission did not countenance these objections.

The third condition fixing that 50 per cent or over of the employees in each mill should be on its membership to enable the Trade Union to obtain recognition by the mill authorities is also unacceptable. The Trade Union Act may be amended by declaring that no Union shall be registered unless it has on its rolls not less than 50 workers or even 100 but not necessarily of each mill, because there need be no restriction to the number of Unions which can exist in a locality. A time may come when the workers of a mill may like to have a Union for themselves.

In Coimbatore district there may be one Union for the district and if the movement grows in strength and ability there may be separate Unions for a group of mills in Singanallore, Coimbatore, Peelamedu, Udamalpet. As a condition for recognition I certainly do not recommend that each mill should have a Union for itself.

The fifth condition that every employee of a mill (whether he be a clerk or a maistry or even the spinning or weaving master) must be entitled to admission to the membership of a Union will reduce its usefulness. Just as every association lays down rules relating to eligibility and admission for membership, each Union may frame its own rules. No one can compel the Union to admit him or her to membership.

The sixth condition that the Union should not directly or indirectly promote class-hatred or encourage class-war is an encroachment upon the workers' freedom of thought and expression which the mill-owners cannot lay claim to restrict although it may be assumed that the Union will not commit any of such offences as are named. No Association can be asked to give such a declaration.

The next condition that a particular percentage of workers should vote in favour of a strike as a sanction for taking that step is another matter which should properly be left to the discretion of the workers themselves and not be made a condition. The eighth condition that the Union should not negotiate on behalf of persons who strike without its permission till such men resume work, is a condition based upon a presumption firstly that the Union will let itself be flouted by a few men and secondly that it will be generous and go out of its way to plead for such recalcitrants. This is a detail of procedure which can be dealt with as the exigencies of the situation may demand and not made the subject of an inflexible condition.

The ninth condition raises an important issue. The memorandum of the Mill-owners' Association (Exhibit XXIII) recognizes the need for exhausting all methods of consultation, conciliation and arbitration before a strike takes place. It however requires a notice of 14 days or 1 month according to the nature of the strike.

The representatives of the Mill-owners' Association were asked if they would give an undertaking that in case 14 days' notice of strike was given they would on their part agree not to recruit new labour during those 14 days. No advantage should be taken by the management of the mill of the intervening period to replace the complaining labourers by bringing in new men but the mill-owners are not prepared to give any such undertaking. It shows therefore, that the demand for 14 days' notice of strike is intended to be an obligation on one party with no corresponding responsibility on the other; and that there is an ulterior motive behind this demand. It is true that before a strike is restored to, every attempt should be made at a peaceful settlement; no stone should be left unturned to achieve it and it is only after every possible avenue for an amicable settlement has been explored and it is not reached that there should be a strike. In the absence of a guarantee by the mill-owners to the condition which the labourers on their part suggested, I must hold that the demand for 14 days' or 1 month's notice before strike, as a condition to be introduced before the mills could recognize a Trade Union, is unjustified. Where both sides feel the desirability of having good feeling and where there is an honest endeavour on both sides to prevent a situation to arise, which can develop into a strike, conditions such as this which betray want of trust ought not to have been put forward.

The other conditions about audit and collection of subscriptions are not matters with which the mill-owners can have any concern.

The principle underlying the organization of Trade Unions is that it is a machinery by which there may be a collective bargaining or collective representation. It is very pleasing to note that there is in Coimbatore a Mill-owners' Association. All the mills in the district are not members of that Association. Yet it may be said to be fairly representative of all the mills. They took the

unfortunate step of criticising the Coimbatore Labour Union by asking a question as to how many members paid subscriptions and how many members were there on the rolls, which were answered, but which provoked a similar questioning by the labourers in regard to the Mill-owners' Association. The Association representatives were asked, how many mills were members and how many members had paid subscriptions, but they declined to give an answer to the latter. From this reticence, inference is drawn that the non-payment of subscriptions is equally a feature of the Mill-owners' Association. The non-payment of subscriptions has not made the Mill-owners' Association less representative of the mills. It is time that the mill-owners recognize their mistake in not recognizing a trade union of the workers. The longer it is delayed the longer will be the time when their workers will be unable to stand on their own legs. Until such time as the workers' lot is improved financially, educationally and socially external help is inevitable.

I do not recommend that there should be any conditions which the mills should be permitted to impose before they would recognize a trade union. If the mill refuses to recognize a trade union duly formed and registered all that one can say is that the troubles will be increasingly large in the coming future. It should also be mentioned that much depends upon the nature and temper of the outside agency which guide these Trade Unions. In order to give them the right guidance and in order to see that such a Union for Coimbatore district is recognized without delay and so that it may also command the confidence not only of the workers but also of the mill-owners, the Government would do well to appoint an officer who will attend to this matter in the same way as an officer of the Co-operative Department gives assistance in the promotion of the Co-operative spirit in rural or other areas.

A trained and enthusiastic officer who has moved with the people and knows the ways of people of different sections of society, may be chosen for this purpose. Much would depend upon his tact and affability and it would also be desirable if that officer besides being engaged in the formation of Unions can act as a Liaison Officer for some time to come, and until some of the welfare activities which are proposed in another section are also brought into working order. Though he objected to outsiders being on the executive of a Trade Union, Mr. Kandaswami agreed that as the workers are generally unable to organize by themselves, initial help may be given to them by the appointment of an officer by Government.

Supposing that a registered Trade Union is not recognized by the Mills, the result that I can foresee will be the continuance of the present distrust of the employer which has deeply entered the mind of the worker. Should a difference arise between the workers and the management in regard to a course of action which



the latter proposed to take, it will be no easy matter for the management to convince the workers of the justice of their action. For an honest man, which I presume the mill-owner to be, it is far easier to convince by argument one endowed with some intelligence and worldly knowledge than to convince one who has the double disadvantage of distrust and ignorance. If a Trade Union is recognized the management can at once satisfy and convince the Union's representative, who I expect will be an educated and intelligent man, that there is no sinister purpose in the course of action which the management took or intended to take and a trouble may thus be averted. I give no finding as to whether there is any objection to having more unions than one in one area as it is not germane to the issue.

We now come to the issue regarding strikes. A strike is a symptom of grave disease in the labour organism, brought about by some cause, external or internal. In a healthy and well-conducted concern, there should be no occasion for the labourers resorting to a strike, or the employers resorting to a lock-out. After bestowing as much thought as I could on this subject, I have arrived at the following conclusions. There should be a real grievance which requires redress before workers resolve upon a strike. What that grievance is, should be formulated and communicated to the manager or other responsible head of the mill, not less than 24 hours before the workers stop away from work. During these 24 hours, the management ought to be able to meet the responsible person or persons representing labour and redress the grievance, if it is a real grievance. This conciliation ought not to take more than a few hours. The causes which led to strikes in the past have been so varied and many, that one cannot lay down a hard and fast rule as to what cause shall be justifiable. In the same way as the workers should give 24 hours of notice of a strike, so also, it must be made incumbent upon the employer either to redress the grievance within 12 hours after getting such notice or arrange for an immediate settlement by means of arbitration. Before the issue of the notice of strike, however, all means of conciliation should be tried. Every effort should be made not to throw out of employment a body of the employees in any section. It cannot be forgotten that a man without work is a source of danger, and a man who had a job and lost it is a source of greater danger. "Evil tempts the idle man" is an old saying. With a little tact and solicitude for the welfare of the working people, many a strike in my opinion can be avoided. The labour is of opinion that strike is the only effective weapon which it can call its own and some go to the length of saying that the more lightning strikes there are, the better, from the labour point of view. I do not subscribe to this view. If without giving time to consider the grievance, a workman goes into strike, the employer is entitled to say that he was unaware of the grievance, and that the workers are themselves responsible

for the loss of wages to them, which a strike entails. Therefore, I would insist upon the employees giving not less than 24 hours time for redress of grievances.

In other public affairs, matters are settled and quick decisions taken, more especially in the commercial field, with no loss of time. There is no reason why quickness should not be insisted upon in the settlement of a labour dispute. Hence the only condition I would lay down is, that the grievance should be formulated and put in writing and communicated to the management, 24 hours before strike. Excepting with regard to the public utility services, the legislature has not laid down restriction to strike in other concerns. I do not think that there is any need to discuss what legislation is needed on this subject. It is to my mind, an unhealthy state of mind to *demand* legislation in this matter. The Central Legislature has only a few weeks ago amended the Trade Disputes Act by laying down, when a strike shall be declared illegal—No more legislation is necessary.

A remedy to such troubles largely lies in the formation of a strong and a well-organized trade union in which, the labourers ought to be members and ought to be trained to think for themselves and understand the point of view of the management and of the workers on any question of change or other matter that is to be introduced in the mill. With regard to the conciliation board, it is a very useful body which may be brought into existence, but one essential ingredient in this connexion is that it should consist of persons possessing not only vested interest but who are also possessed of genuine desire to promote good feelings between the employer and employees. In an enlightened place like Coimbatore, it should not be difficult to find persons who conform to the above ideals. As soon as a trade union is organized and becomes a strong body which could represent the opinion of the workers, the Union will be represented in the conciliation board by one representative; and one representative will be elected by the mills and two respectable non-officials may be appointed by the Government; and I would suggest a fifth, who may be an officer of Government holding a responsible position such as Commissioner of Labour or Collector of the district or a Deputy Collector or the Liaison Officer, whose appointment I have suggested in another part of the report, according to the gravity of the trouble. Conciliation boards have played an important part in the Bombay Presidency and I think a beginning may be made in Coimbatore. But in order to make the decrees of the board binding on the parties, a provision should be introduced in the Trade Disputes Act, similar to the provision contained in the law relating to arbitration, not merely for making the decision binding on the parties but also for its enforcement.

The Mill-owners' Association in their memorandum consider that the strikes, which took place in 1937, are due to extravagant promises made by the Congress during the last elections to the

legislative bodies and that as the representatives of Congress have been returned in large numbers to the legislature, the labourers have been led to think that any demand which may be put forward by them will meet with a response; and that there are the socialists and communists who took advantage of this and made speeches and addressed gatherings of workers and induced them to strike. I do not know about the strikes in other places, but the abovementioned grounds do not apply so far as Coimbatore is concerned. It seems to be only the culmination of an already existing struggle. The main cause of a strike now as before is the realization of the potentialities of a strike in the existing situation. "We believe that an important factor at work in creating industrial unrest in India is the lack of contact which too often exists between the employers and the employed. There are employers who, by special efforts, have established reasonably close touch with their workers, but they are exceptional. In practically every centre and every industry, the lack of contact and understanding is evident. In the interests of all concerned we urge that every effort should be made to bridge the gulf." (Royal Commission on Labour—Report, page 340.)

I commend these sentiments to the mill-owners; and I ask them cheerfully to face the times and do all that is possible to get into close touch with the labourers. I am not prepared to hold that the strikes were induced by the past promises of the party in power. There is no doubt that many sections of the people expect great things of that party. But the non-fulfilment of their pledges is not one which the workers in mills are likely to take as a cause for a strike. It is possible, however, that the speeches of certain orators awakened the labourer to his conditions, but I do not call this an inducement to strike.

Whether a strike is or is not justified can be decided only upon the facts of each case: and there is nothing that need be said on the subject beyond what has already been said on it by the Government in their Press Communiqué, dated 22nd October 1937, printed in the appendix (vide Appendix K).

## Chapter V.

### WAGES.

The issues that may be considered here are—

- (1) Are the rates of wages now being paid to the textile workers in Coimbatore district too low, as compared to the rates paid in other textile factory areas in the Madras Province, having regard to the cost of living and other factors? If so, what would be a reasonable increase and in what department should it be given?
- (2) Is it necessary to fix a minimum wage?
- (3) Are the minimum wages suggested by the millworkers, viz., Rs. 25, Rs. 20 and Rs. 15 for a man, woman and a boy, reasonable?
- (4) Whether the employers' representation that the rates, taxes and charges that they have to pay are too heavy to admit of an increase in the wages of the workers is just and reasonable?
- (5) Whether the worker in Coimbatore mill area is less efficient than workers in the same departments in other mills in the Madras Presidency?
- (6) Whether the protection given to the spinning industry in Coimbatore district is adequate compared to the protection that is given to weaving mills.

(The last issue is added to those pertaining to wages, as it has a bearing on the question of the 'ability of the mill-owners to bear' an increase in wages.)

The question of wages has engaged the attention of the parties more than any other subject. Are the wages in Coimbatore low? They are admittedly lower than what they were in 1933 (except in the Combodia Mills). In 1933 there was a general cut of 12½ per cent, as stated by Mr. Kandaswami, one of the representatives of the millowners, who gave evidence.\* Are the wages lower in Coimbatore, compared with the other centres of textile industry? Taking Madura and Madras and assuming that the figures supplied are correct, the wages here are certainly lower.

In the questionnaire issued to the mills, I asked for details of wages paid to each class of the operatives, and of the rates pertaining to pieceworkers, and also if there was any increase or decrease in the wages after 1930 and till 1937. Replies have been received from all the 25 mills that were functioning during the period of strikes. Of the 25 mills I am excluding from consideration those furnished by the Somasundaram Mills. It is a private

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\*Vide Appendix J for list of witnesses and representatives who gave evidence before the court.

proprietary concern. The data furnished by two other mills are vague. I have therefore compiled a statement showing the wages obtaining in the remaining 22 mills, for workers in the different departments and specially in respect of workers employed in the most important processes in the spinning mills, namely, blow-room scutcher (carding) stripper, can-tenter, grinder (drawing section), slubber, inter, rover, spinner and reeler. These operatives form indispensable links in the chain of processes which result in cotton being changed into yarn and occupy important positions in the industry. There are of course a few other minor operatives like the doffers, tarwallas, etc., but they occupy secondary positions to the main ones mentioned in the chain. It would not be proper to give the names of the mills with the rates prevalent in them, because there is considerable variation in the rates paid to the same kind of operative as between mill and mill and it is undesirable to show in clear contrast the mills which pay the lowest and highest wages in a report of this kind, more so, as the variations are very pronounced, as can be seen from the figures below :

Class of operative.	Wages paid.					
	Highest.			Lowest.		
	RS.	A.	P.	RS.	A.	P.
Blow-room scutcher .. .. .	14	0	0	9	12	0
Stripper .. .. .	15	0	0	6	8	0
Can-tenter (carding) .. .. .	12	0	0	5	11	0
Grinder .. .. .	16	0	0	6	8	0
Drawing tenter .. .. .	17	0	0	7	0	0
Slubber .. .. .	23	0	0	10	0	0
Inter .. .. .	21	0	0	13	0	0
Rover .. .. .	19	0	0	11	0	0
Spinner .. .. .	14	8	0	9	12	0
Reeier .. .. .	14	0	0	7	0	0

When there are such variations the only method by which the rates can be considered as a whole in relation to cost of living as well as for comparison with rates prevailing elsewhere in the Presidency is to take an average wage for each class of operatives. When reduced to an average, the wages for each class of operatives in the 22 mills to which the above figures relate are as given below :

	Average wages for 22 mills.					
	RS.	A.	P.	RS.	A.	P.
Blow-room .. .. .	11	12	0			
Stripper .. .. .	13	0	0			
Tenter (Carding) .. .. .	9	9	0			
Grinder .. .. .	14	0	0			
Drawer .. .. .	11	9	0			
Slubber .. .. .	15	6	0			
Inter .. .. .	17	0	0			
Rover .. .. .	14	15	0			
Spinner .. .. .	12	2	0			
Reeler .. .. .	9	11	0			

The cost of living of a working class family has been stated by the workers to be ranging between Rs. 15 and Rs. 25 per month. It is manifest that the wages actually paid fall far short of these amounts even taking into consideration the highest wage paid in any mill. As a matter of fact, no attempt has been made by the millowners to prove before me that the wages paid are consistent with the cost of living in this district. The deposition of Mr. Kandaswami was to the effect that the adequacy of wage for the life of the workers was not being taken into account in the fixation of wages, but that they computed wages only according to rates prevailing in other industries in Coimbatore and according to their finances. It is said that the cost of living in Coimbatore is less than that in Madura or Madras. Another point urged is that the labour here is plentiful. I do not attach much importance to these arguments in considering the adequacy of wage. There is no cost of living index, by which I can come to a definite conclusion. From the reports that we hear labour is said to be plentiful everywhere nowadays. Madras and Madura do not appear to be suffering from want of labour. From those areas also, there are reports of unemployment and suffering and of plenty of labour coming to the doors of the mills.

It is strange that the argument of cost of living as a factor determining wages was put forward by the millowners, who have tacitly admitted that they do not take that factor into consideration in fixing wages. Even supposing for argument's sake that they did, let me examine the position. What is the data that they have for holding that the cost of living at Coimbatore and its neighbourhood is less than what it is at Madura or Madras? There is a Millowners' Association here. There are as many as 25 mills working successfully. And yet it has not occurred to them to ascertain the cost of living of their workers and to keep a record of the changes thereof. The court cannot wait for an indefinite time before submitting its report to the Government till the millowners can get the figures in support of their argument. He who wants to establish a particular point must prove it. In Bombay for instance there is reliable data for fixing the cost of living. The maintenance of index numbers makes it possible to make a comparison with such figures. In Madura, the Madura Mills Company maintain a register showing cost of living index. But in Coimbatore, in spite of the resources at their command, the mills have not compiled any statistics in this respect. When I am told by them that the cost of living at Coimbatore is less than in Madura, I should demand of the millowners their data for coming to that conclusion.

But even in the absence of statistics to establish the cost of living in Coimbatore in comparison to Madura, I do not think it is impossible to make a broad estimate of it. I have lived in Madura and I have lived in Coimbatore. I will not be convinced that I am not in a position to make a fair estimate of the cost of living at Madura and Coimbatore. Coimbatore is no less a city

than Madura. At any rate the disparity in the cost of living between the two places can certainly not be so great as exist between the wages paid in the two places. The cost of living in Madras is not so high as to justify the disproportionately low wages now obtaining in Coimbatore. I should not omit to mention here, that as a rule, the wages paid in the mills lying outside the Coimbatore mill area, viz., in places like Tirupur, Udamalpet, and Periyanaickenpalaiyam are far less than the rates paid in Coimbatore. This disparity again is another instance of wages being disproportionately low compared to the disparity in cost of living; for it must be admitted that in the same district, the cost of living cannot vary so much from centre to centre. What I mean is, the cost of living in one place in the district cannot be half that of the cost in another; but the wages in some of the outlying mills are half of those obtaining in Coimbatore. The argument bearing on cost of living thus is untenable.

The cost of agricultural labour is also not a safe criterion to go by. The wages of an agricultural labourer and the wages of an industrial worker react on each other differently at different periods of time. When an industry first makes its appearance in a purely agricultural area, the wages in industry are slightly higher than in agricultural labour. Consequently, the agricultural labourer gives an impetus to the rise in the industrial wage. But when the industry has established itself in the area and the workers grow in number, then the wage of the industrial labourer tends to raise the level of the wages in agriculture and when that has taken place, in other words, when the industry has established itself, it is not agricultural labour that determines the standard of wage of the worker in a mill; rather the agricultural labourer will begin to demand a higher wage in view of the relatively higher earnings of the industrial worker.

When it is urged that labour is plentiful and is available at low rates, a question of principle comes in. If it is granted that a millowner can obtain labour at his will and pleasure and pay it at such rates as he can dictate then there is nothing more to be said on the subject. He is entitled to pay and obtain work from people by paying them, even at rates of one anna or two annas per day. But all labour movements in the world are directed to prevent such a state of affairs. All labour legislation is virtually encroachment into the freedom of contract. It looks to me as if we have long passed the age, where an employer can say he has a right to enter into individual relations with employees and that the outside world including the Government cannot interfere in such relations. If a man compels another to speak the truth and for that end, submits him to suffering and pain, it is called extortion. Law does not tolerate it, though the reason for the extortion is to obtain the truth. If a man who has money at his command, finds a poor man, and utilizes the latter's condition by offering him a low wage, say, one anna coolie and the latter is prepared to work

for that sum for which no other man could work, it is called exploitation. The modern theories in politics and sociology condemn exploitation, no less than the law condemns extortion. It is not at all reasonable nowadays to say that a man can dictate his terms and that an external agency shall not interfere. Society as well as the state seem to consider that they have a right to see that exploitation of the poor does not take place. I fancy, it is on these principles that all social legislation is undertaken.

We have seen that the wages paid are considerably low and it is not proved what is the cost of living of the worker in the Coimbatore area. Let us now turn to the rates for the various classes of operatives in the mills at Madura :—

Operative.	Rate (fixed).			Bonus paid for night shift.	Average commission (base on production) (40s).			Total.		
	RS.	A.	P.		RS.	RS.	A.	P.	RS.	A.
Blow-room .. ..	15	7	0	1	..	..	..	16	7	0
Stripper .. ..	20	10	0	1	..	..	..	21	10	0
Drawer .. ..	14	9	0	1	3	12	0	19	5	0
Slubber .. ..	17	3	0	1	5	8	0	23	11	0
Inter .. ..	16	5	0	1	3	6	0	20	11	0
Rover .. ..	16	5	0	1	6	12	0	24	1	0
Spinner .. ..	11	2	0	1	4	2	0	16	4	0
(on the average)										

(Accurate figures not available for Grinder and Can-tenter of the Carding section)

It will be seen that excepting the inter-tenter, every other class of operative gets more than the highest wage obtaining for that class of labourers in Coimbatore. Even for inter-tenter, the difference is very small; the highest wage in Coimbatore, being Rs. 21 as against Rs. 20-11-0 in Madura. The average rates on the whole are considerably lower than the rates obtaining in Madura. Turning next to the B. & C. Mills and the Choolai Mills at Madras, we find comparison a little bit complicated. These mills have a graded system of wages and it is difficult to take an average for purposes of comparison. But the minimum rates paid in these mills are themselves considerably higher than those paid in the Coimbatore area, even taking into account the highest wages paid for each corresponding class of operative in any mill in the district. This can be seen in the figures given below. I am also giving the maximum rates paid by the Madras Mills to show the disparity between the maximum rates in Madras and the maximum rates at Coimbatore :

	B. & C. mills.						Choolai Mills.						Coimbatore.					
	Highest.			Lowest.			Highest.			Lowest.			Highest.			Average		
	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
Blow-room ..	25	7	6	19	8	6	19	6	0	18	15	0	14	0	0	11	12	0
Stripper ..	31	11	0	19	14	6	19	10	0	19	3	0	15	0	0	13	0	0
Grinder ..	31	11	0	19	14	6	19	10	0	19	10	0	16	0	0	14	1	0
Drawer ..	29	4	0	21	10	6	29	4	0	17	14	0	17	0	0	11	9	0
Slubber ..	38	11	9	37	6	0	34	2	0	23	4	6	23	0	0	15	6	0
Inter ..	31	8	0	30	14	0	29	4	0	22	12	0	21	0	0	17	0	0
Rover ..	27	0	0	26	0	0	24	6	0	17	14	0	19	0	0	14	15	0
Spinner ..	19	8	0	15	11	0	18	3	0	17	5	0	14	0	0	12	12	0
Reeler ..	27	10	0	27	10	0	16	8	0	10	9	0	14	0	0	9	11	0
(all men reelers).						(all women reelers).												



I have hitherto taken only the minimum and maximum rates prevalent in the mills at Coimbatore, at Madras and Madura for comparison. These figures are sufficient to prove the Coimbatore rates are conspicuously low. And if the average rates of wages obtaining in Coimbatore district are taken for comparison, Coimbatore suffers to a greater degree (in the comparison). What then is the wage that a man or a woman who works in a mill here deserves? A person, who does work for another, has to be paid for the work which he or she does: the industrialist who wants the help of the labour must pay to labour not only what the labourer is prepared to work for but what is his due. What is an adequate wage? An adequate wage for every occupation must be determined on a consideration of different factors. It must be higher than what is called a minimum wage; and the minimum wage is higher than the living wage. The cost of living in a place will have relevancy, only if one has got to determine the living wage or the minimum wage. Here, for the moment we are concerned with the adequacy of wage.

The wage must not depend only upon the amount of money on which the worker can live in Coimbatore. If a blow-room scutcher does a particular kind of work in Madras and the blow-room scutcher in Coimbatore does the same work, at Coimbatore, I cannot find any reasonable ground for not paying to the latter the same pay as the scutcher in Madras is paid. In other occupations of life, it is not the place that determines the wage but the work. Whether he be in Ganjam or Godavari; or Tinnevely or Coimbatore, a hospital compounder or an Engineering draftsman, is paid the same salary. That is the principle upon which, so far as skilled workmen are concerned, salaries are fixed. The spinner in Madura and the spinner in Coimbatore are doing the same kind of work. Then why should there be such a disparity in their earnings? The employees' resources may vary but why should the wages vary?

Another point raised by the mill-owners' was that that the disparity in wages as between the same kind of workers in Madras, Madura and in Coimbatore is due to the workers in the different places having different degrees of efficiency. The relationship of efficiency to wages is a major question and I deal with it elsewhere. The worker here is not inefficient. But even assuming that he is, what have the mill-owners to say to the sharp disparity which exist in the wages for the same kind of workers in the different mills in Coimbatore itself? Is it then to be taken that even in the same place the workmen in the different mills have different efficiencies? The real cause for the disparity in the wages between the other centres in the Presidency and in Coimbatore is obvious. It is not because the cost of living is low in the Coimbatore District to the extent of the disproportion in wages. It is not because the Coimbatore worker is less efficient than his compeer at Madura or Madras. Nor is it because his wages have been fixed after a minute consideration of his efficiency. It is in fact only the economic

phenomenon commonly to be seen in any agricultural area when it becomes suddenly and rapidly industrial. Agricultural labour in India is noted for its cheapness. The economic depression which appeared in 1929 and reached its climax in the year 1932, according to many economists, made agriculture a less paying occupation than it was before. In about 1932, agricultural labour was getting poorest wages after the period of the Great War. It was at this time that the phenomenal growth of the textile industry in Coimbatore district began: a time, be it noted, when wages fell to a low level in the only occupation which was yielding a wage to the largest number of people. Consequently, the industrialist utilised the opportunity to the fullest and was able to get an unlimited supply of labour by offering rates which were slightly higher than the very low rates that the men were getting in agriculture. There was another advantage also. The period of depression was marked by a rise in the imports of woven goods from Japan which reached the level of 579 millions of yards\* in 1932-33 from what was 76 millions in 1919-20. It may be pointed out also that the level reached in 1932-33 was the maximum between the years 1916-1919 to 1937 and has not, in fact, been equalled since. This brought about an acute distress and unemployment among handloom weavers generally. In Coimbatore the large weaving population of over 10,000 people, thus thrown out of employment, augmented the supply of cheap labour available to the enterprising industrialist. The real reasons for the low level of wages in Coimbatore have to be sought for in these conditions. Thus the mills at Coimbatore started to employ labour with very low wages and have managed not only to avoid any increase, but actually to reach still lower levels by effecting a general cut of wages equalling about 12½ per cent in the year 1933 (except in one mill). These account for such a disparity in wages between Coimbatore and the other textile centres.

We have seen in the foregoing paragraphs that the wages in Coimbatore district are low, and considerably lower than those existing in two centres of the industry, namely, Madras and Madura. Objection to an increase in wage is that the Textile Industry in Coimbatore has not been and is not in a prosperous condition, and that no increase in wages can be borne by it without detriment to the progress of the industry. I shall consider for a moment the recent history of the textile industry in the district with reference to the argument that the industry has not been having prosperous times.

Up to the year 1929 the number of mills in the district was only six, with about 151,728 spindles, 989 looms and about 5,600 employees working in them per day (for one shift) on the average.

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\* Vide table at page 14 of the Interim Report of the Bombay Textile Enquiry Committee (1938).

The rate at which the number of mills increased up to that year is given below (only mills which had actually begun to function):—

Year.	No. of mills.
1888	2
1906	3
1910	4
1922	5*
1923	6

\* Include Lakshmi Mills registered in 1910 but which was working as a Ginning factory till 1933 or so.

Now I give a statement showing the development of the textile industry since the year 1932 up to 1937, comparing with it the development of the industry in the whole of the Madras Presidency, in Bombay Presidency which is the biggest centre of textile industry and also the whole of India.

Comparative statement showing the development of cotton textile industry in Coimbatore area and other centres and All India.

Centre.	Number of mills.		Total number of spindles installed.		Total number of looms installed.		Total number of hands employed per day on the average (day shift only).	
	1932.	1937.	1932.	1937.	1932.	1937.	1932.	1937.
Coimbatore ..	8*	20	177,408	352,040	989	1,260	6,793	14,228
Madras Presidency ..	26	47	820,870	1,150,886	5,233	6,169	84,753	49,110
Bombay Presidency ..	220	210	6,443,519	6,100,211	141,241	141,471	256,200	243,493
All India ..	340	370	9,506,083	9,730,798	186,341	197,810	403,226	417,276

\* Excludes Lakshmi mills which registered in 1910 was working as a Ginning factory only till the end of 1933, and began spinning in 1934.

NOTE.—1. This statement has been compiled from the annual mill statements for the years ending with 31st August of 1932 and 1937 issued by the Bombay Millowners' Association. The number of mills and other particulars relate to such mills only as were actually functioning and excludes those under promotion or erection.

2. The figures for "Coimbatore" include only those situated in and within a radius of ten miles of the Coimbatore Municipality and excludes the mills in the other parts of the Coimbatore district.

3. All India figures include the mills in British India, Burma, Rajaputana, French India and the Native States of Hyderabad, Mysore and Travancore.

The figures are eloquent of the tremendous strides taken by the industry after 1932. The point to be noted is that the growth of the industry has been out of all proportion to the growth in any other centre in India during the same period. It is a significant circumstance that the same period saw an actual retrogression (though slight) and not a progress, in the most famous centre of the textile industry in India namely Bombay Presidency. The number of mills in the Coimbatore area increased by over 150 per cent in 1937 over that of 1932; the number of spindles by nearly 100 per cent (98 per cent actually); and the number of hands employed per day on the average in all the mills from 6,793 to 14,228 or 109 per cent (for day shift only).

The percentages of increase may be seen from the comparative figures given below :—

Centre.	Number of mills.	Number of spindles.	Number of employees.			
				PER	PER	PER
				CENT.	CENT.	CENT.
Coimbatore .. .. .	150	98	109			
Madras Presidency .. .. .	81	40	41			
All India .. .. .	9	2	3			

Not only did new mills spring up at the rate roughly of about five mills per year after 1932,<sup>1</sup> but even the existing mills increased their spindleage as the table below will show.<sup>2</sup>

(Mills functioning from 1931.)

Name of mill.	Of spindles.				
	1933.	1934.	1935.	1936.	1937.
Cambodia .. .. .	16,752	16,752	16,752	20,992	25,600
Kaleeswarar .. .. .	25,968	34,504	36,024	37,088	37,088
Lakshmi .. .. .	.. .. .	11,600	18,400	25,440	25,440
Radhakrishna .. .. .	25,680	25,680	25,200	32,760	32,760
Sri Ranga Vilas .. .. .	25,220	24,924	26,496	26,496	26,496
Vasanta .. .. .	10,864	12,704	15,464	15,464	15,464
Total .. .. .	104,364	126,044	138,836	158,240	162,848

NOTE.—1. Besides the 25 mills actually functioning in August 1937, 9 miles were under erection, some of which have since commenced work. The total increase from 6 mills in 1931 to 34 mills in 1937 or 23 mills in a little over 6 years works at 5 mills per year roughly.

2. The figures regarding increase in spindles were compiled from the mill statements issued by the Bombay Mill-owners Association.

In the face of such wide expansion the argument that the industry has been going through a hard time will not hold good. Indeed it was during this period that two mills (one of them the largest in the district in spindleage and number of employees) which had been closed down, were re-opened. The larger of the two went on in the second year after its revival to make the largest profit (exceeding Rs. 1,70,000) in its history after 1928 which may be regarded as the pre-depression year.

The Coimbatore industry is mainly a yarn-producing one. In some mills there are weaving sections but even there they do not consume all the yarn they produce. The spindleage in the mills in Coimbatore district is over 400,000. The Madura mills are purely spinning mills, while the Madras mills are mainly weaving mills. Madura is a big yarn producing centre with about 500,000 spindles (including mills at Ambasamudram and Tuticorin belonging to the management of Madura Mills Co.) Coimbatore is thus the second biggest yarn producing centre, bidding fair to an equal place with the first.

The growth in the prosperity of the industry can be measured also by the profits earned by a few mills of varying spindleage. I give below a statement showing the profits earned by a few mills of varying spindleage and also the fact that the prosperity has been all round, benefiting the small as well as the large units.

Table showing the profits earned by the mills which were functioning before 1933 or have started functioning in 1933.

Name of mill.	1933.		1934.		1935.		1936.		1937.		Remarks.
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.	
1 Cambodia mills .. ..	69,718	8	95,553	8	97,397	12	46,077	4*	19,934	11*	For six months up to 30th June 1937. A profit of over 40,000 was made in the second half year of 1937.
2 Cotton mills .. ..	95,169	0	1,01,393	3	66,210	4	79,235	7	63,937	3	
3 C.S. & W. Co's mills ..	..		(—)28,906	3	1,79,059	14	56,320	8	1,914	8	
4 Dhanalakshmi mills ..	16,281	4	1,53,313	14	1,16,622	1	1,59,821	7	2,10,135	8	47
5 Kaleeswarar mills ..	1,55,079	15	2,36,358	5	2,47,310	7	1,91,567	4	1,79,487	13	
6 Lakshmi mills .. ..	..		25,578	3	1,00,946	5	1,53,525	3	1,83,064	6	
7 Pankaja mills .. ..	..		63,538	0	76,512	0	1,07,444	5	1,11,646	8	
8 Radhakrishna mills ..	1,91,702	2	2,20,474	15	1,66,742	5	1,38,578	7	1,38,426	10	
9 Rajalakshmi .. ..	32,254	5	73,819	6*	36,799	9*	1,28,192	12	1,16,108	0	
10 Sri Renga Vilas .. ..	1,14,571	0	2,09,383	7	1,75,765	7	1,36,269	4	1,35,288	2	
11 Vasanta mills .. ..	76,097	4	1,06,517	10	1,13,966	10	1,11,032	11	1,60,316	8	
12 Sri R. Chowdambiga mills.	..		42,667	15	1,09,979	7	91,685	6.	1,26,329	12	

N.B.—Figures marked with \* are net profits arrived at after allowing depreciation, but the amount of depreciation charged in these cases is not ascertainable from the balance sheets.

NOTE.—The mills do not adopt the same practice in arriving at net profits. Some mills charge depreciation to the profit and loss account and show the balance arrived at as the profit and loss account as the net profits. But the general practice among Coimbatore mills is to arrive at the "net" profits first and then to make an appropriation out of it towards depreciation, reserves, etc. In the statement above, for the sake of uniformity, the latter method has been adopted, and depreciation added to net profits in the case of mills which followed the method of charging depreciation, before evolving net profits. (In the case of a few mills depreciation charged is not known.)

Table showing the percentage of dividend paid by mills in Coimbatore district.

Name of mill.	1932.		1933.		1934.		1935.		1936.		1937.		Remarks.
	Preference.	Ordinary.	Preference.	Ordinary.	Preference.	Ordinary.	Preference.	O. d. i. n. a. y.	Preference.	Ordinary.	Preference.	Ordinary.	
1 Cambodia mill	7	8*	7	7	7	10*	7	8*	7	5*	7	..	
2 Cotton mill	..	20	..	10	..	12	..	6	..	7	..	5*	
3 Vasanta mill	..	8	6½	8	6½	9	6½	7½	6½	6	6½	7	
4 Kaleeswarar mill	..	30	..	15	..	20	..	20	..	15	..	15	
5 Sri Ranga Vilas mill	..	6	..	5	..	8	..	6	..	6	..	6	
6 Radhakrishna	..	15	..	12	..	13½	..	12*	..	9*	..	9	
7 Lakshmi mills	..	..	..	..	..	6	..	10	..	10	..	10	Commenced in 1934 only as spinning mill.
8 Rajalakshmi mill	..	..	..	6	..	12	6½*	8	6½*	8	6½*	8	Commenced in 1933 only as spinning mill.
9 Dhanalakshmi mill	..	..	..	..	..	7½*	..	7½*	..	7½*	..	9*	Commenced in 1933. First dividend paid from date of payment of share capital.
10 Sri Ramalinga Chowdambiga mill.	..	..	..	..	..	..	..	9*	..	9	..	10*	Commenced on 24th June 1934 only. First dividend paid from date of payment of share capital.
11 Sri Palani Andavar	..	..	..	..	..	..	..	..	7*	3*	7	3*	Commenced 5th September 1935 only. First dividend of 3 per cent paid from date of subscription of share capital. It works at 6 per cent for one year only.
12 Sri Venkatesa mill	..	..	..	..	..	..	..	..	6	2½	(B/S not received.)	..	Commenced in June 1936 only. The first dividend was paid from date of subscription and works at a much higher percentage for 1936 alone.

Yet another proof of the prosperity of the industry may be seen in the rates of dividend paid by them in the recent years, shown in the table below :—

13	Murugan mill	..	..	..	..	..	..	..	..	..	..	6	3*	Commenced on 27th May 1936 only. The first dividend was paid as from date of subscription of share capital. The rate for 1937 alone works at a higher rate.
14	Pioneer mill	..	..	..	..	..	..	..	..	..	..	6½	6	Commenced in July 1936. The first dividend was paid as from date of subscription of share capital. The rate for 1937 alone works at a higher rate.
15	Janardhana mill	..	..	..	..	..	..	..	..	..	..	6	6	Commenced in 1936. First dividend paid as from date of subscription.
16	Palamalai Ranganathar mill,	..	..	..	..	..	..	..	..	..	..	..	6	Do. For one year the first dividend works at 19 per cent.
17	Pankaja mill	..	..	..	..	..	..	6	..	6	..	7	7	Commenced November 1933. Dividend paid as from date of subscription of share capital.
18	C.S. & W. Co. mill	..	..	2½	..	..	..	..	2	..	2	..	..	} All these mills commenced work in 1936 or in 1937 only. Balance sheets not available.
19	Sarada ..	..	..	..	..	..	..	..	..	7	6	7	6	
20	Saroja mill	..	..	..	..	..	..	..	..	..	..	..	..	
21	Lotus mill	..	..	..	..	..	..	..	..	..	..	..	..	
22	Kamala mill	..	..	..	..	..	..	..	..	..	..	..	..	
23	Gnambigai mill	..	..	..	..	..	..	..	..	..	..	..	..	
24	Thirumurthi mill	..	..	..	..	..	..	..	..	..	..	..	..	

NOTE.—Asterisk marks against numbers show that the rates are paid free of income-tax.

Except in two or three cases there is no mill which has within the last five or six years declared a dividend of less than 6 per cent. In fact most of them gave 9 per cent and more. When we take into consideration the fact that in most of the mills the dividend on ordinary shares has been declared after paying the contracted rate (in no case less than 6 per cent) in respect of a large amount of preference shareholders, and that in most cases the dividend declared was free of income-tax, we get a better idea of the prosperity of the mills than is signified even by these rates of dividends. It is a remarkable fact that excepting two or three, every new mill started after 1932 has declared high rates of dividend from the very first year of its working.

Let me now give the latest quotations in the share market for the shares of the mills in Coimbatore district as an indication of the public estimation of the prospects of the mills. I am giving the particulars for *all* the mills whose shares are quoted in the lists of share-brokers.

Name of mill.	Paid up value.		Present value.		
	RS.		RS.	A.	P.
Kaleeswarar .. .. .	100		261	8	0
Lakshmi .. .. .	50		56	0	0
Palani Andavar .. .. .	50		50	12	0
Kadhakrishna .. .. .	100		135	0	0
Rajalakshmi .. .. .	50		53	8	0
Vasanta .. .. .	100		107	0	0
Cambodia .. .. .	10		7	14	0
C.S. & W. Co. .. .. .	50		26	0	0
Pankaja (x-dividend) .. .. .	100		99	0	0
Sri Ranga vilas .. .. .	75		55	0	0

(Figures reproduced from printed circular lists regarding share-market quotations published by Messrs. Maconochie & Co., and India Brokers, Ltd. in the second week of March 1938. The quotations for ordinary shares only are mentioned above.)

On the whole, the shares of all the ten mills taken together, sell at a premium of 24 per cent, Excluding Kaleeswarars which are selling at the highest premium and C.S. & W. Co.'s, which sell at the lowest discount, the average for the other shares is at a premium of 15 per cent.

Leaving aside all these facts and proofs of the prosperity of the industry, I shall quote what the directors of the mills themselves stated in recent years in their annual reports to the share holders while presenting the balance sheets. I have not before me the balance sheets of all the mills for all the five or six years. But the remarks which I have extracted from those which I have will amply bear out the fact that the mills in Coimbatore have neither been saddled with unsaleable stocks nor burdened with more plant and machinery than their volume of production warranted.



More than this, the extracts are valuable in their tone of optimism which is peculiarly that of an industry in a flourishing and not a languishing condition.

*Cambodia Mills.*

We have however had no difficulty in selling the output of the mill.

[Annual report for the year ended with 30th September 1936.]

We have had no difficulty in selling the yarn produced.

Machinery for the third and last stage of development has been shipped and it is expected that it will be in operation early in the new year.

[Annual report for the year ended with 30th September 1937.]

*Pioneer Mills.*

We are spinning now 40s and higher counts since the demand for Indian made yarn of higher counts is greater in spite of foreign competition.

The company has commenced its operations under very favourable conditions. Your Directors are of opinion that the company would be in a position to pay a reasonably good dividend.

[Annual report for the year ended with 30th June 1936.]

The mills commenced work with 6,160 spindles in July 1936 and before the end of December of the same year 12,320 spindles were working. Only 40s, 44s, and 60s were spun, most of our production being 60s. Our yarn has gained a very good reputation in the market for its strength and uniformity and your Directors are pleased to report that there is an ever growing demand for our 60s and to cope up with the demand orders have been placed for 6,960 spindles more with the necessary electrical machinery stores, etc., thus totalling 19,280 spindles.

[Annual report for the year ended with 30th June 1937.]

*Coimbatore Spinning and Weaving Company's Mills.*

Your directors have pleasure to place before you the balance sheet for the year ended 30th June 1935, showing a satisfactory progress giving a profit of Rs. 1,79,059-13-8 which we are glad to say is the highest profit earned in any year after 1928.

[Annual report for the year ended with 30th June 1935.]

The market however has become now more favourable to the mills and the Directors expect good profit for the current year.

[Annual report for the year ended with 30th June 1937.]

*Pankaja Mills.*

From the very inception the quality of the mill yarn has established a reputation in the yarn market with the result that the entire output of the mill is being sold every month in advance.

[Annual report for the year ended 30th September 1934.]

*Rajalakshmi Mills.*

The prospects of the industry were better only in the last quarter than in the previous months and the offtake from the mills was greater, yielding better profits in this period.

[Annual report for the year ended with 31st December 1936.]

*Radhakrishna Mills.*

From October last the number of spindles has been increased from 25,200 to 33,600. With improved conditions in the prices of yarn, we expect better profits in 1937.

[Annual report for the year ended with 31st December 1936.]

*Saroja Mills.*

Our yarn has, in such a short period of only a few months, got a reputation for quality and name and successfully competes with other yarn. We have found markets in Calcutta, Bezwada, Cocanada, Hubli, Adoni and many other distant places. In Mangalore, Cannanore, Calicut and many other west coast towns our yarn is popular. Nearby, Salem, Erode, Tiruppur, Pollachi, etc., are placing regular orders. On 31st December 1936, we had to supply about 1,000 bales towards forward contracts. Of course, we have large quantities of cheaply purchased cotton in stock.

[Annual report for the year ended with 31st December 1936.]

*Vasanta Mills.*

The entire output of the mill has as usual been absorbed by the market and the yarn continues to maintain its reputation for quality.

[Annual report for the year ended with 31st December 1935.]

The entire output of the mills both in yarn and cloth has been as usual absorbed by the market and the mills' productions continue to maintain the reputation for quality and name.

[Annual report for the year ended with 31st December 1936.]

The entire output of the mills both yarn and cloth has as usual been finding a ready sale in the market.

[Annual report for the year ended with 31st December 1937.]

I do not think further evidence is required to refute the argument that the industry passed through depressing conditions or is under such a condition at present.

The next argument advanced is that the profits shown in the balance sheets of the mills during the recent years do not give a true picture of the prosperity of the industry; that due to the demand for high rates of dividends by the shareholders sufficient provision had not been made towards depreciation and reserves and that full provision was not made for insurance, etc.; and had provision been made in these respects as it ought to have been, the net profits could not have been as high nor the dividends paid at such rates as has been done. It was stated that the interests of the industry demanded that at least in the coming years increasing provision on these items should be made and therefore the industry will not be in a position to bear any increase in the wages. These points may now be considered, though they are contrary to the representations made by the directors to the shareholders in their reports.

The absence of provision for insurance in the past merits no mention at all. Whatever insurance they have paid has been brought into the profit and loss accounts and there is no meaning in saying that they should have insured for a larger sum. We may

consider the question of loss and profit in future years, if in future years, they insure their machinery and plant to a wider extent. We are now concerned with the present and the past and cumulative effect of these two in relation to the future. We have the admitted fact before us of a 12½ per cent cut in wages in the year 1933, imposed on the apprehension of a depression in the trade. The tables mentioned on pages above will prove amply that this apprehended depression did not materialise at all so far as Coimbatore Mill industry is concerned, which registered a tremendous advance and progress during that year and the succeeding year. It was also urged before me that 1937 has not been a good year for the mills. But the facts bear out a different tale. I shall give examples of three typical mills, one of 5,600 spindles, one of ten to twelve thousand spindles, and a third of over 25,000 spindles.

- (i) This is a mill of 5,600 spindles. Its latest balance sheet for the year ending with 31st December 1937 shows its paid-up share capital at Rs. 2,20,000. It has earned a net profit of Rs. 33,948 for that year. The directors of the mill point out in their annual report to the shareholders that this represents a return of about 19 per cent on the capital outlay. This presents a remarkable picture of progress and success. It is sad to note, in passing, that this mill is one of those paying the lowest wages in the district.
- (ii) This mill has 10,996 spindles. Its balance sheet for the year ending 31st December 1937 shows that its paid-up capital is Rs. 4,76,920. It earned a net profit of Rupees 86,016-12-1 for the year, after setting apart a sum of Rs. 40,313 towards depreciation. This works out at slightly over 18 per cent, on the capital outlay. The directors have actually recommended the payment of a dividend for the year at the rate of 10 per cent free of income-tax.
- (iii) This mill has a spindleage of 26,692. Its paid-up capital amounts to a little short of Rs. 7 lakhs. Its profit for the year ending with 31st December 1937 is seen to be Rupees 1,42,451-10-7 which was made up the following :—

	RS.	A.	P.
Managing Agents' commission ...	26,343	11	0
Amount appropriated towards depreciation ... ..	63,890	14	0
Amount treated as net profit ... ..	52,217	1	7
Total ...	1,42,451	10	7

This sum of Rs. 1,42,451 works out at more than 20 per cent of the capital outlay of 7 lakhs. Excluding the amount set apart for depreciation, the remaining profits of Rupees

78,560 works out to more than 11 per cent on the outlay. It may be pointed out here, that the total block capital of the mill amounted to Rs. 10,62,125-8-0 only at the beginning of the year (depreciated value). The amount of Rupees 63,890 set apart as depreciation works out to an overall rate of 6 per cent, on the block capital. This is 2 per cent in excess of the maximum overall rate of 4 per cent depreciation mentioned by the Indian Tariff Board. If, therefore, we carry over a sum equal to one-third of this amount of depreciation to the net profits, then the net profit on a capital outlay of Rs. 7 lakhs comes to Rs. 99,965, or 14 per cent. This mill declared a dividend of 8 per cent for the year 1937 free of income-tax.

I shall refer to one other mill in a little detail.

The balance sheet of this mill for 1937 was prepared after this enquiry was begun. When this balance sheet is compared with the previous year's balance sheet, there is a great change in the manner of its preparation noticeable. Last year they showed what was actually the "gross profit," and the "net profit" earned was Rs. 48,031. But this year's balance sheet does not expressly show the gross profit, but shows a net profit of Rs. 29,631. It is, however, not difficult to find what had really been done this year in arriving at this figure, from the figures given under the heading of "Profit and loss" account. They have declared a dividend of 5 per cent this year, while last year, the dividend declared was 7 per cent. In the expenditure column they have put down the figure of Rs. 2,500 as provision for bad and doubtful debts and another Rs. 2,500 as loss in sale of machinery, less the amounts to be written off in future years. One gets a feeling that some effort was made to reduce the amount of profit. But I do not like to criticise the method of preparing the balance sheet and would even accept Rs. 29,631 as the net profit earned. The capital subscribed is less than 6 lakhs.

The mills which I have taken as types are not the most prosperous. In Kaleeswarar Mills, and Vasanta Mills, both of which have weaving, the figures are even more attractive to an investor. I, therefore, reiterate that on the balance sheets alone and from the actual net profits distributed to the shareholders, one finds that year after year, there has been a good return on the amount invested. Nineteen per cent on the outlay in one case and 10 and 8 per cent in another two are by no means small. The representatives of the Textile Mill Workers' Union took great pains to show that these amounts of profits shown in the balance sheets represent only a fraction of what has been earned and taken by the mill-owners. It is said that the managing agents' commission looms very large in all the mills and that no one managing agent has given up any portion of his unconscionably high remuneration,

except one or two in previous years and also that even in the case of depreciation which has been allowed, the percentage is higher.

I doubt if it is necessary for me to go into these questions, when the published figures in the balance sheets do not themselves bear out the contention of the mill-owners that they have not been making a profit in the concern. Yet as they also say that the depreciation should have been more than what has actually been entered in the balance sheets, it is perhaps worth while to consider it.

What is depreciation? Depreciation is the measure of the exhaustion of the effective life of the machinery owing to use during a given period. Sometimes the depreciation fund is kept separate to be in a position to meet the demand when machinery has to be replaced. Occasionally (and usually here), it is used in the business itself. The life of the machinery is estimated at 20 years and consequently the value of such machinery is spread over a period of 20 years. Five per cent a year is therefore allowed on account of depreciation. With regard to buildings it is  $2\frac{1}{2}$ , and it is  $7\frac{1}{2}$  per cent in the case of electric plant, furniture, etc. These are the percentages which have been fixed for purposes of assessment of income-tax and probably for the information and guidance of the directors and shareholders of the company. But we are not concerned with the hypothesis upon which the income-tax officers work. What is to be gathered is, the income-tax officer will not allow the company to make a larger allowance than the above percentages, in order to arrive at the amount of profit, upon which the income-tax becomes leviable. It does not mean that actually there is 5 per cent depreciation in the value of the machinery in one year. These rough and ready made estimates upon which the income-tax rules are based are not actuals and are most clearly demonstrated to be wrong by proved facts in this enquiry. The assumption that the life of a machinery is 20 years is wholly wrong, when we see before our eyes Kaleeswarar Mills working to-day with the machinery which was purchased about 30 years ago. A few parts have been replaced. But Mr. Stenson admits that the thirty-year old machinery is still working. In their profit and loss accounts, some of the mills have shown a 4 to 5 per cent depreciation. They now want the court to double the rate of depreciation, on the ground that they are working in two shifts and more. In this behalf a formula worked by one Mr. Hill of a British Machinery Manufacturers' Firm has been filed, but the whole of the theory that is contained in the working is not comprehensible to me and there are too many assumptions in it. What percentage of a textile machinery is static and what portion dynamic, what is the wearing out of the high speed parts and so on. The finding given by Mr. Hill is that if the depreciation for one shift is 5 per cent, a depreciation for two shifts should be 8.3 per cent (vide Exhibit XXV). I attach no value to what is contained in the

exhibit. No expert who has knowledge of the strength of age of a textile plant has come before me to give evidence. Each can go on building his own theories concerning the age of a machinery. Unless he is proved to be an expert and unless he places the data for his opinion before the court for scrutiny, I decline to be led by any such opinion, the more so when I have before me machinery 30 years old working and still going strong and disproving the statement that the machinery must be replaced wholesale at the end of 20 years. The conclusions of the Tariff Board tend to an allowance of about 4 per cent.

When all is said and done there yet remains the question as to why I should now reopen in 1938 the balance sheets of the past years and declare a loss or a less profit in those years when the chief persons concerned, namely, the directors or the shareholders, do not appear to have raised any objections against insufficient provision for depreciation in the years that have gone by. Simply because the workers are now demanding higher wages, and simply because their claim for higher wages is seen to be a reasonable demand by virtue of the published balance sheets, it will be the height of unreason to recast the accounts of the previous years from the form which was given to them by the mill-owners themselves. If a similar contention should be put forward by the mills in a court of law, they would stand in danger of being estopped. From the one fact that a thirty-year old mill machinery is still working, I should rather hold that a higher percentage of depreciation has already been allowed and although the income-tax authorities allowed 5 per cent and to that extent the mill-owners have had the advantage of the income-tax rules, the actual depreciation need not necessarily be so much.

It was stated that most mills have failed to make sufficient provision for reserves in the past, and the future of the industry demands that the building up of reserves should form a first charge upon its earnings. The very word "reserve" implies that it is something that is set apart and must take a number of years to accumulate. Many of the mills in the district have started work within the last ten years. The time is too short for them to expect large reserves. It looks as if they want to become too rich and too quickly. The Kaleeswarar Mills was started in 1906 with a capital of 6 lakhs and its capital is still at or around 6 lakhs although its block capital has risen to nearly 38 lakhs. Similarly the younger mills will build up their reserve funds and block capital as years pass. The absence of a large reserve fund is no reason for holding that the industry is not in a position to pay a fair or adequate wage.

We next come to the argument of the mill-owners that the worker in Coimbatore is not as efficient as workers elsewhere and that until by improving his efficiency he shows more output, the industry will not be able to bear an increase in wages. To borrow the excellent phraseology of the Royal Commission on Labour,

which has also been adopted by other writers, " We are moving in a vicious circle " in regard to the question of efficiency and wages. The worker is uneducated and ignorant. His standard of life must be raised, so as to raise his efficiency. Unless he is educated, his standard of life and his efficiency will not show an appreciable improvement. Unless there is an increase of wage, his education and standard of life cannot be raised. But he cannot have increased wage, until his efficiency improves. This is the vicious circle. There are many needs in the life of the worker which have yet to be supplied. Higher standard of life, higher wage, education, better housing. Every one of these points requires to be tackled at a nearer or later date. Among all these factors, I would consider the question of wage as of paramount importance. It is that which will have an immediate and great effect upon his life. A higher wage will raise the standard of living and it behoves every citizen, not to say a mill-owner, to raise the standard of living in the locality as it is a mark not only of prosperity but of civilization. I can only add that the argument that wages cannot be raised without a rise in his standard of efficiency was put forward only for the sake of argument, and not because there was any point in it. None of the representatives of the mill-owners came forward with facts and figures before the court to prove the contention of inefficiency of the Coimbatore labourer, compared with the labourer in other textile centres. On the other hand, it was conceded by Mr. Stenson that the efficiency of a Coimbatore spinner was 90 per cent and that of a weaver over 75 per cent and Mr. Kandaswamy did not seem to differ. Mr. V. Doraiswamy Ayyangar, a former manager of a mill also spoke of the general efficiency of the Coimbatore worker.

In their memoranda, the mill-owners' association have gone completely out of the field by making comparison of the worker in Coimbatore with the worker in the West (England) and the Far East (Japan). I can only observe that I have not had the opportunity of comparing the efficiency of an English or Japanese workman with a Coimbatore workman, but I have had sufficient opportunity (in fact more than what I expected) of comparing the efficiency of the Coimbatore employer with the European employer. Though some may not be pleased with the remark, it must be said that the European managed mills in Madras, and to a certain extent the Mills in Madura are kept in such a high state of efficiency by the employers that the working conditions of the employee are undoubtedly more favourable and healthy and profitable. They conduce to the well being not only of the worker but of his family. This is not to say that there are no Indian managed mills of equal efficiency on the part of the employer. But they are very few. The incidence of dust and fluff, the general sanitary conditions obtaining, the welfare schemes in force for the benefit of the worker and his family such as education and medical relief, and

even the matter of wages are all on a satisfactory basis in Buckingham and Carnatic Mills and hardly any such conditions exist here. I deeply deplore that the mills in the Coimbatore district have not aspired to reach such a level of efficiency on their part. With the efficiency on the part of the employer increasing, the efficiency, even if it be low now of the worker is bound to rise. The efficiency of the employer lies in doing everything possible to obtain large profits on the one hand and to see to the well-being and contentment of the employees on the other.

The worker nowadays is being led into new ways of looking at life and things. Formerly, he was satisfied if he could "get on" in life. The march of world events have produced a change in him, in his life, environment and mode of thinking. He feels he has a right to a share in the profits which the mills are getting. The moneyed man has money which he can only convert into machinery and cotton. His investment in the business is therefore machinery and cotton, the products of money. What makes the cotton produce profit, is labour. There are thus two investments—that which is invested in the shape of money by the employer and that which is invested by the workmen in the form of labour. If the money should produce a profit in return, labour must have its profit likewise. Just as in the union of a man and a woman, that which it brings forth, viz., the child, belongs to both the parents, so is it that the product of an industry is the property of both investors. They may share equally; they may share in different proportions. It is difficult to assess the value of the cotton and the machinery in relation to labour, or vice versa. This theory is fascinating and in fact an issue was proposed, "whether the workman is entitled to a share in the profits." But I declined to frame the issue as these are matters of theories and theories in political and economic matters seem to change, if not from year to year, at least from decade to decade.

As a matter of fact, I find that the Coimbatore textile labourer is well above the standard in the matter of efficiency. I made the necessary calculations and had actual observations made with the object of finding the average output per spindle during the working of a day of nine hours. I requested Mr. M. Krishnaswami Ayyar, Inspector of Factories, Coimbatore, to visit a mill and to observe in person the actual output of yarn per spindle, spinning 40 counts. He visited a mill on 18th March 1938. It was found actually that the production per spindle for nine hours' working in 40s. averaged 3.14 ounces. But as the production will not be uniform throughout the whole period, and making allowances for the nature of machinery, revolutions of the spindles, etc., he put the efficiency at 85 per cent of the actual. By such reduction, the average production per spindle, spinning 40 counts per day of 9 hours' comes to 2.67 ounces.  $(\frac{85}{100} \times 3.14)$ . In order to verify the results of his observation, a calculation was made from the figures of



production recorded in the books of another mill. The output reduced to 40s for the whole year came to 1,184,148 pounds. The total working days in the year was 313 which gives an average production of 3.783 lb. per day. As the mill had 10,796 spindles, the production per spindle per day of two shifts, i.e., in 18 hours, was 5.61 ounces. Consequently, for a day of 9 hours, the production comes to 2.805 ounces. The observation made by the Inspector thus tallies with the figures in the mill records and the allowance made by him is seen to be more than reasonably high. A personal observation was made in another mill too, engaged in the production of 40 counts. The results obtained showed a production varying from 2.85 to 3 ounces per spindle, thus giving an average of about 2.9 ounces per spindle. This was larger than the former mill. There were 22 frames in it each with 388 spindles. In Exhibit XXVII filed by the mill-owners they have criticised the Tariff Board's deductions, for having given the quantity of 3.85 ounces as the standard production of yarn per spindle working 10 hours (reduced to 40s). The mill-owners observed that the figure 3.85 must be a printer's mistake for 2.85 or that "the Board has sadly gone astray." This observation is evidently due to their emphatic denial of the possibility of producing such a quantity per spindle. They state it as their opinion that it may be regarded as a very fair standard of production if a spindle working for 10 hours a day can produce 2.85 ounces of 40 counts yarn. According to their own standard, therefore, the standard production per spindle for a day of 9 hours' working 40s should be 2.56 ounces. But what is the case actually in the mills in which the production per spindle was calculated and observed? It gives us the result that two mills in Coimbatore district are actually producing 40s at the rate of 2.67 and 2.9 ounces respectively per spindle per day of 9 hours' working. Against such unimpeachable figures it is idle to contend that the efficiency in the mills in the Coimbatore district is less than the mills elsewhere and make it a reason to plead unwillingness to pay the rate of wages paid elsewhere.

Yet another argument of the mill-owners was that wages formed a high percentage of their manufacturing costs and that even a slight addition to that item will upset their margin of profit. The actual figures regarding details of cost of production were furnished by certain mills. Though generally the mills expressed unwillingness to produce them publicly, four mills furnished the court with the figures. I have accepted them to be correct. Before proceeding to a consideration of these figures, I may observe that the mill-owners were complaining that their wages bill had been steadily going up from 1934 and that they cannot bear a further addition to it. This is a strange complaint. Merely because the wage bill is increasing, it does not follow that the rate of wages has increased (which is not even their case) or that more is being paid to the same workers. I have already referred to the large increase in the number of spindles in the Coimbatore district since the year 1933,

by additions to those existing before. The shifts have also been increasing and hence the number of hours. The number of operatives has also increased, so also the cost of power and fuel consumed. Therefore, the increase in the wage bill is a natural concomitant of increased production, and is not due to increased rate of wages. The increase was not confined to the wage bill alone. This argument therefore has no relevancy.

In order to determine the proportion which the amount of wages paid bears to the cost of production, one should know what is the cost of production. A quantity of cotton put into a mill at one end is turned out at another end in the shape of yarn. The yarn is sold and the difference between the proceeds obtained and the amount of labour and cost of cotton spent in the course of its production represents the profit to the producer. All that which directly goes to convert the cotton into yarn may be referred to as the cost of production. The cost of cotton, plus the cost of production deducted from the total price of yarn realized by the producer, plus the value of stock gives his (gross) profit. But what essentially contributes to the production of yarn is labour. The cost of cotton and the cost of labour are therefore the chief ingredients which go to make up the cost of yarn. So some authorities are of the opinion that if from the amount realised by the sale of yarn and the value of stock the cost of cotton, wages, stores and energy are deducted, we get the profit made by the business. On an average, 65 to 70 per cent of the cost of production may be taken as the cost of cotton in the process of turning it into yarn. (In the case of a weaving mill, this proportion will be less. It has been given as 51.1 per cent in the interim report of the Bombay Textile Enquiry Committee at page 54.)

Now we shall examine what proportion wages bear in the cost of production in the Coimbatore mills. The details of manufacturing charges furnished by one mill are as follows :—

Item.	Amount.	Percentage to total manufacturing cost.
For the year 1937—		
	RS.	
Stores .. .. .	45,940	6.52
Fuel and power .. .. .	1,16,332	16.52
Wages .. .. .	1,94,235	27.59
Salaries .. .. .	26,029	3.7
Insurance charges .. .. .	5,908	.84
Interest .. .. .	36,654	5.2
Rent, rates and taxes .. .. .	16,138	2.29
Repairs .. .. .	2,520	.38
Railway freight .. .. .	36,734	5.21
Selling expenses .. .. .	15,972	2.29
Office expenses .. .. .	12,492	1.77
Depreciation .. .. .	62,743	8.91
Commission and Remuneration of Managing Agents. .. .. .	58,567	8.03
Profits .. .. .	75,683	10.75
<b>Total manufacturing charges .. .. .</b>	<b>7,03,947</b>	<b>100.00</b>

This however is not the manner of determining the cost of production. Taking the cost of cotton to be between 65 to 70 per cent of the total amount required for its conversion into yarn, all the above items should form only about 35 to 30 per cent of the total cost of production. Profit has no place in the determination of cost of production and cost of cotton which must be included in the latter has not been so included.

Let me illustrate the point by taking the figures of another mill. This mill has published along with its balance-sheet for the year ending with 31st December 1937 a profit and loss account which is really a composite account showing both profit and loss and trading accounts. From the account, the total overhead expenses including depreciation is seen to amount to Rs. 1,00,721-4-7. How this has been arrived at is explained below:—

	RS.	A.	P.	RS.	A.	P.
Total income by sale of yarn plus value of closing stock and miscellaneous income.				10,39,925	14	11
<i>Deduct—</i>						
Value of cotton, stores and power ..	8,40,564	1	6			
Wages .. .. .	69,009	5	6			
Net profits as per profit and loss a/c.	29,631	3	4	9,39,204	10	4
Overhead expenses including depreciation.				1,00,721	4	7
<i>Add—</i>						
Wages alone .. .. .				69,009	5	6
Stores and power .. .. .				68,252	0	0
Total cost of production (excluding net profits and cost of cotton) ..				2,37,982	10	1
(N.B.—Wages and salaries together were noted as Rs. 79,009-5-6; Rs. 10,000 was taken as salaries and the rest as wages to be on the safe side.)						

The three items which make up the total cost of production excluding cost of cotton stand in the following proportion:—

	PERCENT.
Wages .. .. .	29.0
Stores and power .. .. .	28.7
Overhead expenses .. .. .	42.3
	100.00

This mill has 28 frames of 388 spindles each and was working two shifts per day each of 9 hours and the total number of days for which it worked in the year was 310. In other words, the cost of production directly involved in turning cotton into yarn and including all items such as interest, depreciation, etc., was Rupees 2,37,982-10-1 and it was incurred on 28 frames for 310 working days of 18 hours each. Reducing it to one day of 9 hours, the cost

of working each frame comes to Rs. 13-11-4.\* We have seen that on the average the production per spindle per day of 9 hours in the Coimbatore district ranges from 2.67 and 2.9 ounces of yarn of 40s. Taking the production at the modest average of 2.47 ounces, so as to allow as wide a margin as possible—

The production per spindle	=	2.47 ounces or
		1538 pounds.
" frame		
of 388 spindles .. ..	=	60 pounds (59.6).

Hence, the cost of production of 60 pounds of yarn is Rs. 13-11-4. The cost per pound (excluding the cost of cotton), therefore, is Re. 0-3-7.

Now the ruling price per candy of 500 pounds of 40s. cotton is Rs. 155. The cost per pound of 40s. cotton therefore comes to Rs. 0.310. About 116 lbs. of cotton are required for the production of 100 pounds weight of 40s. yarn, allowing for wastage in the course of manufacture. The cost of cotton required for getting 1 lb. of 40s. yarn therefore comes to Rs. 0.362. On this basis, the actual cost of cotton required for the production of 10 pounds of 40s. yarn (less an anna which may be got by sale of waste) comes to about 57 annas or Rs. 3-9-0. We have already seen that the cost of production of 1 pound of yarn (40s.) comes to Re. 0-3-7; or, which is the same thing, to Rs. 2-4-0 for 10 pounds. (I am taking units of ten pounds for my calculations, as it is in that denomination that the price of yarn is generally quoted.) We thus see that for cotton of the cost of Rs. 3-9-0 the cost of production (for turning it into yarn) comes to Rs. 2-4-0. In other words, the cost of 10 pounds of yarn (actual) includes Rs. 3-9-0 worth of cotton and Rs. 2-4-0 worth of cost. This is exactly in the proportion of 61 : 39. Thus, if the cost of production of yarn were properly calculated, so as to take into account (i) cost of cotton, (ii) wages, (iii) stores, (iv) power, (v) overhead charges and (vi) depreciation, the actual proportion that the various items bear in the case of the mill whose figures are considered above comes to—

PER CENT.				
Cost of cotton .. ..	..	..	..	61.0
Wages (29 per cent of 39)		..	..	11.3
Stores and power (28.7 per cent of 39)		..	..	11.2
Overhead (42.3 per cent of 39)		..	..	16.5
Total ..				100.0

It is easy to quote further examples to show the very small part taken by wages in the cost of production in the spinning mills here. But the examples already shown fully illustrate the point. I can state without fear of contradiction that even in the

\* Rs.  $\frac{2.37,982 \times 10^{-1}}{28 \times 310 \times 2}$ .

mill which pays the highest rate of wages for spinning in Coimbatore, the wages do not form more than about 15 per cent of the total cost of production. Even a 50 per cent increase in wages can therefore not affect the other parts of the cost of production, inasmuch as in the average mill wages occupy but 11 or 12 per cent of the total cost. A 50 per cent increase in wages where wages form only 11 or 12 per cent of the total cost means only a reduction of between  $5\frac{1}{2}$  to 6 per cent in the rest of the factors which go to make up the cost of production and which form together between 88 and 89 per cent. It may be said that the cost of cotton is beyond the control of the producer and no shrinkage can be made under that item of costs. But this is exactly what has now become possible, through the sharp decline in raw cotton prices due to increased acreage throughout the world, and the expectation of a bumper crop. I shall deal with this matter again later. The other item of cost which may not permit of shrinkage or reduction so as to permit a raising of the wages is the cost of power, and to a less extent, stores. But these two items together form only a small portion of the total cost. There is then left the portion comprising of overhead charges. This by itself forms the largest part excluding of course the cost of cotton. It is in this that the reduction has to be made, and can be made, as it appears to me after a scrutiny of the balance sheets of most of the mills.

To make a brief resume of the arguments hitherto considered, we have seen that the wages in Coimbatore are low compared to the rate of wages paid in other centres of the textile industry. We have disposed of the arguments against comparisons being made in the wages existing in the different centres with those in Coimbatore. We have met the arguments of the millowners that the mill industry in Coimbatore has been passing through times of depression and is not in a prosperous condition, by showing striking figures to the contrary in the matter of the growth in the number of mills, in the number of spindles, in the increasing profits year after year and the consistently high rates of dividends and in their own acceptance of the prosperous conditions in their reports to their shareholders. The industrial development here since 1932 took place at a time unfavourable to the worker as he was recruited at a time when wages were at the lowest and he has further suffered a cut in his wages equalling about  $12\frac{1}{2}$  per cent in 1933 at an apprehended slump which never materialized but resolved itself into a progressively prosperous period. We then stated how reasonable and just it was that his wages should be raised, especially as the cut in wages aforementioned was not raised and as the industry has been growing in strength and prosperity all these 5 odd years. We have then considered the objections to such a rise on a ground of inefficiency of labour and because of there having been under-depreciation in the past and finally showed figures to prove what a small proportion of the cost of production actually fell on the wages in the Coimbatore district

and how a substantial increase in wages can be given without appreciably raising the total cost. If these figures do not carry conviction, I should despair of convincing any one of the low proportion wages bear to cost of production in the mills here.

Having touched upon the subject of overhead charges to be reduced so as to permit of a raising of the wages, I may deal here with one representation made by the workers, namely, that the remuneration and commissions payable to the managing agents formed a very large slice of the overhead charges and that therefore the managing agents should give up a portion of their earnings for the sake of giving an increase in wages to the workers. It was claimed on the workers' side that in Bombay Presidency the managing agents were actually foregoing every year considerable portions of their commission which was not done here. The representatives of the millowners refuted the latter statement. They said that they too had given up parts of their commissions. They represented that in Bombay and Ahmedabad the units were larger and several units were under the same management. They had better facilities for securing sufficient finance for running the industry. In Coimbatore it was stated there were only small units each under a different managing agent; also, that money was not easy to get for financing of the industry to the extent that was possible in Bombay. The managing agents are therefore put to the necessity of private borrowing at high rates of interest, having to tender their personal responsibility for repayment. It was stated that on the average each mill may require about 8 to 10 lakhs of rupees during the cotton season in which all the mills purchase the whole cotton required for their annual consumption. A total sum of about Rs. 2 crores is said to be required by all the mills during the season and that the managing agents could get only a small portion of this amount by way of 'Key' loans or 'Open' loans from the banks and had to resort to private borrowing for the rest which formed a much larger portion. They also referred to the difficulties which they had in getting the requisite share capital which was the reason why the units in Coimbatore are small, as it is not possible to get the sum required for floating larger units. These were meant as a justification for the remuneration received by the managing agents in consideration of their difficulties in starting and financing the mills. It was also said that the shareholders expect a return of at least 8 per cent as dividend on their investment and it was only upon such inducement that the money was forthcoming.

The statement that money was scarce for promotion of industry is not correct. It is disproved by the fact that in the course of six years there was more than a 100 per cent increase in the number of mills. Besides the 25 mills referred to by me as actually functioning at the period immediately preceding the strikes, more mills have since begun to function. The mill statement issued by the Bombay Millowners' Association as on 31st

August 1937 refers to as many as 8 mills as being under erection on that date in the Coimbatore district. (The Vysia mill was included in this category in that statement.) Two more mills—the Dwaraka and the Kasthuri, have also been registered in 1937. These do not point to any state of difficulty in the promotion of the mill industry. Again, the statements about the units in Coimbatore being small and that this is due to tight money conditions is misleading. It is not established that only larger units can make adequate profits nor that starting of large units only can be a sign of prosperous mill promotion. On the other hand we find that though a beginning was made with a small spindleage in several mills, there was a rapid growth in the size of the units almost from the date of starting. Take the case of the Pioneer mills. It started in July 1936 with 6,160 spindles. Before the end of the year the number of spindles was increased to 12,320. Arrangements have since been made to increase this number still further to 19,280. The Pankaja mills started early in 1934 with about 10,800 spindles. The number of spindles was increased to 15,200 in 1935, 17,200 in 1936 and to 21,200 in 1937. Do these figures show lack of funds for expansion of business? But yesterday we had the proud claim of the Directors of the Vasantha mills of having successfully floated a debenture issue of 2,50,000 rupees at 4 per cent interest subject to income-tax. Does this point to tight money conditions? Without much discussion, therefore, one can say that it would be distorting facts if one says that money is not plentiful either for raising new units or for expanding old units or for running expenses. Two big banks, namely, the Central Bank of India and the P. & O. Banking Corporation, have opened their branches newly at Coimbatore. They add to the existing resources for financing of the industry. With the lowering of the rates of interest on loans to agriculturists by the Madras Agriculturists' Debt Relief Act and the consequent setback in the flow of money that was formerly being invested by banks and money-lenders in agricultural classes, the tide has turned towards the mill industry. Industrial finance is gathering strength and I foresee quite favourable opportunities for the industrialists in the immediate future. I am not convinced of the difficulties complained of by the millowners' representatives in the matter of money required for production in comparison with the conditions obtaining in Bombay and elsewhere. The claim of the shareholders for a return of 8 per cent on their investments as a fair return can be disposed of in one word. Nowhere in this world will 8 per cent be considered now as the minimum expectation. Even 6 per cent cannot be regarded as small nowadays. The bank rate is now 3 per cent. There are plenty of persons throughout India with money lying idle for investment. It is well known that even some banks in the Madras Presidency have a plethora of idle money. Under such conditions the demand of the Coimbatore investor for 8 per cent should certainly be ruled out as an unreasonable expectation. The Tariff Board (1936) has stated that 6 per cent is a reasonable

rate of return to any investor. We have seen that actually the mills in Coimbatore with only 2 or 3 exceptions have paid dividends which never went below 6 per cent in the past several years. The Coimbatore investor has very little cause for dissatisfaction, under these circumstances.

As for the main question of the managing agents' commission itself, I do not wish to enter into that controversial subject. Rightly or wrongly this system of managing agents has come to stay in India. The managing agents are creatures of contract. They come into the arena of industry under contracts which give them certain rights. Although in many cases the managing agents happen to be interested in the concern itself as proprietors or shareholders, their separate individuality as a party to the contract of managing agency cannot be repudiated by the millowners. If they have given up a portion of their commission or salary, it is out of goodwill to the shareholders. All that need be said is, when they are good enough to give up their salary or commission in order to benefit their shareholders, they may be equally generous and solicitous in favour of the workers who work directly under the managing agents themselves. I cannot say that the inclusion of the managing agents' salary and commission in the profit and loss account can reasonably be objected to. It is true that the Bombay Textile Labour Enquiry Committee mention in their interim report that the managing agents in Bombay and Ahmedabad mills have given up a considerable portion of their commission in successive years. This is a matter to which the attention of the managing agents in Coimbatore may profitably be drawn by those interested in the well-being of the textile industry. It was represented to me that some of the managing agents *have* given up portions of their commission and salary even here. But the amounts stated were not substantial. The statement of having "*given up*" is not also seen to be wholly correct. For I find from certain balance sheets and Annual reports that the commission, etc., given up was only to make up a particular rate of dividend for the year in which the net profits proved insufficient for such payment. It was either stipulated or was taken as understood\* that the amount given up would be recouped in the subsequent years. In many other spheres of employment the highly paid men and women have suffered cuts and decreases in salaries. The managing agents may fall in a line with the order of things of the day by surrendering a reasonable and substantial portion of their salary and commission having in

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\* Vide Directors' report in presenting the balance sheet for the year 1935 of the Sri Ranga Vilas mills—Rs. 10,000 was recouped out of the profits of 1935 towards commission foregone in 1931.

Vide also second annual report of the Sarada Mills in which the managing agents waive "for the present" the sum of Rs. 12,000 payable to them as allowances;

Also eighth annual report of the Vasantha mills in which the Directors have given up Rs. 3,000 on the understanding that the amount "will be repaid to the managing agents in the subsequent years."



mind the interests of the industry in general and the contentment of the workers in particular.

At present the managing agents get in most of the mills a salary of Rs. 12,000 per year, besides commission on profits, commission on purchase and sale of cotton, purchase of stores, and on production basis also amounting in many cases to over Rs. 40,000 a year. This is hardly justifiable, as the above acts are necessary functions of a business and there is no need to give commissions on such large scales and on so many transactions. After all, the managing agents (in Coimbatore at least) are not experts in any of these matters. The manager is the person who directs and controls the workers and knows the requirements of the concern. An efficient manager means efficiency all round in the mill. I have seen the managers of the mills I visited. While some of them are trained and qualified persons there are some who have no qualifications. If the Government can make a rule binding on the employers, I should recommend that at an early date a rule should be made that the managers of textile mills should be holders of a Degree or Diploma or Certificate in Textile Engineering and practical experience in managing workers. A capable manager who combines in himself knowledge and experience as well as tact will be able to avert many a clash between the employers and the employees.

The millowners state that they were paying large amounts by way of interest. That they have had to pay a large amount of interest consequent on borrowing on high rates, is not a proper answer to the demand of the workers. It would occur to any one to ask why the millowners should have borrowed at very high rates of interest. No prudent businessman would borrow at very high rates unless he is sure to get a correspondingly large measure of profit by such borrowing. I have not been told (for obvious reasons) who the lenders were from whom the money was borrowed at high rates. The workers' representatives suggested that those lenders were no other than relations and friends of the managing agents. The managing agents are expected to be looking after the interests of the concern and so prudent.

In this connexion it is interesting to note that the proportion of Share capital to Block capital is larger in Coimbatore than in a Presidency like Bombay. The Millowners' Association of Coimbatore prepared a consolidated statement of profit and loss in respect of 8 mills (Vasanta, Pioneer, Rajalakshmi, Lakshmi, Cotton Combodia, Radhakrishna and Ranga Vilas mills). It shows these figures for 1936 :

Total Block capital, Rs. 104.2 lakhs.

Total share capital (paid up), Rs. 64.34 lakhs.

The latter is nearly 61.5 per cent of the former. The interim report of the Bombay Textile Enquiry Committee gives at page 51 of its report the following percentages of share capital to Block

capital in the three important cotton textile centres in that Presidency :

						PER CENT.
Bombay	...	...	...	...	...	38
Ahmedabad	...	...	...	...	...	24
Sholapur	...	...	...	...	...	13

A comparison of the percentage in Coimbatore with the above figures discloses two things : (1) that the business here is going on with comparatively less borrowing for Block account and (2) that it is not the case here that much difficulty is felt in finding money for the business. If share capital is very small compared with block capital the need for borrowing may be explained. But with a larger proportion of share capital the need for borrowing ought to be less here. Of course in every business money will be required for working expenses, etc., but it need not be and is not really as large in Coimbatore, relatively to other places where the share capital is smaller.

It would have been interesting to know what was the stock of cotton on hand on the first of July 1937 or the first of August, and how much cotton was purchased subsequent to that period. From the representations made to me, I understood that these figures along with some other particulars would be furnished on the 7th of March 1938. I say this because when this enquiry stood posted to the 4th March for the evidence of the millowners, the latter applied for an adjournment on the ground that they had appointed certain auditors and accountants to prepare a statement relating to all mills which would give the details and particulars above mentioned. But for some curious reason when the millowners began their evidence it was represented that they had given up the idea of getting such a statement prepared and filed in Court. No auditor or accountant was examined as witness. They contented themselves by filing a statement (Exhibit XXXVII). It is stated to be a consolidated balance sheet for 8 mills, for the years 1934 to 1937. I have not made any scrutiny regarding the correctness of the figures so presented. I shall take them as correct. They reveal certain interesting features :—

Year.	Total paid-up share capital.	Net profits given in the balance-sheet.	Percentage to share capital.	Total reserves.	Percentage to share capital.
	RS.	RS.		RS.	
1934	42,41,635	4,97,328	11.7	4,55,980	10.75
1935	52,91,510	4,10,762	7.8	5,31,440	10
1936	53,34,638	4,50,865	8.5	5,34,240	10
1937	53,61,260	3,91,660	7.3	5,94,206	11.3

In the first place, the millowners' figures themselves show that the provision made towards Reserve Fund has been kept at an even level, despite the increasing share capital. Secondly, after making every provision towards depreciation, reserves, etc., still the net profits work to over 7 per cent in any year and on the average to 8.8 per cent for the four years.

I may state it as my opinion that what really should be considered as having been earned by the company is the price of yarn and stock less the price of cotton, wages and the other items directly entering in the process of production, namely, power and stores. If the managing agent's commission, interest charges, salaries, taxes and all the rest are also taken into account, necessarily the amount earned as profit becomes reduced. But these items are not really the essentials which go to make the profit on production. They may reasonably be deducted out of the profits earned in order to declare a dividend, but strictly speaking the amount earned is the same as the difference between the price of yarn and stock on the one hand and the wages and the price of cotton on the other. As has been observed in several parts of this chapter the price of cotton is very low. The efficiency of the management lies in the buying of cotton at its lowest, keeping the expenditure on stores, etc., under strict control and trying to obtain the maximum production from the workers and the machinery. With reference to the first two items no satisfactory material is placed before the court to show that Coimbatore stands at a disadvantage or that in spite of efficient management they could not keep them at a low cost. I therefore would say that there is nothing particular in Coimbatore to think that the cost of cotton swallows up the whole amount leaving a very small margin for the wage bill. It is well-known that cotton, wheat, gold, silver play an important part in the world trade and any small change in one part of the world, regarding their prices has a reaction in all countries. Hence also greater efficiency is needed in the buying and stocking of cotton. In an ideally managed concern, the cost of raw material should form not more than 45 per cent, wages not less than 30 per cent and all other factors of production 25 per cent. The commission of the managing agents should not form more than 5 per cent of the total cost of production in the ideal concern.

The next point to be considered is whether the present affluent state of the industry is a temporary phase or is likely to continue for a length of time that will justify an increase of wages at present. The millowners' view is that the mills are not in a position to pay a higher wage, that they have not been making much profits in the past few years and that the conditions existing at the present moment though favourable for a revival of the industry, are only transitory and no radical change such as an increase in wages is justifiable unless we observe the trend of the trade for some time to come. When all the world over there was a depression between the years 1929 to 1932, the industrial development in Coimbatore made a good start. The conditions of trade appeared to be depressed in the year 1933. Mr. Kandasami said that when the depression was noticed, a cut of  $12\frac{1}{2}$  per cent was imposed on the wages in all the mills (except Cambodia) : but that they did not wait to see if those adverse conditions would persist for any length of time. It is

admitted on all hands that the yarn trade is now active. While one side urges that this spurting up of the yarn trade began in May or June 1937, the other side would say that it is only since December 1937 that there has been this upward movement. "In any event" ask the workers, "what is the justification for not immediately giving an increase of wages, as soon as this upward tendency was noted in trade conditions?" They ask, "In 1933 you imposed the cut suddenly and without consulting us and the reason you gave was that there was a drop in the trade. We did not demur to the cut but submitted to it. When you got a sudden rise, even if it be in December 1937, why did you not give us an increase in wages forthwith?" They complain that this attitude of the millowners is itself indicative of their apathy towards them and that while every disadvantage in trade conditions is used as a handle against them, no help or advantage is given them when the trade conditions are highly favourable.

The millowners represent that the rosy conditions obtaining in the yarn trade at present are due to two factors both of which are transitory. They are, (i) the Sino-Japanese war, and (ii) the non-working of the big yarn mills at Madura. The Sino-Japanese war has been the cause of a fall in the imports of Japanese yarn, but even before this war the imports into India of Japanese yarn was steadily going down as the review of the trade in India shows. There has been a considerable fall in the imports of yarn of higher counts like 40s and above. It is only in a few mills and that too the latest ones that counts higher than 40s are manufactured on any large scale. But the tendency now is to increase production of higher counts. In the case of counts below 40s the Japanese competition was practically nil even before the war with China. I cannot consider that the present upward tendency in the yarn trade is due to a temporary cause like the Sino-Japanese war.

The next factor urged is no doubt one which has partly influenced the market. Some two or three months ago, owing to labour trouble in Madura, the Madura mills have not been working; and Madura mills form the largest unit among spinning mills in India having within its precincts an assemblage of spindles the number of which is not equalled by any other mill in India. The Coimbatore mills have been reaping the full benefits through the non-working of the Madura mills. They are having plenty of demand for yarn. So much has this been the case that one mill wanted to close its weaving department entirely so as to concentrate on yarn production. But this attempt gave rise to some trouble and the closure of the weaving section could not be carried out. The mill in question would not admit it that it was on account of the closure of the Madura mills and the consequent increase in the demand for yarn that the weaving section was sought to be closed. It was said that there was no demand for cloth, that there were large stocks of cloth unsold and therefore

they did not want to produce more cloth. It is not my purpose to examine the truth of the reason thus given. The upshot of the attempt was, as I have stated, the weavers who were likely to be thrown out of employment gave trouble and the other workmen also were getting affected. This led to the strike or threatened strike being averted by allowing a part of the weaving section to continue to run. This is however a digression. It is evident from the conditions obtaining now, that the closing of the mills in Madura has given a large impetus to the yarn producing mills in Coimbatore. The larger the production, the greater the profit. The causes mentioned above are not the points upon which the demand for an increase in wages is based. They are not also the points which indicate the permanent resuscitation of the textile industry. The resuscitation took place long ago in the Coimbatore district. It is only a fresh spurt that the trade has shown owing to the two causes mentioned just now.

On the millowners' side it was represented that during 1933 or about that time some of the money-lending classes in Coimbatore, encouraged by the concessions granted by the Government thought it an opportune moment to invest their money (which was till then lying idle) in industry and that that accounts for the sudden rise of so many mills. I am not able to make out any point out of this to controvert the fact that the industry was started under favourable conditions, and those conditions contributed in no small measure to the wonderful success of the industry. While in other places such as Bombay and Ahmedabad mills were being closed down owing to depression, here in Coimbatore new mills were coming into existence. It is significant to note that not one of these new mills is a failure. The 25 mills which are now working in Coimbatore district are in a prosperous condition. Their prosperity is a welcome feature and no one could fail to notice it. It was this prosperity which has worked up the feelings of the workers and it is possible that there were people engaged in educating them to understand the situation. On the one side there are the millowners whose money was invested in industry and who have made more than an expected return on their investments. On the other side there is the picture of the workers who submitted to a cut of 12½ per cent in their wages in 1933 and excepting a very few cases in some sections the cut remains and the workers' condition has been either worse or the same as what it was in 1933. There are huge developments going on all round Coimbatore. Large palatial residences are coming up on all sides. And yet the workmen have no houses. If they have, they are hovels not fit to live in.

In passing I should note also what is happening in other social activities of the town during the last 6 or 7 years. I should like first to mention the Cinema. Five picture-houses have come into Coimbatore and if my information is correct, one or two millowners are connected with the film industry as well. It is well known that the Cinema attracts the mill labourers to a large extent and

though one cannot approve of their going and spending their money on it, the modern conditions of a city like Coimbatore drive the worker to it.

Again, it was interesting to hear their demand for cycle-sheds in the mills and the reply of the millowners to the effect that they have provided them. As a matter of fact I found in a few mills large sheds for cycles and quite a large number of cycles lodged in those sheds. They were the cycles of the workers. Whereas in former times a man had to walk to his place of work and would not invest his money on a vehicle such as the cycle, now every one takes it for granted that a cycle is a necessity to a worker. What is invested upon it must come from out of his earnings. This is an additional source of expenditure for him.

Yet another point that one must not lose sight of though it may seem trivial, is the want of a canteen in any mill. This want drives many a worker to the coffee hotel. Wherever there is a large number of people gathering either for pleasure or for work there spring up these coffee hotels. The mill does not supply either food or refreshment and therefore during or immediately after work the workmen who find coffee hotels closeby feel tempted and go and spend their money upon a bite and a drink. This is another addition to the items of expenses of the work-people of to-day. It is all well to say that he need not succumb to these temptations, but the class of persons with whom we are dealing is the last to whom one could preach successfully the benefits of self-control.

The general level of living among working classes is almost the same wherever they live, whether at Madras, Madura or Coimbatore. With the rapid and ever expanding means of communications, the prices of many of the foodstuffs are nearly the same in all places, except in rural parts. What however is a notorious fact is that year after year the rents have been going up. It is not true that the rents have been going down. It might be so in the case of the highly valued tenements. What was fetching a rent of Rs. 500 per month once may fetch only about Rs. 300 now. But what was fetching a rent of Rs. 2 once now fetches Rs. 3 or even more. A still more well-known fact is that in places like Coimbatore it is much more difficult to get a house, for whatever rent, than in the bigger cities. In centres like Bombay and Madras people have invested money in small houses for the occupation of poor people at low rates of rent. Such enterprise has not been made in Coimbatore to an appreciable extent. Therefore, it is not merely the high rent alone which requires our notice. We have also to note the difficulty in obtaining a house on rent. This difficulty is gradually increasing with the increase in the number of labourers consequent upon new mills getting into gear one after another in this centre. One can therefore unhesitatingly believe that the family expenses of a workman have substantially increased within the last 6 or 7 years.

The point that I wish to make out is that with the growth of industry at such a rapid scale amenities and attractions of different kinds have also grown in the city. They attract all people including the workers and they do have to spend more than what they were spending.

There is a statement in the memorandum of the millowners that the rates, taxes and charges that they have to pay are too heavy to admit of an increase of wages. I wonder why such a statement is made when the contrary has been proved to be the case when the millowners' representatives were examined. With regard to "charges" I am unable to say what they mean by that term. It is significant that not one of the millowners has come forward to substantiate this statement that the rates, taxes and charges are too heavy. On the other hand they are getting power at cheap cost. The Pykara Hydro-electric station supplies power at the cheapest rate and nowhere is the rate cheaper in the Presidency than here. When this was pointed the answer was rather striking; that the rates are lower in Mysore. Mysore is excluded from comparison on all points and therefore there is no need to bring it in in this connexion. With respect to taxes, income-tax is common to all India. Local taxes are also almost the same in different centres of the industry. There is another point which cuts at the root of this contention. The rate per unit of power becomes reduced when the consumption increases. Several mills have been increasing their spindleage and the number of hours in which the machines are worked. This results in a considerable increase in the consumption of energy, and the larger the consumption the less is the rate, after a particular point is reached.

The millowners have raised a point that they are handicapped in that they do not enjoy the same amount of protection for yarn as is given to cloth. The Tariff Board's recommendations with regard to cloth are more liberal than with regard to yarn. It looks as if the Tariff Board took into consideration all the expenses of a spinning mill only upto the point of spinning, and omitted to consider the expenses involved in reeling, bundling and baling. I am not in a position to say whether it was a considered and deliberate omission or an inadvertance. Whatever that may be, I am inclined to think that greater protection could be given to the spinning mills taking into consideration the expenses that spinning mills have to incur subsequent to the completion of spinning in the ring frames.

Let me now return to the question whether the future promises to be as favourable to the mills as the present. The world situation relating to the cultivation of cotton was considered in the interim report of the Bombay Textile Labour Enquiry Committee. I would simply refer to it and would not reproduce the figures here. The price of cotton has had a steep fall between May and July 1937.

It has shown no signs of rising. On the other hand the forecast by all those who have studied the question is that in the coming year there will be a very large production of cotton. This does not give any scope for cotton prices rising, unless most unexpected events happen. I am not conversant with the theories underlying the forecast of cotton crop. All that I can say is that the Government forecast is that there will be large quantities of cotton coming into the markets of the world in the coming year. Side by side with this steep fall in the price of cotton there has been a rise in the price of cloth and yarn. This is denied, but not definitely. When the millowners' representatives were examined as witnesses, Mr. Kandasami stated that the price of yarn has not had a corresponding fall, but that there was a fall in the price of cloth. Mr. Campbell wished to add that the fall in the price of yarn would not be long delayed. One thing however is certain; that the yarn trade now is very brisk. The cloth trade may have had a set back, though there is no data to think that the trade in cloth has really suffered. If one observes the prices of cloth and yarn that are published, one finds no signs of a tendency to a fall. On the other hand, as far as yarn at least is concerned, in the case of 20s, what at one time was selling at Rs. 4-4-0 went up to Rs. 4-6-0 and to Rs. 4-8-0. In March 1938, the price quoted is Rs. 4-12-0. Similarly in the case of 40s, the prices have gone up from Rs. 6-4-0 to Rs. 6-12-0 during 1937, and touched Rs. 6-13-0 too. In the month of January 1938 and subsequently, the prices have been steadily high. In the case of cotton the price is still at a low level. In certain calculations I took its price as Rs. .155 per 500 lb. for 40s. But while I am writing this report it is lower still (3rd week of March 1938).

When there has thus been a gradual rise in the price of yarn and a fall in the price of cotton it must be evident even to an inexperienced businessman that the margin of profit has been becoming wider and wider. The prices of raw material going down too low and the price of yarn going up even by a few points means that the incidence of profit has increased considerably. I have not found any answer at all on behalf of the millowners to this situation which has been in existence since at least August or September 1937. What then is the reason for thinking that this state of affairs is going to be temporary? I find none, and the representatives of the mills could not also enlighten me on the point. The millowners could have given an increase in wages in September 1937. But what is past is past. Consequently I think it would be most reasonable on the part of the millowners to meet the demand of the mill-workers by granting an early increase in wages. The longer it is delayed, the greater is going to be the trouble. The discontent has been created already by the lapse of time, and there is a consciousness in the minds of the workers that their increment is long overdue.



That an increase in wages can safely be given can easily be shown. I shall illustrate the position by one other example. We have already considered the cost of production and the wages in proportion to the same in the case of one mill which had a total of 10,864 spindles (28 frames of 388 spindles each). Taking one month, viz., December 1937, the records of the mill \* show a total production of 165,713 lbs. of yarn average 25 counts. The current price of yarn is Rs. 4-6-0 for 10 lbs. of 20s yarn and about Rs. 5-2-0 for 25s. Deducting annas two for selling commission, the price may be taken as Rs. 5. The value of the total yarn produced during the month was therefore, about Rs. 82,856. Let me compare this with what it should have cost the millowner to produce. It is known that about 120 lbs. of cotton are required to get 100 lbs. weight of yarn under 25 counts. The market rate for yarn suitable for 25s was Rs. 135 per bale of 500 lbs.. It is less now.

	RS.
The cost of cotton required for 1 lb. of yarn and allowance for wastage of 20 per cent.	0-270 plus 0-054
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
	or
	0-324
The price of cotton required for 10 lbs. of yarn .. .. .	3-24
	or
	RS. A. P.
	3 4 0
The cost of production for 1 lb. of 25s, yarn comes to about As. 2-2 working on the same basis as has been shown earlier for 40s. Therefore, the cost of production for 10 lbs. of 25s yarn should amount to ..	1 6 0
So the total cost to the millowner of 10 lbs. of 25s. yarn including cost of cotton ..	4 10 0
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>

I have mentioned above that the sale price of 25s yarn was about Rs. 5 then. Thus a profit of about six annas was made on each bundle of yarn weighing 10 lbs. or a total profit of about Rs. 6,214 on the total production of 165,713 lbs. of yarn produced in December 1937. This figure works out to a little over 1 per cent on the capital of the mill. At this rate, the mill should have made a profit approximating to 12 per cent on its paid up share capital for the whole year. This profit has been made, as has been seen already, by spending no more than 11 per cent towards wages in the total costs of production. It stands to reason certainly, that a mill making a 12 per cent profit on its capital outlay should pay a higher proportion of its profits towards wages so as to raise the value of the contribution of labour to the production.

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\* Vide Appendix M.

Hitherto I have dwelt on the ability of the industry to bear an increase in wages, taking into consideration the general conditions of the industry only, which may be applicable to any centre of the industry. I may now refer to the special conditions pertaining to the industry in the Coimbatore district which give it certain advantages over other centres. In the first place it is situated in the midst of a flourishing cotton area which supplies at least 75 per cent of the cotton required by the mills in the district. This has been admitted by Mr. Kandasami, the millowners' representative. The mills have to spend comparatively little by way of freight, etc., for bringing the cotton to the mills. This is no small gain to the mill industry in Coimbatore and is enjoyed by it to an extent not enjoyed by other centres of the industry in the Presidency. Next, it has an abundant supply of one of the prime factors of production, namely, power, and at rates which are admitted to be lower than anywhere else except in Mysore State. A third advantage is the situation of the industry in the midst of an area containing a very large number of handloom weavers. There is only one mill working in the Salem district which is another large centre of handloom weavers, situated only about 100 miles from the Coimbatore mill area. The yarn produced by the Coimbatore mills is mainly of the kind required for weaving by these handloom weavers of Coimbatore and Salem districts. That is why we find that the yarn produced in the Coimbatore mills is absorbed as quickly as it is turned out and there is no mention at all of any difficulty of marketing their products among the list of objections to the increase of wages by the millowners at any stage of the proceedings. The facilities consequent on a quick sale and large turnover are increased by the additional advantage of there being a local market requiring little expense of transport or freight charges (compared to other centres) in taking the product to the markets or to the consumer. One other advantage is also special to the Coimbatore mill industry namely, the financial help given by the Government to the new mills as well as to the old (which changed over to electric power from steam power) through large amounts of loans for capital expenditure at the low rate of 4 per cent. Possessed as they are of the unique advantages of a plenteous and local supply of their raw material, a copious supply of the cheapest power available to industry in Southern India, a ready and near market resulting in substantial savings of freight in taking raw material and in sending out finished product, and valuable financial assistance at cheap rate of interest from the Government for capital expenditure, the millowners of Coimbatore can be said to have absolutely no case against paying their labourers wages which are at least on the same levels which exist in the other centres of the industry in the presidency.

It was nobody's case that there was any increase in wages after the cut imposed in 1933. It was surprising, therefore, to find a few mills claiming that there *was* an increase of wages.

I asked the counsel for the millowners' association to substantiate this statement regarding increase. He has attempted at doing so in a most ingenious manner bordering on an exposition of a metaphysical subject. He stated that the increase was effected in two ways: (i) by the reduction of the working hours from 10 to 9 hours per day with effect from the 1st January 1935; and (ii) by the addition of the regular attendance bonus to the wages of the workers following the strikes in the last quarter of 1937. How far the addition of bonus to wages has contributed towards an increase in the earnings of the workers I examine in another connexion. Here I examine the increase in wages said to have arisen by the reduction in the number of working hours. The point of the counsel was, that when the wages paid for 10 hours was paid for 9 hours' work, it meant the addition of one-ninth of pay to the workers amounting to 11 per cent and that this compensated for  $12\frac{1}{2}$  per cent cut imposed in 1933. An increase of wage, as an expression understood by the worker, is not of this kind. The demand for reduction of working hours from 10 to 9 was not of the worker's making. It was the result of a recommendation made by the Royal Commission on Labour. The very thing that the Royal Commission did not contemplate when they recommended the reduction is being urged now. For they observe, "We cannot view the possibility of a reduction in earnings without misgiving. But we believe that, if too large a reduction of hours is not attempted, the effect will be small, and it is relevant to observe that real wages have recently risen appreciably and are now higher than they have been for some years. Even if a fall in wages results, it need not be permanent."\* As a matter of fact when the 9 hours' day was introduced in 1935 an attempt was made by one mill to reduce the wages. The immediate result was a strike in the mill. The attempt was given up and the strikers resumed work. The mathematical calculation of a 11 per cent increase in wages by a reduction in the number of working hours from 10 to 9 is therefore correct only as a piece of mathematical calculation. It does not mean that there was any addition to the wages of the workers in the shape of more money in his pocket. Moreover, this argument can apply, if at all, only to a few workers; for, over 60 per cent of the workers are on piece rate wages, to whom only the reverse of the argument, viz., that there was a decrease in their wages consequent on the reduction in the number of hours, will apply. (In point of fact it may be mentioned that the reduction in the number of hours appears to have been made up by the increase in efficiency of the piece rate workers.) It may therefore be taken as true and correct that the  $12\frac{1}{2}$  per cent cut in wages imposed in 1933 continues to be in force.

We may now turn to the main question, in what manner and to what extent is an increase in wages to be recommended? From the comparative tables of wages given in a previous

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\* Royal Commission on Labour in India; 1931, page 42.

paragraph, it is evident that the low rate of wages obtaining is not confined to one section. If at all there is one section where the wages cannot be said to be very low in comparison with other sections it is the spinning section. Even in the spinning section there are some mills in which the wages require much increase. I recommend that the increase should be given from as early a period as possible. 1st June 1938 should not under the circumstances of the case be considered unduly early. As the enquiry was proceeding reports of a strike here and a strike there were brought to my notice. Sarada and Saroja mills which did not have any trouble in October or November have shown signs of unrest owing to labour discontent. I would therefore strongly urge upon the mill-owners to boldly tackle this question at the earliest possible moment for their own sake and see that the legitimate grievance of the workers is remedied by an immediate increase in wages.

Then as regards the mode of increase I have one or two ideas which can only be carried into effect after more deliberation and compilation of figures in regard to each section of the mill. I had the advantage of knowing the methods of payment of wages in different mills in South India. The best system in my opinion is a fixed or basic pay to each worker, plus a commission paid every day, or every week or even every month depending upon production of the worker. At present the spinner is paid a daily rate in almost all the mills in the Coimbatore district. The slubber, inter, rover, and the drawing tenter and the reeler are paid according to the quantity of output. In the case of the drawer the system determining his wages is extremely unsatisfactory. In some mills his wage depends not upon the outturn for which he is responsible, but upon the number of hanks the slubber produces. This is said to be due to there being no indicator or method by which the drawing tenter's work is measured. There is also a complaint that the number of hanks produced by the slubber, inter or rover is not entered in the tenter's card or board promptly. In the course of my inspection of the mills I found to my disappointment that the card or board in which the number of hanks should be promptly and regularly noted was not written up at all in one mill, after the 13th of January till the 24th January which was the date of my visit. The explanation that was given was that the number would be entered in the card at the end of a week. In another section namely roving, the cards had been written up to the 22nd January which showed that the explanation could not be correct. In another mill which I visited on the 28th January 1938 also I found the omission to note the number of hanks on the card or Board up to date. The system of measuring and recording of work requires to be improved.

It is better to fix a salary which should be paid to the worker for the month and some standard must be fixed for gauging his work each day and that must be paid for separately. It has the

advantage of giving the worker an incentive to greater efficiency and more production and therefore to more wage. But this system which is not prevalent anywhere in the Coimbatore district cannot all at once be introduced, except after considering all sides of the question which will necessarily take some time. Personally I think it should not take more than one month to evolve the scheme and to put it in working order if the mill-owners are in earnest. But as people do not generally wish to move very fast in matters like these, one has to allow a wide latitude in point of time.

Before proceeding further on this question we may consider the issue regarding the fixing of a minimum wage.

The demand of the workers is that a minimum wage of Rs. 25 for a man, Rs. 20 for a woman and Rs. 15 for a child should be fixed. This is objected to by the mill-owners. It is urged that the fixing of a minimum wage is beyond the scope of this enquiry. I do not know why the fixing of a minimum wage should be beyond the scope of this enquiry, though I should admit it is not easy to fix it. Side by side with this question, arises the need for standardization of wages which in my opinion is much more urgent. Where there is a striking disparity in the wage rates operating in the same locality and in the same industry, the need for standardization is greater. ". . . a larger measure of uniformity can be achieved in certain industries without prejudice to their economic position and, at the same time, a higher wage level can be secured to some of the lowest paid classes," observe the Royal Commission.\* "The main need would appear to be the adoption of common standards of payment for similar classes of work." "We therefore recommend that the industry . . . take early steps to investigate the possibility of standardization of wage rates, both for time and piece workers, associating with it representatives of *bona fide* trade unions." This was said in 1931. The Textile Tariff Board also recommended to the Mill-owners' Association of Bombay the adoption of a system of standardization of wages for the same class of work as between mill and mill. It is not known in what stage the matter is in Bombay. The need however for standardization which was noticed in Bombay exists here in Coimbatore. The Mill-owners' Association may take up the work and evolve a standardization scheme. I would not allow more than one month for this purpose. If such a scheme is not evolved by the 1st of July, I think the Government must step in and see to it that it is done. Standardization may not be very difficult process as it will be limited to the compact area of a single district.

The fixing of a minimum wage is however not so easy. It requires a gathering of material bearing on trade, wage rates,

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\* Vide page 215 of the Report ; also page 216.

methods of remuneration and the variations which exist in it from centre to centre and from establishment to establishment. The minimum need not necessarily be common to all trades and there also comes in another difficulty. But the difficulties which were noticed by the Royal Commission on Labour are not insurmountable. In fact they indicated that an examination should be made of the available material. It does not appear as if any Government or any employers' association has taken the lead in the matter. Years have gone by and yet no attention is paid to the suggestion contained in the report. Whether the textile industry is one in which a minimum wage should be fixed or not has not been considered. But I should think that at some point of time or other a beginning ought to be made. The textile industry being one of the national industries of India it may be taken up first for the fixing of the minimum wage. I should take care to say that the minimum wage which may be fixed for this industry may not be applicable to other industries.

The resolution of the Indian National Congress on Fundamental Rights, it seems, fixed Rs. 30 as the minimum wage. Another basis of calculation, suggested by Mr. Ramamurthi was to take the jail diet as a basis. He said that it works out to Rs. 4 per head; and taking the unit of a family at 3.8 persons (man, wife, and two children) the minimum food expenses amount to Rs. 15. As the food expenses form about 60 per cent of the total expenses of the family, the minimum requirement of a family is Rs. 25. This is an interesting process of arriving at a minimum wage. Mr. M. Krishnaswami Ayyar, the present Factory Inspector at Coimbatore, was asked to make an investigation into the family budgets of the working classes some years ago. The results of the investigation were to be placed before the Royal Commission on Labour. The results obtained by him are contained in Exhibit XXX. They show the average family budget totals Rs. 28-13-8, and it included an ever increasing item of debt. His investigation, however was made in 1930 and stands the criticism that it does not represent the state of affairs at present. These are the materials now before me and this material and the statement of wages which all the mills in this district have furnished to the Court of Enquiry can form in my opinion a satisfactory basis for the starting of an enquiry into the fixing of a minimum wage for the Coimbatore district. As regards the machinery which should be employed to fix it, the only course that suggests itself to me is the appointment of a Wage Fixation Board. Legislation would be necessary for the constitution of such a board and for the enforcement of wage decrees. The subject will have to be considered by the Government sooner or later as in different parts of the country questions are bound to arise and much of the spade work may be done even now. Eight years have elapsed since the report of the Royal Commission, and yet no beginning has been made.

The detailed consideration of the mode in which the increase in wages is to be given necessarily involves a preliminary examination of the statement of the millowners already touched upon, of some increase having been given already, by the addition of the regular attendance bonus to pay, with effect from November 1937. Up to November 1937 a bonus was being paid to certain classes of operatives for ensuring regularity of attendance. The rate in some mills was Rs. 2 per mensem and in others Re. 1. The usual method was to deduct Re. 1 or 8 annas from this bonus for each day of absence in a month and withholding its payment altogether in the cases of absences exceeding three days per month. There was some variation in the method of deductions in the different mills, but this was the usual method. What was done in November 1937 was to add this bonus to the monthly pay of the recipients, as forming part of their pay. By such addition, the deduction for a day's absence became one-twenty-sixth of Rs. 2 or Re. 1 as the case may be, instead of Re. 1 or 8 annas as was the case before the addition of the bonus to pay. By five days' absence, for example, the worker will lose only five-twenty-sixths of the bonus after November 1937 whereas he would have had to lose the entire amount prior to that period. I cannot see how this can be described as an "Addition to wages," or as an increase of wages. So far as the regular worker is concerned, the addition of bonus to pay does not make any difference to him at all. He was getting the full bonus before, and he will be getting the same now. Nor for the matter of that can it be said that anyone is really getting more as *wages* now than what he was getting formerly. It is only the irregular worker that is benefited, and that too not by an increase in wages, but by not losing the whole amount of the bonus. Moreover, it is important to note that only a section of the workers was being paid bonus prior to November 1937.

But what the millowners say is that prior to the addition of bonus to pay, absenteeism among the workers was, if I may so put it, a source of profit to the mills. They would have been gainers by Rs. 2 or Re. 1 formerly if the worker absented himself for more than three days in a month. Now they can gain only by a less amount if the workers absented themselves. It was also their complaint that the workers have become irregular in attendance after the addition of bonus to pay, as the penalty for absenteeism is now much less than it was before. One or two mills have shown figures of absenteeism, which bespeak a greater percentage of absenteeism now than formerly. The tendency to absenteeism must be put down. The worker must realise his responsibility in the matter and should not be permitted to take advantage of the addition of bonus to pay, whatever it may be, to absent himself from duty with impunity. I therefore consider it advisable that a part of the increase in wages hereafter must take the shape of a regular attendance bonus. I

am of the opinion that the regular attendance bonus shall be Rs. 2 in the case of each skilled worker; and Re. 1 in the case of unskilled workers, women and adolescents. The deductions from this bonus should not exceed one-fourth of the sum for each day's absence; an absence of four days or more will deprive the workers of the total bonus for the month.

In the Cambodia mill the regular attendance bonus which was being paid in the beginning was stopped after some time. It was again given in November 1937 at Rs. 2 per worker, this time as addition to pay. This applies only to the monthly and daily paid employees, and not to piece rate workers. Their wage rate continues to be what it was before November 1937. In the Kaleeswarar mills bonus was given only to the spinners. The rate was only Re. 1 per spinner per month. No bonus was paid either before or after November 1937 to the piece rate workers like the slubber, inter, rover reeler, etc. But in the case of the spinners, the bonus of Re. 1 was added to the pay, and in addition to that, the regular attendance bonus of Re. 1 was continued, to ensure regularity in attendance. Consequent on this, the monthly wage bill has increased by about Rs. 500 over the usual bill of about Rs. 10,000. In the Coimbatore Spinning and Weaving Company's mill the total of the bonus paid prior to the addition of bonus to pay was about Rs. 1,300 while after the addition it has risen to Rs. 2,000. The total monthly wage bill of this mill is Rs. 28,000 approximately. In this mill also the bonus relates to time workers only. In Vasantha and Ranga Vilas mills the monthly bonus was Rs. 2 per worker. The amount was added to the pay of the worker after November 1937. In these mills it was stated that the rates of wages of piece-rate workers were also raised so as to give them the effect of an addition of Rs. 2 in their earnings per month. The reelers (all of them women) were left out of account, however, in these changes. It will thus be seen that the increase to the millowners in their wage bills as a result of the addition of bonus to pay has not been appreciable, while the benefit conferred on the workers was practically nothing.

The women reelers who form the largest number of employees under a single class of operatives, earn very low wages. Indeed it does not seem to have struck any one that their wages required improvement.

The facts considered above will show clearly that what happened in 1937 was just a tinkering with the trouble then existing so as to allay the discontent for the time being. The discontent exists even now and the feeling is that the workers have not benefited at all by anything that was done by way of conciliation in November 1937 when the strikes were called off.

The lack of uniformity in the rates and wages throughout the district presents a very formidable difficulty in suggesting a solution for immediate adoption. It is necessary to standardize the



wages in the district at an early date. For the present I recommend the adoption of the following measures :

- (1) For all skilled labourers as per list in the appendix \* there ought to be a basic or fixed pay. If we exclude the mills outside the Coimbatore area, there is a close approach to uniformity in the rates of wages paid to these skilled labourers. Hence the first thing that I propose is that no skilled workman shall be paid less than Rs. 13 per month, exclusive of the regular attendance bonus of Rs. 2 which I have recommended in the case of every skilled workman.
- (2) In the case of adult unskilled labourers (excluding reelers) I recommend that the least pay to be paid to a worker shall be Rs. 11 : in other words, no unskilled adult labourer shall be paid less than Rs. 11 per month, excluding the bonus for regular attendance, of Re. 1 recommended elsewhere.
- (3) An increase of 15 per cent is recommended in the pay of all those skilled workers whose present pay or average pay is below Rs. 15. An increase of 10 per cent is recommended in the cases of workers whose wages or average wages amount to Rs. 15 and above now, but below Rs. 20, subject to a maximum of Rs. 20; and in respect of workers who draw now Rs. 20 but below Rs. 30, an increase of 5 per cent is recommended. No increase is recommended in the case of workers now drawing over Rs. 30.
- (4) For adolescents whether skilled or unskilled workers an increase by  $12\frac{1}{2}$  per cent over the wages paid to them on 1st January 1938 is recommended.
- (5) To those unskilled labourers whose pay now is Rs. 11 or above, but below Rs. 15, an increase of  $7\frac{1}{2}$  per cent is recommended.
- (6) I class reelers separately. They number about one-third of the workers in each mill. It is not possible on existing data to fix a rate of increase in terms of money in their cases. Their wages vary considerably from mill to mill and from worker to worker. So I recommend an increase of 25 per cent on the rates at which their wages were paid on the 1st January 1938, plus a regular attendance bonus of Re. 1 per reeler.

The increase in the wage bill, if the above recommendations are adopted, will be roughly 27 per cent. The table appended to this chapter will show how it works in the case of a unit whose average monthly wage bill (exclusive of the wages of reelers and miscellaneous workers like watch-men, etc.) comes to Rs. 4,250 approximately. If all the employees are regular and earn their maximum bonus and wages for the month, the total bill will not

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\* Vide Appendix I.

exceed about Rs. 5,400. as a result of the increases proposed by me. The amount will be less if normal absenteeism is taken into account. The proportion of wages to cost of production will increase from 11 to 12 per cent as at present, to about 15 per cent only as a result of the proposed increases.

I have purposely not proposed a higher rate of increase although I am convinced that the increase could be higher, for the following two reasons :

- (1) First, some increase must be given without any loss of time and preferably it should come into effect from the 1st of June 1938 and the time is thus too short for an examination of the question of standardization of wages. If I should put the wages higher and the standardization should make it necessary to reduce the salary in the case of any employee the whole standardization scheme is sure to be rejected by the employees as a body.
- (2) My second reason is that the increase in wage is not to be considered by the worker as a right to which he is entitled, without feeling any responsibility in himself. Therefore, a mere increase in the wages will not make him realise his responsibility in himself. Regular attendance bonus has appealed to me as a useful system. Along with the increase, I propose the re-introduction of the regular attendance bonus but the system of bonus which obtained prior to November 1937 had no method or meaning. I recommend that every employee monthly paid or daily paid or piece-rate shall be paid Rs. 2 a month, provided he is a skilled labourer and Re. 1 a month if he or she is unskilled. For the present, I am classifying the reelers as unskilled labourers. The payment of this bonus every month will have the effect of securing to the mill regular attendance; the tendency to absenteeism will diminish owing to the bait of Rs. 2. Bonus is subject to a deduction of 8 annas and 4 annas, respectively for each day's absence without leave.

To conclude my opinion in the matter of wages :—

- (i) I am of opinion that the best system of payment of wages is to have a basic rate of pay for each particular kind of work and if that work is of a kind common in all mills say that of a slubber or inter or rover or scutcher and so on, the basic pay is to be fixed at a level common to all the mills. Over and above the basic pay the worker will be paid commission which will depend upon the output, i.e., for the output which will be in excess of the standard. What that standard is will have to be determined. The intrinsic merit in this system is the worker has a basic pay which cannot be altered or reduced at the mere will of the employer, while the employer on his part gets the

advantage of efficiency of the worker, which is bound to increase. The worker has to put forth his full effort to earn the largest commission.

- (ii) The above system will take time for consideration. Standardization of wages in all the mills in the Coimbatore district may be effected by 1st July 1938. The Mill-owners' Association may furnish to the Government their proposals within a time to be prescribed. If the Government finds it necessary an officer for a temporary period may be appointed to determine this question.
- (iii) As the standardization will also take time and the increase in wages for which there is a clamour cannot be put off any longer, I am proposing, (a) the introduction of a bonus of Rs. 2 and Re. 1 for skilled and unskilled workers respectively, (b) the increase on the existing rates or average pay of 5 per cent if the present rates are between Rs. 20 and Rs. 30; 10 per cent in the case of employees getting Rs. 15 and less than 20 and 15 per cent in the case of those getting below Rs. 15, subject to the maximum indicated in the preceding paragraphs. The lowest paid deserve the largest help.

It may be expected I should indicate from what source the increase in wages recommended by me should come. It should come first by controlling the over-head charges in respect of several items; the managing agents may forego a bit of their commission and if this is not feasible, the increase should come out of profits.

In fact, it seems to me that we have arrived at a stage when it would be wise for the concern to pay a share of the profits to the employees. If after setting apart a sum equal to 6 per cent return on the outlay there is any amount still available out of the profits, half or any agreed percentage of it may be paid to the employees. Or the employees may be treated as a body holding a share in the concern and the profits allotted to that share may be distributed among the workers. This profit-sharing system was considered in 1931 and the opinion was "that such schemes are unlikely to prove either useful or effective." With the advent of new theories in politics and economics, profit-sharing system cannot be brushed aside as impracticable. I rather think that if the workers are given half the profits earned, not only will there be contentment among the workers but there will be an endeavour on their part to work hard and do all they can to increase the profits. Such a system will benefit both the employers and the employees and I would therefore recommend its adoption at least in one or two mills in Coimbatore.

As I have been stressing the fact that the profits have been increasing, the fear that by the increase in wages the profits are going to fall is groundless. Even in the case of a mill like the Cambodia mills which has not declared a dividend in 1937, the profit and loss account shows that a profit of over Rs. 19,000 was

made, after setting apart depreciation and the payment of a dividend of 7 per cent to the preference share-holders. Except by suggesting that every avenue should be explored to reduce the overhead charges or in the alternative to forego a part of the profits there is no other source which I can indicate from which the increase in wages should come. My recommendation would increase the wage bill which at present forms on the average, 12 per cent of the cost of production, to about 15 per cent. No one can say that this is high.

A civil court decides the rights of parties and directs one party to give to the other what is its due. A criminal court punishes the offender for an infringement of law in the interests of society. When the dispute has ended in the delivery of a judgment in a civil or a criminal court, the parties to the dispute rarely come together or live under the same roof, though it is not rare to find the parties coming to an amicable settlement after the pronouncement of the judgment. The industrial court is however of quite a different type. It deals with the dispute ordinarily between the employers and the employees and makes certain recommendations for adoption, but the difficulty as well as the peculiarity in the case of an industrial court is that the parties to it will have to live under the same roof—if I may say so—and work together even after the court has made its decision. The decision or the recommendations have to be accepted by both the parties in a spirit of cheerfulness and of co-operation; the decision is not to be taken as a source of further friction or antagonism. The essence thus of the findings of an industrial court lies in their being equitable and just and therefore acceptable. If the recommendations therefore appear to be too moderate on one side and too drastic on the other, I claim to have adopted the middle and therefore the safe path.

In the same way as there is sanction behind a civil court's decree, the industrial court's findings too should have more value than what they possess now. I would suggest to the Government the desirability of introducing legislation to give that sanction. Otherwise, the time, money and labour spent on an enquiry of this kind is as good as wasted, if either party chooses to ignore its decisions. The Government no doubt will, after going through the report approve or disapprove of any one or more of the findings or recommendations. But even that will have no binding force on the parties. Consequently I would suggest that the acceptance of every decision of a court of enquiry or a board of conciliation which is approved by the Government should be made obligatory on both the parties. If Government however is not to be the final authority over the report of the board or court of enquiry, they may appoint an arbitrator who will be a sort of a reviewing judge over the court of enquiry or the board of conciliation. The arbitrator's decision ought to be effective and capable of execution by legislation, providing for a punishment for the evasion of such decision.

Not infrequently trouble arises—and it has arisen in the past—owing to the introduction of rationalisation. It is necessary for understanding the bearing of rationalisation on the worker to know something of the work done in a textile mill.

Cotton is brought to the mill in borahs or bales, which are taken to mixing room according to the requirements. There the mixing is done of different types of staples of cotton in different quantities according as a higher or lower count of yarn is to be manufactured. After the mixing is over the cotton is put into the feeder and in the latest type of machinery, at the other end of the machinery; you get cotton in laps, that is flattened and rolled; and this process is done in the blow room. The scutcher tenter is to see that there are not hard knots and that the laps are of the standard weight. The laps are weighed and if they do not conform to the standard weight for that particular count of yarn they are rejected. If they are of standard weight the laps are carried to the carding machines where after being made into thin web the cotton comes out as sliver in cans. The slivers are drawn into uniform thread in the drawing frame and then wound round bobbins in the slubbing into thin thread and then in the inter-frames and roving frames into thinner and yet thinner thread. The bobbins are taken out of the roving frames and taken to the ring-frames which consist of 360 to 410 spindles (though in the older type of machinery, the ring-frames had 320 to 360 spindles only). The ring-frame has two sides. On each side there will be about 180 to 200 spindles. The man who attends to the spinning is the important worker in the mill. After the yarn is wound round the bobbins, they are taken out of the ring-frame and sent to the reeling section for being reeled or to the winding in case the yarn has to be prepared for weaving.

Now, if in the spinning department when the yarn is being wound round the bobbin, it snaps, then the spinner has to piece the ends together, this being his work. It requires more attention sometimes than that at other times. If 20s. yarn is being manufactured, piecing the ends will be more frequent. The coarser the yarn (which is the same as the lower the count) the tendency to snap is larger. Also it will be necessary to replace fresh bobbins more frequently. If 40s. or higher counts are to be spun, it takes a much longer time for the bobbin to be filled because, the thinner the yarn, the longer the thread that the bobbin takes. Also there will not be breakages or snaps as frequently as in the case of coarse counts. For these reasons, if one man can look after one side of the ring-frame, namely of 180 or 200 spindles, when 20s. or 25s. are being manufactured, he can look after two sides, that is about 360 or 380 or even 400 spindles in the case of higher counts such as 40s. 60s. or 80s. Obviously therefore, when the mill changes its production from 20s. to 40s. or 60s. they wish to make one man, i.e., one sider, look after two sides. This rationalisation results in reducing the number of

workers by nearly a half in the spinning section and a complaint is often made that the workers object to it. It is therefore true that in the case of finer counts, one sider can look after two sides, but the difficulty comes in not in the matter of looking after two sides but the resulting effect of throwing out of employment a fairly large number of workers. Similarly in the case of weaving.

A weaver can look after more than one loom; he can look after four looms too. Rationalisation is strictly speaking unobjectionable. The worker in Coimbatore, is really able to manage more than one side of the ring-frame and more than one loom, but he does not understand that he has been asked to look after two sides or two looms because of his ability to do so, but thinks that the management wants to thrust more work upon him, which is not the case. In this connexion also the formation of the works committee will greatly help to smoothen matters. At the present stage however, I would caution the managers of mills against introducing drastic rationalisation as a measure of retrenchment. Rationalisation must be accompanied as far as possible with expansion. In Coimbatore many mills are making additions to their spindleage and any rationalisation may be attempted at the opportune moment, as for instance when new spindles are erected. Further, in some mills 20s. or 25s. are being manufactured and suddenly they take to 40s. and above, in which case they can manage with a smaller number of spinners as long as they are producing 40s. and above. Even here a little tact and contact with the workers will be enough to make them understand that no injustice was intended to the workers by the change. I repeat again the necessity for works committees which have to be formed to deal with these subjects as and when they arise.

This problem namely retrenchment consequent on rationalisation can be partly solved by a scheme for the relief of the unemployed which deserves to be taken up for consideration and which can be evolved into a working order without great difficulty. Each worker in a mill may contribute a very small amount, say eight annas a month or three pies per working day and the employer contribute an equal amount. If the worker is for any reason thrown out of employment after serving for two or three years, he must be entitled to the benefit under this scheme. He should be paid some quota for his maintenance for a period which may be fixed, ranging from six months to one year within which he may secure a job elsewhere. If more money is needed for this scheme properly to work, the Government may also render some financial assistance.



Class or category of operative.

Statement showing the results of the increases in wages proposed—*Cont.*

The effect of the proposed increase in wages in respect of all classes of workers.

Class or category of operative.	(1)	(2)	(3) Number of operatives.	(4) Present pay (or average pay) of each member of the category (inclusive of the recent addition of bonus to pay, if any). Rs.	(5) Total wage bill for the month, as at present, for all workmen under each category. Rs.	(6) Skilled workers drawing Rs. 20 and above, but below Rs. 30. Increase at 5 per cent plus regular attendance bonus of Rs. 2 per month. Rs. A.	(7) Skilled workers drawing Rs. 15 and above, but below Rs. 20. Increase at 10 per cent plus regular attendance bonus of Rs. 2 per month. (Maximum of Rs. 20.) Rs. A.	(8) Skilled drawing below Rs. 15. Pay to be raised to Rs. 13 in the case of all drawing below that sum. Increase at 15 per cent in the case of men drawing over Rs. 13 plus Rs. 2 bonus. Rs. A.	(9) Unskilled workers pay to be raised to Rs. 11 in the case of those drawing less (excluding reelers) plus Rs. 1 regular attendance bonus. Rs. A.	(10) Unskilled workers drawing at Rs. 11 and above. Increase by 7½ per cent plus regular attendance bonus of Rs. 1. Rs. A.	(11) Total amount of wage bill per month under each category of workers, as per proposed increase in wages [cols. (6) + (7) + (8) + (9) + (10)]. Rs. A.	(12) Net additional amount in the wage bill under each class of operatives [col. (11) minus col. (5)]. Rs. A.	(13) Remarks.
Males	Weaving Section.	....	1	16	16	..	{ + 2 0 }	..	..	..	19 10	3 10	
		Coolies .. ..	12	12	144	..	{ + 2 0 }	..	..	{ + 1 0 }	166 8	22 8	
		....											
Males	Blow Room.	....	1	28	28	{ + 2 0 }	..	..	..	..	26 2	8 2	
		....	2	13	26	{ + 24 2 }	..	..	..	..	83 14	7 14	
		Scutchers .. ..	4	11	44	..	..	{ + 2 0 }	..	..	51 4	7 4	
		Openers .. ..	4	10	40	..	..	{ + 14 15 }	..	..	48 0	8 0	
		Bale Breakers .. ..	2	10	20	..	..	{ + 1 0 }	..	..	24 0	4 0	
		Cotton spreaders .. ..	1	9	9	..	..	{ + 11 0 }	..	..	12 0	3 0	
		....				..	..	{ + 11 0 }	..	..	12 0	3 0	
		....				..	..	{ + 11 0 }	..	..	12 0	3 0	
		....				..	..	{ + 11 0 }	..	..	12 0	3 0	
		....				..	..	{ + 11 0 }	..	..	12 0	3 0	



*Carding Section.*

Maistri .. .. .	1	23	23	+ 24 2	0 0	..	..	..	..	26 2	3 2
Fitter .. .. .	1	20	20	+ 21 0	0 0	..	..	..	..	28 0	3 0
Grinders and oilers .. .. .	2	15	30	+ 2 0	0 0	..	..	..	..	37 0	7 0
Strippers .. .. .	3	14	42	..	..	+ 16 8	0 0	..	..	54 6	12 6
Can tenters .. .. .	5	11	55	..	..	..	..	+ 16 2	0 0	..	..
Lap carriers .. .. .	4	10	40	..	..	..	..	..	..	64 1	9 1
Fly carriers .. .. .	2	9	18	..	..	..	..	+ 11 0	0 0	48 0	8 0
Sweeper .. .. .	1	9	9	..	..	..	..	+ 11 0	0 0	24 0	6 0
								+ 1 0	0 0	12 0	3 0

*Fly Frames Section.*

Maistris .. .. .	2	26	52	+ 2 0	0 0	..	..	..	..	58 10	6 10
Oilers .. .. .	2	15	30	+ 27 5	0 0	..	..	..	..	37 0	7 0
Drawing tenter .. .. .	12	14	168	..	..	+ 16 8	0 0	..	..	217 8	49 8
Slubber .. .. .	4	15	60	..	..	+ 2 0	0 0	..	..	74 0	14 0
Inter .. .. .	8	17	136	..	..	+ 18 11	0 0	..	..	165 8	29 8
Bover .. .. .	20	15	300	..	..	+ 16 8	0 0	..	..	370 0	70 0
Doffing boys .. .. .	25	8	200	..	..	+ 2 0	0 0	..	..	250 0	50 0

Piece rate wages. The rates to be increased, so as to give the workers the pay mentioned in column 7.

(Wide wage increase recommendation item No. 5) 12½ per cent.

*Ring Frame Section.*

Head jobbers .. .. .	2	28	56	+ 2 0	0 0	..	..	..	..	62 12	6 12
Line jobbers .. .. .	4	25	100	+ 29 6	0 0	..	..	..	..	118 0	18 0
Banders .. .. .	4	16	64	+ 2 0	0 0	..	..	..	..	78 8	14 8
Oilers .. .. .	2	13	26	..	..	+ 2 0	0 0	..	..	33 14	7 14
Tarwallahs .. .. .	16	12	192	..	..	..	..	+ 14 15	0 0	253 0	61 0
Full siders .. .. .	112	14	1,568	..	..	..	..	+ 13 13	0 0	2,030 0	462 0
Doffing boys .. .. .	36	7	252	..	..	..	..	+ 16 2	0 0	319 8	67 8
								+ 2 0	0 0		12½ per cent increase.



## Chapter VI.

### CONDITIONS OF SERVICE.

The issues that may be considered under this chapter are these :—

- (1) What are the conditions of employment that should be accepted by both the employers and the workers to secure reasonable security of employment to the workers? (This would include a consideration of what conditions are necessary to secure continuity of service.)
- (2) Having regard to trade conditions, etc., which of the following demands put forth by workers' representatives are reasonable and could be granted without destroying a reasonable return on the capital invested?
  - (a) Bonus of one month's average wages a year.
  - (b) Casual leave including special leave for women on full wages up to 15 days in the year.
  - (c) Observance of public holidays and important festivals with grant of full wages on such days.
  - (d) Grant of sick leave up to one month on half wages.
  - (e) That for absence without leave only proportionate wages shall be deducted. (See however Payment of Wages Act.)
  - (f) That female workers should be paid the same rate of wages as males for the same work.
  - (g) That provident funds be established in each mill, to which the employers shall contribute one month's pay for every 12 months' work.
  - (h) Payment for extra work done when another worker is absent without substitute, e.g., attending to three-fourths and full sides in spinning frames instead of half or three-fourths.
  - (i) Is pay to be paid when work has to be stopped owing to breakdown of machinery or other causes; if so for what time?
- (3) How are pieceworkers to be protected against reduction of earnings owing to changes in the nature of work?
- (4) Is it a fact that unauthorized deductions for cinemas, charity funds, etc., are being made contrary to the payment of Wages Act?
- (5) Is it a fact that probationers are kept on for excessive periods without wages? If so, should a limit be fixed?
- (6) Should the ticket system of attendance be made compulsory or which is the best method of marking or noting attendance which can be introduced in all the mills?

- (7) Has there been any evasion of the provisions of the Maternity Benefit Act so as to deprive a woman of that benefit? What period of service should be considered reasonable to entitle a woman worker for the benefit?
- (8) Are incorrect weights and measures for calculating piece-rates being used contrary to the payment of Wages Act, 1936 and Madras Payment of Wages Rules, 1937? Can a suitable agency be found for more frequent surprise inspection of such weights and measures than the Factory Inspector with his large jurisdiction is able to do?
- (9) Having regard to the conditions in the Coimbatore area, (i) Should the Government notify the mills under rules 110 and 111 of the Factory Act for provision of tiffin sheds and creches? (ii) Should a rule be made to enforce provision of cycle-shelters?
- (10) Are drinking water facilities conveniently situated? If not, should rule 13 of the Factory Act Rules be amended so as to give the factory department powers in this respect?
- (11) Is the provision of spittoons in working places a reasonable request and if so is it necessary to provide in the factory rules for this?
- (12) Should rule 10 (2) of the Factory Act Rules be made applicable to cotton mills?
- (13) Is the introduction of air-conditioning plant necessary in the Coimbatore district and if so, is its enforcement by a factory act rule necessary?
- (14) Is the dust preventing machinery in use in any of the mills? If so, is the use of such machinery to be insisted upon in mills where it is not provided?
- (15) Can the Factory Inspector with his present jurisdiction devote sufficient attention to the prevention or evasion of the factory, Payment of Wages and Maternity Relief Acts, and the rules made under them?

The first issue is rather wide and a precise answer cannot be given. The conditions can be stated only in general terms. There is no denying the fact that at present the workers are regarded merely as serving at the pleasure of the employers, and that they can be sent away at any time, without prior notice and without any promise of being taken back either in the near or distant future, on the same or even lower terms than what they were getting. One of the best means to create confidence and security is to have a definite procedure to be observed, before discharging any hands for any reasons (either due to misconduct of worker or on financial grounds). A set of rules similar to those framed by the Bombay Millowners' Association and published (as Appendix F) in the General wage Census—Third Report—of the Bombay Government is worthy of adoption by the local mills, with such changes as are considered necessary to suit local conditions. A

definite incentive to continue in the service of a particular mill for a reasonable length of time, can however be given only by the provision of amenities such as housing, education of children, medical relief, and also schemes of provident funds, gratuities and pensions, all of which benefits will catch the imagination of the worker and beget loyalty and respect which stand higher than mere confidence. Where a worker is sought to be discharged for insubordination to a maistry or other officer, the discharge should not be summary, but after due enquiry by the Managing Agent or Director or other responsible higher official, giving full opportunities to the worker concerned to defend himself.

While framing this issue, the counsel for the employers suggested that the millowner should himself be protected against irregular attendance of workers. It does not need much argument to show that the fear of the millowner in this respect is unfounded. Worker after worker who appeared to give evidence stated that he or she had been in service for ten years, 15 years and even 20 years, in the same mill, notwithstanding the fact, that in the course of these long periods, his or her wages decreased both due to cuts and loss of efficiency brought about with advancing years; his or her family and expenses grew, and no reward by way of a bonus or gratuity is vouchsafed to them for their loyal service. When actually workers are found sticking on to the same mill in spite of these wants, it cannot be believed that workmen are changing from one mill to another. When the Stanes Mill was closed in 1933, many workers sought employment in other mills and when it was re-opened in January 1934, the old hands came back to it. Many of them came back to it. If only the conditions of service are made more attractive with a promise of gratuity or institution of Provident Fund, it can be safely stated that there will be absolutely no tendency to quit service.

Coming to the subsidiary issues under the second issue, I am not in favour of compelling the payment of an annual month's bonus to all workers in all the mills. Actually however from the annual reports accompanying balance sheets, a few mills are setting apart sums of money out of their annual net profits for payment of bonus to "employees."

Rangavilas mills pays 25 to 30 per cent of average of one month's wage as *deepavali* bonus to all their employees. Similarly, the Vasanta mill also pays 25 per cent of a month's wage as annual bonus in the month of *Karthig*. Rajalakshmi, Sarada, C.S. & W. Mills also give some bonus. The Kaleeswarar mill appears to be more liberal. The employees therein get dinners and clothing on several occasions such as the birth of a child to the managing director, or a festival or coronation (of last year) and so on. These mills which are keeping up the ancient Indian tradition of giving feasts and presents to their servants and employees deserve our appreciation and I hope they will keep up this tradition

and improve upon what they are now doing. Other mills may also copy their example. The Kaleeswarar Mills has set apart Rs. 7,000 out of the net profits of last year for distribution among their employees. I do not wish to make any recommendation of a compulsory nature, but will express a desire that all mills should set apart a percentage of at least 5 per cent of the net profits of each year, for payment to all classes of wage-earning workers, whether on daily, weekly, monthly or piece-rates.

I recommend that the mills should grant casual leave for urgent and special reasons, with full pay, not exceeding six days in any one year, per individual worker. This is in conformity with the practice actually obtaining in some business concerns. The granting of leave, should, of course be subject to the merits of each application and only if the reasons stated are satisfactory. The financial implication of this recommendation is very little. On the average the number of working days in a mill is 310 in a calendar year. Even supposing that every worker is given the full privilege of six days' leave, the total wage bill for the year will be affected only in the proportion of 6:310 or 1:51 or less than 2 per cent. This "increase" in the wage bill cannot be considered as excessive, nor the number of six days per year which roughly comes to one day's casual leave for two months' work. This recommendation applies to women and men-workers of all categories.

I understand that already it is the practice in most mills to give holidays for important festivals or feasts and substitute for it a Sunday. In view of the recommendation made above and other recommendations elsewhere for increase in the earnings of the workers, I do not recommend that all public holidays should be declared as holidays with pay for the mill hands.

In cases of real illness it is just and reasonable to give the workers leave with pay. Many mills elsewhere are actually doing this. The Madura mills not merely give sick leave without limit of time, but also arrange at their own cost for the treatment of the worker. They have for this purpose constructed a separate ward in the W. F. Pierce Memorial Hospital, Madura. But in consideration of the representations made by the millowners that the industry in Coimbatore is new and just finding its way and that the average unit here is smaller than the big mills in Madura or Madras, I recommend that nine days' sick-leave with full pay should be granted to each employee in a year. If the plea of sickness requires corroboration, a certificate from the mill doctor or a registered medical practitioner may be insisted upon, but when it is produced it must be taken as sufficient proof. This recommendation will apply to men and women workers alike, in whatever occupation employed in the mill. Assuming that 50 per cent of the workers are granted the maximum of nine days' sick-leave in a year (which is a liberal estimate), the total wage-bill of the mill for a year of 310 working days will be affected only

in the proportion of  $4\frac{1}{2}$  : 310 or less than 1.5 per cent of the total annual wage bill. This cannot be considered excessive, considering the cause for which this help is given. I commend these lines for perusal :—

The question of making provision for workers during sickness, even if it had not been previously raised by Government would have been forced on us by what we found in every industrial centre. Of the great need of the workers for something of this kind, there can be no doubt. By common consent the incidence of sickness is substantially higher than in western countries; the medical facilities are much less adequate and the wages generally paid make it impossible for most workers to get through more than a very short period of illness without borrowing. Indeed sickness is an important contributory cause of indebtedness with all that debt entails under existing conditions; for often at this time of greatest need, the worker may find himself destitute of resources unable to take proper measures to restore his health and in difficulties regarding even the means of subsistence. The situation calls for the exploration of all methods that may lead to the alleviation of the existing hardships. (Report of the Royal Commission on Labour—page 265).

In this connexion, I would refer to the general question which also requires an examination at an early date and that is the introduction of legislation for sickness insurance, old age benefits and allied matters, which would apply not only to the workers in textile mills, but to a larger section of the poorer classes. The Government of Bombay seem to have under contemplation legislation on these subjects and similar legislation may be introduced in this presidency also.

The next issue is unnecessary. The proportion of the reduction in wages must be proportionate to the number of days of absence. No recommendation is required on this point, which is covered by section 9 (2) of the Payment of Wages Act, 1936.

I am definitely of opinion that the women workers should, in all cases, be paid the same rate of wages paid to men workers doing the same work. It appears, however, that there is no difference in the rates of wages paid in this district. The only difference is, a man who works in the night gets an extra one rupee, that is on account of night shift.

The institution of Provident Fund schemes for workers implies a margin of saving in their pay, which can be allowed to accumulate with the addition of equal sums by the employers and the interest earned on both, to serve for a rainy day. At present there is no margin for saving in the wages paid to the workers. Considering also the addition to the finances of the mills through the increases in the remuneration of the workers recommended elsewhere in this report, I am of opinion that the subject of Provident Fund may be considered at a later time. If standardisation of wages is effected and the general conditions are improved, the introduction of provident funds may be thought of along with the legislative enactments recommended in a previous paragraph.

The next subsidiary issue asks for extra payment for extra work allotted to a worker due to the absence of another worker, as, for example, a half-sider or a three-fourth sider on the ring frame

being asked to attend to three-fourths or full side, respectively, due to absence of other hands in the department. In such cases, the extra work must be remunerated by extra pay. The mill-owners' representatives agree to this. If necessary, a rule may be framed in this behalf, under section 26 (2) of the Payment of Wages Act.

The last subsidiary issue under the second issue relates to payment of wages for temporary pauses of work during working hours due to breakdown of machinery, interruptions in flow of current, want of bobbins, delay in getting store articles or any other cause whatsoever. The recommendation will be that in such cases, half of a day's pay or average pay should be paid.

The third main issue is about the protection of piece-rate workers against relegation to operations which will fetch them less earnings than what they were actually employed in. If such a change is brought about through a bona fide alteration of a system of work or on grounds of finance, the workers cannot claim to be employed in their old operations. But where such change is brought about through ill-feeling, or victimization, it cannot be justified. The question of the transfer to another section should be considered by a Works Committee consisting of a responsible official; either the Spinningmaster or Weavingmaster and one or two workers (of different departments) elected for the purpose by the workers, and if possible of a representative of the Trade Union. The constitution of such committees in each of the mills will go a long way to remove several causes of rupture which at present exist. The replies to the questionnaire received show that certain mills attempted the formation of Works Committees but that the attempts failed, due to "outside" influence. I am afraid this bogey of outside influence is too much exaggerated. The formation of Works Committee will be easy of accomplishment, if the mill-owners give it their earnest attention. I recommend that early attention may be paid to the formation of such Works Committees.

The issue regarding complaints of unauthorized deductions from the wages of workers, by mill-owners for miscellaneous objects like attendance at cinemas in which the managing agents are interested, for charity funds, etc., relates to a minor matter. There is already a preventive provision in the Payment of Wages Act against such deductions. Such deductions do not generally exist but took place in one mill and that too once and they have taken action to prevent its recurrence.

Several mills have entertained unpaid apprentices or probationers, whose names in some cases were also entered in the muster rolls. I have not heard, however, of any case of such men being kept on for more than two months at the longest. I am not in favour of this system of recruitment, which leaves room for complaint for several reasons. After all, these newcomers are taken as doffer boys or other unskilled operatives,



and there is no justification why these new-comers should be asked to work gratis, while those doing the same work are paid some wages. I recommend the abolition of the system of unpaid probationers totally. Legal complications will arise under Workmen's Compensation Act and Factories Act, if the unpaid worker is allowed to work. No doubt the Act lays down that the apprentice's wage may be deemed to be a certain amount but the difficulty will arise if there is a major accident.

The representatives of the mill-owners are generally in favour of the introduction of the card or ticket system of noting attendance. Each workman is given a card bearing his name and number and having columns showing the dates in the month. He hands in his card, while entering the mill for work and his attendance is marked thereon by the mill time-keeper. It is given to him to be taken home when he leaves the mill at the end of the day's work. In their reply to the memoranda of workers' grievances (item 15 of the Memorandum No. 1) the Mill-owners' Association accepts the suggestion and recommends it for adoption by all the mills that have so far not adopted it. My recommendation is also to the same effect, with the addition that at the end of each month the card must be given away to the worker permanently.

Coming to the question of maternity benefit, the replies to the questionnaire show that the total amount of benefit paid by the mills is a remarkably small amount, considering the fact that the number of women employed on the average here is as large as 6,458 (including adolescents), as gathered from the figures furnished in the replies to the questionnaire. The details of the amount paid as maternity benefit are given below (the figures furnished by the Factory Inspector):—

Year	Number of mills.	Total number of women in them (on the average per day).	Number of cases in which benefits were paid.	Amount of benefit paid.	
				RS.	A.
1936	11	4,021	143	3,219	8
1937	16	4,654	189	4,327	10

The total number of women employed per day in all the mills in the Coimbatore district on the average, has been given by the Factory Inspector as approximately 6,250, in his evidence. We then have the result, that out of 24 mills, employing over 6,000 women only 11 mills employing about 4,000 women paid any benefit at all during 1936; and only 16 mills employing about 4,600 women paid such benefits in 1937. Thirteen mills employing 2,000 women paid no benefit at all during 1936 and nine mills employing over 1,500 women paid no benefit during 1937. The percentage of women who received maternity benefits to that of the total number of women comes to 2 per cent in 1936 and 3 per cent in 1937. These figures are striking. Though there is

no proof of evasion of the obligations of the Maternity Benefit Act, it is not very difficult to see that the benefits of the Act are not being enjoyed by an appreciable number of women.

Section 5 of the Maternity Benefit Act is as follows :

5. (1) Subject to the provisions of this Act, every woman worker in a factory not being a seasonal factory shall be entitled to the payment of maternity benefit at the rate of eight annas a day for the actual days of her absence during the period immediately preceding her confinement and for the four weeks immediately following her confinement as mentioned in sub-section (2):

Provided that a woman shall not be entitled to maternity benefit unless she has been employed in the factory of the employer from whom she claims maternity benefit for a period of not less than nine months immediately preceding the dates on which she gives notice under sub-section (1) of section 6.

Some of the mills have understood the proviso to mean that the benefit can be enjoyed only by a woman who consecutively for 270 days up to the date of giving notice, had actually attended and worked in the mill. If she was absent for any length of time during these 270 days *with leave*, she does not forfeit her right, but if she happens to have been absent for one day during the 270 days *without* obtaining leave, then she forfeits all right to the benefit. This understanding of the section has naturally been the cause of a complete avoidance of the provision for some time. The matter was reported to the Chief Inspector of Factories and he seems to have issued a rule that just as leave with absence will not deprive the woman of the benefit, so also 14 days' absence without leave, during the period of nine months prior to notice, will not also deprive her of the benefit. It is not known on what authority he fixed the number of days of permissible absence without leave at 14. It seems to be an arbitrary figure based evidently upon equitable grounds. But the Act is there and its provisions must be construed liberally and in conformity with what was intended by the legislature. It would indeed be a travesty of justice to hold that the benefit will accrue only if the woman is present for 270 days without a break. In the nature of things, it is only during the period of pregnancy that a woman is more likely to be absent and such strict and rigid attendance during the period of her pregnancy could not have been contemplated when the Act was passed. Apparently this legislation was passed in pursuance of a recommendation of the Royal Commission which recommended the qualifying period of employment. At page 265 of their report, they observe :

The qualifying period of employment might be fixed at twelve months but it should in no case be less than nine months.

It is not unreasonable to interpret, therefore, the qualifying service to mean uninterrupted service of nine or twelve months. The language used in the section is such that it obscures the thought underlying the measure. The section should be suitably amended to make the meaning clear that every woman who has put in a service of nine months is entitled to the benefit. The

period of nine months may be made up of broken periods, just as broken periods of service count for increment in certain classes of service, so also broken periods of service making up a total of nine months' service in one mill should be deemed to be sufficient compliance with the section. Two conditions which would entitle the woman to the benefit are (i) service in the mill for nine months, (ii) at the time of the giving of notice of pregnancy she should be in the service of that mill. It may now be made clear that the nine months' service should be within a period of one year or 18 months prior to the date of notice.

A large number of women workers appeared before me and they represented that they gave notice of their pregnancy and yet were not paid the legal benefit under the Act. Upon an examination, the mill registers showed that these women were absent for more than 14 days during the nine months, immediately preceding the date of notice and in all the cases the maternity benefit was refused on this ground. The women denied that they were absent without leave for over 14 days. They have no evidence and it is useless to expect them to prove their statement. The records of the mill form the evidence for the mills. In a matter like this, the question as to how many days a woman was not present should be determined on unimpeachable evidence. I do not cast any slur whatsoever on the authorities of the mills but would tell them that the time-keeper or any other low-paid servant of theirs, cannot be expected to be as honest as themselves. If the time-keeper is not on good terms with a particular woman, it is easy to mark her absent. One must concede that in such matters there should be record which is above reproach. The card system of attendance which I have recommended reduces this evil considerably. And I would therefore once more insist upon the introduction of the card system of attendance, the card to be given over to the woman at the end of each month and it will furnish her with evidence of her attendance. In the face of the records or registers in the mill, I cannot say that the women have proved that the refusal of maternity benefit to them was illegal. Further the benefit given to her by the Act should not depend upon the discretion or will of the employer. Suppose she applies for leave on absolutely reasonable grounds. The employer may refuse leave and mark her absent and thus increase the days of absence without leave. I feel convinced that the legislature did not intend that she should have been marked present consecutively for 270 days up to the date of notice. The low percentage of the benefit paid in this district as also the fact that several mills did not pay anything at all indicate the need for stricter supervision. The Commissioner of Labour should be asked to examine this subject and insist upon a close scrutiny into the claims for the benefit made and refused.

There was some complaint of incorrect weighing of yarn, incorrect numbering of hanks or cloths, resulting in the worker

being paid less than what he is entitled to get. It is manifestly impossible for the Inspector of Factories with a jurisdiction extending over four districts and from Erode to Mangalore with various functions to take effective steps for the prevention or stoppage of such abuses, if they do exist. In the nature of things, complaints of this kind are impossible of proof. If weighment is not made properly, it cannot be proved at a subsequent date unless the knots or cloth are separately preserved which cannot be done. The answer to the question is there is no proof of incorrect weighment. I am suggesting at the end of this chapter, the appointment of addition to inspecting staff, for this and other purposes to be dealt with hereafter.

Considering the conditions actually existing in several of the mills that I inspected, and also in view of the complaints that I have received from the workers, I am of opinion that the provision of tiffin sheds is not adequate. I recommend action being taken under rules 110 and 111 to see that the factories provide clean, decent and adequate tiffin sheds in or very near the factory premises. I recommend the compulsory construction and maintenance of creches by all mills having over 250 women employees per day on the average, to be in charge of matrons. The need of providing covered shelters for cycles is admitted. I recommend that shelters should be provided in mills which have more than 25 workmen coming to work on cycles every day.

The facilities for drinking water are not insufficient and action under rule 13 of the Factory Act Rules is not called for.

I am against the practice of placing spittoons inside work rooms. Placed as they are in work rooms having hundreds of workmen for nearly the whole day and night they are a source of danger and infection, injurious to health. They may be kept outside the rooms. I have heard complaints from the women that a small fee of three pies per month is collected from them for meeting charges of cleaning the spittoons. This is certainly improper and illegal. It is the duty of the mill authorities to arrange for the cleaning at their own cost. In a majority of the mills there are no urinals separate from latrines. This want must be supplied.

The work rooms generally have plenty of fluff and cotton strands released in the process of manufacture, especially when low counts are being manufactured. Some mechanical contrivance may be used for abating such conditions, similar to what is to be found in jute mills. Vide regulations applying to jute mills under section 10 (2). The managers say that if that regulation is enforced there will be more dust. I cannot see how. Fans ought to drive away dust and cannot increase the dust nuisance. As a layman, however, I feel diffident to tender a definite opinion on the matter. The question may be examined by technical men qualified in engineering and public health and hygiene at an early date, and suggestions obtained for making the conditions

more wholesome. I can only state here that the conditions in the work-rooms could be improved. The inside conditions obtaining in the new mills appear to be more favourable from the welfare point of view. Attempt at air-conditioning has also been made in the Pioneer Mills (1936). Air-conditioning is not quite necessary in Coimbatore. Some mills have actually humidification while a few managers say that humidification is not necessary. I found that in some of the mills water being poured profusely on the flooring of spinning room. I was told it was to cool the rooms and not as a means of humidification, that it was done. This is objectionable. If humidification is necessary, it must be done in a scientific manner, with the safeguard against over-humidification. The hygrometer will indicate it. The indirect and unrecognizable method of securing humidification should be stopped. Whether humidification is or is not necessary in Coimbatore should be answered by a technical man conversant with spinning of finer counts. I find opinion divided and from what I have observed, there is diversity in practice.

Dust-preventing machinery is not in use in any of the mills here. I suggested to such of the managing agents and managers as appeared in court to install vacuum cleaners of the type now in use in the Buckingham and Carnatic Mills, Madras. I was informed that the machinery costs only £87. This cannot be considered at all as a prohibitive addition to the capital expenditure of a mill of any size. Certain mills supply tea free of cost to the workers during the rest interval in the night shift. Palmyra jaggery is supplied to the workers free of cost to the workers in the blow-room. It is represented that palmyra jaggery relieves congestion in throat which is inevitable owing to too much dust and particles of cotton getting into the throat of the workers engaged in both mixing and blow-rooms. A third subject which may be mentioned here is the request that there may be women maistris in all departments in which women workers form more than one-third in the total number. The Millowners' Association recommends these three for adoption by all mills and I endorse their recommendation. Considering the large number of women workers, it is also desirable to have a woman Inspector of Factories.

The men employed in dyeing and bleaching have complained of want of protection to the fingers and hands. They are undoubtedly engaged in an unhealthy atmosphere and their request seems reasonable. In C. S. & W. Mills, I was shown rubber gloves which to a certain extent afford protection against the irritation caused by the chemicals. The supply of such gloves is recommended. Similarly, the supply of masks or other contrivance is recommended to all the workers in the mixing and blow-rooms.

In the course of this chapter I have referred to various matters of complaint or grievances by workers. Each of them is comparatively small in its incidence, but the cumulative effect of

all of them is to show want of trust and good feeling between the employer and the employee. I enumerate them here even at the risk of repetition to show the nature of the complaints. I do not say they are proved. I should add that many of them are difficult to prove.

- (i) Unsatisfactory system of marking attendance.
- (ii) Absence of system in receipt and disposal of application for leave.
- (iii) Disproportionate deductions from bonus for absence without leave.
- (iv) Unsatisfactory control of the hours of opening the gates and intervals allowed for the workers to come in, in time.
- (v) Clocks are being meddled with.
- (vi) Workers on piece-rate being asked to attend to domestic or other private work of the supervising staff.
- (vii) Appointment of children.
- (viii) Petty exactions by maistris and jobbers and unauthorized deductions of petty sums on various grounds.
- (ix) Absence of proper facilities for washing, drinking and proper conservancy arrangements.
- (x) Relegation of workers in a process which will earn them better wages to processes which will lessen their earnings out of personal ill-feeling or spite by maistris or other supervising staff.
- (xi) Incorrect weightment or measurement of work and wanton miscalculation of wages due.
- (xii) Steps taken for avoiding payment of maternity benefits.
- (xiii) Unjustified levy of penalties for late-coming, breakages or damages to machinery or parts.
- (xiv) Unjustified removals from service.
- (xv) Extraction of extra work on account of absentees, without extra remuneration.
- (xvi) No provision of masks for prevention of dust for workers in mixing and blow rooms and of gloves for men in the dyeing sections.
- (xvii) Machinery in motion being asked to be cleaned with waste cotton or gunnies instead of with brushes.
- (xviii) Extraction of labour without pay for extraordinarily long periods under guise of probation or apprenticeships.

The list gives an idea of the range of the grievances. The smooth working and progress of the industry depends upon the extent to which the room for complaint is reduced. It is unnecessary to state that a much healthier atmosphere and co-operation between capital and labour can be created by providing

machinery for the prevention or detection of such abuses and allaying the distrust which exists in the minds of the workers. It is not possible, for the Factory Inspector with his wide jurisdiction and large number of factories of various kinds, and with the routine work of inspection and preparation of statistics and reports, to devote anything but a small attention to the prevention and detection of the alleged abuses narrated above. An additional machinery has therefore to be provided. There ought to be in each industrial centre, gentlemen of high social standing, unconnected with industries, but of unquestionable honesty and humanitarian instincts. The Government may select a few of such gentlemen as honorary visitors or inspectors with powers to bring to the notice of the authorities any abuses of the kind mentioned above. But this addition alone may not be sufficient. There must be a regular and responsible staff also, to augment the inspection by honorary visitors. It will be seen that investigation of most of the complaints mentioned above do not require any technical qualifications as are required in the case of Factory Inspectors. What I would suggest therefore, is the appointment, for the Coimbatore area of one or more Assistant Inspectors of Factories, for making frequent surprise visits and assist the honorary visitors. The person or persons selected should possess general educational qualifications, with reliable integrity and independence of thought, and with convictions in favour of the amelioration of the workers. Such young men can be easily obtained nowadays on a salary that may be considered quite decent and sufficient to keep them in independent means, without being an appreciable burden on the finances of the Government.

The services of such an officer may also be utilized along with the honorary visitors who can form into a board which will be useful in several ways. There is a growing complaint that the workers' behaviour is anything but desirable. They are said to be becoming riotous and irresponsible. The workers on the other hand complain that they are being treated very disrespectfully and even contemptuously, by the maistris. Discipline is not a thing which can be taught, nor good manners. To promote good feeling and mutual respect, the only means is good company and education and instruction. With this end in view, I would recommend that the honorary visitors do constitute a board and the board may be assisted by the officer abovementioned and it will be a function of the board to come into touch with as many workers as possible and that board may be asked to discharge the duties of a labour exchange as well, without applying that phraseology directly to it. All workers could have their names registered in it and their complaints would be investigated by the board and in consultation with the mill authorities, speedy redress could be obtained. If a worker is found inefficient continuously and the board of visitors find him to be inefficient in spite of advice and warning or if he continues to misbehave in spite of warning, then the worker will have no cause of complaint if he is dismissed. A

dismissal now will provoke a threat to strike. The dismissed man will probably create trouble. But if the case was considered by a body of respectable gentlemen, the other workers cannot be influenced by the aggrieved person. The constitution of such a board with the functions of a labour exchange, will serve a good deal to remove the present distrust. If the honorary visitors are gentlemen of social standing who command the confidence both of labour and capital, it will be easy to bring about that good feeling which will be an asset to the industry as a whole. Five of such gentlemen and two lady visitors, doing honorary work for the good of the city and district and who have a genuine spirit of service, will be able to set right or put down any sporadic labour eruption in a mill, before it flares. Successful efforts along these lines on one or two occasions will stimulate the mill agents as well as the workers to seek their assistance when differences arise between them on larger or smaller issues. Such ladies and gentlemen should be found and may be requested to take up the task. It may be arduous in the beginning but cheerful as it meets with success.

From the limited knowledge that I have obtained of the Governmental contact with questions affecting labour and industry. I must confess that I feel it leaves much to be desired. There is no officer holding a responsible position who is solely looking after this subject. The Commissioner of Labour is really not one who is dealing with labour questions alone. The Commissioner of Labour has duties which are combined with several other functions. As year passes after year, the labour force is becoming self-conscious; self-assertiveness is greatly in prominence. There is no denying the fact that they are being led sometimes by well-meaning people, sometimes the contrary. Hence it is, at this epoch of time, that an officer of the Government, who will act as a guide and friend to the labourers, is absolutely necessary. The employers, I expect, will have confidence in such an officer. Much of course lies in the selection of the officer at this critical time. He must be one, accessible to both the employers and the workers. The latter are themselves of different degrees and classes and if the officer makes himself accessible to both the high and the low among them, they will confide in him, even to the extent of admitting their faults, if any, and the relations between the employer and the employed can be improved and mutual confidence and respect can be restored through his agency. Accessibility does not lie in notifying that the officer is accessible. The high in office are really inaccessible though they would deny it. No one can go to them to represent a grievance except previously intimating through a subordinate agency as to the subject which is the grievance. If such intermediate processes are fixed before the Labour Officer can meet the worker, the latter would have merely heard of the accessibility of the officer but will not believe in its reality. As I said, everything lies in the officer himself and in his affability and accessibility. I would leave it as a strong



recommendation that the Government should not lose time in appointing one such officer, whose presence, knowledge and tact alone, will be able to achieve a good deal more than many a discussion and resolution. He may be placed at the head of a Labour Office like the one in Bombay. I hope I will not be understood to have burdened the Government with too much expense. A labour office with an officer at its head; a junior officer of the subordinate grade, as a temporary measure for this district, who will help the formation and functioning of a trade union and stimulate the growth of co-operative endeavour, and who will also act as liaison officer; honorary inspectors or visitors and a lady inspector—these offices must be created but need not be very expensive.

It is necessary that the employees should know the conditions of their employment. If they are once known there will be less reason to complain, that a maistry has brought a worker into trouble or that any injustice was done to a worker. In many concerns, rules are definitely framed for the guidance of the administration. I would suggest that each mill should have a set of rules, regulating—

- (i) suspension and dismissal of employees;
- (ii) grant of leave;
- (iii) annual holidays;
- (iv) the duties of each class or category of employees;
- (v) the general discipline and conduct of the workers;
- (vi) the procedure by which the workers may lay their complaint before a responsible officer and also regulating the method of its disposal; and
- (vii) if possible, rates of pay and promotion.

When such rules are framed and are observed, it will not be possible for a worker to complain that he was not heard or that there was no enquiry held before any disciplinary action was taken against him. The administration will then be a definite basis.

It is essential that the duties of each workman are clearly defined. Otherwise there is likely to be frequent complaints that he is asked to do the work which is really the work of another. Another reason why the duties must be defined is that it will help to a proper working of the provisions of the Workmen's Compensation Act. If an accident happens to a worker as for instance when he is cleaning the lower portion of the scutch or some portions of the carding machine, the management may turn round and say that he was doing something which was outside the sphere of his work. Suppose a lap carrier meets with an accident, he may say that one of his duties is to clean the machine (where there are fans or beaters inside) but the management may say that it was not his duty. Unless there are definite rules laying down the duties, it will not be easy to decide cases such

as this. At any rate, it will be difficult to arrive at a satisfactory and unquestionable conclusion. I therefore recommend that rules should be framed defining the duties of each workman and if possible print them. The Government may pass a rule that a copy of such rules should be sent to the Inspector of Factories every year. The rules should, in any case, be put up on the notice board for the information of all the workers.

So also, a schedule of wages and rates should be drawn up and printed and supplied to workers or a copy exhibited on the notice board and a copy sent to the Inspector of Factories.

Before concluding my report, I wish to record a few lines of general observation. I was glad to see large numbers of workers in mills with eyes beaming with confidence. The managing agents and managers of the mills were very responsive and have assisted me so well, that my task has become less heavy. I would say a few words to workers. You have heard complaints that some of the workers are so mischievous as at times to tamper with machinery; that they behave in an unbecoming manner and Mr. Stenson has stated that in the course of picketting, some workers molested a woman. You may have grievances; you may have complaints; you may be drawing low wages, but that is no reason why you should cease to be respectful and orderly. You alienate the sympathy of every right-minded person, if you give up the elementary traits of good behaviour. I should say that even if you are denied amenities or wages which you feel you have a right to get from your employers, still do not lose your balance and give way to ignoble methods of agitation. Submit yourself to the low wages or to bad treatment or whatever it is from which you feel you are suffering for the moment. Your very yielding to suffering will open the eyes of your employer to your worth. You are wedded to the industry and if by anything that you do or the world condition may produce, the textile industry should decay in the district, your very existence, you must know, is threatened. You cannot get back to agriculture and you will find yourselves in an extremely miserable condition, unless the industry in which you are all engaged grows from prosperity to prosperity. If the recommendation regarding the housing scheme takes shape, within a reasonable time you will have houses to live in. If the schools are opened, your children can be educated and trained to occupy positions in life, which will better the conditions of your families. You can join hands with your employers and compel the local bodies and municipalities to give you the facilities, both for education and medical relief. Therefore, I must caution you not to be carried away into a frenzy and fury even in the face of any injustice which you feel.

To the employers.—In what I say, I hope, I will not be misunderstood. Some of the recommendations made by me, may appear to be unacceptable to some of you at first sight. I have thought over the matter deeply and more deeply before I made

my recommendations in regard to the wages and shifts. You took a heavy responsibility when you entered the zone of industry. Industry may be a profitable pursuit but it brings in its trail a lot of difficulties and responsibilities. Your industrial efforts confer a boon to thousands of people whom you employ and they also add to the resources and wealth of the country. But your workers are equally the asset of the nation and you must make them more and more efficient in their work as well as worthy citizens of the nation. Hence the moment they come into contact with you, you have a responsibility to better their condition in several ways. The work in a textile mill is not also a pleasant job and if occasionally they lose their temper (and their head), you should not make too much fuss. Even wiser people and those working in less arduous spheres are susceptible to and do lose their temper and provoke conflicts, after being engaged in work for a number of hours. The workmen in your mills are like children, not themselves knowing what they can reasonably demand and sometimes also naughty, not knowing how to behave properly but these are human frailties which ought not to make them enemies of you and therefore I would most earnestly urge upon you the necessity of looking at your labourers not as your antagonists, but as your co-operators, engaged in the pursuit of a common industry. With that spirit of co-operation, many of the recommendations that I have made can easily be adopted and brought into operation without the help or compulsion by the "outside" agency, namely, the Government. I may request you, the employer and the employees, to consider, if Government is not also an outside body in the matter of the relationship between you both. Whether it be an "outsider" or an outside agency like the Government, their help is indeed necessary only if you both cannot adjust among yourselves. In the case of Coimbatore, the future of the textile industry is full of hope and there is no cause for diffidence. Every factor which goes to make for success in the textile industry is present here. But as observed by the Chief Inspector :—

With the rapid increase of industrial activity in the area, labour is unsettled and some employers are new to problems of management.

There is a wide difference between caution and pessimism. There is no cause for the latter and therefore I should say, 'meet the demands of the workers in a friendly spirit and make their living conditions better than what they are and no amount of outside influence can then wean them away from you.' Had I the slightest belief that any recommendation of mine would have the effect of stifling the growth of the industry, I should not have hesitated to withdraw it from my report and I have endeavoured to base my recommendation on a modest scale in the hope that you will respond readily to the request for their acceptance.

Let me conclude with what Sir Roger Lumley, the Governor of Bombay, told the Bombay Mill-owners' Association only a few weeks ago. His Excellency is reported to have said that the

association had shown its wisdom in adopting a policy of giving a fair deal to labour. "To all countries and no less to India, the relations between capital and labour were a fundamental problem." His Excellency congratulated the association on their decision to accept the Textile Enquiry Committee's recommendation and added that by pursuing such a policy, they would have a contented labour population which was the foundation of a thriving industry.

## FINDINGS AND RECOMMENDATIONS.

### ISSUE I.

1. No condition can be laid down as necessary for the recognition of a Trade Union. Registration under the Trade Unions' Act is sufficient. The Coimbatore Labour Union and the Mill-workers' Union have on their rolls workers in the textile mills of the district and therefore deserve recognition.

2. Provision of housing accommodation, adequate medical relief to the workers and their families and affording of educational facilities; also the grant of bonus and creation of a provident fund system under which the worker as well as the employer contribute equally, also definite rules for the guidance of the persons concerned in the matter of discipline, suspension and dismissal, etc.,—these will afford reasonable security of service and are sufficient safeguards to see that the worker does not quit service at his whim.

3. The rates in Coimbatore district are low, compared with rates paid in other textile factory areas in the Province. What would be a reasonable increase, has been mentioned in the chapter on "wages." As the rates are low in all the sections, the increase should be applied in all sections.

4. It is not necessary to fix a minimum wage but it is necessary to standardize the wages and in such standardization a consideration of what would be a minimum wage becomes necessary.

5. (a) This is being done in some mills and it is worthy of adoption by the other mills.

(b) There is no need to make a special rule in the case of women.

(c) In no mill is a public holiday granted with full wage, as far as I am aware. No change is recommended.

(d) Nine days leave on account of sickness and six days casual leave on account of pressing business with pay are recommended.

(e) Proportionate wages only should be deducted.

(f) The same rates of wages should apply to the female as well as the male workers. In this connexion, however, I would discourage too much employment of women. Proper place of

the woman is in the home. If the women and men both work in the mills the children are left to take care of themselves and it is not a desirable state of things. If women *have* to be employed as far as possible unmarried women and widows should be preferred and the employment of married women especially with children should not be encouraged.

(g) Sunday should ordinarily be treated as a holiday in all mills.

(h) This is desirable, but I am afraid I can't recommend it till the wages are increased and there is a possibility of the worker being able to contribute towards the provident fund.

(i) Yes. This must be done.

(j) Wages must be paid during the normal working hours.

(k) Night shift shall not exceed 8 hours and 20 per cent extra is recommended for the night shift workers.

(l) Providing of free quarters to all workers does not seem to be feasible. The municipal councils and the local boards in whose jurisdiction the workers are living, should be roused to a sense of their responsibility in this direction. As some of the mill-owners have made a beginning in this direction, they, along with the recently started Co-operative Building Society, should be able to meet this demand at an early date.

(m) Wherever possible, a school should be attached to a mill, where there are more than 500 workers.

(n) Multiple shift system should be abolished.

(o) The installation is recommended in each mill of electric clocks controlled by the Central Agency. Until such time as this is done, the mills ought to maintain the standard time. Every day the clocks should be corrected to the standard time. The clocks should be placed in such a manner that they may not be tampered with.

(p) I am unable to fix the minimum wage. I cannot say whether the rates proposed are reasonable.

(q) There is no need to allow a grace period for late-comers.

(r) The working hours should be reduced to eight. But such reduction shall take place when the other Provinces, especially Bombay and Central Provinces, agree to it.

(s) Half-a day's pay or average pay should be paid in such cases.

(t) Same as (k).

6. There should ordinarily be no change introduced in the nature of work. If a change involves in a reduction in wages, there should be a corresponding increase in the rate.

7. This is not proved. Only in one case, cinema tickets were forced upon the employees, but as soon as the managing agents came to know of it, prompt action was taken and one clerk was dismissed.

8. It is not proved that probations are kept on for more than two months. I recommend the abolition of the system of taking unpaid apprentices.

9. The card system of attendance is the better method and it is recommended for introduction in all mills.

10. There is no proof of positive evasion of the Maternity Benefit Act, but many women have not obtained the benefit. The reason in almost all cases is absence of over 14 days without leave. The amendment of the section 5 of the Act is recommended.

#### ISSUE II.

1. Whether a strike is justifiable or not, depends upon the facts of each case. No hard and fast rule can be laid down.

(a) No legislation is necessary. The recent amendment of the Trade Disputes Act by the Central Legislature will meet the ends of the case.

2. The answer is in the negative.

3. The employers' representation that the rates, taxes and charges are too heavy is not established. They are the same as elsewhere.

4. The worker in the Coimbatore area has definitely been proved to be efficient.

#### ISSUE III.

1. It is not proved that incorrect weights and measures are being used. But I am of opinion that a greater degree of supervision is necessary. The system of appointment of honorary visitors or inspectors is recommended for adoption.

2. Proper timings are not being observed in some mills.

3. Notification under rules 110 and 111 is recommended—for providing tiffin-sheds and creches—there is no need to have a statutory rule regarding the provision of cycle shelters. But the Millowners' Association have recommended it and I would also recommend that cycle shelters should be provided in all mills.

4. It is reasonable that the employer should provide medical relief, more than first aid appliances.

5. The answer to the first part is in the affirmative and to the second part, that the amendment is unnecessary.

6. The spittoons should be placed outside the work rooms.

7. Rule 10 (2) may be made applicable after obtaining the technical opinion, that by the introduction of fans, more dust will not be created.

8. Air-conditioning plant is not necessary.

9. Multiple shifts should be stopped. To this effect a rule may be made under the Factories Act.

10. I do not think there is any need for the appointment of a permanent Conciliation Board. The formation of the Works Committee and the Board of Honorary Visitors or Inspectors with an officer co-opted will serve the needs of the purpose, as recommended in the chapter on "Trade Unions." This Board with a representative from Trade Unions, may serve as a Conciliation Board, whenever necessary.

11. The working hours having considerably increased and in consideration of the wide area of his jurisdiction the Inspector of Factories cannot be said to have time for adequate and frequent inspection of all the mills.

12. There is no dust preventing machinery in any of the mills in Coimbatore, that have been visited by me. I recommend the use of a vacuum cleaner in every mill.

The employment of children and the employment of adolescents during nights should be abolished. A more efficient system of granting certificates to the adolescents and for the periodical inspection of factories by the certifying surgeon is recommended. Owing to the large number of women employed in mills in this district, it is desirable to have a woman inspector. As early as possible legislation may be undertaken to provide for sickness insurance. It may be even on the basis of the employer paying half and the employee half, or on lines similar to what is being done by the Government of Bombay. The establishment of a Wage Fixation Board is strongly recommended and that as early as possible.

9th April 1938.

M. VENKATARAMAYYA.  
*Court of Enquiry.*

## APPENDIX A.

*Objections and rulings.*

The mill-owners question the right of the District Congress Committee to appear in this enquiry. It is no doubt true that it is not clear how the District Congress Committee as such can appear for one of the parties, especially as it is said that the District Congress Committee has on its rolls not only the workers but also some of the Mill owners themselves. Their attitude however is a matter with which the Court is not concerned. I would call upon the District Congress Committee's representative to file a declaration that he has been authorized by the mill employee members of the District Congress Committee to represent labour and if such a declaration is filed I will hold that the representation is proper.

Under rule 25 framed under the Trade Disputes Act each party can be represented by three persons. The employees of the mills, in the Coimbatore area are now represented by the Coimbatore Labour Union; the Coimbatore Mill Workers' Union and the District Congress Committee's representative. These three will be heard on behalf of the employees.

The competency of the Coimbatore Mill Workers' Union and the Coimbatore Labour Union is also questioned but this opens into a field of controversy—as to under what circumstances such unions can be said to represent the workers. The Coimbatore Labour Union is registered under the Act and yet is not recognized by any of the mills. As for the Mill Workers' Union it may be said to be of recent growth. From all these circumstances I consider it best to admit for the present the representative character of anybody or Institution which has on its rolls not less than 10 workers in mills. The three organizations, viz., the District Congress Committee, the Coimbatore Labour Union and the Coimbatore Mill Workers' Union satisfy this condition and I accordingly permit these three to make representations on behalf of the above workers.

Pronounced in open Court this 25th day of January 1938.

M. VENKATARAMAYYA.

*N.B.*—It is said that the District Congress Committee is only an executive Committee of 60 members elected by the Congress members and there are workers as members of the Congress but not of the Congress Committee. M.R.Ry. P. S. Sitharama Ayyar and C. Subrahmanyam have filed vakalat on behalf of two workers who are members of the Congress to represent labour.

## APPENDIX A-1.

*Preliminary objections raised by the mill-owners and the rulings given on them.*

The first preliminary issue whether the District Congress Committee and other associations are proper parties simply because their association contain members who are labourers working in the various mills, has been disposed of.

2. The other three preliminary issues are :—

- (i) Is the reference to the Court of Enquiry legal and proper in the absence of materials in their proper and legal form ?



- (ii) What are the real trade disputes out of the large number that have been put forward by the workers and others?
- (iii) Whether the scope of the Enquiry under the trade disputes includes the investigation of the general conditions of the industry.

3. I have adopted these three issues in the form in which they were suggested by the employers. None of the points has any force.

4. Section 8 of the Trade Disputes Act forbids any question being raised as regards the order of appointment of the Court of Enquiry. The foundation for the argument that the Court is not legal or properly constituted seems to be the particulars which are contained in rule 2 of the rules framed by the Madras Government under the Trade Disputes Act. These particulars require to be given in an application which a party or parties may make to the Government. But this Court is constituted by the Government without any application by any party and consequently that rule does not apply. It is obvious from a perusal of the G.O. No. 2483, Public (Special), dated 29th December 1937 that the Government was satisfied that a trade dispute exists and it was for that reason and for that reason only that this Court was appointed. Section 3 of the Trade Disputes Act provides that "if any trade dispute exists the Provincial Government may refer any matters appearing to be connected with or relevant to the dispute to a Court of Enquiry to be appointed by the Provincial Government."

Therefore there is no substance in the plea that reference to the Court is not legal or proper. The assumption that there is absence of material in proper or legal form is equally untenable. The employers themselves have given to the Collector and District Magistrate a memorandum in which they have definitely controverted certain points or demands of the workmen. In fact in the other issue suggested by the mill-owners themselves there will be seen an assumption of the existence of "a large number of disputes." Why they should not be equally trade disputes is not clear. A trade dispute is defined as "any dispute or difference between employers and workmen," and such dispute must be "connected with the employment or non-employment or the terms of employment or with the conditions of labour." All these ingredients exist in the several points which require investigation and decision. Mr. A. N. Rama Rao considers that it is not proper that the Court of Enquiry should embark upon an enquiry into matters which deal not only with the Coimbatore area or district but points which will have general application to the Textile Industry in the whole of India. The only answer I can give is that *ordinary civil courts* have not hesitated to frame issues and give decisions upon matters involving such universal application. Whether certain contract is or is not opposed to public policy or whether certain adoption is or is not valid or whether a section of an Act is or is not *ultra-vires*—such questions of much more importance and complexity—the Courts have not hesitated to consider and I fail to see why the Court of Enquiry should not have the power to express an opinion as to what shall be the general conditions under which an employee shall be made to work in a factory or conversely what demands of the employer on the employee in the matter of discipline, regularity, etc., are reasonable. I hold therefore that there is no substance or force in any of the preliminary issues raised and consequently will proceed to a consideration of the issues relating to the merits of the dispute.

M. VENKATARAMAYYA.

## APPENDIX B.

*List of mills visited in the Coimbatore district.*

Date.	Mill and place.
10th January 1938	.. Coimbatore Spinning and Weaving Mills, Coimbatore.
11th January 1938	.. Coimbatore Pioneer Mills, Peelamedu.
24th January 1938	.. Kaleeswarar Mills and Somasundara Mills, Coimbatore.
25th January 1938	.. Radhakrishna Mills and Rangavilas Mills, Peelamedu.
28th January 1938	.. Lakshmi Mills, Pappanaickenpalayam.
31st January 1938	.. Cambodia Mills and Saroja Mills, Singanallur.
9th February 1938	.. Coimbatore Cotton Mills Janardhana Mills Rajalakshmi Mills Vasanta Mills } Singanallur.
2nd March 1938	.. Sarada Mills, Podanur.

## APPENDIX C.

*List of mills visited (outside Coimbatore district, but within the Madras Presidency).*

Date.	Mill and place.
15th and 16th February 1938.	Buckingham and Carnatic Mills.
17th February 1938	.. Choolai Mills.
5th March 1938	.. Malabar Spinning and Weaving Mills, Kallai.
12th March 1938	.. Pandyan Mills, Madura.
4th March 1938	.. Meenakshi Mills, Madura.

APPENDIX D.

Statement of wages prevalent in various mills in and beyond Madras Presidency.

	The Buckingham and Carnatic Mills, Madras.				The Madras United Spinning and Weaving Mills, Madras.				The Coimbatore Spinning and Weaving Mills, Coimbatore.													
	Daily.		Monthly.		Daily.		Monthly.		Daily.		Monthly.											
	Minimum. Rs. A. P.	Maximum. Rs. A. P.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum. Rs. A. P.	Maximum. Rs. A. P.	Minimum. Rs. A. P.	Maximum. Rs. A. P.	Minimum. Rs. A. P.	Maximum. Rs. A. P.										
Blowroom coolie .. .. .	0 12 0	0 13 6	..	..	..	..	18 6 0	22 12 0	..	..	10 0 0	..										
Carding tenters .. .. .	0 12 0	0 13 6	..	..	..	..	22 0 0	25 0 0	..	..	10 0 0	..										
Lap carriers .. .. .	0 12 0	0 13 6	..	..	..	..	..	..	..	..	10 0 0	..										
Drawing tenters .. .. .	0 13 8	1 0 6	..	..	..	..	22 0 0	25 0 0	..	..	15 0 0	..										
Slubbers .. .. .	0 13 6	1 2 6	..	..	..	..	22 0 0	25 0 0	Piece work ..	..	15 0 0	..										
Intermediate .. .. .	0 13 6	1 2 6	..	..	..	..	22 0 0	25 0 0		..	15 0 0	..										
Roving frames .. .. .	0 13 6	1 2 6	..	..	..	..	22 0 0	25 0 0		..	15 0 0	..										
Roving doffers .. .. .	0 13 6	1 2 6	..	..	..	..	22 0 0	25 0 0		..	6 0 0	..										
Jobbers—																						
Blowroom head maistri ..	1 2 3	1 7 3	}	..	..	..	..	..	..	..	25 0 0	..										
Carding head maistri ..	1 7 0	2 13 0																				
Carding assistant maistri..	..	..																				
Roving head maistri ..	1 7 0	2 13 0																				
Roving Assistant maistry	..	..	..	..	..	..	125 0 0	135 0 0	..	..	..	..										
Doffing maistry .. .. .	1 7 0	2 18 0	}	..	..	..	..	..	..	..	30 0 0	..										
Side maistry .. .. .	1 7 0	2 13 0																				
Head maistry .. .. .	1 7 0	2 18 0																				
Assistant head maistry ..	1 7 0	2 18 0																				
Cardroom coolie .. .. .	0 12 0	0 13 6	..	..	..	..	..	..	..	..	15 0 0	..										
Spinners .. .. .	0 7 6	0 9 6	..	..	..	..	18 6 0	22 12 0	..	..	..	..										
Bobbin boys .. .. .	0 3 9	0 4 9	..	..	..	..	15 0 0	17 3 0	..	..	..	..										
Reelers .. .. .	0 12 0	1 12 0	..	..	..	..	12 0 0	18 4 0	..	..	10 0 0	..										
							(women).															
Bundlers .. .. .	0 12 6	1 9 6	..	..	..	..	..	..	Piece work ..	..	10 0 0	..										
Winders .. .. .	1 7 0	2 6 6	..	..	..	..	..	..		..	10 0 0	..										
Warpers .. .. .	1 7 0	2 11 0	..	..	..	..	..	..	Piece work ..	..	18 0 0	..										
Sizers .. .. .	0 13 8	2 11 0	..	..	..	..	..	..		..	16 0 0	..										
Drawers .. .. .	0 12 6	3 0 0	..	..	..	..	..	..	..	18 0 0	..											
Weavers .. .. .	0 10 6	1 7 3	..	..	..	..	..	..	Piece work ..	..	12 0 0	..										
Weaving jobbers .. .. .	0 10 6	1 7 3	..	..	..	..	..	..		Do.	..	22 0 0	..									
Finishers .. .. .	0 12 0	1 7 3	} Earn the same wages as coolies, i.e.—	..	..	..	..	..	..	..	12 0 0	..										
Bleachers and dyers ..	0 12 0	1 2 0																				
Calendering man .. .. .	0 12 0	1 2 0																				
Engine driver .. .. .	1 3 8	3 6 0																				
Fitter .. .. .	0 15 0	2 7 3																				
Fireman .. .. .	1 7 3	1 12 0																				
Oilman .. .. .	0 12 6	0 14 0																				
Electrician .. .. .	1 14 6	4 0 0																				
Blacksmith .. .. .	0 15 0	3 0 0																				
Carpenter .. .. .	0 12 6	2 9 6																				
Unskilled labour—													..	..	..	..	..	..	..	..	..	..
Male .. .. .	0 7 6	0 9 6											..	..	..	..	..	..	..	..	..	..
Female .. .. .	..	..											..	..	..	..	9 10 0	10 8 0	0 8 0	0 4 0	..	..
Half-timers .. .. .	0 3 9	0 4 9	..	..	..	..	..	..	..	..	..	..										

	The Kaleeswarar Mills, Coimbatore.				The Pankaja Mills, Coimbatore.				The Dhanalakshmi Mills, Tirupur.									
	Daily.		Monthly.		Daily.		Monthly.		Daily.		Monthly.							
	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.						
		RS.	A. P.	RS.	A. P.	RS.	A. P.	RS.	A. P.	RS.	A. P.	RS.	A. P.					
Blowroom coolie	..	..	13	0 0	..	..	9	0 0	10	0 0	..	..	7	0 0	12	0 9		
Carding tenters	..	..	10	0 0	..	..	10	0 0	..	..	..	..	7	0 0	..	..		
Lap carriers	..	..	10	0 0	..	..	10	0 0	..	..	..	..	8	0 0	..	..		
Drawing tenters	..	..	11	0 0	..	..	13	0 0	..	..	..	..	13	0 0	..	..		
Slubbers	..	..	20	0 0	..	..	17	0 0	..	..	..	..	20	0 0	..	..		
Intermediate	..	..	18	0 0	..	..	16	8 0	..	..	..	..	22	0 0	..	..		
Roving frame	..	..	16	0 0	..	..	15	8 0	..	..	..	..	14	0 0	..	..		
Roving doffers	..	..	8	0 0	..	..	..	..	..	..	..	..	6	0 0	..	..		
Jobbers—																		
Blowroom head maistri	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
Carding head maistri	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
Carding assistant maistri.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
Roving head maistri	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
Roving assistant maistri,	..	..	20	0 0	..	..	22	0 0	36	0 0	..	..	22	0 0	..	..		
Doffing maistri	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
Side maistri	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
Head maistry	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
Assistant head maistri	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
Cardroom coolie	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..		
Spinners	..	..	11	0 0	20	0 0	..	..	13	0 0	17	0 0	..	..	13	0 0	22	0 0
Bobbin boys	..	..	7	0 0	..	..	..	..	7	0 0	..	..	..	..	6	0 0	7	0 0
Reelers	..	..	8	0 0	..	..	..	..	8	0 0	..	..	..	..	6	0 0	7	0 0
Bundlers	..	..	13	0 0	..	..	..	..	13	0 0	15	0 0	..	..	11	0 0	13	0 0
Winders	..	..	9	0 0	..	..	..	..	..	..	..	..	..	7	0 0	..	..	
Warpers	..	..	22	0 0	..	..	..	..	..	..	..	..	..	16	0 0	21	0 0	
Sizers	..	..	15	0 0	..	..	..	..	..	..	..	..	..	12	0 0	14	0 0	
Drawers	..	..	20	0 0	..	..	..	..	..	..	..	..	..	15	0 0	..	..	
Weavers	..	..	16	0 0	..	..	..	..	..	..	..	..	..	11	0 0	12	0 0	
Weaving jobbers	..	..	30	0 0	..	..	..	..	..	..	..	..	..	15	0 0	..	..	
Finishers	..	..	11	0 0	..	..	..	..	..	..	..	..	..	18	0 0	..	..	
Bleachers and dyers	..	..	12	0 0	..	..	..	..	..	..	..	..	..	25	0 0	..	..	
Calendering man	..	..	12	0 0	..	..	..	..	..	..	..	..	..	11	0 0	..	..	
Engine driver	..	..	..	..	..	..	..	..	..	..	..	..	..	19	0 0	..	..	
Fitter	..	..	20	0 0	0	14 0	..	..	..	0	14 0	..	..	..	..	..	..	
Fireman	..	..	14	8 0	..	..	..	..	..	0	6 5	..	..	..	..	..	..	
Ollman	..	..	12	8 0	..	..	..	..	..	0	5 4	..	..	..	..	..	..	
Electrician	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	
Blacksmith	..	..	36	0 0	0	12 0	..	..	..	0	12 0	..	..	..	..	..	..	
Carpenter	..	..	29	0 0	0	12 0	..	..	..	0	14 0	..	..	..	..	..	..	
Unskilled labour—																		
Male	..	..	10	0 0	..	..	..	..	10	0 0	..	..	..	..	10	0 0	..	..
Female	..	..	7	0 0	..	..	..	..	5	0 0	..	..	..	..	..	..	..	..
Half-timers	..	..	..	..	..	..	..	..	..	..	..	..	..	0	4 0	..	..	..

	Rajalakshmi Mills, Singanallur.				The Coimbatore Cotton Mills, Singanallur.				Sri Ranga Vilas Ginning and Spinning Mills, Peelamedu.			
	Daily.		Monthly.		Daily.		Monthly.		Daily.		Monthly.	
	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.
	RS. A. P.		RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
Blowroom coolie .. .. .	..	..	11 0 0	..	..	11 0 0	..	..	..	..	10 8 0	..
Carding tenters .. .. .	..	..	10 0 0	..	..	11 0 0	..	..	..	..	11 0 0	..
Lap carriers .. .. .	..	..	12 0 0	..	..	10 0 0	..	..	..	..	12 0 0	..
Drawing tenters .. .. .	..	..	14 0 0	..	..	14 0 0	..	..	..	..	10 0 0	12 0 0
Slubbers .. .. .	..	Piece work	12 0 0	..	..	20 0 0	..	..	..	Piece work	16 0 0	18 0 0
Intermediate .. .. .	..	..	20 0 0	..	..	20 0 0	..	..	..	..	16 0 0	18 0 0
Roving frame .. .. .	..	..	18 0 0	..	..	18 0 0	..	..	..	..	18 0 0	16 0 0
Roving doffers .. .. .	..	..	8 0 0	..	..	7 0 0	..	..	..	..	6 0 0	..
Jobbers—												
Blowroom head maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Carding head maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Carding assistant maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Roving head maistri ..	..	..	28 0 0	30 0 0	..	20 0 0	22 0 0	..	..	Piece work	28 0 0	26 0 0
Roving assistant maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Doffing maistri .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Side maistri .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Head maistri .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Assistant head maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Cardroom coolie .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Spinners .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Bobbin boys .. .. .	..	..	7 0 0	..	..	7 0 0	..	..	..	..	9 0 0	..
Reelers .. .. .	..	..	10 0 0	..	..	8 0 0	..	..	..	Piece work	12 0 0	16 0 0
Beelers .. .. .	..	..	15 0 0	..	..	16 0 0	..	..	..	..	..	..
Bundlers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Winders .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Warpers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Sizers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Drawers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Weavers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Weaving jobbers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Finishers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Bleachers and dyers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Calendering man .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Engine driver .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Fitter .. .. .	..	..	24 0 0	..	..	18 0 0	..	..	..	..	28 0 0	..
Fireman .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Oilman .. .. .	..	..	..	..	..	12 0 0	..	..	..	..	..	..
Electrician .. .. .	..	..	..	..	..	20 0 0	..	..	..	..	..	..
Blacksmith .. .. .	..	..	25 0 0	..	..	20 0 0	..	..	0 10 0	..	..	..
Carpenter .. .. .	..	..	24 0 0	..	..	22 0 0	..	..	0 12 0	..	..	..
Unskilled labour—												
Male .. .. .	0 6 0	..	..	..	..	..	..	..	0 6 0	0 8 0	..	..
Female .. .. .	0 3 0	..	..	..	..	..	..	..	0 8 0	0 4 0	..	..
Half-timers .. .. .	0 2 6	..	..	..	..	..	..	..	..	..	..	..

	Sri Ramalinga Choodambiga Mills, Tiruppur.				Sri Venkatesa Mills, Udamaipet.				The Palaniyandavar Mills, Udamaipet.			
	Daily.		Monthly.		Daily.		Monthly.		Daily.		Monthly.	
	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
Blowroom coolie .. ..	..	..	9 0 0	..	*0 4 6	0 6 0	10 0 0	..	0 5 0	0 6 0	..	..
Carding tenters .. ..	..	..	9 0 0	..	*0 4 3	..	10 0 0	..	0 5 0	..	..	..
Lap carriers .. ..	..	..	9 0 0	..	*0 5 6	..	10 0 0	..	0 5 0	..	..	..
Drawing tenters .. ..	..	..	8 0 0	..	*0 5 0	..	10 0 0	..	0 6 0	..	..	..
Stubbers .. ..	..	..	15 0 0	..	..	..	10 2 0	..	..	..	..	..
Intermediate .. ..	..	..	17 0 0	..	..	..	13 10 0	..	..	..	..	..
Roving frame .. ..	..	..	13 0 0	..	..	..	13 1 0	..	..	..	..	..
Roving doffers .. ..	..	..	6 0 0	..	0 2 6	..	..	..	*0 2 0	0 2 6	..	..
Jobbers—												
Blowroom head maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Carding head maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Carding assistant maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Roving head maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Roving assistant maistri ..	..	..	15 0 0	20 0 0	..	..	14 0 0	20 0 0	0 11 6	..	24 0 0	..
Doffing maistri .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Side maistri .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Head maistri .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Assistant head maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Cardroom coolie .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Spinners .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Bobbin boys .. ..	..	..	..	..	*0 2 6	..	..	..	*0 2 6	..	..	..
Reelers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Bundlers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Winders .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Warpers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Sizers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Drawers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Weavers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Weaving jobbers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Finishers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Bleachers and dyers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Calendering man .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Engine driver .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Fitter .. ..	..	..	16 0 0	..	..	..	15 0 0	..	1 6 0	..	..	..
Fireman .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Oilman .. ..	..	..	16 0 0	..	..	..	..	..	0 5 4	..	..	..
Electrician .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Blacksmith .. ..	..	..	..	..	..	..	16 0 0	..	0 12 0	..	..	..
Carpenter .. ..	..	..	..	..	..	..	..	..	0 14 0	..	..	..
Unskilled labour—												
Male .. ..	..	..	..	..	..	..	..	..	0 4 0	..	..	..
Female .. ..	..	..	..	..	..	..	..	..	0 3 0	..	..	..
Half-timers .. ..	..	..	..	..	..	..	..	..	..	..	..	..

\* Bonus o Rs. 2 per month extra to these workers.

	The Malabar Spinning and Weaving Mills, Kallai.				Commonwealth Weaving and Dyeing Works, Calicut.				Commonwealth Weaving Factory, Cannanore.			
	Daily.		Monthly.		Daily.		Monthly.		Daily.		Monthly.	
	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.
	RS. A. P.		RS. A. P.		RS. A. P.		RS. A. P.		RS. A. P.		RS. A. P.	
Blowroom coolie .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Carding tenters .. .. .	..	..	6 0 0	9 8 0	..	..	..	..	..	..	..	..
Lap carriers .. .. .	..	..	9 0 0	..	..	..	..	..	..	..	..	..
Drawing tenters .. .. .	..	..	8 8 0	12 0 0	..	..	..	..	..	..	..	..
Slubbers .. .. .	..	..	12 0 0	13 8 0	..	..	..	..	..	..	..	..
Intermediate .. .. .	..	..	11 12 0	12 10 0	..	..	..	..	..	..	..	..
Moving frame .. .. .	..	..	10 8 0	12 4 0	..	..	..	..	..	..	..	..
Moving doffers .. .. .	..	..	5 0 0	..	..	..	..	..	..	..	..	..
Jobbers—												
Blowroom head maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Carding head maistry ..	..	..	..	..	..	..	..	..	..	..	..	..
Carding assistant maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Moving head maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Moving assistant maistri ..	..	..	21 0 0	33 0 0	..	..	..	..	..	..	..	..
Doffing maistri .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Side maistri .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Head maistri .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Assistant head maistri ..	..	..	..	..	..	..	..	..	..	..	..	..
Cardroom coolie .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Spinners .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Bobbin boys .. .. .	..	..	9 0 0	10 0 0	..	..	1 8 0 weekly	..	..	..	..	..
Reelers .. .. .	..	..	Men 8 0 0	17 0 0	..	..	..	..	..	..	..	..
	..	..	Women 8 0 0	11 8 0	..	..	..	..	..	..	..	..
Bundlers .. .. .	..	..	7 8 0	15 8 0	..	..	..	..	..	..	..	..
Winders .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Warpers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Sizers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Drawers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Weavers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Weaving jobbers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Finishers .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Bleachers and dyers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Calendering man .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Engine driver .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Fitter .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Fireman .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Oilman .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Electrician .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Blacksmith .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Carpenter .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Unskilled labour—												
Male .. .. .	..	..	6 8 0	12 0 0	..	..	2 10 0	2 11 2	..	..	..	..
Female .. .. .	..	..	6 8 0	7 12 0	..	..	1 14 0	..	..	..	..	..
Half-timers .. .. .	..	..	8 0 0	..	..	..	..	..	..	..	..	..
												2 8 0 weekly cloth cleaners.

	Madura Mills, Madura.				The Rajah Mills, Madura.				Sree Meenakshi Mills, Madura.			
	Daily.		Monthly.		Daily.		Monthly.		Daily.		Monthly.	
	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
Blowroom coolie .. ..	..	..	15 0 0	..	..	..	..	12 13 0	16 4 0	..	..	16 5 0
Carding tenters .. ..	..	..	17 1 5	..	..	..	..	20 0 0	21 10 0	..	..	12 0 0
Lap carriers .. ..	..	..	15 0 0	..	..	..	..	14 8 0	..	..	..	14 9 0
Drawing tenters .. ..	..	..	18 9 0	..	..	..	..	18 8 0	..	..	..	17 5 0
Subbers .. ..	..	..	23 14 0	..	..	..	..	17 0 0	..	..	..	21 3 0
Intermediate .. ..	..	..	21 9 0	..	..	..	..	16 4 0	..	..	..	20 5 0
Roving frame .. ..	..	..	21 3 0	..	..	..	..	16 4 0	..	..	..	21 5 0
Roving doffers .. ..	..	..	12 0 0	..	..	..	..	11 4 0	..	..	..	12 0 0
Jobbers—												
Blowroom head maistri ..	..	..	48 14 7	..	..	..	..	..	..	..	..	55 0 0
Carding head maistri ..	..	..	86 15 4	..	..	..	..	..	..	..	..	53 0 0
Carding assistant maistri ..	..	..	45 9 2	..	..	..	..	..	..	..	..	..
Roving head maistri ..	..	..	116 10 1	..	..	..	..	..	..	..	..	58 0 0
Roving Assistant maistri ..	..	..	69 13 3	..	..	..	..	29 0 0	..	..	..	..
Doffing maistri .. ..	..	..	33 8 6	..	..	..	..	..	..	..	..	..
Side maistri .. ..	..	..	47 11 7	..	..	..	..	..	..	..	..	..
Head maistri .. ..	..	..	152 1 9	..	..	..	..	..	..	..	..	..
Assistant head maistri ..	..	..	128 2 3	..	..	..	..	..	..	..	..	..
Cardroom coolie .. ..	..	..	12 0 0	..	..	..	..	..	..	..	..	..
Spinners .. ..	..	..	13 4 0	..	..	..	..	..	..	..	..	..
Bobbin boys .. ..	..	..	18 12 0	..	..	..	..	..	..	..	..	11 8 0
Beelers .. ..	..	..	15 0 0	..	..	..	..	..	..	..	..	10 0 0
Bundlers .. ..	..	..	13 12 0	..	..	..	..	..	..	..	..	17 3 0
Winders .. ..	..	..	..	..	..	..	..	..	..	..	..	12 6 0
Warpers .. ..	..	..	18 10 0	..	..	..	..	..	..	..	..	..
Sizers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Drawers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Weavers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Weaving jobbers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Finishers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Bleachers and dyers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Calendering man .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Engine driver .. ..	..	..	20 0 0	45 0 0	..	..	..	18 9 0	25 8 0	..	..	54 8 0
Fitter .. ..	..	..	18 0 0	40 0 0	..	..	..	14 9 0	32 8 0	..	..	25 0 0
Fireman .. ..	..	..	22 8 0	32 8 0	..	..	..	17 0 0	19 8 0	..	..	28 0 0
Oilman .. ..	..	..	18 0 0	22 0 0	..	..	..	14 0 0	15 0 0	..	..	23 2 0
Electrician .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Blacksmith .. ..	..	..	21 5 0	42 0 0	..	..	..	16 9 0	..	..	..	40 0 0
Carpenter .. ..	..	..	26 0 0	32 0 0	..	..	..	22 8 0	..	..	..	32 0 0
Unskilled labour—												
Male .. ..	0 9 0	0 10 6	..	..	..	..	..	6 0 0	9 0 0	0 8 0	..	..
Female .. ..	0 6 0	..	..	..	..	..	..	5 0 0	6 8 0	0 4 0	..	..
Half-timers .. ..	..	..	..	..	..	..	..	3 0 0	5 10 0	..	..	..



Sri Ramachandra Spinning Mills, Pandalapa, East Godavari district.

Sri Suryanarayana Spinning Mills, Pandalapa, East Godavari district.

Bombay City area.

	Daily.		Monthly.		Daily.		Monthly.		Daily.		Monthly.	
	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.
	Rs. A. P.		Rs. A. P.		Rs. A. P.		Rs. A. P.		Rs. A. P.		Rs. A. P.	
Blowroom coolie	..	..	12 0 0	..	..	..	..	..	0 18 1	..	..	..
Carding tenters	..	..	12 0 0	15 0 0	..	..	..	..	0 13 0	1 1 4	..	..
Lap carriers	..	..	..	..	..	..	..	..	0 12 8	..	..	..
Drawing tenters	..	..	8 0 0	9 0 0	..	..	..	..	0 14 9	1 1 0	..	..
Slubbers	..	..	..	..	..	..	..	..	0 12 1	1 2 1	..	..
Intermediate	..	..	..	..	..	..	..	..	0 14 1	1 0 10	..	..
Roving frame	..	..	13 0 0	0 7 0	..	..	..	..	1 2 4	1 4 0	..	..
Roving doffers	..	..	..	..	..	..	..	..	0 9 9	0 10 4	..	..
Jobbers—												
Blowroom head maistri	..	..	..	..	..	..	..	..	1 14 0	4 14 10	..	..
Carding head maistri	..	..	..	..	..	..	..	..	..	..	..	..
Carding assistant maistri	..	..	..	..	..	..	..	..	..	..	..	..
Roving head maistri	..	..	..	..	..	..	..	..	..	..	..	..
Roving assistant maistri.	..	..	..	..	..	..	..	..	..	..	..	..
Doffing maistri	..	..	..	..	..	..	..	..	..	..	..	..
Side maistri	..	..	..	..	..	..	..	..	..	..	..	..
Head maistri	..	..	..	..	..	..	..	..	..	..	..	..
Assistant head maistri	..	..	..	..	..	..	..	..	..	..	..	..
Cardroom coolie	..	..	..	..	..	..	..	..	0 11 7	0 12 1	..	..
Spinners	..	..	Men 18 0 0	..	0 6 4	..	..	..	0 18 2	1 6 7	..	..
Boys	..	..	8 0 0	..	0 3 9	..	..	..	..	..	..	..
Bobbin boys	..	..	..	..	..	..	..	..	..	..	..	..
Reelers	..	..	8 0 0	..	0 5 6	..	..	..	0 8 9	0 11 8	..	..
Bundlers	..	..	12 0 0	13 0 0	..	..	..	..	1 0 4	1 4 9	..	..
Winders	..	..	..	..	..	..	..	..	0 9 5	1 0 6	..	..
Warpers	..	..	..	..	..	..	..	..	0 15 6	1 11 6	..	..
Sizers	..	..	..	..	..	..	..	..	0 12 10	2 10 2	..	..
Drawers	..	..	..	..	..	..	..	..	0 14 3	1 10 8	..	..
Weavers	..	..	..	..	..	..	..	..	1 8 4	3 0 8	..	..
Weaving jobbers	..	..	..	..	..	..	..	..	2 2 1	5 15 1	..	..
Finishers	..	..	..	..	..	..	..	..	0 13 3	1 1 11	..	..
Bleachers and dyers	..	..	..	..	..	..	..	..	0 18 6	0 14 7	..	..
Calendering man	..	..	80 0 0	..	1 3 2	..	..	..	2 0 0	3 6 11	..	..
Engine driver	..	..	15 0 0	..	0 9 7	..	..	..	1 5 2	3 1 9	..	..
Fitter	..	..	14 0 0	..	0 6 11	..	..	..	1 2 9	..	..	..
Fireman	..	..	13 0 0	..	0 9 0	..	..	..	0 15 9	1 5 7	..	..
Oilman	..	..	..	..	..	..	..	..	1 7 1	2 8 8	..	..
Electrician	..	..	..	..	..	..	..	..	1 11 2	2 4 10	..	..
Blacksmith	..	..	30 0 0	..	0 13 4	..	..	..	1 1 5	2 10 2	..	..
Carpenter	..	..	18 0 0	..	0 9 7	..	..	..	..	..	..	..
Unskilled Labour—												
Male	..	..	..	..	..	..	..	..	0 10 9	..	..	..
Female	..	..	..	..	..	..	..	..	0 8 5	..	..	..
Half-timers	..	..	..	..	..	..	..	..	0 4 8	..	..	..

	Bombay Suburban area.				Ahmedabad City area.				Ahmedabad, Kaira and Panch Mahals area.			
	Daily.		Monthly.		Daily.		Monthly.		Daily.		Monthly.	
	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.
	RS. A. P.	RS. A. P.			RS. A. P.	RS. A. P.			RS. A. P.	RS. A. P.		
Blowroom coolie .. ..	0 13 2	..	..	..	0 12 1	0 14 7	..	..	0 9 11	..	..	..
Carding tenters .. ..	0 13 3	..	..	..	0 15 6	..	..	0 10 8	..	..	..	..
Lap carriers .. ..	0 13 0	..	..	..	0 14 9	..	..	0 10 6	..	..	..	..
Drawing tenters .. ..	1 2 7	..	..	..	1 0 2	1 4 0	..	..	0 13 8	0 14 10	..	..
Slubbers .. ..	1 1 8	..	..	..	1 4 3	1 5 11	..	..	0 13 6	1 3 5	..	..
Intermediate .. ..	1 0 11	..	..	..	1 1 7	1 11 10	..	..	1 1 10	..	..	..
Roving frame .. ..	0 15 3	0 15 9	..	..	1 2 4	1 3 0	..	..	0 14 9	..	..	..
Roving doffers .. ..	0 10 2	..	..	..	0 11 3	..	..	0 7 10	..	..	..	..
Jobbers—												
Blowroom head maistri ..												
Carding head maistri ..												
Carding assistant maistri ..												
Roving head maistri ..												
Roving assistant maistri ..	1 12 0	4 5 3	..	..	1 8 0	2 13 0	..	..	1 6 11	2 9 11	..	..
Doffing maistri .. ..												
Side maistri .. ..												
Head maistri .. ..												
Assistant head maistri ..												
Cardroom coolie .. ..	0 11 8	..	..	..	0 14 10	..	..	0 10 8	..	..	..	..
Spinners .. ..	0 14 3	0 14 6	..	..	1 0 5	1 7 11	..	..	0 11 8	1 0 8	..	..
Bobbin boys .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Beeleers .. ..	0 7 7	0 10 7	..	..	0 11 3	0 13 3	..	..	0 6 9	0 9 11	..	..
Bundlers .. ..	0 13 9	..	..	..	0 14 5	..	..	0 13 0	..	..	..	..
Winders .. ..	0 7 9	0 11 6	..	..	0 10 11	1 1 0	..	..	0 9 8	0 13 0	..	..
Warperx. .. ..	1 4 4	1 8 5	..	..	2 1 7	2 5 4	..	..	1 15 9	..	..	..
Sizers .. ..	1 0 3	2 6 5	..	..	0 15 7	1 14 6	..	..	0 12 6	1 12 4	..	..
Drawers .. ..	1 8 9	..	..	..	0 10 7	2 2 9	..	..	2 1 2	..	..	..
Weavers .. ..	0 15 7	1 5 1	..	..	1 3 5	2 15 7	..	..	0 10 6	3 4 1	..	..
Weaving jobbers .. ..	1 12 3	7 7 3	..	..	1 14 9	7 5 4	..	..	1 11 3	6 5 9	..	..
Finishers .. ..	..	..	..	..	..	..	..	..	..	..	..	..
Bleachers and dyers .. ..	0 12 7	..	..	..	0 13 11	1 12 11	..	..	0 13 0	1 1 0	..	..
Calendering man .. ..	0 13 6	0 14 5	..	..	0 13 6	0 14 6	..	..	0 11 8	0 12 9	..	..
Engine driver .. ..	1 8 7	2 12 1	..	..	1 8 10	1 9 1	..	..	1 5 8	..	..	..
Fitter .. ..	1 6 7	4 0 0	..	..	1 8 3	5 8 2	..	..	1 6 6	2 2 0	..	..
Fireman .. ..	1 12 9	..	..	..	1 6 8	..	..	..	1 1 1	..	..	..
Oilman .. ..	0 15 1	1 5 9	..	..	1 2 8	..	..	..	0 15 0	..	..	..
Electrician .. ..	0 15 3	2 8 11	..	..	0 12 9	3 15 10	..	..	0 14 5	3 9 7	..	..
Blacksmith .. ..	1 9 11	2 8 0	..	..	1 11 11	2 4 8	..	..	1 9 3	2 6 4	..	..
Carpenter .. ..	1 8 6	2 4 5	..	..	1 9 6	2 5 9	..	..	1 8 0	2 6 3	..	..
Unskilled labour—												
Male .. ..	0 10 10	..	..	..	0 10 8	..	..	..	0 8 11	..	..	..
Female .. ..	0 7 10	..	..	..	0 9 10	..	..	..	0 7 2	..	..	..
Half-timers .. ..	0 3 6	..	..	..	0 6 0	..	..	..	0 5 11	..	..	..

S	Broach and Surat area.				East and West Khandesh area.				Poona, Nasik and Ahmednagar area.			
	Daily.		Monthly.		Daily.		Monthly.		Daily.		Monthly.	
	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.
	RS. A. P.	RS. A. P.			RS. A. P.	RS. A. P.			RS. A. P.	RS. A. P.		
Blowroom coolies	0 10 11	..	..	..	0 10 2	..	..	..	0 10 8	..	..	..
Carding tenters	0 10 6	0 11 2	..	..	0 9 11	..	..	..	0 9 8	..	..	..
Lap carriers	0 11 6	..	..	..	0 9 9	..	..	..	0 10 0	..	..	..
Drawing tenters	0 12 8	0 13 5	..	..	0 12 2	0 14 0	..	..	0 14 1	..	..	..
Slubbers	0 6 3	0 14 11	..	..	0 10 0	0 14 6	..	..	0 10 0	0 15 0	..	..
Intermediate	0 12 2	0 15 3	..	..	0 13 1	..	..	..	0 15 6	..	..	..
Roving frame	0 12 9	0 18 10	..	..	0 12 2	0 12 3	..	..	0 15 3	..	..	..
Roving doffers	0 7 9	..	..	..	0 6 3	..	..	..	0 7 7	..	..	..
Jobbers—												
Blowroom head maistri	..	..	..	..	..	..	..	..	..	..	..	..
Carding head maistri	..	..	..	..	..	..	..	..	..	..	..	..
Carding assistant maistri	..	..	..	..	..	..	..	..	..	..	..	..
Roving head maistri	..	..	..	..	..	..	..	..	..	..	..	..
Roving assistant maistri.	1 3 4	3 7 1	..	..	1 3 7	4 7 0	..	..	1 7 6	2 14 2	..	..
Doffing maistri	..	..	..	..	..	..	..	..	..	..	..	..
Side maistri	..	..	..	..	..	..	..	..	..	..	..	..
Head maistri	..	..	..	..	..	..	..	..	..	..	..	..
Assistant head maistri	..	..	..	..	..	..	..	..	..	..	..	..
Cardroom coolie	0 10 6	..	..	..	0 10 8	..	..	..	0 9 3	..	..	..
Spinners	0 11 6	0 12 8	..	..	0 10 9	1 2 4	..	..	0 12 7	1 2 3	..	..
Bobbin boys	..	..	..	..	..	..	..	..	..	..	..	..
Reelers	0 6 10	0 9 6	..	..	0 7 10	(Woman)	..	..	0 6 0	(Woman)	..	..
Bundlers	0 10 9	..	..	..	0 12 0	1 12 1	..	..	0 13 6	..	..	..
Winders	0 8 7	0 10 1	..	..	0 7 2	0 11 5	..	..	0 7 4	0 9 5	..	..
Warpers	1 8 11	..	..	..	0 12 10	1 8 0	..	..	1 7 8	..	..	..
Sizers	0 12 2	1 10 1	..	..	0 14 4	1 8 1	..	..	1 0 1	2 1 0	..	..
Drawers	1 1 11	..	..	..	0 15 5	..	..	..	1 4 7	..	..	..
Weavers	0 12 11	1 3 10	..	..	0 10 2	1 4 3	..	..	0 8 9	1 4 10	..	..
Weaving jobbers	1 7 3	4 5 3	..	..	1 6 7	5 3 9	..	..	1 10 6	2 11 8	..	..
Finishers	..	..	..	..	..	..	..	..	..	..	..	..
Bleachers and dyers	0 11 1	0 12 2	..	..	0 10 8	1 9 11	..	..	..	..	..	..
Calendering man	0 11 5	0 12 0	..	..	0 9 2	0 10 2	..	..	..	..	..	..
Engine driver	1 2 9	..	..	..	0 12 8	1 15 7	..	..	1 1 11	..	..	..
Fitter	1 5 10	2 7 1	..	..	1 3 11	2 5 10	..	..	1 9 2	2 1 0	..	..
Fireman	1 0 5	..	..	..	1 1 11	..	..	..	1 2 3	..	..	..
Ollman	0 14 3	1 9 1	..	..	0 11 3	0 14 0	..	..	0 12 7	..	..	..
Electrician	1 6 10	1 9 10	..	..	1 5 6	..	..	..	..	..	..	..
Blacksmith	1 8 1	2 6 6	..	..	1 10 5	2 8 11	..	..	1 14 0	..	..	..
Carpenter	1 8 7	2 6 1	..	..	1 5 8	2 10 9	..	..	1 5 8	2 10 8	..	..
Unskilled labour—												
Male	0 9 7	..	..	..	0 7 11	..	..	..	0 10 6	..	..	..
Female	0 7 6	..	..	..	0 5 9	..	..	..	0 5 0	..	..	..
Half-timers	0 4 6	..	..	..	0 3 2	..	..	..	..	..	..	..

	Sholapur City area				Sholapur and Satara area.				Belgaum, Dharwar, Bijapur and Kanara areas.				Anglo-French Textiles, Pondicherry.			
	Daily.		Monthly.		Daily.		Monthly.		Daily.		Monthly.		Daily.		Monthly.	
	Minimum.	Maximum.	Mini-mum.	Maxi-mum.	Mini-mum.	Maxi-mum.	Mini-mum.	Maxi-mum.	Mini-mum.	Maxi-mum.	Mini-mum.	Maxi-mum.	Mini-mum.	Maxi-mum.	Mini-mum.	Maxi-mum.
	RS. A. P.	RS. A. P.			RS. A. P.	RS. A. P.			RS. A. P.	RS. A. P.			RS. A. P.	RS. A. P.		
Blowroom coolie .. ..	0 8 8	0 9 11	..	..	0 6 11	..	..	..	0 5 1 0 7 7	..	..	..	0 9 0	..	..	..
Carding tenters .. ..	0 8 4	..	..	..	0 5 6	..	..	..	0 7 10	..	..	..	0 9 2	..	..	..
Lap carriers .. ..	0 8 11	..	..	..	0 6 7	..	..	..	0 8 9	..	..	..	0 9 0	..	..	..
Drawing tenters .. ..	0 9 3	0 11 2	..	..	0 7 7	..	..	..	0 6 2 0 12 7	..	..	..	0 9 1	..	..	..
Slubbers .. ..	0 9 2	0 12 8	..	..	0 6 8 0 8 7	..	..	..	0 13 0	..	..	..	0 9 2	..	..	..
Intermediate .. ..	0 9 2	0 11 4	..	..	0 7 7	..	..	..	0 11 10	..	..	..	0 9 0	..	..	..
Revolving frame .. ..	0 9 1	0 15 1	..	..	0 7 7 0 13 1	..	..	..	0 7 10 0 11 0	..	..	..	0 9 2	..	..	..
Revolving doffers .. ..	0 7 6	..	..	..	0 4 0 0 4 8	..	..	..	0 5 1	..	..	..	0 9 0	..	..	..
Jobbers—																
Blowroom head maistri ..														0 12 8 0 15 5	..	..
Carding head maistry ..														1 9 10	..	..
Carding assistant maistri ..														0 12 1	..	..
Revolving head maistri ..															..	..
Revolving assistant maistri ..	1 2 7	3 13 11	..	..	0 12 8 1 13 1	..	..	..	1 3 7 3 14 6	..	..	..		..	..	..
Doffing maistri .. ..															..	..
Side maistri .. ..															..	..
Head maistri .. ..															..	..
Assistant head maistri ..															..	..
Cardroom coolie .. ..	0 9 5	..	..	..	0 7 2	..	..	..	0 7 11	..	..	..	..	..	..	..
Spinners .. ..	0 9 8	0 15 8	..	..	0 7 2 0 9 1	..	..	..	0 7 1 0 7 11	..	..	..	0 7 0	..	..	..
Bobbin boys .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	0 4 5	..	..
Reelers .. ..	0 5 10	0 7 0 (Woman)	..	..	0 4 0	..	(Woman)	..	0 6 0 0 8 0 (Woman)	..	..	..	0 6 0	..	..	..
Bundlers .. ..	0 11 0	0 11 11	..	..	0 10 5	..	..	..	0 10 4	..	..	..	0 9 0	..	..	..
Winders .. ..	0 5 6	0 9 6	..	..	0 3 4 0 8 0	..	..	..	0 2 11 0 4 7 (Woman)	..	..	..	0 9 3	..	..	..
Warpers .. ..	0 14 10	1 9 2	..	..	0 11 1 13 11	..	..	..	0 7 8	..	..	..	0 13 4 1 4 0	..	..	..
Sizers .. ..	0 9 8	1 9 11	..	..	0 8 5 1 5 10	..	..	..	0 7 1	..	..	..	0 14 8	..	..	..
Drawers .. ..	1 4 11	..	..	..	0 7 10	..	..	..	0 10 9	..	..	..	..	..	..	..
Weavers .. ..	0 11 3	3 7 4 (Four looms.)	..	..	0 8 9 0 12 5	..	..	..	0 4 7 1 5 10 (Four looms.)	..	..	..	0 15 6 (Single loom.)	..	..	..
Weaving jobbers .. ..	1 8 4	4 12 1	..	..	1 0 5 2 5 2	..	..	..	0 13 8 2 6 2	..	..	..	..	..	..	..
Finishers .. ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Bleachers and dyers .. ..	0 9 3	0 10 3	..	..	0 7 4	..	..	..	0 7 4 0 8 6	..	..	..	0 9 0 0 9 8	..	..	..
Calendering man .. ..	0 9 6	..	..	..	0 6 8	..	..	..	0 8 3 0 9 9	..	..	..	..	..	..	..
Engine driver .. ..	1 9 7	3 4 8	..	..	0 9 8 1 3 6	..	..	..	0 12 5 0 14 8	..	..	..	..	..	..	..
Fitter .. ..	1 3 9	2 9 2	..	..	0 15 0	..	..	..	1 2 9 2 3 2	..	..	..	..	..	..	..
Fireman .. ..	0 15 1	..	..	..	1 1 2	..	..	..	0 11 0	..	..	..	..	..	..	..
Oilman .. ..	0 10 11	0 13 8	..	..	0 8 2 0 11 5	..	..	..	0 9 10 1 2 0	..	..	..	..	..	..	..
Electrician .. ..	1 3 5	2 1 8	..	..	0 10 3 0 15 6	..	..	..	1 8 8	..	..	..	..	..	..	..
Blacksmith .. ..	1 6 3	..	..	..	1 0 2	..	..	..	1 1 3	..	..	..	..	..	..	..
Carpenter .. ..	1 2 8	..	..	..	1 1 1	..	..	..	1 0 1	..	..	..	..	..	..	..
Unskilled labour—																
Male .. ..	0 9 1	..	..	..	0 4 5	..	..	..	0 7 11	..	..	..	..	..	..	..
Female .. ..	0 5 2	..	..	..	0 3 3	..	..	..	0 4 11	..	..	..	..	..	..	..
Half-timers .. ..	..	..	..	..	0 2 5	..	..	..	0 2 0	..	..	..	..	..	..	..

*Madura Mills Company, Limited, Madura.*

Memo. of wages, including commission and bonus, for the various departments (main occupations only).

Department.	Wages.			Department average.					
	RS.	A.	P.	RS.	A.	P.			
Mixing and Blow Room—									
Hopper coolies .. .. .	16	7	0	16	14	0			
Scutcher coolies .. .. .	17	5	0						
Card room—									
Stripper .. .. .	21	10	0	17	3	4			
Fitter coolie, oiler, lap carrier, flat cleaner, fly cleaner.	16	0	0						
Can boys .. .. .	14	0	0						
Frame department—									
Bobbin carriers, oilers	16	0	0	19	5	3			
Drawer .. .. .	18	13	6						
Slubber .. .. .	23	2	0						
Inter Tenter .. .. .	20	6	3						
Inter Back Tenter .. .. .	14	8	4						
Rover .. .. .	21	9	3 (20 s)	26	10	6 (40 s)	24	1	11
Roving Doffer .. .. .	13	8	0						
Ring Frame, General—									
Spindle bander .. .. .	19	6	6	16	9	4			
Bobbin carrier .. .. .	15	9	0						
Doff carrier .. .. .	17	3	0						
Oilers .. .. .	16	0	0						
Empty bobbin picker .. .. .	14	12	0						
Ring Frame—									
Spinners, Males .. .. .	15	5	11 (20 s)	17	0	10 (40 s)	16	2	11
,, Females .. .. .	13	15	2 (20 s)	15	10	1 (40 s)	14	12	7
	Average ..						15	7	9
Doffers .. .. .	12	14	9						
Half Timers—									
Spinners .. .. .	7	15	9	14	15	9			
Doffers .. .. .	5	15	0						
Reeling—									
Damping coolies and yarn carriers .. .. .	16	7	0						
Bundling—									
Baler and Bundle presser .. .. .	18	3	0	15	9	5			
Bundle and Yarn weigher .. .. .	17	5	0						
Yarn Dresser .. .. .	16	7	0						
Yarn Carrier .. .. .	15	9	0						
Paper Coverer .. .. .	14	12	0						
Bundle Carrier .. .. .	13	14	0						
Ticket paster and L.H. Carrier .. .. .	13	0	0						
Winding and Doubling—									
Winders .. .. .	14	3	6	13	13	2			
Doublers .. .. .	14	7	0						
Doubling Doffers .. .. .	12	13	0						
Leesona winders .. .. .	15	7	0						
All Departments—									
Fitters .. .. .	25	12	0	21	0	0			
Sweepers .. .. .	14	12	0						
Fitter coolies .. .. .	16	0	0						
		0	0						

## APPENDIX E.

Statement showing the number of mills, number of spindles, number of looms, number of hands, etc., in Coimbatore district, compiled from the replies to questionnaire to the mills.

Serial number and name of mill.	Number of spindles installed.	Number of looms installed.	Number of men employed.	Number of women employed.	Number of adolescents employed.	Total number of hands employed.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1 Cambodia Mills .. ..	30,000	..	774	376	249	1,399
2 Coimbatore Cotton Mills ..	10,864	..	281	191	155	627
3 Coimbatore Kamala Mills ..	6,048	..	148	80	55	283
4 Coimbatore Murugan Mills ..	11,480	..	336	200	72	608
5 Coimbatore Pioneer Mills ..	12,320	..	293	144	79	516
6 Coimbatore Spinning and Weaving Company.	45,808	202	2,086	640	281	3,007
7 Gnanambigai Mills .. ..	11,200	..	232	123	70	430
8 Janardhana Mills .. ..	12,000	..	301	152	208	661
9 Kaleeswarar Mills .. ..	37,088	294	1,922	480	233	2,635
10 Lakhmi Mills .. ..	{ 35,744 } { * 2,240 }	..	805	342	254	1,401
11 Lotus Mills .. ..	9,992	..	184	82	80	46
12 Pankaja Mills .. ..	{ 21,200 } { † 1,116 }	..	600	430	260	1,290
13 Radhakrishna Mills .. ..	35,104	..	898	421	354	1,673
14 Rajalakshmi Mills .. ..	26,692	..	542	272	430	1,244
15 Saroja Mills .. ..	10,920	..	411	145	66	622
16 Somasundaram Mills .. ..	12,313	350	915	169	60	1,144
17 Sri Bangavilas Ginning, Spinning and Weaving Company.	25,056	..	663	298	191	1,152
18 Sri Sarada Mills .. ..	{ 8,320 } { † 324 }	144	693	148	69	910
19 Vasanta Mills .. ..	18,104	270	1,091	307	180	1,578
20 Sri Palamalai Banganathar Mills.	5,600	..	201	100	79	380
21 Dhanalakshmi Mills .. ..	21,748	126	946	378	250	1,574
22 Sri Ramalinga Chowdambiga Mills.	10,996	..	333	123	67	523
23 Sri Palani Andavar Mills ..	12,000	..	365	196	100	661
24 Shri Venkatesa Mills .. ..	11,200	..	336	138	111	585
25 Thirumurthi Mills .. ..	11,200	..	314	110	118	542
Grand total ..	456,677	1,386	15,870	6,050	4,071	25,791

\* The figures indicate spindles under erection.

† The figures indicate doubling spindles.

## APPENDIX F.

(1)

Copy of letters sent to the Commissioner, Coimbatore Municipality, and the Tahsildar, Coimbatore, dated 3rd March 1938.

Some of the labourers working in the Kaleeswarar and the Coimbatore Spinning and Weaving Mills came to me and represented about their difficulties in the matter of house accommodation. They requested me to visit their present dwelling, and I did so on 26th February 1938. There are 28 families of Madigas (this is the name of the community as given by them)—a community belonging to the Scheduled Classes—who are living in huts put up by them or built by them on a land belonging to a person referred to by them as Nayudu. They were residing in huts put up by them on a land almost adjoining the Kaleeswarar Mills until a few months ago, when the Managing Agent of the above mill is said to have given them notice to quit and they were, as a matter of fact, obliged to quit the site and seek accommodation elsewhere. They then moved on to the land belonging to the Nayudu. There are a number of families—consisting of men, women and children—huddled together in a limited space with no facility for drinking water. They represented that the municipal tap from which they were getting water to drink, was about fifteen days ago removed by the municipal authorities, on the ground that some employees from the Coimbatore Spinning and Weaving Mills were found bathing under the tap. The locality where they are living is highly insanitary. There is no road leading to the place.

Will you be so good as to enquire in to this matter and let me know as early as possible,

- (i) the circumstances under which they had to quit their former houses and move to the present spot ;
- (ii) why the municipal tap was closed and whether the municipal authorities took into consideration the need for the supply of drinking water to these families before the public tap was removed ; and
- (iii) whether it is true that each of these families is now paying a rent of eight annas a month to the landlord whom they call the "Naidu," and what rent they were paying when they were occupying the land near the Kaleeswarar Mills.

(2)

Copy of letter received from the Tahsildar of Coimbatore, dated 26th March 1938, in reply to the letter of the Court of Enquiry, Coimbatore, dated 3rd March 1938.

The Madiga families (28 in number) are reported to reside in huts built in the patta land of one Govinda Nayudu on payment of some rent to him. At present there is no place at the disposal of the Government to provide house-sites for them.

## APPENDIX G.

*Questionnaire issued to Mills.*

- 1 Name of mill.
- 2 Number of spindles.
- 3 Number of looms.

## 4 Total number of employees—

- (a) Men.  
 (b) Women.  
 (c) Adolescents.

## 5 Employees in different departments—

Department.	A. On monthly rate		B. On daily rate.		C. Piece-rate.	
	Number of men.	Number of women.	Number of men.	Number of women.	Number of men.	Number of women.
1 Mixing .. ..						
2 Blow room .. ..						
3 Carding .. ..						
4 Drawing .. ..						
5 Slubbing .. ..						
6 Intermediate .. ..						
7 Roving .. ..						
8 Spinning .. ..						
9 Reeling .. ..						
10 Winding .. ..						
11 Warping .. ..						
12 Sizing .. ..						
13 Drawing .. ..						
14 Weaving .. ..						

## 6. Wage tables—

- (i) Monthly rate workers.  
 (ii) Daily rate workers.  
 (iii) Piece-workers.

## 7. Shifts. How many shifts do you work in your mill ?

8. In how many cases was maternity benefit paid in 1936 and 1937 and what amount to each. If any claim was disallowed, please state two such cases of disallowance.

## 9. Total amount realized by fines in 1936 and 1937.

10. Any accidents and amount of compensation, if any, paid in 1936 and 1937.

## 11. Number of outpasses in each department.

## 12. Net profits earned in 1936.

## 13. Percentage of dividend declared.

## 14. Was there any increase or decrease in wages since 1930 and 1935.

## 15. Number of taps. Note their distance from main building.

## 16. Number of urinals and latrines—

- (a) For Men.  
 (b) For Women.

## 17. Is there a tiffin shed and if so accommodation for what number ?

18. Is there a dispensary attached to the mill and if so whether a compounder is always in attendance ? Is a wholetime or part-time doctor employed ?

19. Have you any system of granting leave to the workers with or without pay ? If there are any rules, please give a copy.



20. Please describe in brief the principles which you follow in fixing wage rates, i.e., are the rates you pay merely dependent on demand and supply or are the rates fixed for the type of labour required ?

21. Have you any basic rate of pay in any department ?

22. Do you give bonus in addition to the rates—

- (a) for good work,
- (b) good attendance,
- (c) for any other purpose and on what conditions ?

23. How is unauthorized absence dealt with ? How do you deal with late attendance ? And what is the method followed for reckoning wages for partial attendance ?

24. Have you any arrangement for—

- (a) housing your employees.
- (b) for their education and for their children's education,
- (c) for any creches ?

25. Are your workers members of any trade union and have you recognized it ? Are you against your workers organizing themselves to represent their complaints of grievances ? If not, what arrangement would you suggest ?

26. Is there any Works Committee established in your mill ?

27. Are you a member of the Coimbatore Mill-Owners' Association ? If you have no objection, can you state why you are not ? (You are not bound to answer the latter part.)

28. Has the Mill-Owners' Association made any arrangement to meet occasionally the mill-workers or their representatives to discuss matters relating to labour ?

I. List of persons employed in various departments.

Department.	Persons on monthly rate.	Persons on daily rate.	Persons on piece-rate.
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II. List of persons employed on daily wages.

Department.	Number of persons in it.	Designation and number of persons.	Daily rate.			Monthly rate.		
			RS.	A.	P.	RS.	A.	P.

III. List of persons employed on piece rates.

Department.	Rate.	Average wages of a person.
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## IV. List of persons on monthly rates.

Department.	Number of persons in it.	Designation and number of persons.	Monthly rate.		
			RS.	A.	P.

## APPENDIX H.

Copy of letter from the Secretary, Y.M.C.A. Rural Reconstruction Centre, Ramanathapuram, Coimbatore, to the President, District Economic Council, Coimbatore, dated 30th October 1937.

With reference to the Resolution No. 4, dated 6th September 1937, of the Coimbatore District Economic Council and your letter No. 776/37-2-C-4, dated 12th September 1937, I am herewith submitting a tentative scheme for the formation of a labourers' club (more properly, a labour welfare centre) in the Singanallur area where a large number of cotton mills are clustered together, employing about 7,000 labourers drawn from near and distant villages.

I have interviewed most of the managing agents of the seven mills which are listed hereunder and the consultations made have been very helpful and encouraging. I found them all to be as keen as any one regarding the necessity for welfare activities to be started and carried on for the benefit of the work people in the whole area.

- (1) The Rajalakshmi Mills, Limited.
- (2) The Saroja Mills, Limited.
- (3) The Vasanta Mills, Limited.
- (4) The Kamala Mills, Limited.
- (5) The Janardhana Mills, Limited.
- (6) The Balasubrahmanyam Mills, Limited.
- (7) The Coimbatore Cotton Mills, Limited.

Messrs. R. V. Lakshmayya Nayudu and B. Rangaswami Nayudu, Managing Agents of the Rajalakshmi Mills, Limited, and the Kamala Mills, Limited, took the lead in the matter and went round with me to interview the others. As a result of the discussions we had in almost every one of these mills, the following tentative scheme was drawn up for submission to you.

The rapid and abnormal industrialization of the area has brought on with it congestion, insanitation, venereal diseases and the other concomitant evils of quarrels, strifes, strikes, etc., all of which are admitted to be avoidable by the proper education and direction of labour life and the provision of facilities usually adopted in other industrial centres to meet such evils. The mill authorities are quite alive to the fact that, more than anything, education on proper lines should be of immense value to the industry as a whole where intelligence is a highly-rated asset and that other activities calculated to meet the economic, the physical and the social needs of the work people should all have as their aim the development of the personality of the labourers by making a permanent contribution to their well-being and citizenship.

*The Buckingham Mill model.*

A list of the activities carried on in one of the largest mills in this Presidency, namely, the Buckingham and Carnatic Mills, Limited, was fully gone into. The methods and experience of this textile company which has for many long years done useful welfare work amongst its operatives should be of great value and help to us in planning similar work in our new industrial areas. Welfare work in the Madras Mills includes—

- (1) Day and night schools.
- (2) Formation of model villages.
- (3) Baths for labourers.
- (4) Training in cottage industries such as, mat-making, tailoring, carpentry, smithy, etc.
- (5) Creches for children.
- (6) Medical aid.
- (7) First aid classes.
- (8) Nursery classes.
- (9) Refreshment booths.
- (10) Out-door field games and group games.
- (11) Reading rooms.
- (12) Workmen's stores.
- (13) Lectures with and without lantern slides.
- (14) Dramas.
- (15) Sports-meets.
- (16) Radio and gramophone.
- (17) Indoor games.
- (18) Organization of festivities.
- (19) Dhalimkhanas.
- (20) Co-operative credit.

*Activities suggested for this area.*

For a start, however, the millowners in Singanallur wish to select the following only :—

- (a) Day and night schools.
- (b) The building of labourers' lines.
- (c) Baths for labourers.
- (d) Creches for children.
- (e) Medical aid.
- (f) First aid classes.
- (g) Refreshment booths.
- (h) Playgrounds with equipment.
- (i) Reading rooms.
- (j) Workmen's stores.
- (k) Lectures, radio and gramophone.
- (l) Indoor games.
- (m) Co-operative banks.

*Budget.*

Even with a restricted programme such as the above, at the discussions we had, it became clear that the following budget would become necessary and that a great deal of the required money could be raised by willing contributions from every one of the mills whose labourers are to be served by the Welfare Centre :—

	RS.
Non-recurring—	
(a) Land (10 acres) .. .. .	7,500
(b) Main buildings .. .. .	5,000
(c) Radio Gramophone, etc. .. .. .	750
(d) Quarters for teachers .. .. .	1,500
(e) Fencing and levelling of land .. .. .	1,000
(f) Drinking water well .. .. .	350
(g) Electric wiring .. .. .	500
(h) Bath .. .. .	1,000
(i) Latrines .. .. .	500
(j) Playgrounds and games equipment .. .. .	500
(k) Indoor games equipment .. .. .	500
(l) Furniture, etc. .. .. .	500
Recurring—	
(1) Salaries of two school masters at Rs. 20 each per mensem .. .. .	480
(2) Salaries of three menials at Rs. 10 each per mensem .. .. .	360
(3) A clerk and accountant at Rs. 35 per mensem .. .. .	420
(4) Taxes, repairs, lighting and contingencies .. .. .	340
(5) Medicines .. .. .	500
(6) A doctor at Rs. 50 per mensem .. .. .	600
(7) A compounder and two nurses at Rs. 25 each per mensem .. .. .	900

NOTE.—It is said that although the older ones of these seven mills could be expected to pay their portions of the contributions in a lump, the newer ones should be given a period of two or three years' time to pay their contributions in instalments. I am assured, however, that two or three of the Managing Agents would be willing to advance immediately all the money required and agree to reimburse themselves as and when the payments are received from the other mills.

2. Coolie lines which have already been built by Mr. B. Rangaswami Nayudu of the Rajalakshmi Mills at his own expense and rented out to over 100 families at present can well form the model for others to be built on co-operative lines. It may be mentioned here that efforts have already been made for a co-operative building society to be organized for the purpose and proposals have been submitted to the Registrar of Co-operative Societies, Madras. This scheme as well as the running of co-operative credit societies for labourers can well take care of themselves with their own funds. The mill owners think that controlled refreshment booths may be permitted to be run by private individuals within the Welfare Centre, for the time being.

*Direction and supervision of work.*

For the direction of the whole work, a well-trained, wise and sympathetic Superintendent, who has no kind of political party affiliation and is careful enough to be friends at all times with the employer and the employed will be necessary to carry the scheme to success. The services of such a man must be obtained from any one of the recognized service organizations in the country. As the financial commitments with regard to the employment of such a Superintendent will depend upon the results of negotiations to be set on foot, nothing can be definitely stated here about them.

*The labourers' share of expenses.*

As it is felt that all these amenities would go unappreciated by the labourers if their entire cost is borne by the employers, the suggestion is made that a small half-yearly subscription of, say, two to four annas per head from the adult employees who make use of the equipment of the major activities such as football, badminton, hockey, reading room and library, etc., be collected from them.

*Management.*

It is agreed that the management of the whole work should vest in a committee made up of the contributing mills and the representatives of their labourers who may be equal in number. Provision may be made to co-opt one or two outsiders who are interested in the activities of the Welfare Centre and the Collector of the District requested to be the ex-officio President of the Committee at least for the first few years. Definite rules for the carrying on of the business of this Managing Committee could be drawn up by the first committee as soon as it is constituted. It is also felt that all the property of the Welfare Centre should be held in trust by this Committee and its successors and that no one of the mills can lay claim to it or any part thereof.

*The District Economic Council.*

As it is now more or less certain that the District Economic Council will soon cease to exist as a body, it seems to be unnecessary to deal with the question of its connection with the above committee.

I beg to suggest that if this tentative scheme meets with the general approval of the District Economic Council, an informal meeting of the Managing Agents of the concerned mills be called by the President at an early date, and definite steps taken for the inauguration of a Welfare Centre in Singanallur.

## APPENDIX I.

*List of skilled labourers in textile mills.*

<i>Power section.</i>	<i>Frame section.</i>
Foreman or electrician.	Maistries.
Fitter.	Drawing tenter.
Switch board attender.	Slubber.
Smith.	Inter-tenter.
Carpenter.	Rover.
	Spinning jobber.
	Bander.
	Oiler.
	Full sider.
	Piecers (tarwakhās).
	Doubling piecers.
	<i>Weaving department.</i>
	Warpers.
	Head sizers.
	Front sizers.
	Back sizers.
	Size mixers.

*Mixing and blow rooms.*

Maistries.  
Scutchers.  
Oilers.  
Lap carriers.

*Carding room.*

Maistry.  
Fitter.  
Grinder and oiler.  
Stripper.  
Carding tenter.

*List of skilled labourers in textile mills—cont.**Weaving department—cont.*

Drawers in and reachers.  
 Doubling piecers.  
 Warping creelers.  
 Maistries.  
 Weavers.  
 Front calender man.  
 Back calender man.

*Dyeing, bleaching and finishing sections.*

Maistries (dyeing; bleaching; finishing, etc.).

*Dyeing bleaching and finishing sections—cont.*

Bleacher.  
 Dyer.  
 Baleman (bundling department).

*General.*

Maistries in reeling section.  
 Maistries in bundling and baling.  
 Roller coverers.  
 Masons.  
 Carpenter.  
 Chucklers.

*Note.*—All others shall be deemed *unskilled*. Winders, reelers, motor attenders and such others, I have included among the unskilled for the present. The classification of the skilled and the unskilled workers must be undertaken when the standardization of wages is effected. The present division into skilled and unskilled is my own, based upon the knowledge that I have obtained of the nature of the work which those workers are doing and as a matter of present expediency. This classification is therefore not to be taken as final.

## APPENDIX J.

*List of witnesses examined.**For Labour.—Employees in Textile Mills.*

1 Bakaraja Singh.	25 Ramayee.
2 Venkata Chetti.	26 Ayyammal.
3 Doraiswami.	27 Alamelu Ammal.
4 Rangaswami Kavandar.	28 Arogyam.
5 Natchatrammal.	29 Udayappan.
6 Vyagoolammal.	30 Rayappan.
7 Munjammal.	31 Chinnu and six others of the Pankaja Mills.
8 Sowrimuthu Chetti.	32 Selvam and two others.
9 Karuppannan.	33 Periakkal.
10 Anthonimuthu.	34 V. Doraiswami Ayyangar.
11 Pappammal.	35 Kuttiammal.
12 Venkatarama Kavandar.	36 Krishnammal.
13 Sabapathi Pillai.	37 Chinnaswami.
14 Swaminatha Kavandan.	38 Raju.
15 Rangaswami.	39 Ramaswami.
16 Ramaswami Mudali.	40 Jagannathan.
17 Chinnaswami Chettiyar.	41 Venugopal.
18 Lakshmi.	42 Ranganathan.
19 Angannan.	43 Rangaswami.
20 Rangaswami.	44 R. T. Chettiappan.
21 Rajappan.	45 N. G. Ramaswami Nayudu.
22 Chinnappan.	46 C. Basu Dev.
23 Venkataswami Nayudu.	47 S. Guruswami.
24 Rangammal.	

*For employers.—Mill-owners.*

Messrs J. R. Stenson, A. Campbell, R. K. Kandaswami and V. Doraiswami.

*Court witnesses :—*

- 1 Major A. Cox, District Medical Officer, Coimbatore.
- 2 S. Sengaliappan, Sub Assistant Surgeon, Headquarters Hospital, Coimbatore.
- 3 C. G. Reddi, Personal Assistant to the Chief Inspector of Factories Madras.
- 4 M. Krishnaswami Ayyar, Inspector of Factories, Coimbatore.

## APPENDIX K.

*Press communiqué of the Government of Madras, Development Department, dated Fort St. George, the 22nd October 1937.*

[Labour—Strike—Carnatic mills.]

The Madras Government note with regret that there have been recently a number of strikes in the province and that instances have occurred of labour giving room for complaint on the part of the employers concerned that adequate time was not previously given for a consideration of any alleged grievances. While it is not the intention of the Government to curtail in any way the rights of the workers, the Government feel it incumbent on them to declare clearly their attitude in regard to trade disputes. It does not help the interests of labour to resort to strikes without prior representation and negotiations. The Government strongly disapprove of strikes when all other available methods of representation have not been exhausted. They are not unaware that whether due to ignorance or fear of victimization there has been reluctance in certain cases, for leaders among the workers to approach the employers direct. Whether this fear is groundless or not, the Government will always be glad, in such cases, to help workers and their representatives to have their point of view prominently brought to the notice of their employers. The declared policy of the Government is that "internal settlement" is preferable to "external settlement" of trade disputes. The Government will therefore be glad, if those concerned co-operate with them and see that they are not called upon to intercede in strikes declared before exhausting all avenues of negotiations between the employer and the employed.

2. The Government desire to point out that major issues giving rise to any strikes are jeopardized by side issues that always arise out of any hasty resort to direct action. The Government would much desire that there should be no disturbance of the industrial organization of the province and appeal for harmonious co-operation between labour and industrial managers; and that workers who should have every confidence in the Government may not resort to strikes unless the issues are very grave and even then not until every other possible way out has been tried. The Government therefore trust that those who have the welfare of industries and labour will see that this, their declared policy is implemented.

*Statement of the Madras Labour Union.*

The Madras Labour Union has carefully perused the Communiqué, dated 21st October, issued by the Madras Government, in the matter of trade disputes and wishes to assure all the authorities concerned its fullest co-operation in securing that the declared policy is fully implemented. The union as a token of its fullest support of the policy now

declared wants to make it quite clear that it does not support or approve of the action of the strikers on the 2nd instant, and commends to all the workmen in the Buckingham and Carnatic Mills, the procedure suggested for redressal of grievances hereafter in order that genuine grievances wherever existent may best be redressed and the harmonious relations between the employer and the employee may not be unnecessarily jeopardized.

*Statement of the Buckingham and Carnatic Mills.*

In view of the Communique, dated 21st October 1937, issued by Government and the statement of the same date published by the Madras Labour Union, we are prepared to modify the terms which we have already offered to the work-people in Carnatic Mill who struck work on 2nd October. We will receive applications from these men for re-employment. They will be taken back without loss of service and such benefits as are or may be due. In other words, they will only lose such pay as is normally forfeited by absence from work.

C. J. PAUL,  
*Secretary to Government.*

APPENDIX L.

*List of exhibits filed.*

For Labour—Employees in Textile Mills.

- |                              |    |  |
|------------------------------|----|--|
| A/26th December 1937         | .. | Copy of petition sent by the Coimbatore Cambodia Mill Workers of the Carding department to the management of the Mills about the corruption of the maistries, etc. |
| A-1/26th December 1937       | .. | Certificate of posting of Exhibit A.   |
| B/22nd January 1938          | .. | Birth certificate of a child to Ramayee, mill coolie, on 21st January 1938.  |
| C/4th December 1937          | .. | Birth certificate of a child to Alamelu, on 2nd December 1937.   |
| D/3rd January 1938           | .. | Application by Periakkal to Mill management for leave for ten days.  |
| E/3rd and 10th January 1938. |    | Admission and discharge certificate granted to Periakkal.  |
| F/9th February 1936          | .. | Letter by the Chairman, The South India Mill Owners' Association, Coimbatore, to M.R.Ry. C. Basudev Avargal, President, Labour Union, Coimbatore.                  |
| G                            | .. | Copy of the Questionnaire for Trade Unions by the Labour Office Enquiry into the wage-cuts in the Cotton Mill Industry of the Bombay Presidency.                   |
| H/1st April 1936             | .. | Letter from Registrar of Co-operative Societies, Madras, to M.R.Ry. C. Basudev Avargal, regarding the registration of co-operative society for the workers.        |



*List of exhibits filed—cont.*For Labour—Employees in Textile Mills—*cont.*

- J/21st May 1934 .. .. Letter from C. Basudev to Commissioner of Labour, Madras, answering the Questionnaire (copy).
- K/6th January 1936 .. Resolution passed by the Managing Committee of the Coimbatore Labour Union, electing Mr. Albert as leader of the Strike Committee.
- L .. .. . Wage statement obtaining in the Madras Presidency—Prepared by the Inspector of Labour office.
- L-1 .. .. . Rates of wages obtaining in the Buckingham and Carnatic and Choolai Mills, Madras, by the Inspector of Labour office.
- M .. .. . Statement showing the Imports of Cotton Twist and Yarn from Japan—Prepared by Mr. P. Ramamurthi.

## For employers (mill-owners).

- I/1st December 1937 .. Petition by Rangaswami, spinning No. 406, to the Manager, The Vasantha Mills.
- II/14th May 1937 .. Notice put up by the Coimbatore Spinning and Weaving Company, Limited, regarding the working of the Reeling department.
- II-(a)/19th November 1937. Do.
- II-(b)/16th December 1937. Do.
- III .. .. . Agreement (printed) in Tamil, entered into by P.W. 12 with the Mill authorities of Coimbatore Spinning and Weaving Mills, Coimbatore.
- IV/28th June 1937 .. Letter of apology by Ramai Kavandar and another to the Manager of Coimbatore Spinning and Weaving Mills, Coimbatore.
- V/31st December 1935 .. Notice put up by Coimbatore Spinning and Weaving Mills (in Tamil) regarding stopping of work.
- VI/3rd January 1936 .. Notice put up by Coimbatore Spinning and Weaving Mills (in Tamil) regarding resumption of work.
- VII/5th January 1936 .. Managing Director's Circular (English) of Coimbatore Spinning and Weaving Mills.
- VIII/7th January 1936 .. Letter from Albert Jesudasan to Managing Director of Coimbatore Spinning and Weaving Mills, Coimbatore.
- IX/27th January 1936 .. Letter from the Managing Director of Coimbatore Spinning and Weaving Mills to Mr. Chinna Menon, Secretary, the Labour Union, Coimbatore.

*List of exhibits filed—cont.*For employers (mill-owners)—*cont.*

- IX-(a)/28th January 1936. Letter from Coimbatore Labour Union to Managing Director, Coimbatore Spinning and Weaving Mills.
- X/30th January 1936 .. Circular of the Managing Director of Coimbatore Spinning and Weaving Mills in English.
- XI/1st February 1936 .. Notice (in Tamil) by the Manager, Coimbatore Spinning and Weaving Mills, regarding the stopping away of men and recruitment of new workers.
- XI-(a)/5th February 1936. Notice (in Tamil) by the Manager, Coimbatore Spinning and Weaving Mills, announcing the dates on which workers who had stopped will be paid their wages.
- XII/11th February 1936 .. Statement by Mr. C. Basudev, M.L.C., President, Coimbatore Labour Union (in English).
- XIII/20th February 1936. Letter by Mr. C. Basudev to Mr. C. V. Venkataramana Ayyangar.
- XIII-(a)/20th February 1936. Letter by Mr. C. Basudev to Mr. Chinna Menon.
- XIV/19th February 1936 .. Office copy of letter by Mr. C. V. Venkataramana Ayyangar to Mr. C. Basudev.
- XV/26th June 1936 .. Letter from Mr. C. Basudev to Mr. C. V. Venkataramana Ayyangar.
- XV-(a) .. .. . Printed letter in Tamil by Mr. C. Basudev to Mr. C. V. Venkataramana Ayyangar.
- XVI/28th June 1936 .. Letter from the Secretary, The Coimbatore Labour Union to C. V. Venkataramana Ayyangar, Managing Director, Coimbatore Spinning and Weaving Company, Limited.
- XVII/30th June 1936 .. Manager's notice to the workers of the Company (Coimbatore Spinning and Weaving Mills).
- XVIII/5th August 1936 .. Letter from Mr. C. Basudev to Mr. C. V. Venkataramana Ayyangar.
- XIX/20th November 1937. Do.
- XX/13th November 1937. Resolution passed by the Managing Committee of the Coimbatore Labour Union authorizing Mr. C. Basudev and the committee members to take charge of the strike.
- XXI/28th December 1937. Copy of letter from Coimbatore Spinning and Weaving Mills to Coimbatore Labour Union.

*List of exhibits filed—cont.*For employers (mill-owners)—*cont.*

- XXII/29th December 1937. Copy of letter containing the decisions that they have come to.
- XXIII .. .. . Copy of the rules framed by the Mill Owners Association regarding the recognition of labour unions.
- XXIV/26th February 1938. Indian Finance, Investor's Supplement.
- XXV/27th February 1935. Copy of letter of Mr. Harold Hill to Mr. Kandswami regarding the former's views on the question of the rate of depreciation for a mill working two shifts, etc.
- XXVI .. .. . Statement showing the detailed items of expenditure on the cost of production, profits earned, etc., of The Vasantha Mills for the years 1934 to 1936.
- XXVI-(a) .. .. . Statement showing the detailed items of expenditure on the cost of production, profits earned, etc., of Sri Ranga Vilas Mills for the years 1934 to 1937.
- XXVI-(b) .. .. . Statement showing the detailed items of expenditure on the cost of production, profits earned, etc., of Radhakrishna Mills for the years 1934 to 1937.
- XXVII .. .. . Representation of the Cotton Spinning Industry to the Indian Tariff Board (Book form).
- XXVIII .. .. . Notice prescribed under sections 39 (8) and 55 (4) of Sarada Mills, Limited, Podanur.
- XXIX .. .. . Royal Commission on Labour—Replies to Questionnaire—Standard of Living of working class families.
- XXX .. .. . Royal Commission on Labour—Supplementary Memorandum regarding standard of living of working class families.
- XXXI .. .. . Statement showing the fees paid to certifying surgeons during 1935, 1936 and 1937.
- XXXII .. .. . Statement showing the cost of production of yarn in the Vasanta Mills during 1934 (for three months, i.e., October, November and December) and 1935 (first three months, January, February and March).
- XXXIII .. .. . Statement showing the stock of cotton and purchase of cotton during 1934, 1935 and 1936 by the Vasantha Mills.
- XXXIV .. .. . Statement showing the amount of wages and salaries paid during 1933 to 1937 in Radhakrishna Mills, Limited.

*List of exhibits filed—cont.*

For employers (mill-owners)— cont.

XXXIV (a)	..	..	Statement showing the amount of salaries and wages paid during 1933-34, 1934-35, 1935-36 and 1936-37 in the Coimbatore Spinning and Weaving Mills.
XXXIV (b)	..	..	Statement showing the amount of salaries, wages and current consumption during 1933 to 1937 of the Vasanta Mills.
XXXV	..	...	Statement showing the amount expended under the headings 'coal', 'firewood', and 'Electric Supply' of the Coimbatore Spinning and Weaving Mills.
XXXVI	..	..	Statement showing the manufacturing wages and salaries and the stock of cotton for 10 mills of the Coimbatore district.
XXXVII	..	..	Statement showing consolidated Balance sheets for 8 mills for the years 1934 to 1937.
XXXVIII	..	..	Graph showing the net profit, fuel and power and the wages bill and gross profit during the years 1934 to 1937 of Rangavilas Mills.
XXXVIII (a)	..	..	Graph showing the net profit, fuel and power and the wages bill and gross profit during the years 1934 to 1937 of Radhakrishna Mills.
XXXVIII (b)	..	..	Statement showing net profits, Depreciation, Managing Agents' commission, gross profit, etc in 8 mills during the years 1936 and 1937.

## APPENDIX M.

*Details of spinning results during 1937 in a mill of two preparations.*

Month.	Number of days the mill worked.		Number of hours worked per week.	Total number of hours the mill worked, less two hours for cleaning per week.	Average counts spun.	Total production during the month in lbs.	Wages paid during the month.			Average number of spindles.
	DAYS.	NIGHTS.					RS.	A.	P.	
January	26	28	108	460	25-39	155,878	5,691	15	3	20,981-8
February	24	24	108	424	22-06	177,483	5,475	2	9	20,903-5
March	27	27	108	478	22-2	195,306	6,223	13	0	20,995
April	26	26	108	460	25-4	151,335	5,582	15	6	20,965
May	26	26	108	460	25-51	154,142	5,559	11	3	20,952
June	25-5	26	108	460	24-53	166,004	5,660	6	9	21,712
July	27	27	108	478	23-2	189,389	6,155	15	0	21,670-5
August	26	26	108	460	24-9	163,637	5,679	0	0	21,683-23
September	26	26	108	460	22-963	190,615	5,756	10	3	21,728
October	26-5	26	108	460	23-02	179,377	6,006	8	0	21,728
November	22-7	23	108	404	25-6	132,065	5,065	4	3	21,728
December	27	27	108	478	25-0	166,713	6,161	15	6	21,728
Total	809-7	810								

(The decimal point in number of days denotes the number of hours worked in a day.)

(2)

## APPENDIX N.

*List of records seen.*

Name of Mill.	Balance sheet and profit and loss account for the years
1 Cambodia Mills, Limited .. ..	1936 and 1937.
2 Coimbatore Cotton Mills, Limited .. ..	1935, 1936 and 1937.
3 Coimbatore Pioneer Mills, Limited .. ..	1936 and 1937.
4 The Coimbatore Spinning and Weaving Company, Limited.	1934, 1935, 1936 and 1937.
5 Janardhana Mills, Limited .. ..	} 1935, 1936 and 1937.
6 Kaleeswara Mills, Limited .. ..	
7 Lakshmi Mills Company, Limited .. ..	
8 The Pankaja Mills, Limited .. ..	1934, 1935 and 1937.
9 Radhakrishna Mills, Limited .. ..	} 1935, 1936 and 1937.
10 Rajalakshmi Mills, Limited .. ..	
11 Sree Palamalai Ranganathar Mills, Limited.	
12 Sri Ramalinga Chowdambikai Mills, Limited.	1937.
13 Sree Rangavilas Spinning and Weaving Mills, Limited.	} 1935, 1936 and 1937.
14 Sree Sarada Mills, Limited .. ..	
15 Saroja Mills, Limited .. ..	1936.
16 The Vasanta Mills, Limited .. ..	1935, 1936 and 1937.
17 Danalakshmi Mills, Limited .. ..	1937.
18 Plan of the proposed rest-house- <i>cum</i> -dispensary, etc., of Sree Ranga- vilas Mills, Limited.	
19 Mill Statements of the Bombay Mill-owners' Association for the years ended with 31st August of 1932, 1933, 1934, 1935, 1936 and 1937:	

2

# REPORT

OF THE

Court of Inquiry constituted under  
the Trade Disputes Act, 1929,  
to investigate certain grievances  
of the salt miners at Khewra

1941



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## COURT OF INQUIRY.

### Report.

To

The Secretary to the Government of India,  
Department of Labour,  
New Delhi.

Sir,

Under section 5 of the Trade Disputes Act, 1929, I have the honour to submit my report on the matters referred to me by the notification of the Government of India, No. L.-1714, dated 18th February 1941 (Appendix) relating to certain grievances of the salt miners at Khewra.

### CHAPTER I.

#### INTRODUCTORY.

**Composition of the Court.**—The Court has throughout been composed of Mr. S. R. Deshpande, M.B.E.

**Terms of Reference.**—The Terms of Reference of the Court were :

- (1) Are the present arrangements for the remuneration of the miners working in the Khewra mine satisfactory?
- (2) Are the rates of payment adequate?
- (3) To what extent is unemployment prevalent in the mining community?
- (4) What measures are practicable and desirable for relieving unemployment?
- (5) What measures are practicable and desirable for improving the conditions of service?
- (6) Are the present arrangements satisfactory for—
  - (a) ascertaining the amount of compensation payable to miners in cases of accident, and
  - (b) paying the amount when ascertained?
- (7) What steps, if any, can be taken to end the conflicts between the rival labour groups with a view to creating a healthier atmosphere at Khewra?

A Resolution\* of the Government of India (Appendix II) of the same date (18th February 1941) set out briefly the circumstances that preceded the appointment of the Court. These were that the miners of the Khewra Salt Mines had from time to time

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\* Not printed.

put forward certain demands for improving the general conditions of their service, *e.g.*, their remuneration, grant of pension to old and infirm miners, miners' widows and children, grant of house-building advances without interest, and for measures to relieve unemployment among the mining community at that station. The Government of India having reviewed the matter carefully had come to the conclusion that it would be of assistance both to the Central Excise and Salt Department and to the miners to have an enquiry into the matter under the Trade Disputes Act.

**Representatives of Parties.**—The Central Excises and Salt Department (hereinafter referred to as the Department) was represented by Mr. Lewis, Chief Mining Engineer, while the miners were represented by the Punjab Miners' Labour Union, Khewra (hereinafter referred to as the Union) and the Salt Miners' Association, Khewra (hereinafter referred to as the Association). The case on behalf of the Association was throughout conducted by Mr. M. A. Ghani, Barrister-at-Law, while Mr. Khan who represented the Union was assisted during part of the proceedings by an advocate from Pind Dadan Khan.

**Procedure.**—On 19th February 1941, I sent special notices to the Collector, Central Excises and Salt Department, and to the Secretaries of the Union and the Association and a general notice to members of the mining community who were not members of either of the labour organisations at Khewra. I requested the Collector, Central Excises and Salt Department, to display these general notices at prominent places in the mines at Khewra which he was good enough to do. These notices recited the Terms of Reference of the Court and invited those to whom they were addressed, to submit their case on the various matters arising out of the Court's Terms of Reference.

The Department presented their case on 5th March 1941 and on the same day the Union and the Association furnished separate representations to the Court. These were exchanged among the parties.

I also received in response to the general notice a very large number of petitions (not printed) from individual miners. Some of these dealt with matters not relevant to the present enquiry, some others dealt with the grievances of the individual concerned, while the rest raised the same points as the Union and the Association have done. These petitions have, however, been of considerable help in supplying me with the necessary background.

When the formal proceedings of the Court were commenced, certain gangmen and lambardars submitted a memorandum to the Court on behalf of gangmen and lambardars. Counsel for the Association objected to the Court receiving the representation from the gangmen and lambardars on the ground that they were not miners and were not, therefore, covered by my Terms of Reference.

I did not give my ruling on this point immediately as the parties wanted to lead evidence on the subject. The witnesses produced by the Association stated that gangmen and lambardars hardly ever filled their tubs and that their interests often came into conflict with those of the miners. On the other hand, the Union submitted that the gangmen were in possession of miners' books like other registered miners and that ordinarily they did the same work as the miners. This was more or less confirmed by the Mine Manager and the Chief Mining Engineer. I therefore ruled as follows :

“My Terms of Reference call upon me to enquire into certain grievances of miners. In view of the fact that gangmen and lambardars are supplied with miners' books and as it is in evidence that some of them do actually work as miners and fill their tubs, I have come to the conclusion that the present enquiry covers gangmen and lambardars, but that any representation they might wish to make to the Court must be in their capacity as miners or members of the mining community and not as gangmen or lambardars.”

At a very early stage of the enquiry, the representatives of labour asked for a long adjournment which was granted. This period was however utilised by me for inspecting the mines, the depot, housing conditions, water supply, schools, hospital, etc. I also inspected the Cement Factory at Dandot and a colliery in the neighbourhood of Dandot in order to get a comparative idea of conditions of work and wages at Khewra and in the vicinity. During the course of these inspections, I have had an opportunity of gaining first-hand knowledge of the conditions of work and wages generally at Khewra and I found the information collected during my inspections of very great value in the preparation of this Report.

The Court examined 25 witnesses in the course of the public sittings. One of these witnesses appeared on behalf of the Department, 20 on behalf of the representatives of the miners while I myself examined four as Court witnesses. Eighteen of the witnesses examined on behalf of the miners consisted of miners themselves and two of the witnesses were money-lenders.

**Interpretation of the Terms of Reference.**—While dealing with each of the Terms of Reference I have stated in the appropriate chapter what my interpretation of it has been. It is, therefore, unnecessary to discuss the matter here except to state that as the Court was instituted to enquire into certain grievances of the miners at Khewra, I have felt it advisable to interpret the Terms of Reference as broadly as possible.

## CHAPTER II.

## WAGES.

## First and Second Terms of Reference.

The first and the second Terms of Reference read as follows :—

- (1). Are the present arrangements for the remuneration of the miners working in the Khewra mine satisfactory?
- (2) Are the rates of payment adequate?

In some respects these two Terms of Reference are inter-related and I propose to deal with them together in this chapter.

The second Term of Reference requires me to ascertain whether the rates of payment are adequate. The words used are 'rates of payment' and not 'rates of wages'. I therefore consider that what I have to ascertain is not merely whether the wage rate paid for the allotted task is adequate but also whether the earnings of the miners are sufficient for their maintenance. Thus, in discharging this Term of Reference several factors have to be taken into consideration such as the adequacy of the rates in relation to the number of working days, the hours of work, the conditions of service, the type of work done, and how these rates compare with those paid for similar work in the vicinity and the rates prevailing in other mines, etc. and also in relation to the cost and standard of living of the miner's family. One additional factor, which it is usual to consider in such cases is the ability of the employer or an industry to pay. I have not found it possible to examine this factor as the required data on the subject were not available. However, although the Salt Mines at Khewra are run on commercial lines, the employer being a Department of Government, it may be reasonable to assume that considerations of fairness will always outweigh those of finance.

Before examining the evidence which has been submitted on these Terms of Reference, it would be of assistance if I were to set out briefly the present arrangements for the remuneration of the miners working in the Khewra Mines. A miner's work consists of (a) excavation of salt and filling up of tubs, (b) excavation of marl and carrying it to the dumping ground, and (c) forward excavation known locally as hand *kathi*. For the excavation of salt he is paid per unit weight, for marl he is paid per unit volume, and for hand *kathi* he is paid per unit area of *kathi* (in salt or marl) by hand. Each registered miner is allowed to fill 12 tubs per round or shift for which he is paid at the rate of Rs. 3-6-0 per tub. This is, however, the miner's gross earning from which he has to pay certain expenses incidental to his work such as the wages of his assistants, cost of blasting powder and fuses, oil for the miner's and his assistant's lamps, cost of the hire of tools, cost of drilling

of shot holes, etc. The bulk of the miner's income accrues to him from the excavation of salt. During the year ending 31st March 1940, the miners received in wages Rs. 3,19,897 made up as follows :—

	Rs.
(1) Payment for tubs of salt . . . . .	3,10,790
(2) Marl excavated . . . . .	4,019
(3) Hand <i>kathi</i> . . . . .	5,088

The output of salt during this period was 36,83,440 maunds.

The miners work in gangs under a gangman. Something like 500 tubs are transported from the mine daily but there is no individual weighment of tubs. The capacity of a tub is about 40 maunds. As a check on underfilling, 25 loaded tubs from each day's output are weighed outside the mine. At the end of every six months adjustments are made of the accounts of the miners on the basis of the issues of salt from the Depot. The salt excavation rate covers the working of the marl by the miner up to a thickness equivalent to 4 per cent. of the total thickness of the seam worked. The mine remains closed for about six to eight weeks in the year during the rainy season and the miners are paid on the average about nine or ten times in a year.

It appears that the following are some of the principal grievances of the miners in regard to their wages :—

(1) Incorrect measurement and inadequate payment for the excavation of marl.

(2) Inadequate payment for the salt loaded in tubs due to improper weighment and slackness in the Depot.

(3) Insufficiency of the net income of the miner, after paying the expenses incidental to his work for the maintenance of an average miner's family.

#### **Measurement of Marl.**

According to rule 98, Volume IV, of the Manual of Northern India Salt Revenue Department, marl in excess of 4 per cent. of the excavation of a seam is to be paid for. The workers' allegations in respect of this matter are two-fold : (1) The measurements of marl are not correctly taken, and (2) that they are not being adequately paid for the marl that is excavated. As regards the former allegations, accompanied by the representatives of labour I personally, watched the measurements taken by the Mine Superintendent. The method followed is first to calculate the total volume of work done. (Example :— $40 \times 10 \times 5 = 2,000$  c.ft.). The total volume of marl worked is next calculated. (Example :— $2 \times 10 \times 5 = 100$  c.ft.) Marl to the extent of 4 per cent. of the seam worked is allowed for in the rate for salt and so this quantity is

to be calculated and deducted. (Example :—4 per cent. of the seam worked would be  $2,000 \times \frac{4}{100} = 80$  c.ft.). Net volume of marl to be paid for in this example is therefore 100 c.ft. minus 80 c.ft. = 20 c.ft. The rate for marl being 1 anna 9 pies c.ft., the payment due for marl would, in this case, be Rs. 2-3-0.

According to the Department, the Mine Superintendent measures the marl, but 25 per cent. of the measurements are checked by the Mine Manager and 10 per cent. by the Chief Mining Engineer. The representatives of labour agreed that the method followed in my presence for measuring marl was correct although they stated that usually the same care was not exercised while taking the measurements. There is no doubt that owing to the inherent difficulties of the case the personal factor plays a large part when such measurements are being taken. I asked the representatives of the Department whether the miner whose marl was being measured was asked to be present at the time of the measurement, but was told that that was not so. I think it would be an advantage if care is taken to ensure the presence of the miner concerned when the measurements are taken so that there may be no grievance in regard to this matter later on.

The statement supplied by the Department shows that the amounts paid to the miners during the years 1937-38, 1938-39 and 1939-40 on account of the excavation of marl were Rs. 6,903, Rs. 7,831 and Rs. 4,019 respectively. The representatives of labour stated that a few years back they used to get many times this amount on account of marl excavation. No conclusive evidence is available on this point but it would appear that owing to some technical or other reason the miners are not getting as much at present for the excavation of marl as they used to get formerly.

The Association have suggested that all the marl that is excavated, without deducting the 4 per cent. as laid down by rule 98, Vol. IV, of the Manual, should be paid for. I have had no satisfactory explanation given to me as to the reason why the miner is expected to work marl upto 4 per cent. of the total excavation free of charge and the basis on which this figure was arrived at. According to the Department, of the total excavation (salt. *soor* and marl), marl accounts for 3 per cent. only. If that is so, and if the rule is that no payment is to be made for marl excavation under 4 per cent., it is difficult to understand how every year four to six thousand rupees are paid for marl excavation. The explanation given by the Department was that rule 98 of the Manual was being interpreted liberally so as to operate in favour of the miners and that measurements are sometimes taken not of the whole seam but of the cuts that have been made in it. This very generosity in the interpretation of the rule is apt to lead, I think, to the use of a certain amount of discretion, and possibly discrimination, so far as the individual miner is concerned.

According to the figures supplied to the Court, about 30 lakhs of maunds of salt are excavated every year. Since marl constitutes 3 per cent. of the total excavation, the output of marl would be one lakh maunds. It is understood that one cubic foot of salt or marl is equal to 1.25 maunds in weight. One lakh of maunds of marl would therefore be equal to 80,000 cubic feet. The rate per cubic foot of marl at present is one anna and nine pies. Therefore, the cost of the total marl excavation would be Rs. 8,750. Taking the average of the payments for marl for the last three years, it would appear that this amount is not very much in excess of the average and I consider that if the suggestion made by the Association is given a trial, it will meet one of the major grievances of the miners at Khewra in that they will be satisfied that all the marl excavated is paid for.

During the course of the oral evidence it was urged on behalf of labour that in their view the present system for the payment of marl was detrimental to their interests and that they therefore desired the substitution of it by payment according to tubs as in the case of the excavation of salt. This seems to be a recurring demand as will be seen from the Department's \*memorandum. It is stated by the Department that some years ago this question was given full consideration but the proposal was turned down by Government. They consider that such a system will be complicated by the fact that not all marl requires to be loaded into trucks and unloaded into waste yards as much of it is carried to nearby waste dumps by hand or simply allowed to remain practically under feet. From enquiries made on the spot it appeared that in about 70 to 80 per cent. of the excavation, the tub follows the miner and it would therefore appear that there should be no real difficulty on this score because even to-day the marl is being removed in tubs to the dumping grounds though not paid for on the basis of tubs. Where the tub does not follow the miner, just as he carries his salt on head loads, he could carry his marl. Moreover, as will be seen from the Department's memorandum, by far the major portion of the output is obtained under conditions where the miners have to lift and carry the salt only a few feet. I am not quite clear in my mind as to what are the precise practical difficulties which the Department visualise in the adoption of the suggestion; but I would recommend that this matter should be more closely examined.

#### **Weight versus Measurement.**

The Union in their memorandum\* have urged that the Department should revert to the measurement system of salt, a system which was abandoned in the year 1928. The Association, on the other hand, do not support the Union's demand and desire instead:

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\* Not printed.

that the rate per tub should be increased from Rs. 3-6-0 to Rs. 5. Both the Union and the Association have stated that as the result of the introduction of the new system, the miners' earnings have gone down substantially. On the other hand, the Department's view is that the new system has been more favourable to the miners. As no comparative statistics showing the earnings of the miners prior to the introduction of the new system and subsequent to it are available, it is difficult to say whether or not as the result of the introduction of the new system the miners have gained. It is stated on behalf of the Department that the miners' rates prior to 1928 varied for different kinds of work, one anna and nine pies per c.ft. being the normal rate for floor excavation and two annas and nine pies for forward excavation by hand. The latter figure was subsequently corrected to two annas. In their oral evidence the Department stated that by the change in the system there was no monetary loss to the miners as the new rate for floor excavation was 2'025 annas per c.ft. and 2 annas for forward excavation or hand *kathi*. It was submitted on behalf of the Department that the system prevailing prior to 1928 was inefficient and wasteful and reversion to it was impossible. As stated already, opinion among labour itself is divided on the merits of the old system and I do not, therefore, think it necessary to go into this matter further.

#### **Weighment of Tubs.**

It is stated in the Department's memorandum that the tubs are of uniform capacity of 40 maunds each. They are however sometimes over-filled but more usually underfilled. In their memorandum\*, the Association have stated as follows: "That even as regards the good salt, a tub is not weighed at the place of excavation or in some convenient place in the mine although a weighing machine is there. The tubs are weighed outside the mine at a weigh bridge after some days during which some quantity of the salt in the tub is powdered in transit in the usual manner and/or is lost on account of exposure and/or is melted away on account of rain and/or is pilfered away to the great loss to the miners and if the tub is eventually found to contain less quantity of salt than the requisite 40 maunds, the miners are vicariously punished by either the forfeiture of their books or otherwise. Consequently the miners have to put at least 50 maunds or so in the tubs to be on the safe side although they are paid for 40 maunds only". The system of weighment as described in the Department's memorandum shows that there is no complete weighment of salt removed out of the mine and that only one train of 25 tubs is weighed every day to ascertain the quantity of salt in the tubs.

In order to investigate the complaint of the representatives of Labour that the miners have to put in more than 50 maunds in a

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\* Not printed.



tub, I examined the register of the check weighments for a period of nearly two years. The examination revealed that more often than not the tubs are over-filled rather than under-filled. In some cases the over-filling was as much as 25 to 30 per cent., that is to say, a tub supposed to be containing 40 maunds would actually contain more than 50 maunds. On the other hand, it was noticed that the margin in regard to under-filling was much smaller. I also paid a surprise visit to the weigh bridge and observed the weighments recorded of a train containing 25 tubs. The inspection revealed that only in two cases were the tubs under-filled, the weight being 35 maunds and 39 maunds 12 seers respectively while in the remaining cases the tubs contained more than 40 maunds. In no fewer than 11 cases they weighed 45 or more maunds each. The extreme cases in the upward direction were two tubs with 48 maunds and 50 maunds 20 seers respectively.

#### **Adjustment of Accounts.**

One of the complaints made by the Association was that when a miner's tub was found to contain certain impurities at the Depot, his wages for the tub were forfeited. The practice followed by the authorities in regard to this matter is, I understand, as follows: When a report is received from the Superintendent of the Depot that certain tubs have been received from the mine which are found to contain abnormal quantities of impurities, payment for such tubs is withheld from the miners concerned and the salt contents of these tubs are credited to the whole mining community. These tubs are classified as "community trucks". The Department does not really "confiscate" such tubs for, it pays the "community" as a whole for the actual quantity of salt supplied. Moreover, when a miner loses a tub to the community, he is allowed to fill another tub in its place to allow him to complete his round of 12 tubs like other miners. If, as stated, the miner is allowed to fill extra tubs in place of those confiscated, he has not much of a grievance although it is difficult to understand why the community should gain from that portion of the salt in the tub which is found acceptable. It is to be noted also that according to rule 97 of the Manual, only clear salt should be allowed to leave the mine.

It has been stated in the Department's memorandum that although there is no actual weighment in the mine, six-monthly wage adjustments are made on the basis of the issues of salt from the Depot. The Department were good enough to supply me with figures of such six-monthly adjustments from April 1937 to September 1940. The following table summarises the position:—

Statement showing quantity and amount of excess and deficit of salt in the Depot paid or recovered from miners during the last three years commencing from 1937-38.

Period.	Quantity.		Excess paid.		Total.	Deficit recovered.		Gangman allowance.	Total	
	Tubs.	Maunds.	Amount.	Gangman allowance.		Quantity.				Amount.
						Tubs.	Maunds.			
			Rs. A. P.	Rs. A. P.	Rs. A. P.			Rs. A. P.	Rs. A. P.	Rs. A. P.
1st April 1937 to 30th September 1937.	1,641	65,640	5,538 6 0	172 15 11	5,711 5 11	...	...	...	...	...
1st October 1937 to 31st March 1938.	586	23,440	1,977 12 0	61 11 0	2,039 7 0	...	...	...	...	...
1st April 1938 to 30th September 1938.	...	...	...	...	...	585	23,400	1,974 6 0	61 9 7	2,035 15 7
1st October 1938 to 31st March 1939.	207	8,280	698 10 0	21 11 10	720 5 6	...	...	...	...	...
1st April 1939 to 31st March 1940.	423	16,920*	1,427 10 0	44 8. 3	1,472 2 3	...	...	...	...	...
1st April 1940 to 30th September 1940.	...	...	...	...	...	58	2,320	195 12 0	6 0 1	201 12 1

\*Includes 218 maunds excess for the period from 1st April 1939 to 30th September 1939 which was paid along with the quantity for the period from 1st October 1939 to 31st March 1940.

These figures show that more often than not the miners send out into the Depot more salt (in weight) than they get paid for immediately, even if no account is taken of the depreciation that must take place in the process of its carriage to the Depot, and while being unloaded there. In other words, these figures seem to bear out the workers' contention that the trucks are more often over-filled than under-filled.

#### **Working of the Depot.**

The representatives of labour have alleged that the miners do not get paid for all the salt which they send out of the mine owing to slackness in the working of the Depot. I inspected the Depot along with the parties and also watched the various operations there on several occasions. Before examining the allegations in regard to this matter, it would be helpful briefly to describe the various operations at the Depot.

As has been stated already, after excavating the salt, the miners fill them into tubs and these tubs are hauled to the Depot by a train containing about 25 such tubs. When a train load of salt is received at the Depot, it is stated by the Department that it is checked by a clerk of the mines section and a peon of the Depot. The disc numbers of the miners which are attached to the tubs are then detached and sent to the mine after entering the necessary details of the tubs in a statement which is sent to the Mine Manager daily at the close of the day's work.

When a train arrives at the Depot, if any tubs are found to be under-filled or to contain an unduly high proportion of impurities, the peon, after checking the tubs, reports this to the Depot Inspector who inspects the tubs concerned and reports the matter to the Depot Superintendent who brings the matter to the notice of the Mine Manager for necessary action.

The salt-filled tubs reaching the Depot from the mine are discharged, either on filling platform No. 1 where wagons are hand-filled, or through the mechanical loader on filling platform No. 2. In each case, apart from the soot or salt dust created during the journey of the train from the mine to the Depot, the unloading of the trucks also results in the formation of some more dust. In the case of platform No. 1, the salt is discharged on the platform from the top of the ramp on which the tubs are drawn up for this purpose. Heaps are then made of the salt received, and from these are removed all blocks containing visible impurities and the saleable salt is filled into bags for issue as bagged consignments. For mechanical loading the salt-filled tub is emptied by a tippler. The salt rushes down a chute across which there are retarding chains to a moving conveyer belt by which it is fed through small chutes into a wagon. During the passage of the salt on the conveyer belt, all pieces of salt containing visible marl and other impurities are removed.

It is admitted by the Department that, apart from the soor or salt dust created during the journey of the train from the mine to the Depot, in the process of unloading, additional dust is also created, particularly in the process of mechanical unloading where the salt blocks suffer considerable amount of bashing about.

Apart from the creation of soor or salt dust, as a result of the unloading in the Depot, the representatives of labour stated that additional loss to the miners resulted because of the waste of salt during the rains as the Depot is not covered and also due to bad handling by the contractor's men and inadequate supervision of weighments at the time of loading the salt into wagons. Their contention therefore was that before the miner's salt is unloaded at the Depot, it should be weighed either in the mine itself or outside the mine. In their memorandum, the Department has stated that individual weighment of trucks is impracticable and has so far not been seriously pressed. During the course of the proceedings, however, it appeared that the mining community attaches very great importance to the fact that they should not be at the mercy of the Depot in order to ascertain what actually has been their production in weight. The representative of the Department was examined on this point by the Court and asked whether there were any insuperable difficulties in having all the trucks weighed where now only one train is being weighed. In reply, he stated that when a truck is weighed on the machine it is only an assumption that it contains clean white salt. In this connection the provision of rule 97 in the Manual (Volume IV) was brought to his notice. This rule lays down that a miner has to separate salt from the marl before loading it into his truck. The representative of the Department, however, was of opinion that if individual weighments are to be made before the salt is unloaded at the Depot, very elaborate arrangements would be necessary. It would be difficult also to maintain the present output. He was further of opinion that individual weighments might lead to endless difficulties and disputes because the proposal would mean three different types of weighments, namely, weighment of lump salt, weighment of soor and weighment of other impurities. In reply, the representatives of the Union stated that to meet the objection of the Department, the miners would be prepared to put in two or three maunds of salt over and above the 40 maunds in a truck and be willing to be paid for 40 maunds only.

It was admitted by the Department that a few years ago the weighment in the Depot of the salt issued was done by a gazetted officer while that duty is now being performed by an Inspector in the grade of Rs. 80—120. I myself inspected the weighments at the Depot and found that the weigh bridge is locked and cannot be tampered with as alleged by the representatives of labour.

From what I have seen myself of the working of the Depot it is clear that as a result of the haulage of salt from the mine to the Depot and the manner of unloading the trucks, the salt sent out by the miners undergoes a certain amount of depreciation. Moreover, there appears to be little control over the happenings in the Depot by those in charge of the production of salt. The Depot is uncovered and unfenced and the labour employed there belongs to a labour contractor. The miner's rate per tub is for excavating and filling a truck of salt weighing approximately 40 maunds and not for what the Depot may eventually certify as being his production on the basis of the weighments of the issues of salt. It is true that except for depreciation which results at the Depot-end, for which the miner cannot be held responsible, he gets paid for all the salt sent out to the Depot as a result of the adjustments referred to already. It is to be remembered, however, that apart from the general supervision of Depot officers, the men who handle the miners' production in the Depot are contractor's men who cannot be expected to exercise the care and vigilance which the employees of the mine itself would do. And to that extent, the present system appears to be defective.

Assuming that the present system which keeps the miner in ignorance of his actual production for a period of six months is not on the whole working to his detriment, it is true all the same that it certainly leaves room for doubts and suspicions which are such excellent breeding places of grievances. Moreover, the present system appears to put a premium on the inefficient miner because the one who chronically under-fills his tubs gets the same credit as the conscientious miner who probably puts in a few more maunds in his tub than he is required to do. All things considered, I am inclined to sympathise with the grievance of the workers as regards individual weighment and would recommend that if it is not going to cause any serious dislocation so far as transport is concerned, the Department would be well advised to consider this question more closely. If, however, for some reason it is found that individual weighment even at the weigh bridge at which at present one train is being weighed and checked is not possible, I would suggest that there might be much greater co-ordination between the mine and the Depot and that arrangements might be made to ensure that none of the salt unloaded is either carelessly handled or lost. It should be noted also that while in the case of the measurement of marl there are two independent officers checking a certain percentage of the measurements, in the case of the weighments made at the Depot-weighments of salt costing many times the amount paid for marl-there are no rules or orders, so far as I am aware, for checking a certain proportion of these weighments, although the Administrative Officer and the Superintendent in charge of the Depot visit it to supervise its working generally.

### Net Monthly Earnings of a Miner.

At the beginning of this chapter I have indicated as to how I have interpreted the first and the second Terms of Reference. In view of the interpretation it is necessary to arrive at a clear estimate of the net monthly earnings of a miner in order to be able satisfactorily to discharge the second Term of Reference. In the Department's memorandum, there is nowhere any clear indication as to what a miner's net earning would be although in paragraph 9 of section I it is incidentally stated that certain deductions are made at the time of payment, *i.e.*, for blasting powder and fuses, charges, if any, on account of shot holes drilled on behalf of the miner by the Department, contributions towards the Pension Fund, fines, repayment of house-building advances, etc. At a very early stage of the enquiry it became apparent that there was considerable difference of opinion between the Department and the Union as regards the estimate of the expenses incidental to his work which a miner has to incur. The Union stated that out of an earning of Rs. 40-8-0 for filling his 12 tubs, the miner has to incur an expenditure of Rs. 16-2-6. In view of the difference of opinion on this point, I requested the Chief Mining Engineer to work out item by item the actual expenditure per tub of salt which the miner must incur in connection with his work. The Chief Mining Engineer was good enough to supply me with a detailed \*statement on the subject which formed the basis of discussion between the parties.

### Assistants.

The first item of cost mentioned in the statement relates to the amount which a miner has to pay by way of wages to the assistants employed by him. In assessing the cost on this item it was necessary to ascertain (a) the wage per day usually paid to the assistant by the miner, and (b) the number of days on which it was necessary for the miner to engage an assistant during a 'shift' or 'round'. In the statement submitted by the Department, the assistant's wage rate was quoted as being 12 annas per day while the Union submitted that the rate would be Re. 1 per day. The Department justified the figure of 12 annas on the basis that although an adult helper may have to be paid Re. 1 per day, some of the helpers are mere boys who are paid between 8 annas and 12 annas per day and therefore the average would be in the neighbourhood of 12 annas per day. The Mine Manager admitted that if he employed the type of person similar to a miner's assistant, he would have to pay him Re. 1 per day. The Union contested the statement that more than half of the helpers were mere boys. In order to settle this point I examined the attendance register of the labourers. A column in this register gives the ages of the

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\* Not printed.

helpers working in the mines. From this register it was clear that the proportion of juveniles to adults over 21 years of age was certainly not half but would be about one-third or slightly less. In this connection it is also important to remember that under section 26A of the Indian Mines Act no person who is under 18 years of age can be permitted to work underground in a mine. In the light of the evidence gathered on this point I think that the Union's estimate of a daily wage of Re. 1 for assistants is not exaggerated and may be taken as a basis for calculating the amount paid per tub by the miner on account of the wages to be paid to the assistant.

The next point for determination was the number of days on which the miner has to employ an assistant during one shift or round. In order to ascertain this it was first of all necessary to find out as to how long a miner himself takes to fill his 12 tubs during a round. The evidence on this point was somewhat conflicting, but the range of variation between the estimates supplied was not very wide. For instance, in the opinion of a gangman who was interrogated, a miner required from 12 to 13 days to fill his 12 tubs provided that he got a tub every day. The Mine Manager thought that, on an average, it took a miner 12 days to fill his 12 tubs on the other hand, the Union held that it took a miner at least 15 days to fill his 12 tubs and a miner who was interrogated by the Court on this subject agreed with the Union's estimate. In order to arrive at a correct idea, the Court made a sample check of the miners' registers. This check revealed that on an average 15 days attendance was required to fill 12 tubs.

The average daily attendance of miners during the year ending 31st March 1940 was 297 and of assistants 124. The proportion, therefore, is 7:3. If, as would appear, the miner on an average takes 15 days to fill in his 12 tubs, it follows that he requires the assistance of an assistant for slightly over six days. This means that the miner's expenses on assistants on an assumed rate of wages of Re. 1 per day would be slightly over Rs. 6 per 12 tubs or annas 8 per tub.

#### **Item 2.—Powder and Fuses.**

The miners use country made black powder and fuses which are manufactured locally under a contract. The disbursement of explosives is under the control of the Department which keeps a record of the powder and fuses used by each miner. Deductions on account of powder and fuses are made from the wages.

According to the estimate of the Department, the expenditure on explosives per tub would be one anna and 9-56 pies or about Rs. 1-6-0 for 12 tubs. The Labour Union's estimate, on the other hand, was that the expenditure on explosives per tub was annas three and 7 pies or Rs. 2-11-0 for 12 tubs. During the course of discussion it was pointed out to the Union that since the

miners could not buy explosives themselves and since the Department maintained detailed accounts of the cost of explosives, there ought to be no difficulty in accurately ascertaining the cost to the miner on account of explosives and it was subsequently agreed that the figure given by the Department should be accepted.

The Department were good enough to supply at my request a statement showing the price of blasting powder during the last four or five years. While during the year 1936-37 the price was Rs. 7 per maund, it rose to Rs. 8 per maund in the year 1938 and continued at the same level till the end of 1939. During the year 1940, it however rose to Rs. 11 per maund and since January 1941 to date it is Rs. 12 per maund. It will thus be seen that as compared to 1938 the price of blasting powder has risen by 50 per cent. In view of this rise in the price, the cost on account of explosive per tub would be anna one and 9.56 pies *plus* 50 per cent. or annas two and 8.34 pies per tub.

**Item 2 (b).—Cost of Drilling Machines and other Implements.**

The miners are not supplied with drilling machines which are required for drilling holes in the salt preparatory to blasting and have to purchase and maintain them at their own expense. In order to ascertain the cost on account of this item, it was necessary, first of all, to find out as to how many miners had their own implements and how many had to hire them. The Department had no information as to the number of miners who actually owned drilling machines. It was submitted on behalf of the Union that about half the miners had their own machines while the Association estimated that only about one-third of the miners owned machines and the rest had to hire them. The hire charges according to the Mine Manager are 8 annas per day and this was confirmed by the representatives of labour. The Union's estimate of the cost of a drilling machine was Rs. 150 and it was stated that the life of the machine would be about 10 years. It was submitted on behalf of the Department that although English drilling machines cost Rs. 150, country made machines could be had for Rs. 50 or Rs. 75 and that many miners had country made machines and not imported ones. It was not however possible to ascertain the exact position in this matter. The parties agreed that for the calculation of cost on this item it would be safe to assume that the drilling machine would, on an average, cost about Rs. 150. The Department, however, held that the life of the machine would be 13 years and not 10 while the Association submitted that the life of a drilling machine would be only five or six years. The parties agreed that, provided the Court arrived at a proper estimate of the cost of the machine and its life, *i.e.*, the number of years it will last, the cost per tub could be worked out by dividing the cost by the number of years the machine would last and spreading the actual cost over 120 tubs which are filled annually.



It was submitted to the Court that recently owing to the conditions created by the war the prices of imported machines had gone up by 50 to 75 per cent. There is no information available however as to how many miners have recently purchased these machines and making allowance for the factor that some of the machines might be country made, I think it would be a safe assumption to make that a drilling machine would cost on an average Rs. 150 and that it would last for about 10 years. On this basis the cost per tub would work out roughly to annas two.

**Item 2 (c).—Other Implements.**

During the proceedings it was submitted on behalf of the Union that the miner has also to incur some cost on account of the wear and tear of implements, other than drilling machines, such as tubs, pick, hammer, shovel, powder canister, lamp and iron bar, bar needle, spade, oil can and file and that their capital cost would be about Rs. 25 and their life about five to six years. From a statement supplied to me by the Department it would appear that the capital cost of the metal purchased by the miners for making the implements, some of which, incidentally, are made at the departmental smithy and for which no charge is made—would be Rs. 12-12-0. The parties agreed subsequently that the cost per tub of salt on this item should be reckoned as being four pies.

**Item 2 (d).—Shot Holes.**

It was stated on behalf of the Department that shot holes are sometimes drilled by paid drillers by compressed air machines. This is done when the ground is too hard for drilling by ordinary means. Every year a small number of shot holes is drilled for the miners in this way and recovery of the charges made from their wages. The Department's estimate of the cost, namely, 0'88 pies per salt tub, was accepted by the parties.

**Item 2 (e).—Waste Paper.**

The miners are required to use waste paper for making cartridges for stemming shot holes. The parties accepted the estimate arrived at by the Department relating to the cost on this item per tub of salt which is 3'72 pies. It was urged, however, on behalf of the Union that although this was a correct calculation, it was based on 1939 prices and that, since then, the price of waste paper has very nearly doubled. This contention has not been challenged and from such enquiries as I have been able to make, I am satisfied that there has been a very appreciable rise in the price of waste paper. The cost on this item per tub would therefore be between 7 to 8 pies.

**Item 3.—Oil.**

The miners in the Khewra salt mines are neither provided with miners' lamps nor with the oil required for the lamps and have to purchase both the lamps and the oil. The Department have arrived at an estimate of one anna and 0·57 pies per salt tub on account of the cost of oil. This estimate is based on the consumption of oil per lamp per 9-hour day of three chhataks at the rate of as. 6 per seer. It was submitted on behalf of the Association that the consumption of oil per lamp for a 9-hour day would be six chhataks and not three, while the Union accepted the estimate furnished by the Department. It must be noted, however, in this connection that while the bazar rate for oil in 1939 was as. 6 per seer, the rate in March 1941 was about as. 7, oil being sold at  $2\frac{1}{2}$  seers to a rupee. I am inclined to think that the estimate of the quantity of oil per 9-hour day furnished by the Department and agreed to by the Union is correct. However, in view of the rise in the price of oil of about 16 per cent., the cost on account of oil per tub would be anna 1 and 0·57 pies *plus* 16 per cent. or anna one and 2·58 pies.

**Item 4.—Disposal of Waste.**

The miner has to remove the waste to the nearest waste yard. The Department estimates that about 40 per cent. of the total waste produced in the process of excavation has to be removed to the waste yard. They further consider that waste counts for about 17 per cent. of the total output. It is common ground between the parties that the expenditure per salt tub on account of removal of waste would be 1·44 pies, *i.e.*, the same as estimated by the Department.

**Item 5.—Fines.**

Although the Department and the Union have calculated this item as one constituting the incidental expenses of the miner, I am personally very doubtful whether fines fall into this category at all although they do affect the net earning of the miner. However, it appears from the figures supplied by the Department that incidence of fines is 0·2 pies per rupee of the miners' total earning as against half an anna per rupee permitted by the Payment of Wages Act. The parties agree that fines account for 0·49 pies per salt tub.

From the above calculations it will be seen that the miner's expenses incidental to his work (including fines) work out to about as. 15 per tub for which he is paid at the rate of Rs. 3-6-0.

According to the Department, 95 per cent. of the miner's income comes from the excavation of salt and only 5 per cent from the excavation of marl and hand *kathi*. I however find from the figures for the last three years that these two sources account for

an additional income of 4 per cent. only of the income from salt. The miner's gross wages for 12 tubs at a rate of Rs. 3-6-0 per tub comes to Rs. 40-8-0. Four per cent. of this would be about Rs. 1-10-0. Thus the miner's net earning per shift comes to Rs. 30-14-0 (Rs. 29-4-0 net earnings on 12 tubs *plus* Rs. 1-10-0 for marl and hand *kathi*).

Having ascertained the net earning of a miner per shift, we have now to find the net total monthly income of the miner. This, however, involves a certain amount of calculation because as has been stated already, the mine is closed for about six to eight weeks in the year during which the miner has his vacation. The income and expenditure will, therefore, have to be calculated on an annual rather than on a monthly basis because although during the vacation the miner earns no wages, the family has to undergo the usual expenditure.

According to the Union's memorandum the net income of a miner per shift is Rs. 24-5-6, (This is arrived at on the basis that out of the total amount of Rs. 40-8-0 which a miner earns for filling his 12 tubs, Rs. 16-2-6 has to be deducted for expenses incidental to his work) and as the miner can work only ten shifts, the annual income comes to Rs. 243-6-2 which would yield a monthly income of Rs. 20-4-6 as against a monthly family expenditure of Rs. 34-4-7. The Union's statement, however, ignores the miner's income from marl and hand *kathi* and does not take notice of the fact that the earnings of the miner's assistants go back into the family pool.

In their original memorandum, the Department did not furnish any estimate of the net monthly earning and expenditure of the miner's family; but in a subsequent \*statement furnished by them they have estimated the net average annual income of a miner (*i.e.*, after deducting his expenses, including assistants' wages) at Rs. 381-3-6, or approximately, Rs. 32 per month on the basis of the production figures for the year 1939-40. From the figures supplied by the Department it is quite clear that during that year the output was much higher than in the previous two years and therefore the number of tubs filled was more than would ordinarily be the case. The number of rounds or shifts in 1939-40 was 10-69. I am advised that it would be safe to assume that on an average there will be 10 shifts or rounds per year, that is to say, an average miner would be filling 120 tubs per year.

It has been suggested by the Department that in calculating the miner's income on account of excavation of marl, hand *kathi*, gangmen's allowance, etc. should be included and in a subsequent communication addressed to me by the Department, it was also suggested that income accruing to the mining community from

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\* Not printed.

work on certain contracts and other sources of income such as income from shops, etc. should be included. In the absence of any definite information about the additional sources of income referred to, it would be difficult to frame any estimates. It is no doubt true that while estimating a miner's income, income not merely from the excavation of salt but also income accruing from the excavation of marl and hand *kathi* should be taken into account. I am not, however, quite sure whether the gangmen's allowance should also be included because it is the average miner's income that has to be taken into consideration rather than of a gangman who earns more than twice the amount that a miner does. In any case, the number of gangmen is only 42 and their total allowance amounted to about Rs. 10,000 in the year 1939-40. The Department have suggested that while calculating the income of the miner's family, the wages paid to the assistants should be included. This is certainly a reasonable suggestion provided that every miner employs an assistant who stays in the family and makes a contribution to the family income. The representatives of labour have stated that this is so although in some stray cases it is possible that a miner employs an outsider as an assistant and a certain amount of allowance would have to be made to meet such cases.

While arriving at an estimate of the miner's net earning from salt, marl and hand *kathi*, the amount of wages paid to assistants, namely, Rs. 6, has been deducted from the gross earnings of the miner. While calculating the *family income* this amount will have to be added, after making an allowance for cases in which the miner employs an outsider to assist him. Assuming that on an average Rs. 5-10-0 out of Rs. 6 go into the family pool, and adding this to the figure of Rs. 30-14-0 per shift, the income of the miner's family per shift would come to Rs. 36-8-0. On the basis of 10 shifts per year, the annual income would be Rs. 365 or about Rs. 30-8-0 per month.

In arriving at the above estimate of the average monthly earnings of the miner's family, it has been assumed that in the miner's family there are no other earners except the miner himself and his assistant and that the family has no other sources of income. It is in evidence that 16 per cent. of the employees in the workshop belong to the mining community and it is a well known fact that some of the miners keep shops and do other extraneous types of jobs which must be yielding a certain amount of income to them. It therefore follows that apart from the income of the miners' assistants, there may be some additional income to the miner's family as a result of some of its members working outside the mine.

We may now proceed to consider the adequacy of the miner's family income in relation to the family expenditure.

### Cost of Living.

In dealing with the question of the average monthly expenditure of a miner's family, I am greatly handicapped by the inadequacy of data on the subject. No family budget enquiry appears to have been made at Khewra and enquiries made by me from the Board of Economic Enquiry, Punjab, show that such information is not available even for any other town in the Jhelum District: nor have the parties concerned made any intensive investigation on the subject. That being so, the examination of this question cannot be either very scientific or very detailed and a certain margin of error will therefore have to be allowed for in the conclusions reached.

In Appendix D to their memorandum,\* the Union have given an average budget of miner's family and have shown that the average monthly expenditure comes to Rs. 34-4-7. The Association did not furnish any detailed figures on this subject in their memorandum. The Department, on the basis of enquiries made by them from certain miners, have given an estimate of the average monthly expenditure of a miner's family which comes to Rs. 30. It will be seen that the difference between the two estimates is not very large being one of Rs. 4-4-7 only.

It is common ground between the parties that the average miner's family consists of six persons. The exact composition is, however, not known.

The monthly expenditure of the miner's family may, for the sake of convenience, be grouped as follows: Food, fuel and lighting, clothing and footwear, housing and miscellaneous.

**Food.**—According to the Union the daily cost on the items included in this group would be as. 9 and ps. 8 or Rs. 18-2-0 per month on the basis of a 30-day month. The Department, on the other hand, reckon the cost as being Rs. 15 only. This difference is accounted for by the following factors: While the Union have shown a monthly expenditure of Rs. 7-8-0 on wheat flour or *ata*, the Department have shown an expenditure of Rs. 5-8-0 only, although they have also shown an expenditure of Re. 1 on rice which has not been shown by the Union. The second item on which there is a fair amount of difference is ghee, on which the Union have shown an expenditure of Rs. 5 as against an expenditure of Rs. 2-12-0 shown by the Department. The Union have shown an expenditure of Rs. 3-12-0 on dal, vegetables and meat as against an expenditure of Rs. 2 shown by the Department. The Union have not included in this group certain items included by the Department such as milk, salt, fruit, tea and other miscellaneous items which form part of the dietary of the miner.

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\* Not printed.

During the course of the proceedings, the items included in the food group were discussed in detail. It appeared that the Union considered that the average monthly expenditure on food would be Rs. 17 as compared with the figure of Rs. 18-2-0 given in their memorandum but the Department thought that it would be Rs. 15. The Association, on the other hand, considered that the expenditure would be higher than that estimated by the Union. As pointed out already, in the absence of more detailed information based on a scientific survey, it is impossible to reach any definite conclusion as to what exactly is the expenditure on the food group. However, as the difference between the estimates of the Union and the Department are slight, one could split the difference and assume that the expenditure on food per month is Rs. 16.

**Fuel and lighting.**—According to the Union, the expenditure on fuel and lighting comes to Rs. 2-6-0 while according to the Department it is Rs. 1-13-0. It would be safe to assume, I think, that the expenditure on this item is Rs. 2 per month.

**Clothing and footwear.**—The Union have shown an expenditure of as. 15 only per month on clothing while the Department have shown an expenditure of Rs. 3 on this group. It was stated during the course of the proceedings by the Union that the expenditure on clothing would be Rs. 1-8-0 while the Association's estimate was Rs. 2-3-0. As an average miner's family consists of six persons who have to be clothed and shod, I think Rs. 3 per month would be the more correct estimate to adopt.

**Housing.**—The Union have shown an expenditure of Rs. 25 per year on house repairs. On the other hand, in the statement given by the Department the figure shown against this item is Rs. 5-5-4, that is to say, the average monthly cost to a miner who has to pay eight instalments of Rs. 8 in the year to Government. It is not easy to estimate the cost under this item because as will be seen from chapter IV, the miners in Khewra pay no rent as they live in their own houses. On the other hand, some of the miners have yet to repay their advances. A fair estimate of the average cost on account of this item can be arrived at, I think, by assuming that in the case of those who have not to pay the instalments in connection with house-building advances to Government, the cost will be about Re. 1 per month for repairs, etc., while in the case of those repaying the instalment it will be Rs. 5-5-4 per month as the houses being new, the cost of repairs will be negligible. Moreover, when the advances have been repaid this item of Rs. 5-5-4 will disappear. If, therefore, Rs. 3 per month are provided in respect of housing, a fair provision will have been made to cover it. And, in any case, in a place like Khewra, supposing houses were available for letting, the rent for a working class dwelling could not have been higher than Rs. 3 per mensem.

**Miscellaneous.**—The items included under this group are of two types : Those on account of which cost has to be incurred annually and others on which expenditure is incurred from day-to-day. In the former category, according to the Union's statement, the following will have to be included : Pie Fund Rs. 2/2 per annum, Professional Tax Rs. 2 per annum, *Chokidara* As. 10, Mohalla chowkidar Re. 1, barber Rs. 3, Union subscription As. 3 and Mulla Rs. 3. The aggregate cost on account of these items is Rs. 11/15 per year or about Re. 1 per month.

These items can, I think, legitimately find a place in a family budget because the expenditure on them, except perhaps in the case of Union subscription, is more or less compulsory. For instance, although the Pie Fund is called a voluntary fund, a deduction is actually made from the miner's wages. The Professional Tax is a statutory obligation which the miner cannot escape. *Chokidara* also appears to be a compulsory levy because I am informed by the Department that the village chowkidars are appointed and paid by the Department from the *Chokidara* collection which they recover from the miners on behalf of the District Authorities. As regards the cost of Re. 1 on the Mohalla chowkidar, it is understood from the Mine Manager that the appointment of a chowkidar in every mohalla is a very old custom and it would be difficult to do away with it.

The Department's estimate of the cost on miscellaneous items such as education, marriages, travelling, taxes, religious performances, savings, etc., is Rs. 3-5-10 per month.

The Union and the Association estimate the expenditure on items, other than those on which annual expenditure has to be incurred, as being Rs. 7-4-0 per month made up as follows : Soap As. 10, tobacco As. 7, death expenses As. 7, religious and social services Re. 1, travelling Re. 1, education Rs. 1/15, medical As. 7, sweeper As. 7, and house requisites As. 15. The Union's estimate of the cost on these items, except perhaps in regard to the cost on education, seems to be a fair and a reasonable one. From the section dealing with education in chapter IV, it will be seen that except in the Anglo-Vernacular School, education in Khewra for the miners' children is free, but the scale of fees, charged in the Anglo-Vernacular School appears to be high. It is to be remembered, however, that even when education is free in the sense that no school fees are charged, a certain amount of expenditure has to be incurred on books, slates, pencils, etc. It would be a fair estimate, I think, if, including the average monthly cost of Re. 1, referred to above, one were to conclude that the average monthly expenditure on the miscellaneous group would be about Rs. 8. This estimate is on the generous side because it amounts to 25 per cent. of the total monthly expenditure.

From the above discussion it appears that a fair estimate of the average monthly expenditure of a miner's family in Khewra would be Rs. 32.

It will be seen that while the average monthly income of a miner's family is Rs. 30-8-0, the average expenditure comes to Rs. 32. In this connection it has, however, to be borne in mind that the estimate of the income of the miner's family does not take into account certain other sources of income such as employment in the workshop and running of shops. If these sources of income were taken into consideration it is probable that the income and the expenditure would just balance. It would, therefore, be fair to conclude that while the income of the miner's family is just sufficient for its maintenance, it leaves no margin for meeting unexpected calls on the miner's purse or for any savings.

As pointed out at the beginning of this chapter, the adequacy or inadequacy of wages paid must be considered in relation to the various factors enumerated there and not only in relation to the cost and the standard of living as has been done by the representatives of labour although this is undoubtedly one of the most important of these factors. We may, therefore, now consider how the miner's wage rate compares with wages of other workers in Khewra and its neighbourhood. The miner himself pays his assistant, who does more or less similar work to that of the miner, Re. 1 per day only. According to the Mine Manager, if he were to employ a person of an equal degree of skill as a miner's assistant, he would pay him, a rupee a day. The unskilled labourer in the Depot gets six annas or less per day while the semi-skilled one gets 10 to 11 annas per day. My inspection of one of the collieries around Dandot showed that the average wage of a coal miner was 10 to 11 annas per day with free quarters and also provision of oil for the miner's lamp. From the information collected by the Department from certain colliery proprietors in the neighbourhood of Khewra and supplied to me, it would appear that the average net earning per day of a miner was about 15 annas and a miner who works regularly gets a net earning per month of about Rs. 22/8. From what I saw of the conditions of work in a colliery near Dandot, I can confidently say that the conditions of work in the salt mines at Khewra are considerably superior to those obtaining in the colliery which I inspected, although this colliery was by no means representative. The miner's work is no doubt skilled and strenuous; but as will be seen from the Department's memorandum, the most arduous part of the work, namely, forward excavation, is, in recent years, being done mostly by machines and not by hand. The figures quoted above of the wage rates of the various types of workers are not strictly comparable in that they do not measure equal tasks; but they assist one in providing the proper perspective for appreciating the correct position.

Another way of approaching the problem of the adequacy of the wage rate would be to see how the wages of the Khewra miner compare with those of miners employed in other mines in the country. In this connection the following figures extracted from the Annual Report of the Chief Inspector of Mines in India for the year ending 31st December 1939 are of interest :



Average daily earnings in December 1939.

Mineral Field.	Underground.				Open.		Workings.		Surface.	
	Miners.	Loaders.	Skilled Labour.	Unskilled Labour.	Miners.	Loaders.	Skilled Labour.	Unskilled Labour.	Skilled Labour.	Unskilled Labour.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Jharia Coalfield (Bihar)	0 9 9	0 8 9	0 11 0	0 7 9	0 9 0	0 7 3	0 8 6	0 6 6	0 10 3	0 5 0
Banganj Coalfield (Bengal)	0 9 0	0 7 9	0 10 0	0 7 0	0 8 6	0 6 3	0 7 6	0 6 3	0 9 6	0 6 3
Girdih Coalfield	0 10 0	0 11 9	0 13 3	0 8 3	..	..	0 7 0	..	0 14 0	0 8 0
Assam Coalfield	1 0 6	1 0 3	1 1 3	0 13 6	1 1 0	0 12 9	0 15 0	0 11 9	0 14 0	0 11 6
Punjab Coalfield	0 14 0	0 13 3	0 13 9	0 7 9	0 6 0	..	0 9 9	0 6 6	0 12 9	0 8 0
Baluchistan Coalfield	0 9 9	0 10 6	0 9 6	0 7 0	..	..	..	..	0 5 3	0 3 9
Pench Valley Coalfield (Central Provinces).	0 12 0	0 7 6	0 10 0	0 7 6	0 10 0	0 6 3	0 8 0	0 5 3	0 9 0	0 6 9
Bihar Mica	0 7 9	..	0 7 9	0 5 6	0 6 9	..	0 8 9	0 4 9	0 6 6	0 5 6
Madras Mica	0 6 3	—	0 5 6	0 4 6	0 5 3	..	0 4 6	0 4 3	0 5 3	0 5 3
Central Provinces Manassees	0 7 0	..	0 10 9	0 6 3	0 5 3	..	0 10 0	0 4 0	0 12 6	0 5 0
Central Provinces Limestone.	..	..	..	..	0 6 0	..	0 6 0	0 3 9	0 5 0	0 4 0
Bihar Iron	..	..	..	..	0 5 3	..	0 11 6	0 5 6	1 1 6	0 5 9
Punjab Salt	2 7 6	..	1 1 9	0 11 3	..	..	..	..	0 12 3	0 7 3
Bihar China clay	..	..	..	..	0 3 0	..	0 4 3	0 3 3	0 5 0	0 3 6
Punjab Slate	..	..	..	..	0 7 0	..	0 5 9	0 4 6	0 11 0	0 6 6
United Provinces Stone	..	..	..	..	0 11 0	..	0 5 6	0 4 0	0 3 3	0 11 9

The figures in this table have apparently been furnished by the employers concerned and have presumably not undergone independent scrutiny. Here again, these figures have been presented not for purposes of comparison but for indicating the position in regard to the wage rate in the Khewra Mines in relation to the wage rates obtaining in other mines in India. So far as the wage rate is concerned, it will be seen from this table that the Khewra miner is probably the best paid in the country although it is to be remembered that he can work for only 15 days in the month and for 10 months in the year. Owing to the system which has prevailed in Khewra for a long time of having a definite number of registered miners, the available volume of work, which is not enough for all, is being pooled among all the miners at their own request. Therefore, the total earning of each miner is bound to be reduced. And the miner cannot have it both ways, that is to say, he cannot argue that the available work shall be shared among all equally and also that the payment shall remain what it was before such division had not taken place.

Having regard to the miner's family expenditure, his conditions of work, and the wage rates prevailing in Khewra and its neighbourhood and in other mines in India, it would appear that the wage rate paid to the Khewra miners is not inadequate.

## CHAPTER III

### UNEMPLOYMENT.

#### Third and Fourth Terms of Reference

The Terms of Reference on the question of unemployment are as follows :—

- (a) *To what extent is unemployment prevalent in the mining community?* and
- (b) *What measures are practicable and desirable for relieving unemployment?*

In this chapter I propose to deal with both these Terms of Reference. Unlike many countries in the West, the State in India has not so far assumed any responsibility for the relief of the unemployed except in respect of famine relief, although from time to time this question has been the subject-matter of discussion in the provincial and the central legislatures. It would appear, however, from the replies given by the Department to certain questions\* put by members of the Royal Commission on Labour in India that in view of the somewhat peculiar position of the mining community at Khewra, the Department have held the view that they should do all they can to mitigate the hardships and the

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\* *Vide page 28 of the Report of the Royal Commission on Labour in India, Evidence, Vol. II, Part 2.*

demoralisation resulting from unemployment or under-employment at Khewra and it seems that the Department have made efforts from time to time to find work for the unemployed either by creating new avenues of employment or by endeavouring to settle unemployed miners on cultivable land.

#### Extent of Unemployment.

The Department have stated in their memorandum that "There appears to be a fair amount of unemployment or under-employment prevalent in the mining community at Khewra." It appears from the figures of output furnished by the Department that while between the years 1913 and 1929, the annual output varied from about 32 to 41 lakhs of maunds, it varied between 1929 and 1938 from approximately 29 to 32 lakhs and at present the output shows no material increase over the latter figures. From this it is clear that for nearly 30 years now although owing to the natural increase in the population the mining community has grown considerably, the output of the mine has remained more or less stationary and there has thus not only been no additional scope for employment but there has been a pressure on the available volume of employment.

The Department have not been able to quote any figures showing the extent of unemployment nor were the Association able to do so although they have made a general statement that unemployment prevails to a great extent among the mining community at Khewra. The Labour Union took a census of the mining community recently and found that the total population of registered miners and their families was 4,506. This figure was accepted by the Department as being a fair estimate.

Mr. James Grundy, Inspector of Mines, in his report which was published in the year 1898, estimated the population of the Khewra settlement as being a little over 4,000 then and has stated that there were 800 miners' houses in the mining village. From the information supplied by the Department during the course of the present enquiry, it appears that the number of miners' houses has gone up to about 1,200 as compared with 800 in 1898. The composition of the family could scarcely have altered materially during this period, and it would therefore appear that the population figure supplied by the Union is not exaggerated. Indeed, it is probably an under-estimate.

Without taking an actual census of the unemployed in the mining community it is difficult to ascertain the extent of unemployment. According to the estimate given by the Union in their memorandum, about one thousand able-bodied persons are without employment. In their oral evidence the Union suggested the following basis for estimating the number of unemployed: The number of miners and their assistants is about 900. The number of miners' wives would be 650. It might be assumed that half of the remainder consists of male and female children and half the remainder of adult females. On this basis the number of able-bodied male adults without employment would be 735 as against

a figure of 1,000 given in their memorandum. This figure does not seem to be exaggerated. The number of miners and their assistants employed at present is about 900 and it is therefore obvious that fewer persons are being employed in the mine to-day than before, and the population of the mining community having increased and there being no alternative sources of employment or a marked tendency towards migration, it can be fairly concluded that the number of unemployed must also have increased.

**What measure are practicable and desirable for relieving unemployment ?**

The Department have stated that "salt mining has a fatal attraction for the youth of Khewra," and that outside work or military\* and police service has little attraction for them, that the miners are a proud lot who are reluctant to do unskilled work and, in brief, the mentality of the mining community being what it is, there is very little that can be done to relieve the problem of unemployment.

The Labour Union in their memorandum have suggested that miners should be made to retire compulsorily at the age of 55 and granted a pension or provident fund and gratuity. This, they consider, will relieve unemployment to a certain extent. They further suggest that any new industries started in Khewra should be permitted to operate only on condition that the employees would be recruited from Khewra, that educated miners should be employed as clerks and technical workers in the workshop, that recruitment for all jobs incidental to the working of the mine such as the mine office, workshop, etc., should be made from the mining community, and that the gangmen should be paid on a monthly basis and their books given to the unemployed. The Association have made the following suggestions: (a) that the number of miners' books should be increased to 800, (b) that the miners of Khewra and their sons, etc., should be given preference for being employed in the workshop, (c) that an arrangement should be made with the Alkali Chemical Corporation of India, Ltd., and other companies operating in or about Khewra to give preference to the miners of Khewra or their sons, and (d) that the Department should make it a point to recruit their office and other staff from amongst the miners only and their sons and dependants.

In many European countries relief to the unemployed is granted through schemes of unemployment insurance. In the absence of any such scheme in India, the main question for examination would be what alternative sources of employment could be found for the unemployed in Khewra. The general approach to this problem would be to enquire (1) whether there is further scope for employment (a) in the industrial unit to which the unemployed belong, (b) in other industrial units in the same centre; (2) what are the possibilities of creating fresh avenues of employment in

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\* This is not quite borne out by the experience of the last war. *Vide Report of the Royal Commission on Labour in India, Vol. II, Evidence, Part II, p. 28.*

that centre; and further-to ascertain (3) whether transfer of the unemployed to outside stations in order to place them in industrial units of an analogous character or to settle them on land, would be feasible.

Taking the last point first, the prospects of the Khewra miners finding employment in some other town are, so far as can be seen, somewhat remote. There are no salt mines round about and although there are a few collieries in the vicinity, it is not likely that any substantial number of miners could be employed in these. Moreover, the conditions inside a coal mine are very much inferior to those in the Salt Mines at Khewra. Nor does it appear that although the mining community seems anxious to settle on land it will be possible either for them to buy it or for Government to provide it.

As regards the possibilities of increasing the annual output of the Khewra Mines in order that some of the unemployed may be absorbed, it would appear from the published literature on the subject of salt production in India that the Khewra Mines are capable of yielding a much larger output and Government have had, from time to time, under consideration, the question of expanding the output. As will, however, be seen from the figures supplied by the Department which have been quoted already, the output of the Salt Mines at Khewra has remained stationary during the last 30 years and it appears from the evidence tendered on behalf of the Department that there is not much possibility of an increase in the output of the mine and therefore there is not much prospect of any of the unemployed miners being absorbed in the mine itself. The Salt Survey Committee whose report was published in the year 1931 had suggested that in order to capture the Bengal market the Department should purchase a crushing plant. Their remarks on the subject are reproduced below :

"In our opinion there is no doubt whatever that crushed Khewra salt will compare very favourably with other salt produced in India and should Government decide that Khewra is to commence supplying Bengal, they will be quite safe in arranging for the purchase of a crushing plant..... But we have no doubt that crushed Khewra salt can be sold in Bengal."\*

In this connection I quote below an extract from a note furnished to me by the Department :

"The crushing plant was installed in 1935 for supply of crushed salt to the Bengal market; that with a view to placing such salt successfully on that market, certain reductions in railway freight were obtained and efforts were made to introduce the salt there. No demand for this salt resulted. Consequently the crusher plant was not utilised till March 1940 when the introduction of a scheme for issue of denatured salt, for industrial purposes, involved the crushing of

salt. From 1st Mar. 1940 up to the present date, 22nd Mar. 1941, 53 consignments (each of 550 maunds) have issued."

This seems to show that the main object for which the crushing plant was purchased has not been attained and it is therefore for the consideration of the Department whether in view of the Salt Survey Committee's remarks it would not be worth while to pursue this matter thereby incidentally increasing the field of employment for the mining community.

The union in their memorandum have suggested that other industrial units in Khewra such as the Alkali Chemical Corporation should be compelled to employ workers belonging to the mining community. While such compulsion is out of the question, vigorous efforts should, I think, be made to induce companies in Khewra and its vicinity to employ persons belonging to the mining community in preference to outsiders. The two factories round about Khewra which could absorb some of the Khewra labour are the Alkali Corporation in Khewra and the Cement Factory at Dandot. The Dandot Cement Factory is a highly mechanised unit and employs a comparatively small number of persons. There is therefore not much scope for employment for the Khewra miners at Dandot. The Alkali Corporation's factory has not yet started; but the Corporation has spent a considerable amount of money on constructional and other work for which imported labour appears to have been utilised. I would recommend that the Department should get immediately into touch with the Alkali Corporation and induce them, other things being equal, to give preference to the Khewra salt miners for employment in any works that the Corporation may undertake at Khewra in future.

It has been stated in the Department's memorandum that a few years ago an attempt was made to get the miners interested in the development of small cottage industries at Khewra and correspondence was conducted with the Department of Industries, Lahore, in regard to certain schemes. These schemes, however, have apparently produced no results.

I have discussed the question of the possibilities of starting new industries at Khewra with the Director of Industries, Lahore, and understand that there is no possibility in the near future of the Department of Industries launching upon any scheme of industrialisation in Khewra. The possibility of absorbing the unemployed by inaugurating new schemes of industrialisation does not therefore exist.

This brings one back to ascertaining what are the possibilities of finding employment for the Khewra unemployed in the avenues of employment, incidental to the working of the Salt Mines themselves and the other activities undertaken by the Department. In this connection I may quote the following observations of the Department contained in their memorandum:

"Khewra at the present time contains many outsiders at work with local contractors on the supply of gypsum, loading salt at the Depot, construction and surface

excavation work, yet many of the younger members of the community are content to sit at home or to enter the mine occasionally for the limited time required to fill a miner's trucks, although the gypsum contract was in fact commenced with the idea of providing work for unemployed miners."

I have been supplied with a list of contracts given by the Department for the year 1939 which I reproduce below :—

	Rs.	a.	p.
(1) Constructions . . . . .	32,048	3	0
(2) Loading, etc. at Depot . . . . .	17,935	14	0
(3) Gypsum contract . . . . .	5,526	3	0
(4) Miscellaneous jobs . . . . .	22,826	15	0
Total . . . . .	78,337	3	0

I am advised that about ten thousand out of the 32 thousand odd rupees for construction would account for labour costs; while in the remaining items totalling nearly Rs. 46,000, about 90 per cent. would represent the wages bill. Thus, on the basis of these figures, about Rs. 51,000 worth of work would be available for the mining community if they wished to have it. Moreover, there is some daily paid mine labour such as workers employed on gravity drainage, door attendants, mine maintenance work, surveying, sharpening of miners' tools, mine inspection, etc. The wages paid to this kind of daily labour amount to slightly over Rs. 8,000.

The Department have stated that the idea of gypsum contract was started in order to provide work for the unemployed miners. The work is not being done departmentally but has been given on contract. Incidentally, it may be noted that in 1938-39 the quarrying and sales of gypsum yielded a net profit of over Rs. 8,000 to the Department.

In this connection, it would be as well to examine the merits of the general question of employing labour contractors. A labour contractor, except in places where there is scarcity of labour, serves really no useful function. The margin of his profit is dependent upon the difference between his contract rate and the rate at which he pays his labour and human nature being what it is, a labour contractor would be tempted, especially in places where labour is plentiful, to undercut labour by recruiting cheap but inefficient outside labour in order to reap larger profits. And this is precisely what appears to have happened at Khewra as will be seen from the following quotation from the Annual Administration Report of the Central Excises and Salt Department, Northern India, for the year 1938-39 :

"Works.—The contract system was used for execution of all works. Really reliable contractors, are, however, lacking. The introduction of the contract system has had the effect of reducing rates; but it is apparent that a level has now been reached whereby contractors can afford to employ only the cheapest labour, and in spite of supervision there is a tendency to introduce inferior materials. Under these circum-

stances it is doubtful whether further rate cutting, and the cheap jobs that inevitably result can possibly be of permanent advantage to the Department, where important works are concerned."

The Royal Commission on Labour in India went into the matter of the engagement of labour contractors and their general conclusion appears to be that wherever possible contract labour should be avoided and the work done departmentally. Speaking about Railways they have stated as follows: "We recommend substituting departmental for contract labour, wherever possible." (Page 170 of the Report). They have further come to the conclusion that where because of some practical difficulties this were not feasible as in the case of Public Works, the contract should contain definite provisions regarding the wages to be paid. I may quote here their observations on this subject:\*

"On this view we would remark that there is another question besides that of cost to be considered, and we think that this should receive more attention. We are far from satisfied that labour receives reasonable treatment from all public works contractors. The Chief Engineer of the Lloyd Barrage and Canals Construction stated that conditions of Labour would be decidedly improved if it were employed departmentally, and we believe that, if contractors were in all cases required to give fair treatment in respect of wages, housing, sanitation and other services, there would be an enhancement in the cost of the work. This is an enhancement which, if necessary, Government must be prepared to face. So far as wages are concerned, no control is exercised at present, and the supervision of contractors is limited to the settlement of disputes regarding payment. We recommend that, in all cases where contractors are employed by the Public Works Department, the contract should contain definite provisions regarding the wages to be paid. We do not think that the method adopted elsewhere of a "fair wages clause" can be applied without modifications in India, and in its place we suggest that the actual wages to be paid for different kinds of work should be specified in the contract. If it were necessary to make contracts for the supply of labour over a long term, provision could be made for the revision of the rates of wages from time to time and for corresponding additions to, or reductions from the rates payable to the contractors. We also recommend that contracts should stipulate the age below which persons should not be employed and this should in no case be less than 12 years."

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\* *Vide* pages 191-192 of the Report of the Royal Commission on Labour in India.



Judging from the annual report for the year 1936 on the action taken by the Central and Provincial Governments on the recommendations of the Royal Commission on Labour, it appears that the Government of India have implemented this recommendation and have decided that all future contracts for works in charge of the Public Works Department under the Central Government should stipulate that (a) no labourer below the age of 12 years shall be employed and (b) that the contractor shall pay his labour not less than the wages paid for similar work in the neighbourhood.

It has been seen that there is very little, if any, possibility of relieving unemployment in Khewra either by creating new sources of employment or finding jobs for the unemployed outside Khewra. What then are the possibilities of employing some of these miners on jobs which are now being done by outsiders on the various contracts referred to above? The Department's point of view is that the mentality of the mining community, who are proud of their profession, precludes them from accepting such unskilled jobs as loading and unloading at the Depot or the quarrying of gypsum. On both these types of work the miners actually used to work formerly and it is only since the entry of the contractors in the field that the mining community is not engaged on that work to an appreciable extent. From such evidence as I have been able to collect on this point it is clear that it is not the pride of the miner that is keeping him away from these jobs, but the low wage rate that is being offered to him by the contractors. The Department were good enough to supply me with certain information regarding the wages paid by the contractors at the Depot. The statements furnished show that of the total number of persons employed, more than half were being paid six annas or less per day for work which has to be done in the open and is fairly hard and arduous. This wage rate is about two-fifths of the daily rate of a miner's assistant. The real cause of the alleged reluctance of the miners to work for the contractors appears, therefore, to be low wages rather than anything else. This was confirmed by the representatives of labour in their statements before the Court.

It seems to me, therefore, that the Department should take a very early opportunity of doing away with the present system and should employ the necessary labour direct and pay the workers what the Department may regard to be a fair wage. This need not necessarily add materially to the cost of the Department for the reason that the difference between the fair wage paid and the wage being paid by the contractor to his employees at the present moment probably represents the amount of profit that is going into the contractor's pocket.

If, for some reason, the contract system cannot be done away with, I would suggest, on the analogy of the Public Works Department contracts, that the following two conditions should be inserted in the labour contracts given by the Department: (a) preference to be given to workers of the mining community, and (b) labour to be paid at a rate which the Department may consider to be a fair rate of wages.

The representatives of labour have urged that, other things being equal, persons belonging to the mining community should be given preference in the workshop and other ancillary departments of the Mines. I am advised that already some 16 per cent. of the employees in the engineering section belong to the mining community. The request made by representatives of labour in this behalf appears to be reasonable and I am of the opinion that this matter may be sympathetically considered and the feasibility of laying down quotas, as has been done in Government service for Backward Classes and certain other minorities, may be examined in regard to the recruitment of the mining community at Khewra for work incidental to the working of the Mines.

I am aware that the suggestions made above for relieving unemployment at Khewra are mere palliatives in that their adoption will only result in the absorption of only a section of the unemployed. The only complete and permanent solution of the problem will lie in increasing the output of the mines, if possible, so as to keep pace with the growth in the number of the mining community.

#### CHAPTER IV

##### FIFTH TERM OF REFERENCE.

##### Improvement of the Conditions of Service.

This Term of Reference reads as follows :—*What measures are practicable and desirable for improving the conditions of service?*

In the preamble to the Government Resolution it has been stated that the miners of the Khewra Salt Mines had put forward certain demands for improving the general conditions of their service, *e.g.*, their remuneration, grant of pension to old and infirm miners, miners' widows and children, grant of house-building advances without interest and for measures to relieve unemployment among the mining community at that station. The grievances relating to remuneration and the question of unemployment are covered by separate Terms of Reference and have been dealt with in the appropriate sections of this Report. In this chapter I propose to deal with the question of pensions, house-building advances and certain other matters which have been brought before me such as medical relief, education, roads, water supply, supply of electric light, provision of conveyance to the miners to take them to their place of work, etc. It will be seen from what follows that many more topics have been discussed in this chapter than are mentioned in the preamble to the Government resolution. I have assumed, however, that the list given in the preamble is illustrative and not exhaustive. "Conditions of service" is a very broad term and assumes a much broader aspect in a place like Khewra where living and working conditions are much more inter-related than would be the case in regard to factory labour working in cities and I have therefore interpreted this Term accordingly.

### Pensions.

The rules relating to the Salt Range Division Fine and Pension Fund are published in the Manual of Northern India Salt Revenue Department, Volume I, at pp. 165 to 169. Briefly, the rules provide that all fines levied from the employees who are eligible for admission to the benefit of the fund, and a voluntary contribution of one pie in the rupee on their gross wages by miners in the Salt Range Division, shall be credited to the fund. The persons who are ordinarily entitled to the benefit of the fund are miners enrolled as such under rule 14, any male member of the mining community of 15 years of age and upwards who actually works in any of these mines, and other workers or classes of workers who may be declared from time to time to be eligible for admission to the fund. Schedule A, which contains the classes of workers who are entitled to the benefit of this fund, appears to include not only miners but also workers in the workshop, labourers in the Depot, etc. Although the pension fund is called a voluntary fund, in fact, the deduction of one pie per rupee of the gross earnings of the miner appears to be compulsory. Beyond crediting the amount of fines to the fund, the Department apparently make no contribution. As regards the actual grant of the pensions, it is in evidence that the sole discretion lies with the Chief Mining Engineer and that no rules have been laid down for his guidance in this matter. The total amount to be disbursed each year by way of pensions is limited by rule 5 in Volume I, of the Manual, page 167, which reads as follows :—

“The General Manager, Khewra, is authorised to sanction expenditure on the grant of allowances payable under the Fine and Pension Fund subject to the proviso that no expenditure should be incurred unless the balance in the Fund plus probable receipts taken on the average receipts of the last year, is sufficient to last at least three years.”

During the course of the proceedings it was stated on behalf of the Department that the fund was intended primarily for the mining community and the guiding principle followed in awarding pensions was the economic need of the individual. In certain exceptional circumstances, however, pensions were granted to persons not belonging to the mining community as this is permitted by the rules. It seems somewhat anomalous that although the miners alone contribute to this fund non-miners should be allowed to draw pensions and thus get the benefit from the miners' contributions. The system followed is to grant a pension only when an individual applies for it. According to the Department the procedure followed in regard to the grant of pensions is as follows: In the first instance an application for pension is to be made to the Mine Manager who calls for the lambardar or relatives

of the applicant and decides whether there is a case for granting a pension. The papers are then sent to the Chief Mining Engineer who, if not satisfied after studying the facts, personally investigates the case. The amount of pension is decided upon in consultation with the Mine Manager and lambardars. It was further stated that in most deserving cases a pension had usually been granted. The representatives of labour enquired whether the Labour Union were consulted regarding the grant of pensions and it was stated on behalf of the Department that the Labour Union had once sent a written list for alterations in the pensions which was taken into consideration.

The Department in their memorandum have included among the measures for improving the conditions of service "the establishment of a social fund made up of *voluntary* contributions or some other scheme which would permit old miners and other dependants to be dissociated from the actual mine work, thus creating room for young able-bodied men in the mining community to be elevated to the status of registered miners".

At my request the Department were good enough to supply me with particulars regarding the actual working of the fund. At the time of the enquiry, in all 52 persons (males and females) were receiving pensions out of whom five were non-miners. The total amount at the credit of the fund is slightly over Rs. 9,000. From the statement supplied to me it appears that although the Payment of Wages Act does not apply to the Khewra Mines, there has, in recent years, been a definite tendency for the amount of fines levied to diminish. For instance, whereas in 1934-35 fines amounted to over Rs. 3,000, in 1940-41 they amounted only to less than Rs. 500. With the fall in the amount of fines naturally the pension fund is in a more depleted condition. And this is clearly reflected both in the number and the amounts of the pensions granted in recent years as will be seen from the following summary table :

Year.	Total number of pensioners.	Number of pensioners in receipt of a pension per month of.				
		Rs. 5	Rs. 4	Rs. 3	Rs. 2	Rs. 1
1935	78	4	65	3	6	..
1936	76	4	64	3	5	..
1937	74	4	64	2	4	..
1938	66	3	58	2	3	..
1939	56	..	3	37	5	11
1940	53	..	3	34	5	11
1941	52	..	3	33	5	11

The above figures speak for themselves and require no comment. It is clear, however, that since 1935 the number of pensioners has gone down by one-third and that while formerly the bulk of the pensioners were in the pension group Rs. 4 and none at all in the pension group Re. 1, in recent years the bulk of the pensioners have been in the pension group Rs. 3 and for the last three years there have been 11 pensioners each year in the pension group Re. 1. The representatives of labour have complained (a) that pensions are not being granted in all deserving cases, (b) that the amount of pension has been reduced in recent years, (c) that even those who are not contributing to the fund are benefiting from the fund, and (d) that the Department are not making any contribution to the fund.

From the figures supplied to me it appears that 78 miners holding miners' books are over 55 years of age. This number, together with the number of the present pensioners, would bring it to an aggregate of 130. In addition, if the complaints of the representatives of labour and of individual workers are correct, there may be a few more individuals, particularly women, deserving of pensions. It is not known whether the social fund referred to in the Department's memorandum is to be established merely for permitting old miners and other dependants to be dissociated from work in the mine or whether it is the intention of the Department to constitute the fund in order to make some provision for the future of their workers and their dependants. If the former, it is difficult to understand the reference to "miners' widows and children" in the preamble to the Government Resolution.

From the figures already quoted it is quite clear that, as it is, the amount of the pension in some cases is entirely inadequate and with the present resources of the fund neither can the number of pensioners nor the amounts of the pensions be increased. And, if, the fund is to benefit not merely old and infirm miners but also their widows and children, the resources of the fund will have to be substantially strengthened. It is also desirable that in the award of pensions, the sole discretion should not lie with only one individual but that there should be a proper advisory committee to assist him in this matter.

I do not think that I am in a position to make any detailed suggestions regarding the reconstitution of the existing pension fund or the establishment of a new social fund because in the absence of information regarding the age distribution of the workers in the mines and their dependants, statistics of longevity, the scope of the fund and the extent to which the Department may be able to make a contribution towards its maintenance, etc., it would be almost impossible to make any suggestions of value. I would, however, recommend that the Department should take up this matter with the Superintendent of Insurance, Government of India, and with his assistance work out a detailed scheme.

### Lighting.

The representatives of labour have suggested that the roads leading to the mines from the town should be lit up and the villages should be provided with electric light, free of charge. The Department have pointed out that a scheme is already under preparation for supplying electric current to the miners' New Settlement. At present, street lighting in Khewra is poor. The officials and the lower subordinate staff of the mine are supplied with electric light and in some cases electric fans, free of charge. There is no doubt that it will add greatly to the amenities of the miners' lives if the Department could work out a scheme whereby they could supply electric light to the miners for a nominal charge.

### Conveyance.

The Union in their memorandum have stated that the miners have to walk about three miles from their homes to their place of work and walk back again the same distance. They have suggested that lorry or train arrangements as in the Jharia Coalfields should be made at Khewra. I understand from the Department that if the empty trucks which go into the mines are permitted to convey the miners in the morning, special permission of the Chief Inspector of Mines would have to be obtained. It is also feared that the Department would be running an additional risk by allowing the miners to travel in these trucks. The distance to be travelled from the homes of the workers to the mines is no doubt very considerable but if, without much additional cost, transport for some of the workers at least could be arranged, it will add greatly to their comfort.

### Roads.

The state of the roads in Khewra, whether in the villages or elsewhere, is, to say the least, most unsatisfactory. Speaking from personal experience, during my inspections of the villages, I was greatly surprised by the condition in which the roads have been allowed to remain. The explanation given by the Department for the present condition of the roads was the inadequacy of funds at their disposal for repairs and maintenance. In the New Settlement which is regarded by the Department as a model town, there is only one road going to Dandot but that too is not kept in a proper state of repair. Even the grounds in the village have not been levelled up and are full of boulders and rubble. In the villages on the Eastern and Gypsum Hills, there are no roads at all and the condition of the tracks is shocking. From the figures supplied to me of the expenditure incurred on the maintenance and repairs of roads, it is clear that without spending a considerable additional sum of money or without enlisting the co-operation of the mining community by inducing them to give their services free or for nominal wages, no improvement can be brought about in the present condition of the roads. This is, however, one of the grievances of the mining community needing immediate attention.

### Health and Medical Relief.

While the Department have admitted in their statement that there is still room for improvement in health and medical facilities, neither of the two labour organisations expressed any views on the subject in their original memoranda although subsequently they presented a number of grievances and demands in regard to this matter.

The Department were good enough to furnish a note on the medical aid available to the mining community at Khewra. The information contained in the note is summarised below.

The Department maintain a hospital primarily for the benefit of the mining community, although non-miners may be treated at the discretion of the Department. The hospital staff consists of one Assistant Surgeon, a qualified female Sub-Assistant Surgeon, two dispensers and menial and other staff of seven persons. There are four wards in the hospital with 16 beds: eight in the male general ward, four in the female ward, two in the maternity ward and two in the isolation ward. A dispensary is also attached to the hospital. The number of indoor patients treated during the year 1940 was 305 as against 146 in 1939, with an average of 193 during the years 1936 to 1938. The number of out-patients treated in 1940 was 17,972 as against 12,616 in 1939, and an average of 13,414 during the years 1936 to 1938. During the year 1940, the number, both of in-patients and out-patients, appears to have gone up considerably.

The total expenditure on account of medical aid, including salaries of the medical and other staff, was Rs. 8,537 in 1939-40 as compared with Rs. 11,455 in 1937-38. This seems to indicate that although the number both of indoor and outdoor patients has gone up, the expenditure has gone down by about 25 per cent. as compared with the year 1937-38. It is to be noted in this connection that the revised budget estimate for 1940-41 for bedding and clothing was Rs. 20 only, for dietary charges of in-patients the revised budget allotment for the year 1940-41 was one of Rs. 15 only and the expenditure returned on this item for 1939-40 was nil although the hospital maintains a cook on Rs. 15 per month. It is also significant that when a miner or his assistant who has met with an accident in the mine is undergoing treatment at the hospital, the charges on account of the cost of his diet are deducted from the compensation awarded to him under the Workmen's Compensation Act.

I visited the hospital and the dispensary, accompanied by the parties, and the Assistant Surgeon was good enough to show us round. After seeing things for myself, I cannot but agree with the Department that the medical facilities admit of improvements. The amenities provided in both the male and the female wards are poor and so are the bedding and the linen supplied. These wards present none too clean or cheerful an appearance and I am of the

opinion that the Department should take immediate steps to improve the appearance of these wards and insist upon much higher standards of cleanliness than those which obtain to-day.

It was stated by certain witnesses that there was sometimes a shortage of medicines in the hospital and the miners were given a prescription by the doctor and asked to purchase them from outside. This, they considered, was a hardship and desired that the hospital and the dispensary should be well stocked with drugs and medicines. The Assistant Surgeon, who was examined on this point, denied that the miners were asked to purchase ordinary medicines although it would appear that an adequate supply of drugs and medicines was partially dependent upon the budget provision and similar other financial considerations. It is in evidence that when the doctor prescribes a tonic or a patent medicine, the invariable practice is to ask the patient concerned to purchase it himself. It seems to me that the doctor can avoid prescribing proprietary drugs or patent medicines by restricting himself to medicines contained in standard pharmacopœias which can be dispensed at a relatively lower cost. It appears also that when expensive injections have to be given it is the general practice to ask the patient to get his own supply and pay for it. It was stated by one of the witnesses that, in a case of an accident, which subsequently proved to be fatal, the guardian of the injured person had to incur an expenditure of nearly Rs. 100 on the cost of injections, medicines, etc. The representatives of labour, in a subsequent statement which they made before the Court, urged that the hospital should invariably supply, free of charge, all medicines including patent medicines, injections, etc. Apart from the supply of patent medicines, which can be easily avoided, this is, I consider, a fairly reasonable demand and I would recommend that the Department should do its best to meet it. So far as I am aware, most public hospitals as also enlightened private employers administering medical relief to working class persons provide all essential facilities, diagnostic as well as therapeutic, such as bacteriological and X-ray examination, etc., absolutely free of charge.

It was urged on behalf of the miners that the hospital should be equipped with an X-ray apparatus because in case of mining accidents, ordinary clinical examination would not be able to reveal the nature and extent of the injury in all cases. In this connection it is important to remember that Khewra is a comparatively isolated place, the nearest town where medical attention by specialists is available being Lahore. Moreover, it is usually on the basis of the recommendation of the Assistant Surgeon of the hospital that—except where the workman chooses to take a second medical opinion—for purposes of the Workmen's Compensation Act, the character of the injury and the resulting disability are determined. Therefore, it seems desirable that the doctor should have all the necessary aid that science and scientific apparatus can give, in adequately discharging his responsibility. I am aware that the installation of an X-ray apparatus would involve considerable cost; but a small



diagnostic X-ray unit is all that is necessary to begin with in an hospital like the one at Khewra and this matter may be considered.

According to rule 4 in section III, chapter 23, of the Manual of Northern India Salt Department, the mining community in Khewra is entitled to free medical relief, including visits to their homes by the doctor in charge of the hospital. During the course of the proceedings it has been alleged that a fee was being charged by the doctor during such visits and that when in the absence of the doctor the compounder's services were requisitioned, he also levied a small fee. Subsequently, however, it was stated that although a previous doctor and compounder were in the habit of charging fees, at present no fee was being charged. The Assistant Surgeon who was examined denied receiving any fees from the miners when he visited their homes which, however, he seldom does.

From such enquiries as I have been able to make, I understand that no effort is being made to trace cases of sickness in the mining community or to follow up cases of those who spend some time in the hospital and find it necessary to discontinue as in-patients for some reason or the other. The doctor in charge of the hospital was examined on this point. It appears that, except for purposes of sanitary inspections, he hardly ever visits the workers' settlements. The hospital at Khewra is intended primarily for the medical relief of a small mining community and it is reasonable to suggest that it should be the endeavour of the doctor in charge to see to it that the community takes the maximum advantage of the medical facilities provided by the Department.

At page 23 of the Annual Administration Report of the Central Excises and Salt Department, Northern India, for the year 1938-39, it has been stated as follows :

"Nevertheless, it must be admitted that the services of the Lady Sub-Assistant Surgeon are not yet being fully utilised by the community in general. Such efforts as are practicable continue to be made to induce a generally backward and conservative population to make proper use of the services of this Lady Doctor."

From enquiries made, I understand that the maternity ward is very poorly patronised the reason being conservatism on the part of the mining community. I enquired of the Department whether the Lady Doctor was visiting the homes of the workers and inducing the women folk of the community to take advantage of the maternity ward and of the hospital but was informed that owing to certain technical difficulties of a departmental character she was not doing so. It seems a pity that the Department having engaged a full-time Lady Doctor should not be able to give the benefit of her services fully to the mining community because of difficulties of a "technical character". As regards the conservatism of the community concerned, although this may be more marked at Khewra than is to be found among working class communities in other provinces in India, speaking from experience in Bombay, it

can, I think, be stated without fear of contradiction, that if a proper approach is made, much of such conservatism can be eradicated. In Bombay City, for instance, within the space of less than 20 years, the proportion of the wives of industrial workers patronising maternity hospitals has gone up enormously.

### Water Supply.

The representatives of labour made bitter complaints regarding the scarcity of water, especially in the summer months, and during my inspections of the various settlements these complaints were confirmed by the miners themselves. This seems to be a long-standing grievance because when the Royal Commission on Labour in India visited Khewra in 1929, scarcity of water was one of the major grievances of the miners. It is admitted by the Department that water in Khewra is not plentiful but they consider that enough is being supplied. According to the figures supplied by the Department, it would appear that the measured inflow into the reservoir on 9th May 1940 was 1,15,200 gallons out of which 16,000 gallons were being supplied to private parties such as the Alkali and Chemical Corporation of India, the railway, Post Office, etc., 10,000 gallons per day were being utilised for gardens and the supply made available to the mining community was about 75,000 gallons or 15 gallons *per capita*. The Labour Union however contended on the basis of certain actual tests which they stated they had taken that the miners were not getting more than five to six gallons per day. The representatives of labour were also of the opinion that until the miners were ensured of an adequate supply of water, the Department ought not to provide water to private parties such as the Alkali Corporation.

While I can appreciate the difficulties of the Department in having to incur large capital expenditure to get a more plentiful supply of drinking water, it seems desirable that, there should be no ground for complaint in regard to an elementary need of human life like water. It was stated on behalf of the Department that there was a lot of wastage of water at the communal taps provided in the various settlements and also that persons working in Dandot and others employed on construction work of the Alkali Corporation who were staying in the miners' settlements were adding to their difficulties regarding the adequacy of the water supply. Enquiries made at Dandot, however, showed that not many workers from the Dandot Cement Factory were staying at Khewra. I am inclined to agree with the contention of the representatives of labour that until an adequate supply of water is ensured to the mining community, the Department should not supply water to other private parties. The question, however, of supplying water to the Alkali Corporation will not arise in the future as that Corporation has already made its arrangements for getting its own water supply and expects to get it very shortly.

It has been admitted by the Department that, while taken as a whole, the supply of water is not inadequate, there is a certain amount of maldistribution as between the various settlements and mohallas. This is a matter which requires to be looked into immediately. I noticed during my inspection of the villages, especially the Old Village, that the women folk had to carry water in vessels on their heads over long distances, often over steep, craggy and difficult inclines. In my view there is good and sufficient reason for adding immediately to the number of places where taps have been installed in the villages.

Another complaint of the miners was that the tanks in which water is stored get very hot during summer months. The representatives of the Department agreed that that was so. It would appear that if the storage tanks are built either of cement or stone instead of corrugated iron, it would be possible to supply cool water during summer. This should, I think, be noted for future guidance.

There were complaints also regarding the inadequacy of the supply of water in the mine itself. This is a grievance which it should be possible for the Department to redress immediately by providing four or five truck loads of water instead of only two as at present.

I am satisfied, on the whole, that the grievance of the miners in regard to water supply is well founded and I would recommend that very early steps should be taken to remove this grievance.

#### **Education.**

The present position as regards the educational facilities afforded to the mining community at Khewra is as follows: There are four schools in Khewra, the total number of scholars being 590. Only one of these is an Anglo-Vernacular Middle School while the remaining, including a Girls' School, impart primary education only which is compulsory in Khewra up to the fourth primary class. The number of scholars paying fees is 144. The scale of fees varies from Rs. 2 to Rs. 6 per month. The Department have supplied a school building to the Anglo-Vernacular Middle School and also maintain it in good condition. Moreover, they provide Rs. 1,000 per annum towards the maintenance of the school. They have provided a school building for the primary school on the Eastern Hill while in the case of the Girls' School, the Department have supplied a school building but charge a monthly rental. The Union in their memorandum have represented that (a) the Middle School should be raised to a High School; (b) industrial classes should be started to train up the children of miners as technicians and mining supervisors; (c) stipends should be granted by the Department to miners' children to enable them to obtain higher education in the mining industry; (d) the Girls' School should be provided with a purdah wall; and (e) the Girls' School should be made into a Middle School and a good building provided for it.

During the course of the present enquiry I visited the Anglo-Vernacular Middle School in the New Village and also the Primary School on the Eastern Hill and had the advantage of having discussions with the school masters in charge. I gathered the impression from them that the children of the mining community were an intelligent lot, regular in attendance, keen on their work and most anxious to learn. Both the school masters as also numerous miners and a few gangmen and lambardars with whom I had opportunity of discussing the subject of educational facilities seemed unanimous in the opinion that there should be a High School in Khewra for the education of the children of the mining community. It was stated that the nearest town from Khewra where a miner could send his son to a High School is Pind Dadan Khan, which is about five miles from Khewra. Thus, if a miner wished to give High School education to his son, either the child would have to walk ten miles every day or be kept at some other town. This would involve a monthly expenditure of Rs. 10 to Rs. 15 which it would be quite impossible for an average miner to incur.

From the evidence before me it appears that the establishment of a High School in Khewra is an urgent necessity. It was stated, however, on behalf of the Department that the question of raising the standard of the Middle School to Matriculation standard was taken up by the Department on more than one occasion with the educational authorities but the reply received was that as a Government High School already existed at Pind Dadan Khan, which is only five miles away from Khewra, according to the established educational policy no two high schools could exist within a radius of ten miles. This policy must have been devised in order to avoid overlapping; but special cases need special measures. It seems obvious that, where, as in the case of Khewra, there is a real need for the establishment of a High School, departmental rules should not be allowed to deny facilities for learning to any community and least of all a working class community like the miners. It is to be hoped, therefore, that the Department will vigorously take up this question with the authorities concerned and will refuse to accept a failure.

In the Department's memorandum it has been stated that provision of better educational facilities, especially technical education, is a matter for the consideration of the Provincial Government. Although the representatives of labour have pressed for technical education for the miners' children, I am not quite satisfied that this matter is very urgent in view of the fact that such training as is required for work in the mine is received by the miners' children by working as assistants of the registered miners.

#### **Housing and House-building Advances.**

The Union in their memorandum have stated that Government formerly gave non-recoverable advances to miners for house-building; but the advances being given now are being recovered with interest and have asked that "free houses should be provided for

the miners in view of the loss they have suffered by giving up their old homes and re-establishing themselves in the new town". The Association, on the other hand, have submitted as follows :

- (a) That compensation should be granted to those miners whose houses have been damaged or rendered uninhabitable on account of mining operations ;
- (b) That the loans of those miners whose houses were damaged or rendered uninhabitable on account of the mining operations should be remitted ; and
- (c) That no interest should be charged on the above-mentioned loans and that already charged and paid should be remitted.

The Department's original memorandum contained no observations on this subject.

In order to understand the housing position in Khewra, I visited all the settlements and also requested the Department to furnish me with a note relating to the number of houses, the number of cases in which advances were given, the nature of the advances granted, etc.

There are five Miners' Settlements in Khewra containing slightly over 1,200 houses owned by the miners or their relatives. The land on which the miners' settlements are situated, belongs to Government, but has been given to them on lease to prevent acquisition by adverse possession of rights of ownership or occupancy. In all, 428 miners have been given house-building advances. These advances fall into four distinct categories :

(1) *Non-recoverable house-building grants*.—These grants were made to all persons, whether miners or not, whose houses collapsed owing to a subsidence at Khewra. The amount of the grant was Rs. 500 or Rs. 250 per room to a miner or a person of similar status and Rs. 600 or Rs. 300 per room to a gangman or a person of similar status ;

(2) *Partly non-recoverable and partly recoverable grants (free of interest)*.—On a further examination of the damage done by the subsidence it was found that there were still some houses occupied by the miners which they felt still lay in the danger zone—there were about 25 such cases. The Government of India granted an advance in each case of Rs. 500 of which Rs. 400 were recovered free of interest in five years ;

(3) *Recoverable grants (free of interest)*.—Householders who had evacuated the danger zone and built new houses on the Eastern Hill but had not received any compensation were granted advances of Rs. 500 each recoverable free of interest in five years ;

(4) *Recoverable grants (interest bearing)*.—These advances were given to those who desired to build houses in the New Settlement but could not afford to do so for lack of funds. The amount of advance in each case was limited to the maximum

of the total pay drawn by the person concerned during the preceding 12 months and was to be recovered in not more than 48 monthly instalments plus the instalments on account of interest.

The total amount paid by way of non-recoverable housing grants was Rs. 65,100, partly non-recoverable and partly recoverable Rs. 7,600, recoverable (free of interest) Rs. 35,750, and recoverable (interest bearing) Rs. 91,304. It will thus be seen that the Government of India have paid over Rs. 70,000 to the miners by way of house-building grants and that this amount has not been recovered from them while they have also advanced over a lakh and a quarter of rupees by way of advances which are recoverable either with or without interest.

During my visits to the miners' New Settlements, particularly the New *Abadi*, it was freely alleged by the miners that they were compelled to build larger houses than they could afford and therefore in addition to the advances taken by them from Government they had to borrow money from money-lenders. They further alleged that owing to this, many of the houses had been mortgaged to money-lenders, some of which have been attached. These allegations were, in material particulars, repeated by the representatives of the workers before the Court.

The first point for determination is: "Why have the miners built such commodious and pretentious dwellings, especially in the New Settlement? Is it because of personal choice or due to any rules or regulations which they had to obey?" The representative of the Department denied that the Department had compelled the miners to build more expensive houses than required by them.

In order to be in a position to reconcile these conflicting versions, the Court requested the Department to furnish it with a copy of the Rules relating to the minimum specifications laid down. These rules\* have been reproduced in Appendix VII.† It will be seen that the Department insisted on (a) one living room with a minimum height of 12 feet, (b) a kitchen, (c) a godown for storing grain, and (d) a cattle shed.

The average dwelling in the New Settlement more or less conforms to these specifications, although there are some houses containing much larger accommodation.

I was informed by the miners that on an average the miner's dwelling in the New Village has cost him anything between Rs. 700 to Rs. 1,000 out of which he received Rs. 384 by way of advance from Government and the rest he had to borrow from a money-lender. At my request the Department have furnished me

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\* In regard to these rules I was subsequently informed by the Department as follows: These rules were framed in accordance with the suggestions of the Public Health Department. They are not strictly followed and the miners are not punished if they do not follow these rules. It is in their own interest to keep ventilators and have a separate cowshed and a separate grain godown, etc. There is no restriction as to the number of rooms they should build.

† Not printed.

with an estimate of the cost of a house built according to their specifications which comes to Rs. 431. I have had this estimate examined by persons with experience of building costs in Khewra and am advised that it is a gross under-estimate. Two money-lenders who were examined on the question of the indebtedness of the miners stated that the rate of interest charged was Rs. 1-9-0 per cent. per month or nearly 19 per cent. per annum, and that many of the miners had borrowed money from them for house-building. Thus, by the time the miner had repaid his instalments to Government within a period of five years his debt to the money-lender would be almost doubled unless he had been able to repay his instalments to the money-lender as well, which is not very likely. The net result, therefore, is that in spite of the non-recoverable and recoverable advances given by the Department which total up to nearly two lakhs of rupees, many of the miners, especially those in the New Settlement, have become indebted to the money-lenders and some have either lost ownership of their houses or will do so in the near future.

Whatever the reasons which induced the Department to make irrecoverable advances which amount to over Rs. 70,000, I cannot help owing to a feeling that it would have been much more in the interest of the Department and of the miners as well if the same money had been spent for the purpose of building houses for the miners and letting them out for a nominal rent to cover the expenses of maintenance and repairs. As a matter of fact, in most places where no alternative housing is available, employers both Government and private, build suitable quarters for their employees and let them out either at an economic rent or for a percentage of the salary or in the case of the poor classes of their employees either at a nominal rent or rent free. This would be cheaper from the point of view of Government in the long run.

The recoverable advances granted to the miners have been made repayable within a period of five years. The monthly instalment comes to about Rs. 8 which constitutes nearly 25 per cent. of the miner's income. This, it was stated by the representatives of labour, was indeed too heavy a deduction and had had the effect of forcing the individual concerned to borrow money to meet his daily needs. It was therefore urged on behalf of the miners that repayment of advances should be spread over a longer period than five years. In Bombay, where the Bombay Development Department has granted advances for house-building purposes mostly to the lower and the upper middle classes, the amount advanced is repayable within a period of 15 years. I would therefore recommend that in future if any house-building advances are to be granted at Khewra, the repayment should be spread over a much longer period than five years.

The representatives of labour have urged that no interest should be charged on house-building advances. In view of the fact that no alternative housing is available in Khewra and taking into con-

sideration the reasons which have necessitated the grant of house-building advances, it seems desirable that these advances should bear only nominal interest, if any.

After a very careful consideration of the housing problem in Khewra, I have come to the conclusion, that, in dealing with it the Department will have to adopt a long range policy in order to safeguard their own interests no less than those of the miners themselves.

## CHAPTER V. WORKMEN'S COMPENSATION.

### Sixth Term of Reference.

The Term of Reference on this subject reads as follows :—

*Are the present arrangements satisfactory for—*

- (a) *ascertaining the amount of compensation payable to miners in cases of accident, and*
- (b) *paying the amount when ascertained ?*

I approach this Term of Reference with a certain amount of diffidence because both in the original memoranda of the two unions and also during the course of the oral evidence serious allegations have been made against the Department not only in regard to the methods followed for determining the amount of compensation and paying it, but also in regard to the general policy and outlook of the Department in this matter. Considerable evidence has been led on this subject which has, instead of simplifying my task, made it more difficult.

Theoretically, the recovery of compensation under the Workmen's Compensation Act is a statutory right conferred on the worker and the payment of such compensation is a statutory obligation imposed on the Department. If, therefore, the workers have any grievances in this matter such as no payment or underpayment, it is open to them to invoke the remedies provided by the Act. Such a line of approach is however, hardly helpful and has to be discarded because of the illiteracy and ignorance of the community with which we are concerned in the present enquiry and also because of the fact that there is always lurking in the workman's mind a fear that even by merely exercising his legal rights against his employer, he would be incurring the latter's displeasure. I propose in the following paragraphs to consider the various grievances put forward by the labour unions and to examine them in the light of the available evidence.

According to the Department's memorandum "the present arrangements for ascertaining the amount of compensation payable to miners in cases of accident are considered satisfactory. The amount of compensation is assessed on the basis of recommendations made by the Assistant Surgeon, Khewra, who is the medical officer in the station. In case of doubt, which seldom



occurs, further recommendation is sought from the Civil Surgeon of the District. In case of dispute, an appeal can be made to the Commissioner under the Workmen's Compensation Act. The amount of compensation is calculated strictly in accordance with the Workmen's Compensation Act on the basis of medical reports. The amount of compensation, when ascertained, is sanctioned by the competent authority as expeditiously as possible and payment made to the injured without avoidable delay through the District Magistrate under the provisions of the Act."

The unions in their memoranda have stated that the present arrangements for ascertaining the amount of compensation and paying it are unsatisfactory. They have alleged that in some cases compensation is not paid in full "and matters are compromised". They have asked that the Department should accept liability for the payment of compensation to unregistered miners working along with the registered miners.

It appeared from the evidence of the witnesses examined during the proceedings that the main grievances of the miners in regard to workmen's compensation were as follows :—

- (1) Non-payment of compensation even when due.
- (2) Under-payment of compensation.
- (3) Failure on the part of the management to explain the memoranda of agreements to the miners concerned.
- (4) Use of pressure on the part of the Department to compel the miners to sign agreements.
- (5) Imposition of penalties on workers claiming more compensation or refusing to sign agreements.
- (6) Delay in the payment of compensation.
- (7) Failure to pay compensation to miners' assistants and recovery of compensation in such cases from the miners.
- (8) Department's unhelpful attitude in the matter generally.

The unions brought as witnesses certain miners who had themselves met with accidents or had to pay compensation to their assistants; few of these cases were, however, comparatively recent. Apart from this, it is not possible for the Court either to sit in judgment over the decisions of the Commissioner for Workmen's Compensation or to review cases in regard to which there are already registered agreements. In regard to the grievances enumerated above, I think that the most helpful way of dealing with them would be not to dwell on the past but to consider ways and means whereby no room would be left in the future for such grievances to arise.

While, as stated above, I do not propose to go into the details of the payments made to the witnesses who have given evidence before me, I may refer, to what appears to have been a case of under-payment of compensation, namely, the case of one Nawab Ali, miner No. 32/18, who gave evidence before the Court. In this case the miner was offered by the Department compensation amounting to Rs. 252 whereas it was stated on behalf of the union that on the same facts, the Commissioner for Workmen's Compensation, Jhelum, awarded Rs. 302. The Department have remarked on this case as follows : The amount of Rs. 302 "includes Rs. 50 paid as a result of compromise suggested by Government Pleader, Jhelum."

According to a statement made before the Court by the Mine Manager, the procedure followed by the Department in determining the amount of compensation and in making the payment is as follows : The Mine Manager receives verbal reports of accident cases which are followed up in writing by the injured person or his relative. The Mine Inspector writes the accident reports and the Mine Manager checks them and passes them on to the Assistant Surgeon, Khewra, who completes the form and returns it to him. It is then sent to the Chief Mining Engineer's office for being put on the proper file. If the accident is serious or fatal, form No. 9\* is filled up and sent to the Chief Inspector of Mines, through the District Magistrate, who was until recently the Workmen's Compensation Commissioner. The Assistant Surgeon classifies the accident as simple, serious or fatal. Usually every miner knows how to claim compensation. If, however, any man comes to the Mine Manager for help, he gives it. Whenever any miner has come to him for help, he has received it; but such cases have not been frequent. Until the treatment is complete, the Assistant Surgeon does not generally give his opinion on the nature of the injury. When he is in doubt he takes time. The Doctor's report is then sent to the Chief Mining Engineer's office. By that time it can be presumed that the man has applied for compensation. Applications for compensation are addressed to the Mine Manager or to the Chief Mining Engineer. The file is then sent by the Chief Mining Engineer's office to the Mine office for calculation of the injured person's earnings and at the same time the Assistant Surgeon is asked to let them know the percentage of disability, *i.e.*, whether it is permanent, partial, etc. When the required information is received, the General Branch works out the compensation payable which is checked by audit. The head of the office is the Chief Mining Engineer, whose duty it is to see that full amount of compensation is paid according to the Act. If the amount payable is more than Rs. 100, the case has to go for sanction to the Collector of Salt Revenue whose office

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\*This is a form prescribed under the Indian Mines Act.

is in Delhi. The Collector's office generally accepts the facts of the case. The Mine Manager does not personally explain the terms of the agreement to the party concerned.

The Chief Mining Engineer stated before the Court that the duty of explaining the agreements to the injured persons fell to the Mine Manager. It will be seen, however, from the above statement that the Mine Manager does not personally attend to this matter. Nor does it appear that the Mine Inspector explain the terms of the agreements to the injured workmen because when examined as a witness he stated that it was a part of his duty to notify to the Manager if an accident occurs and also to convey all orders to the miners orally and take their thumb impressions, and that he had never conveyed any orders in regard to any workmen's compensation case although during the last one year, for which he has been working in this capacity, there have been 20 such cases. He also admitted that he had not read the Workmen's Compensation Act. In reply to a question by the Court, the Chief Mining Engineer stated that he did not make payments with his own hands and that he was only concerned up to the time the amount of compensation was worked out and that afterwards it was not his business to see how the amount was actually paid out.

Although the Chief Mining Engineer admitted that he was solely responsible for the proper assessment of the amount of compensation and for its payment, it is in evidence that at no stage does he himself enquire personally into the matter or make the payment to the workers concerned. A compensation case is treated like any other office file and the impression left on my mind was that it was nobody's business to explain to the worker concerned his rights under the Act, or to enquire whether he was satisfied with the amount which was being recommended by way of compensation or to read out to him the agreement which he was being asked to sign or even to ascertain whether he had received the amount mentioned in the agreement. It is true that the Workmen's Compensation Act does not impose on the employer the obligation to explain the contents of an agreement to the person claiming compensation. If labour is well organized, as at Ahmedabad, the union would undertake to give the necessary assistance in such matters. The unions at Khewra are apparently not in a position to help the miners in this respect. And I therefore feel that the employer in this case being a Government Department, it would not be unreasonable to expect that it should give the necessary facilities to the workers to make them understand their rights under the Act and to assist them to exercise those rights. I would, therefore, recommend that whenever an accident falling under the Workmen's Compensation Act occurs, a gazetted officer of the Department should be detailed to take

charge of the case from start to finish and I would even go so far as to suggest that in case the injured workman wished to contest the claim before the Commissioner for Workmen's Compensation, the Department should give him all the assistance that might be required.

### Disciplinary Action.

Some witnesses who were examined on this point alleged that if a miner refused to sign the memorandum of agreement drawn up by the Department, disciplinary action was taken. The representative of the Department denied this allegation but stated that if a miner refused to thumb impress any document which was read out to him, disciplinary action was taken. In this connection I quote below the statements made by two witnesses and the explanation offered by the representative of the Department.

One witness, namely, Fazal Mahomed, son of Nawab, registered miner No. 22/26, stated as follows:—

He had met with an accident some three years ago when he was blasting. He fell down and received injuries. He remained in the hospital for about one month and after that he was treated as an out-door patient. He applied for compensation but was not paid. He was asked to thumb impress a document to the effect that he was not entitled to any compensation. Later on his miner's book was forfeited for a month or so which was subsequently restored to him. The following is the explanation given by the Chief Mining Engineer in regard to this case: "Disciplinary action was taken in this case on account of the man's refusal to acknowledge an explanation made by the Mine Inspector. Disobedience in respect of any matter involving a refusal by a man to acknowledge an order or explanation is considered insubordination and thumb impressions on orders or explanations given are taken as a matter of course for the protection of the Government staff. In this particular case the miner was suspended for a few days only from 14th September 1937 to 22nd September 1937 and suffered absolutely no loss." The other case relates to Hayat Mohamed, son of Khuda Bux, miner No. 4/20, who made the following statement before the Court:—

His son met with an accident in the mine and was killed.

After the accident he was in the hospital for nine days when he died. His son was a certified labourer, i.e., an unregistered miner. He applied for compensation to the Department but no action was taken. Then he applied to the Deputy Commissioner, Jhelum. He refused to thumb impress a document and therefore he was not allowed to work in the mine for six months.

The Department's reply to this allegation was as follows :--

“Having had the facts of the case explained to him, the person (not the injured person in this case) refused to acknowledge in the usual manner that he had the case explained to him. This is regarded as insubordination and disciplinary action was taken against the person concerned.”

There were one or two other similar cases but the explanation of the representative of the Department was that disciplinary action was taken not because the miner concerned refused to accept the compensation that was being offered but because he broke a departmental rule in refusing to put his thumb impression to a document when asked to do so.

The above procedure of obtaining thumb impressions, whatever its necessity or justification in other cases, might be held to amount, when applied in the case of agreements relating to workmen's compensation, to coercion of the worker concerned. In this connection I would invite attention to the proviso to section 23 of the Workmen's Compensation Act which empowers the Commissioner to refuse to record a memorandum of agreement if it appears to him that an agreement has been obtained by undue influence or other improper means. When the workman is not willing to accept the amount offered the correct procedure to follow would be to advise him to apply to the Commissioner for Workmen's Compensation and assist him to do so. I have no doubt that the procedure adopted by the Department in this matter has led to much misunderstanding and dissatisfaction among the workers. I would, therefore, recommend that this procedure may be abolished immediately.

It was suggested on behalf of the union that if the party to whom compensation has been granted is asked to sign an agreement, its contents should be explained to him in the presence of a lumbaradar or a gangman and one of his relatives, if available. I agree with the suggestion and would recommend that it would be in the interest of the Department itself to adopt this practice so as to leave no room for allegations of coercion in future.

During the course of the oral proceedings the representative of the Department was asked whether any special efforts had been made to bring to the notice of the miners the provisions of the Workmen's Compensation Act. It appears that no such efforts have been made. In this connection it may be stated that the Royal Commission on Labour in India has made the following recommendation :—

Pamphlets summarising the provisions of Workmen's Compensation Act should be made available to workmen and, if the Act is substantially amended.

steps should be taken to diffuse information of the amended law.\*

Several provinces in India have implemented this recommendation and in Bombay pamphlets summarising the provisions of the Act have been printed in four principal vernaculars and supplied gratis. It would appear from the report showing the action taken by the Central and Provincial Governments on the recommendations made by the Commission that the Punjab has also accepted the Commission's recommendation. I would, therefore, suggest that early enquiries should be made into this matter and if the Punjab Government have not taken any action, the Department should themselves compile a pamphlet in the vernacular and distribute it widely among the miners.

#### Delays.

It has been stated by certain witnesses who appeared before the Court on behalf of the Union, that claims for compensation are not expeditiously settled. In regard to the case of Noor Mahomed, son of Khuda Baksh, who alleged that there had been very great delay in the payment of compensation, the Department were good enough to supply me with a detailed note showing the causes of the delay. In this particular case the date of the accident was 16th April 1940 while the application for compensation which was dated 19th May 1940 was received in the Mine Office on 3rd June 1940. The Assistant Surgeon was not quite clear in his mind as to the nature of the injury and had to submit the applicant to seven medical examinations. His final report on the case was received on 27th November 1940 and compensation was ultimately paid on 4th March 1941. The Department's explanation is that delay in payment was due to the uncertainties in the case and to the several medical examinations to which the injured person had to subject himself.

Another case of delay for which the Department is not responsible, but which has been brought to my notice, was in regard to Mahomed Hayat, son of Khuda Baksh, in regard to an accident which occurred on 7th July 1937. His application was sent by the Workmen's Compensation Commissioner to the Sub-Divisional Officer, Pind Dadan Khan on 6th November 1937. The Sub-Divisional Officer, Pind Dadan Khan, sent a detailed report on 22nd November 1936. The final order in this case was passed by the Commissioner for Workmen's Compensation on 28th September 1939. From the two cases cited above it would appear that the allegations regarding delays are not entirely unfounded. However, if half-monthly payments as provided for in the Act

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\*Report of the Royal Commission on Labour in India, page 310.

are made to injured workmen pending the final settlement of their claims, this grievance may be removed to a considerable extent.

#### **Miners' Assistants.**

From the statement of accident cases furnished by the Department for the last few years, it is seen that in a number of cases the miners were made liable for the payment of compensation for the accidents met with by their assistants. Both the Union and the Association claim that the Department are liable for the payment of compensation to assistants who meet with accidents in the mine and that the Department have been unjust in shifting their liability to the miner and deducting the amount of compensation from his wages.

It was admitted on behalf of the Department that if a miner's assistant met with an accident, the miner was made to pay compensation because "the person, for whose trade or business they (the assistants) work, are the registered miners (real employers)". The Department's contention is that they are not liable to pay compensation to the miners' assistants because (a) they are not the direct employees of the Department; (b) they are paid by the miners themselves; (c) although the miners are the direct employees of the Department they are in the position of contractors so far as liability for compensation to their assistants is concerned; and (d) the Department take a written undertaking from the miners absolving them of any responsibility under the Workmen's Compensation Act and the Mines Act in regard to these men.

It is in evidence that the Department accept liability under the Workmen's Compensation Act in regard to the miners themselves by treating them as being 'workmen' within the meaning of the Act. That being so, the question arises whether the Department are justified in considering the miners as 'workmen' for one purpose and independent contractors for others.

In the section of this report dealing with the first two Terms of Reference, the method of wage payment to the miners at Khewra has been fully described from which it is seen that the miner pays the wages of his assistants and that while the miner himself works for about 15 days in a shift he requires assistance for about six days per shift. Incidentally, it may be noted that the assistants are usually the miners' relatives and that the same set of assistants help the miners from shift to shift and that new persons unknown to the miners are not usually employed. Moreover, the miners' assistants are also regarded by the Department as potential full-fledged miners and the particulars regarding their names, ages, attendance, etc., are shown in the mine books.

My attention has been drawn to a judgment given by the Commissioner for Workmen's Compensation, Jhelum, in the case of Mahomed Akbar, son of Mahomed Hayat, in which the learned Commissioner has held as follows: "Mahomed Akbar cannot be said to be a workman in the terms of the Act for the following reasons: (a) He was a casual labourer and not employed on monthly wages not exceeding Rs. 300 per month. It was his uncle, Dost Mahomed, who had taken him to the mines as a casual labourer. The record of Dost Mahomed's attendance clearly showed that Mahomed Akbar did not work more than (as) a casual labourer. To cite a few instances, Mahomed Akbar worked only four days in March, four days in April, 10 days in May, 16 days in June and five days in July. In the register too he was shown as a labourer. (b) As already pointed out Mahomed Akbar was never employed by the Salt Department.

"It is obvious that in view of the foregoing considerations, Mahomed Akbar cannot be held to be a workman as defined by the Workmen's Compensation Act."

In this connection I have to invite attention to the definition of "workman" under section 2 (1) (n) of the Act which is as follows:—

"Workman" means any person (other than a person whose employment is of a casual nature and who is employed otherwise than for the purposes of the employer's trade or business) who is either a railway servant or is employed on monthly wages not exceeding Rs. 300 in any such capacity as is specified in Schedule II. Clause 5 of Schedule II covers employees in mines and refers to section 3 (f) of the Indian Mines Act.

According to section 3 (d) of the Indian Mines Act, 1923, "a person is said to be 'employed' in a mine who works under appointment by or with the knowledge of the manager whether for wages or not, in any mining operation, or in cleaning or oiling any part of any machinery used in or about the mine, or in any other kind of work whatsoever incidental to, or connected with, mining operations."

With regard to the exception referred to in section 2 (1) (n) of the Act, as Sir Andrew Clow has pointed out, there are two conditions both of which must be satisfied before this exception becomes operative. "The worker must be engaged on casual work and he must also be employed otherwise than for the purpose of his employer's trade or business".\* Moreover, it is in evidence that the Department have called upon certain miners (*vide case*

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\*P. 20, para. 52 of Sir A. G. Clow's Commentary.



of Firoz Khan, son of Sahib Dat) to pay compensation to their assistants and recovered the amount from their wages, thereby admitting that miners' assistants are workmen within the meaning of the Workmen's Compensation Act.

The section dealing with contracting is section 12 (1) and (2) of the Workmen's Compensation Act which reads as follows: "Where any person (hereinafter in this section referred to as the principal) in the course of or for the purposes of his trade or business contracts with any other person (hereinafter in this section referred to as the contractor) for the execution by or under the contractor of the whole or any part of any work which is ordinarily part of the trade or business of the principal, the principal shall be liable to pay to any workman employed in the execution of the work any compensation which he would have been liable to pay if that workman had been immediately employed by him; and where compensation is claimed from the principal, this Act shall apply as if references to the principal were substituted for references to the employer, except that the amount of compensation shall be calculated with reference to the wages of the workman under the employer by whom he is immediately employed."

"Where the principal is liable to pay compensation under this section, he shall be entitled to be indemnified by the contractor or any other person from whom the workman could have recovered compensation and where a contractor who is himself a principal is liable to pay compensation or to indemnify a principal under this section he shall be entitled to be indemnified by any person standing to him in the relation of a contractor from whom the workman could have recovered compensation and all questions as to the right to and the amount of any such indemnity shall, in default of agreement, be settled by the Commissioner."

It will be seen from the above that the position is by no means free from doubt and in view of the legal issues involved, I would suggest that the Department should immediately seek expert legal advice on the following questions: (a) whether the miners' assistants are workmen within the meaning of the Workmen's Compensation Act, and (b) if they are, who is liable to pay compensation, the Department or the miners.

If it is found either that (a) the assistants are not workmen within the meaning of the Workmen's Compensation Act, or (b) although they are, the responsibility for the payment of compensation devolves on the miners and not on the Department, a difficult situation would arise. As regards (a), the risk to life and limb incidental to work in a mine such as the salt mines at Khewra is much greater than in many other occupations covered by the Workmen's Compensation Act and it would be hard on the miners assistants should it be found that they are not

entitled to the benefits under the Workmen's Compensation Act. As regards (b), if it is held that the assistants are covered by the Act but that the liability is of the miner, it will be equally hard on the miner who is in receipt of an income of about Rs. 30 per month for a period of about 10 months in the year that he should have to carry the burden of paying compensation for accidents. Moreover, in the case of fatal accidents where the liability may amount to a large sum of money, the miner, because of his economic position, may not be capable of discharging his liability under the Act. And one might well doubt whether the legislature ever contemplated that the miner should be liable in this manner.

All things considered, it is obvious, I think, that it is undesirable that the miner should be saddled with this responsibility and whatever the legal position in this matter, it is clear that an early opportunity should be taken by the Department of employing, if necessary, the miners' assistants direct and also paying them direct. There is no doubt that the Department would be able to exercise better supervision and control over these assistants if they were their direct employees. In their oral evidence the representatives of labour agreed to the direct employment of assistants by the Department and to a suitable adjustment being made in the tub rate. The Department's view is that direct employment of assistants may lead to difficulties of a practical nature. I cannot myself visualise any insuperable difficulties because it should not be a difficult matter for the authorities to determine the number of assistants required and allot them to the different gangs. But even if there are difficulties of a practical character, these should be faced.

#### **Deductions for Hospital Diet.**

I have seen the record of two cases in which it appears that from the compensation granted the cost of the food supplied while the injured person was in hospital has been deducted. In one case the diet charges amounted to Rs. 8 or the whole of the amount awarded as compensation and in another Rs. 15 or the whole of the amount awarded as half-monthly payment.

According to section 4(1) D of the Workmen's Compensation Act, the employer can only deduct from the amount of compensation due the amount which the workman may have received from the employer. But apart from the legal aspect of the question, when the Department is maintaining a free hospital at a considerable cost it should be possible to supply an injured miner with free diet while he is under treatment.

It is to be noted that while on the Railways full injury pay for the entire period of the injury is given,\* the practice in Khewra appears to be to make a deduction for the waiting period.

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\* Report of the Railway Court of Enquiry, 1941, Vol. I, page, 132.

During the final arguments, counsel for the Union pleaded that the Department as a fair employer should do everything possible to assist the miners to recover compensation under the Act. I support this request and the suggestion already made by me elsewhere in this Chapter for the appointment of a gazetted officer to take charge of such cases should go a long way in achieving this result. It was also suggested that as Jhelum is some distance away from Khewra, arrangements should, if possible, be made to empower the Subordinate Judge at Pind Dadan Khan to try cases under the Workmen's Compensation Act. I agree with this suggestion and would recommend that the Central Government should approach the Government of the Punjab with a request that the Subordinate Judge at Pind Dadan Khan should be appointed Commissioner for Workmen's Compensation. Such an arrangement would be very helpful to the miners because Pind Dadan Khan is only five miles from Khewra and there is constant communication between these two places. Moreover, such an arrangement would also save certain delays which occur in cases in which the Workmen's Compensation Commissioner at Jhelum has to send them for report to the Sub-Divisional Officer at Pind Dadan Khan.

## CHAPTER VI.

### LABOUR ORGANIZATION.

#### Seventh Term of Reference.

This Term of Reference reads as follows :—

*What steps, if any, can be taken to end the conflicts between the rival labour groups with a view to creating a healthier atmosphere at Khewra ?*

I have interpreted the words 'rival labour groups' as indicating the two rival trade unions in Khewra, namely, the Punjab Miners' Labour Union and the Salt Miners' Labour Association, Khewra.

In their memorandum the Department have stated that "the trade union movement at Khewra has never really flourished and indeed it is doubtful whether at any time it has succeeded in capturing the imagination of the main body of the workers. The administration of the unions is in the hands of a small body of men who, for the most part, are illiterate. As usual politics enter largely into their deliberations and, particularly in the case of the Association, govern their actions. At present the rival factions are split along lines of politics and deep-rooted personal enmity of long-standing." The solution suggested by the Department is as follows : "The first step is to persuade the unions to give up their separate existence and to hold a joint election under the auspices of some impartial authority."

Briefly stated, the view of the Union is : The Union being an older body and recognised by Government, it is open to the members of the Association to join it and submit to its constitution and take their chance at the elections for purposes of holding office. The Union, however, would not tolerate any unconstitutional or subversive action on the part of any member and would insist that the members of the Association should sign a pledge to this effect before entering the Union.

The Association in their original memorandum stated as follows : "That one step and only one step is sufficient to end the conflict between the rival labour groups with a view to creating a healthier atmosphere at Khewra and that step is to order a general election of the Salt Miners' Labour Union. On this general election, this Association is prepared to dissolve itself and thus work in the Union."

Soon after the proceedings commenced, Mr. Ghani, counsel for the Association, wrote to me and requested that I should preside over a general election of the mining community which should be immediately held and that unless this were done, the Association might withdraw from the Inquiry. There is no doubt that the idea of a general election had "caught on" among the mining community who seemed to be under the impression, on what grounds, I do not know, that the main purpose of my visit to Khewra was to order and to hold a general election. Soon after, I met the parties informally and made it clear to them that as a Court of Inquiry I had to report to Government on my Terms of Reference and that it was no part of my duty to order elections or to preside over them. The representatives of the Department and the Union agreed with this view. The provisions of the Indian Trade Unions Act were also explained to the parties and it was made clear that since both the trade unions in Khewra were registered bodies, if they wanted either to dissolve themselves or to amalgamate, they would have to follow certain procedure before thinking of any general election. In spite of this counsel for the Association continually insisted on my holding a general election and on one day withdrew from the Inquiry because I declined to hold an election. The next day, however, when my duties as a Court of Inquiry were again explained to him, he stated that the Association would continue to co-operate with the Court as they had done before.

According to this Term of Reference, I have to suggest what steps, if any, are practicable and desirable to end the existing conflicts between the rival labour groups with a view to creating a healthier atmosphere at Khewra. I do not therefore propose to dwell on the past except when it is necessary to do so to explain the present position.

Both the unions at Khewra, namely, the Punjab Miners' Labour Union and the Salt Miners' Labour Association have been registered under the Indian Trade Unions Act. The Union was registered in the year 1930 and was accorded recognition by the Government of India the same year. It is stated on behalf of the Union that the first disruption in the Union took place in the year 1937 when certain members were suspended from the Union on account of their unconstitutional behaviour. It is further alleged that some of these malcontents tried to seek the assistance of communists and they were therefore expelled from the Union. The Association which was formed in the year 1938 contains some of those who were formerly members of the Union but had been expelled from it. According to the Annual Report of the Registrar of Trade Unions, Punjab, for the year 1938-39, the Union had a membership of 1,570 consisting of 847 males and 723 females and their income and expenditure was Rs. 798-6-6 and Rs. 798-6-6 respectively. The Association has not been recognised by Government and the reasons for this as stated in the Department's memorandum are: (a) it does not appear to represent any substantial group of miners; (b) if recognition were accorded to both, it may lead to an increase of friction between the rival groups; and (c) the Association have resorted to unconstitutional methods in an attempt to coerce the Department into accepting their demands.

It was freely admitted on behalf of the Association that it was not any divergence of policy or principle which had led to the present conflict but that it was entirely a matter of conflict of personalities. On the other hand, the representatives of the Union stated that the conflict was due not only to conflict of personalities but also to divergence of principles.

I took the opportunity of inspecting the offices both of the Union and the Association and examined such of their record as was made available to me. A matter which continues to baffle me is as to how the Union can show a membership of 1,600 and the Association of 510 when the labour force in Khewra totals about a thousand only. The Union have failed to supply me with any convincing evidence as regards the composition of their membership. On the other hand, the Association's records seem to be better maintained and I was shown all the individual membership forms which the Union were not able to do.

While it appears that the Union's membership is not confined only to those working in the mine, the Association restrict their membership to registered miners and their assistants only. Curiously enough, a considerable portion of the record of the Union, including their original certificate of registration, is in possession of the Association. The affairs of the Union are generally managed by an individual who does not belong to

Khewra and who gets a small pay from the Union. On the other hand, the affairs of the Association are being conducted by members of the mining community, one or two of whom possess some knowledge of English.

During the course of the oral evidence on this Term of Reference, nothing much of value could be elicited from either party except that it showed how bitter were the relations between the two rival groups.

In the Department's memorandum it has been stated that the trade union movement at Khewra has really never flourished. I am inclined to endorse this view from what I have seen of the past records and the manner in which the unions are being conducted at present. In spite of the fact that the Union have enjoyed the privileged position of being a recognised association, there is very little published record of their work. Only once a quinquennial report was published and that report contains little information regarding the efforts made to redress the day-to-day grievances of the workpeople. They appear also to have given very little assistance to their members in making known to them their rights under the Workmen's Compensation Act and exercising the same. The officials of the Union were repeatedly asked to let me have a record of their work during the last few years but it was never forthcoming. The Association, on the other hand, did not mince matters and openly stated that they were merely a militant organisation whose chief object was to oust the Union and be the sole representatives of the mining community.

On 25th March 1941, when the parties addressed their final arguments to the Court, the representatives of the Union and the Association informed the Court that they had been able to reach an understanding to end the conflict between the rival labour groups at Khewra. I informed them that if that were so, they might as well file with the Court a signed agreement. The representatives of labour after brief consultation informed the Court that they were not in a position to submit to the Court a signed agreement. It appears, however, that there was common ground between the two on all essential points except that the Association wanted the Union to hold the proposed elections within a week's time or to insert in the agreement itself a penalty clause whereby if the Union failed to hold the elections immediately they would have to contribute a sum of Rs. 1,000 to a charitable institution. The representatives of the Union did not agree to the insertion of this penalty clause. I reproduce below the terms of the draft agreement which was submitted to me by the two rival bodies and to which they seemed to agree except in regard to the penalty clause.

1. That the Association will dissolve itself provided the Union allows the members of the Association who

are either registered miners or assistants to be its members. The Union will not object to the membership of any one of these persons.

2. The Association only dissolves itself on one condition that the Union by making the necessary modifications in their constitution and rules make the constitution and rules identical with the constitution and rules prevailing in the year 1928-29.
3. That the membership of the Union will be confined only to registered miners and their assistants.
4. That an electoral roll should be prepared of miners and miners' assistants and general elections held on the following lines :—

The electoral roll shall be arranged according to the 14 mohallas or sects. Each sect would be entitled to elect one person who will *ipso facto* become an office-bearer. The total of office-bearers elected would thus be 14.

5. The election in each sect should be conducted under the guidance and supervision of an independent person such as an official of Government.

It appears to me that if rapprochement could be brought about on the basis of the above agreement, it would constitute a just and an equitable basis for ending the present conflict and I would suggest that the Department should exert its influence to bring it about. However, it is obvious that there is very great mutual distrust among the leaders of the rival organisations and although it is difficult to anticipate events, if the history of trade unionism at Khewra during the last ten or twelve years is any guide to the future, it is certain that unless a trade union in that place is run by officials who themselves belong to the mining community and have the necessary education and training required to represent the grievances of the miners, there is not much hope of a trade union being run on sound trade union principles. Trade unionism in Khewra, such as it is, has been dominated throughout by outsiders and local talent has had very little scope or opportunity. I would suggest that the Union may be informed that if they do not satisfy the Department that they have made a real effort to carry out the terms and conditions agreed to by their representatives before the Court within the next three months, the question of withdrawing their recognition would have to be considered. It will then be for the Department to decide as to what channel of representation for the mining community should be devised in case the Union's recognition is taken away. One suggestion might be to revive the old nominated Miners' Committee. But judging from the Department's report for 1937-38, the Committee has never properly functioned.

Moreover, in a place where there has existed a recognised union for such a long time this would be a retrograde step. The other alternative would be to revert to the system of an elected Committee of the mining community. One of the pitfalls here is that the election of such a Committee may have to be held under the auspices of officials of the Department and however impartially such an election is conducted, there would always be room for allegations regarding favouritism shown to one party or the other. In the circumstances, therefore, if an election of the mining community is to be held, the safest course to adopt would be to arrange for some other officer of Government such as the Sub-Divisional Officer at Pind Dadan Khan to hold it. If subsequently it is found that all the elected members of the Miners' Committee belong to the executives of either of the organisations, it will then be for the Department to decide whether that organisation of the workers should be recognised. Such recognition must, however, be in accordance with the conditions of recognition laid down by the Government of India for unions of their industrial employees.

In the light of the evidence before me, I have gathered the definite impression that, the present conflict can be ended and a healthier atmosphere created at Khewra if, and only if, a channel, which is above party faction, is created for the ventilation and redress of the day-to-day grievances of the miners. In this connection, I am inclined to suggest that the experiment of appointing a Labour Officer, which has worked so well in the Province of Bombay and certain other parts of the country, might as well be tried at Khewra. The success of this experiment would, however, depend upon (1) the selection of a suitable person to fill the post, and (2) the powers given to him. As regards (1), I would suggest that the person to be selected should be a fairly well educated individual, intimately knowing the language of the miners and familiar generally with their conditions and mode of living. He must possess a good personality, must have a broad and sympathetic outlook and be capable of inspiring confidence both among the mining community and the officials of the Department as well. He should be a person of gazetted rank and capable of making his presence felt wherever he goes.

I am aware that it may not be easy directly to recruit a person of this description but it should not be a matter of much difficulty to train one as has been successfully done in various parts of the country.

The duties and responsibilities of the Labour Officer would be to investigate the complaints brought to him and if found to be genuine, on a preliminary examination, to represent them to the officer or officers concerned with the subject-matter of the complaint. In case the Labour Officer finds that the local officials are not able to meet the grievance of the worker and if he thinks that



it is one deserving of being met, he should have access to the head of the Department, namely, the Collector of Salt and Excise Revenue.

If the suggestion regarding the appointment of a Labour Officer is accepted, it would be possible to relieve the local officials of some of the onerous responsibilities entrusted to them at present. For instance, the Labour Officer can guide the miners in cases in which a claim has been made for recovering workmen's compensation for accidents met within the mines. He can look into the grievances relating to water-supply and sanitation. He can assist them generally in regard to the question of advances for house-building, etc. He should be the person in charge of the arrangements for recreation and other welfare activities and, in short, he should be the "friend, philosopher and guide" of the mining community as a whole.

I might mention that the suggestion for the appointment of Labour Officers in factories and workshops emanated from the Royal Commission on Labour in India.\* Since then, several factories and also some Governments in India have appointed Labour Officers. So far as private industry is concerned, at first these appointments were being looked at askance as it was apprehended that by creating a liaison between the workers and the managements, the effect would be to widen instead of bridging the gulf between the two. It was also feared that the appointment of Labour Officers might deal a very heavy blow to the prestige of the managements. Most of these apprehensions have, however, been belied and so far as I am aware, most employers have welcomed the institution of a Labour Officer and found it not only beneficial to labour but also to themselves. In fact, it is possible that a Labour Officer might more than pave his way because owing to his intimate knowledge of what happens in a concern, he is in a much better position to suggest ways and means of economising effort and cost.

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## CHAPTER VII.

### General Observations.

My Terms of Reference are so broad and comprehensive that it is not easy to summarise the conclusions reached nor does it appear possible to give categorical replies to the various Terms of Reference. The matters raised during the course of the enquiry and the conclusions reached thereon have been dealt with in some detail in the appropriate sections of this Report. I do not wish to repeat these conclusions here except to make certain broad observations and also to record certain impressions which I have formed.

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\*Vide pages 24-25 of the Report of the Royal Commission on Labour in India.

As regards the first Term of Reference, it appears that the miners have a grievance so far as the payment for marl is concerned. The method followed for ascertaining the production of the miners' salt also admits of improvement. The rates of payment appear to be adequate although if the cost of living continues to increase, some relief should have to be granted. On this point I am of opinion that any relief which may be granted should be indirect rather than direct, that is to say, it should be by way of supplying to the miner some of the items required by him in connection with his work and on which he has himself to incur expenditure at present.

There is no doubt that unemployment exists in Khewra on a considerable scale. This is a problem which is not easy of solution and unless the output of the Mine is increased, the chances are that the unemployment problem in Khewra will be accentuated. I have suggested certain palliatives for providing work to the unemployed members of the mining community but the adoption of the suggestions made will require the wholehearted co-operation of local officials. The representatives of labour have laid great stress on the desirability of introducing a scheme of contributory provident fund and also of gratuities as on the Railways. So far as industrial labour in India is concerned, the institution of such schemes is the exception rather than the rule. That does not, however, mean that such schemes are not desirable. In fact, they are needed much more for the poorer sections of the community who have little margin for saving and are thus left destitute during old age and infirmity. These schemes, however, cost money and can only be financed out of the surplus profits of a concern. It is understood that the Department's policy is not to make a profit from the working of the Mines. It seems to me, however, that if by slightly raising the price of salt, amenities like provident fund can be provided for the miners, the possibility of doing so should be investigated.

In regard to the present arrangements for ascertaining and paying workmen's compensation, I have come to the conclusion that there is considerable scope for improvement and that immediate steps should be taken to take legal advice regarding the question as to who is liable for paying workmen's compensation to the miners' assistants. In any case, it appears very unsatisfactory that the miner should have to bear the liability of paying workmen's compensation to his assistants. It is also most important that local officials should take personal interest in cases relating to workmen's compensation and try and give the workman the maximum benefit of the law which has been enacted for his protection.

The type of trade unionism existing in Khewra is a type met with in many other parts of the country. It is doubtful whether

the Khewra miners have yet attained a stage development where they could appreciate the true value of trade unionism. However, if a trade union in Khewra is to be recognised, care would have to be exercised to see to it that it is functioning properly. This, the Department have the power to do under the rules of recognition of trade unions of industrial employees of Government.

In dealing with the last Term of Reference. I have suggested that the Department should appoint a Labour Officer. From my experience of this experiment in Bombay, I have definitely come to the conclusion that, provided a proper selection is made, the appointment of a Labour Officer in Khewra will go a long way in improving the relations between the mining community and the Department. In this connection it should be noted that, so far as industrial labour is concerned, it is the minor grievances which, when allowed to accumulate without ventilation and redress, spoil the relations between the employer and the employed rather than big issues such as wages, etc.

#### Acknowledgments.

Throughout the enquiry I have been fortunate enough to receive the wholehearted co-operation of all those with whom I came into contact. I am greatly indebted to the officers of the Department at Khewra for the readiness with which they met my innumerable demands for additional information. But for this information, it would not have been possible to deal adequately with some of the matters raised before the Court. I must express my thanks in particular to Mr. Lewis, the Chief Mining Engineer, Mr. Fanthome, the Administrative Officer and Mr. Aers, the Mine Manager, for their unsparing efforts in assisting the conduct of the enquiry. Mr. Lewis was also kind enough to place the services of his stenographer, Mr. Sant Ram Sharma, at my disposal for keeping a record of the evidence. I am grateful to Mr. Sharma for his assistance and willing help.

Mr. Mahmud, Director of Industries, Lahore, was good enough to permit me to inspect some of his files which I required and I am thankful to him for his assistance.

I have the honour to be,

Sir,

Your most obedient servant,

S. R. DESHPANDE,

Court of Inquiry.

BOMBAY;  
The 29th April 1941.

## APPENDIX.

GOVERNMENT OF INDIA.

DEPARTMENT OF LABOUR.

*Notification.**New Delhi, the 18th February 1941.*

**No. L.-1714.**—Whereas a trade dispute is apprehended between the Central Excises and Salt Department, North-Western India, and the miners working in the salt mine at Khewra regarding improvement in the general conditions of service of miners and grant of certain concessions, to them;

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 Mr. S. R. Deshpande, M.B.E., B.A., B.Litt (Oxon.), J.P., Assistant Commissioner of Labour, Bombay—an Independent person; 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) Are the present arrangements for the remuneration of the miners working in the Khewra mine satisfactory?
- (2) Are the rates of payment adequate?
- (3) To what extent is unemployment prevalent in the mining community?
- (4) What measures are practicable and desirable for relieving unemployment?
- (5) What measures are practicable and desirable for improving the conditions of service?
- (6) Are the present arrangements satisfactory for—
  - (a) ascertaining the amount of compensation payable to miners in cases of accident, and
  - (b) paying the amount when ascertained?
- (7) What steps, if any, can be taken to end the conflicts between the rival labour groups with a view to creating a healthier atmosphere at Khewra?

H. C. PRIOR,

*Secy. to the Govt. of India.*

GOVERNMENT OF INDIA

3



## **Court of Enquiry**

**Constituted under the Trade  
Disputes Act, 1929, to  
investigate the question of  
dearness allowance for railway  
employees**

## **VOL. I—Report**

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# COURT OF INQUIRY

## REPORT.

The Secretary to the Government of India,  
Department of Labour,  
New Delhi.

*Subject:—Report of the Court of Inquiry constituted under the Trade Disputes Act, 1929, to investigate the question of dearness allowance for railway employees, 1940.*

Sir,

Under section 5 of the Trade Disputes Act, 1929, we have the honour to submit the following report on the matters referred to us by the Central Government's Notification No. L-1714, dated August 7, 1940. (Appendix I) relating to the grant of a war dearness allowance to employees on the G. I. P. Railway.

### CHAPTER I.

#### INTRODUCTION.

**2. Composition of the Court.**—The Court has throughout been composed of the following members :

- (i) The Honourable Mr. Justice B. N. Rau, Kt., C.I.E., I.C.S.
- (ii) Sir Shafaat Ahmad Khan.
- (iii) Mr. A. Hughes, I.C.S.

**3. Terms of reference.**—The matters referred to us were :

- (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 ?

**4.** A Resolution of the Central Government of the same date (August 7, 1940) (Appendix II) set out briefly the circumstances that preceded the appointment of the Court, and, after mentioning the personnel of the Court and the terms of reference, went on to state that in order to enable the inquiry to be conducted expeditiously, the Government had decided to confine it to the G. I. P. Railway. If, however, as a result of the inquiry the Government adopted any principles regulating the grant of an allowance to any classes of workers on the G. I. P. Railway, they would be prepared to apply the same principles to any other railway servants in their employ to whom those principles might be equally applicable.

5. **Procedure.**—Soon after the constitution of the Court, we sent special notices to the All-India Railwaymen's Federation and to various Trade Unions whose addresses were known, as well as a general notice to all G. I. P. Railway employees, which was widely published on the Railway. The notices recited the terms of reference of the Court and invited those to whom they were addressed to submit their case for a dearness allowance.

6. The Federation presented their case (Appendix III) on August 26, 1940, and supplemented it with an additional statement (Appendix VII) on September 9, 1940. The necessity for an additional statement arose from the fact that in their original case the Federation submitted that the second term of reference had no relevance to the issues raised in the application (Appendix IV). Upon this point we ruled that since the term was there we had to come to a decision upon it. Accordingly, the Federation obtained leave to put in a supplementary statement. The National Union of Railwaymen of India and Burma submitted a separate representation (Appendix XI) on October 8, 1940, but did not desire either to produce additional evidence or to argue their case separately. We also received in response to the general notice a number of representations (not printed) from individual employees or groups of employees; some of these representations raised points which were not relevant to our present enquiry, while others raised substantially the same points as the Federation. Two employees from Sholapur asked for and were granted permission to give evidence in support of one of these representations.

7. Copies of the Federation's case and additional statement as well as of all other representations were duly given to the Railway Administration. The Railway Administration submitted their reply on September 11, 1940, and a supplementary reply on September 16, 1940. Copies of the main documents (without the appendices) are reproduced in Appendix VIII to this Report. The Court commenced its public sittings on September 16, 1940.

8. Between August 17, 1940, when the members of the Court arrived in Bombay, and September 16, 1940, when the public sittings commenced, we visited Jhansi, Sholapur, and Dhond; the Railway Workshops at Parel and Matunga; several workmen's dwellings and a good many shops of the kind at which the working classes buy their provisions. We also went round with one of the officers of the Labour Office of the Government of Bombay and saw where and how he collected the price-data on which the Labour Office cost-of-living index figure for Bombay City was constructed. In order to see how cost-price grain shops were working, we also visited a typical shop of this kind opened by one of the mills in Bombay. The Bombay Labour Office assisted us considerably at this stage of our inquiry in answering our requests for information and allowing us the use of their library.

9. From September 16, 1940, to October 9, 1940, we took evidence, after which we heard the arguments on either side. The formal hearing was concluded on October 12, 1940. During and after the formal proceedings, some of us visited Jubulpore, Nagpur, Manmad, Cawnpore, and certain other places.

10. Interpretation of the terms of reference.—At the first meeting of the Court on August 26, 1940, certain questions were raised as to the interpretation of the terms of reference. The first point taken was what is the meaning of the expression “lower paid staff” occurring therein. We were originally inclined to leave this point entirely open until the end. But at the first public sitting of the Court, both parties pressed us for an immediate decision. Our decision is reproduced below :—

“At our first public sitting on September 16, 1940, we were pressed by both sides to decide immediately as a preliminary issue the meaning of the expression ‘lower paid staff’ occurring in the terms of reference. When the point was raised at an earlier stage, we had indicated our intention of leaving it open until the conclusion of the inquiry. It was, however, urged upon us that the evidence to be produced for the purposes of the inquiry would to some extent be affected by the interpretation placed upon the expression. We, therefore, decided to give the parties a rough idea of the meaning which we were inclined to attach to the expression.

(2) On behalf of the Railway Administration it was argued that the term was synonymous with ‘inferior servant’ as defined in paragraph 823 of the State Railway Establishment Code (new paragraph 1302 of the Code of 1940). According to this definition an ‘inferior servant’ 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’. If a similar definition were adopted for the expression ‘lower paid staff’, our inquiry would be confined to persons whose sanctioned scale of pay did not rise beyond Rs. 30/- per month.

(3) Had any such definite income limit been contemplated by the Government of India when they framed the terms of reference, they would have had no difficulty in saying so, but they have, in our opinion, deliberately refrained from mentioning any money limit and have instead used the more elastic term ‘lower paid staff’. To confine the inquiry in advance to income-groups not exceeding Rs. 30/- per month might have amounted to prejudging the dispute by implying that higher groups were not seriously affected by the rise in the cost of living—a point which could not be settled one way or the other until the conclusion of the present inquiry. Hence, in all probability, the use of the term ‘lower paid staff’. How elastic this term is appears from the Railway’s own printed case ; for, although in the body of the case

we have been invited to hold that the term covers only employees whose pay does not rise above Rs. 30/- per month, nevertheless, in the Appendices, in at least two places, the Railway Administration have used the same term in a wider sense. Thus, in paragraph 5 at page 42 of the printed case the term has been applied to employees whose wages range up to Rs. 42/-. Similarly, in the statement in Appendix K intended to show the revised scales of pay for 'lower paid staff' introduced from April 1, 1930, we find a number of categories of employees whose pay goes beyond Rs. 30/- per month. It is, therefore, quite clear to us that the line cannot be drawn at Rs. 30/- per month.

(4) It is, however, common ground that persons drawing Rs. 250/- or more per month cannot be called 'lower paid staff' for the purposes of the present inquiry.

(5) It follows, therefore, that the line must be drawn somewhere between the two extremes indicated above. To see if the matter could be carried a step further, we considered the following facts :—

(a) The Federation's application (Appendix IV) of April 6, 1940 (for the constitution of a Board of Conciliation) described the dispute which had arisen between the Federation and the Railway Board thus :

'Since the outbreak of the 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 (sic) 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 between Rs. 30/- and below, 15 per cent. to those whose wages are between Rs. 60/- and Rs. 30/- 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.'

It would, therefore, seem that there was a definite dispute regarding the wages of employees of these categories. The present Court of Inquiry was appointed as a result of this dispute and it is reasonable to presume that the inquiry was meant to embrace at least these categories of employees within its scope.

(b) The proviso to section 60 (1) of the Code of Civil Procedure protects from attachment the salary of railway servants to the extent of Rs. 100/-, which is an indication that this figure represents 'low pay' level for at least some purposes.

(c) In at least two important industrial disputes in Bombay in recent months recommendations for a dearness allowance have been made even in respect of employees drawing Rs. 100/- per month. Thus, the report of the Board of Conciliation appointed to investigate the dispute between the Bombay Electric Supply and Tramways Co., Ltd., and their employees recommended a dearness allowance at a flat rate of Rs. 4/- per month to each employee drawing up to Rs. 100/- per month in certain circumstances.

The Board of Conciliation appointed for promoting a settlement of the dispute between the New China Mills and their employees recommended a dearness allowance to be given to all employees drawing under Rs. 150/- per month.

(d) In the course of the Enquiry into Working Class Family Budgets in Bombay City in September 1932—June 1933, it was found, amongst other things, that in the case of the income-group between Rs. 80/- and Rs. 90/- per month, the average monthly income was Rs. 82-15-8, while the average monthly expenditure was Rs. 70-4-11 (page 16 of the Report on the Enquiry into Working Class Family Budgets in Bombay City, 1935). If the rise in the cost of living since the outbreak of the war is, as contended by the Federation, between 20 per cent. and 25 per cent.—a contention, which we are not in a position either to accept or reject at this stage—the monthly expenditure would rise to a figure between Rs. 84/- and Rs. 87/- so that even this group would on this basis be unable to balance its budget.

(e) Although the G. I. P. Railway grain compensation allowance has usually been restricted to employees drawing not more than Rs. 30/- per month, this was not the case with the war allowances granted during 1914-18, which extended even to employees drawing more than Rs. 100/- per month.

(6) We, therefore, find it impossible to fix the lower income-limit at anything less than Rs. 100/- per month for the purposes of the present inquiry. Those drawing Rs. 250/- per month or more are, it is common ground, undoubtedly outside the scope. Where the line is to be drawn between these two limits, it is unnecessary to decide at present. If, after considering all the material made available to us, we find that there are certain income-groups even below Rs. 100/- per month, that have failed to establish a case for a war dearness allowance, the question of income-groups of Rs. 100/- and above may not arise at all. If, on the other hand, the evidence establishes a case even in the case of certain income-groups above Rs. 100/- a month, it will be necessary for us to mention this in our report. For the present, all that we need say is that we shall treat employees whose earnings are Rs. 250/- per month or more as being outside the scope of our inquiry, while those who earn Rs. 100/- or less must be held to be included."

11. The next question raised related to the meaning of the opening words of the 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 ?" Did this mean " Having regard *only* to the previous movements in wages and prices etc. "? We saw no reason to restrict the issue in this way. Previous movements in wages and prices would, doubtless, be an important factor to be taken into account in considering whether a case for a war allowance had been established, but they were not to be the *only* factor. There might be other countervailing factors, and the terms of reference did not preclude us from giving due importance to these other factors, if any. In this connection we were asked by both parties to state in our report that whatever these other factors might be, the Railway's " capacity to pay " was not one of them. We had no difficulty in agreeing that " capacity to pay " was outside the terms of reference, and hence the question of the ability of the Railway finances to bear the cost of the recommendations that we have made is not discussed in this Report.

12. One further point of interpretation was raised by the parties in the course of their final argument. Does the term " lower paid staff " include—

- (a) casual labour, or
- (b) labour employed by Railway contractors, or
- (c) persons licensed to work on Railway premises, *e.g.*, to carry passengers' luggage ?

It seems to us that none of these categories can be said to be within the ordinary meaning of the word " staff ". Categories (b) and (c) are not even paid by the Railway Administration. Casual labour is doubtless paid by the Administration and there may be instances (as was admitted before us by one of the Railway Administration's witnesses) in which casual labour has been engaged from job to job continuously for more than a month ; even so, we find it difficult to hold that men who are employed for broken periods at irregular intervals on varying daily rates are properly comprised in the term " staff ". If it is felt that any of these categories should be granted a war dearness allowance on the same basis as regular railway employees, suitable means for doing so will doubtless be devised by the competent authority ; but the matter is outside our terms of reference as we interpret them. We must content ourselves with drawing attention to a complaint made before us by Mr. Gidney, the President of the National Union of Railwaymen of India and Burma, that there is no object in fixing scales of pay or dearness allowance or anything else for railway employees of the lower grades if the scales are circumvented by the employment of " casual labour " to do the same work from day to day on a daily wage of five annas. We have not inquired into the facts upon which the complaint is founded

and are not in a position to say how far it is justified. This also applies to a similar complaint made before us by the same union regarding the use of contract labour to do work formerly done by railway employees. Another complaint made to us (in the course of our tours on the railways) related to the employment of temporary hands for long periods, in jobs of a more or less permanent nature. The allegation was in substance that this class of employees, owing to their being deprived of some of the advantages and privileges granted to permanent staff, were in a less fortunate position to meet the increase in the cost of living, and were in consequence more affected by the rise. While appreciating that this contention may have some force in it, we must hold that there cannot be any discrimination between temporary and permanent staff simply on this ground. It is impossible to make any precise valuation of the degree to which temporary staff may suffer more from a rise than permanent staff.

13. We examined 41 witnesses in the course of our public sittings between September 16 and October 9. Thirty-two of these witnesses were produced by the All-India Railwaymen's Federation in support of their case. They consisted of railway servants and shopkeepers. The railway servants had for the most part kept accounts of their transactions showing prices both pre-war and since the outbreak of war, sometimes over long periods, and the shopkeepers were produced to corroborate these prices, from their books.

14. Two witnesses appeared in support of a representation sent in by certain members of the Railway staff at Sholapur. The Railway Administration examined 5 witnesses in support of various points in their case, and we ourselves examined in camera 2 Assistant Commissioners of Labour from the Bombay Labour Office.

15. Briefly, the case made by the Federation was that there had been an increase in the cost of living of 20 per cent. to 25 per cent., and that those employees earning up to Rs. 40/- should have the increase neutralised in full and those employees earning over Rs. 40/-, on a gradually diminishing scale.

16. The Railway Administration relied on the cost-of-living indexes as published for Bombay and other places, and they contended on various grounds that on these figures no allowance was justified.

## CHAPTER II.

## FIRST TERM OF REFERENCE.

17. The first question which we have to answer in this inquiry is, 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? There is a slight ambiguity in the expression "rise in the cost of living since the outbreak of war". The war broke out early in September 1939. Are we, under this term of reference, required to compare the cost of living since the outbreak of war with the cost of living *immediately* before the war, that is to say, in August 1939, or, are we required to compare it with the *normal* cost of living before the war? The result of the comparison might be materially different in the two cases, because, in some areas at least August 1939 was an exceptional month already affected by anticipations of war. Thus in Nagpur, the cost-of-living index number, which was practically steady at 60 between January and July 1939, (January 1927 being taken as 100) rose sharply to 64 in August, doubtless owing, at least in part, to rumours of war (*vide* paragraph 7, page 10, of the Report of the Nagpur Textile Enquiry Committee, 1940). The average figure for the 12 pre-war months, including August 1939, was about 61. The average for the 12 "post-war" (throughout the report, we use this expression, for brevity, to describe the period following the outbreak of war) months from September 1939 to August 1940, inclusive, was 68.5. This was about 12 per cent. higher than the average pre-war figure but only about 7 per cent. higher than the figure for August 1939. Although, therefore, in a literal sense, the rise in the cost of living at Nagpur since the outbreak of war (as indicated by the official index number) may be said to be only about 7 per cent., yet in another, and perhaps truer, sense it is about 12 per cent.

18. We do not think that the Government of India intended us to take the literal view. To compare post-war months with a month, which, though pre-war, might already have been affected by the war, would not present a true picture. We could attempt to get over this objection by taking as our base a month, which, besides being pre-war, was beyond controversy unaffected by any anticipations of war, such as July or even June 1939. But this would introduce other sources of error. The cost of living is, as is well known, often subject to seasonal fluctuations. In Bombay, for instance, fresh fish is usually much dearer in the rainy season than at other times, because the catching of fish is interrupted by storms and, therefore, there is a smaller supply of fish available in the market. Similarly, in most areas rice is cheaper in the cold weather months partly because it is harvested in November and December and partly because the agriculturist is forced to sell his stocks in order to meet the Government land revenue demand in January, February and March. In this way, it may happen that June or



July is a comparatively expensive month of the year in certain localities. Again, casual factors may affect the cost of living in particular months : thus, it appears from the evidence given before us that in the Murtazapur area in Berar, July 1939 fell in a period of scarcity. Therefore, to compare the different months of the post-war period with the pre-war June or July, or indeed any other single month of the pre-war period, would not be to compare like with like.

19. For these reasons we consider—and both sides have agreed—that the simplest and fairest course is to read the expression “rise in the cost of living since the outbreak of war” as meaning “rise in the normal or average cost of living since the outbreak of war”; that is to say, we must compare the post-war average figure with the pre-war average. In order to determine the pre-war average, it would perhaps be sufficient to take the period of 12 months from September 1938 to August 1939, inclusive. By averaging over a whole period of 12 months, we eliminate the effect of any seasonal fluctuations in the index and reduce the effect of any casual factors. If we include more than one such period in the computation, there is danger of vitiating the result by introducing extraneous factors which are no longer in operation. We shall, therefore, take as our base wherever possible the average for the period from September, 1938 to August 1939 and compare with it the average of the corresponding post-war period.

20. For the purpose of the comparison we shall first proceed on the assumption that the official figures are correct, and we shall afterwards make such allowances as may be necessary for any proved errors therein. The official figures have been constructed on the basis of various enquiries held from time to time into working class family budgets. In Bombay such an enquiry was held between September 1932 and June 1933, the report being published in 1935. The Sholapur enquiry was held between May and December 1925 and the report was published in 1928. The Nagpur and Jubbulpore enquiries were made between September 1926 and January 1927, the report being published in 1929. There are no published reports of the recent enquiries held in Cawnpore and Jalgaon. All the enquiries were set on foot for the purpose of ascertaining the true facts of the cost of living, and the subjects of primary investigation were the size and earnings of families, the cost and consumption of food, fuel and lighting, clothing, miscellaneous articles, and the cost of house-rent and housing conditions, the families studied being arranged according to income-groups ranging usually from below Rs. 30/- per month to over Rs. 90/-. In Bombay there was an earlier enquiry of this kind in 1921-22, the report being published in 1923. The results of all these studies have been tabulated in the various reports and we have made extensive use of them as well as of the cost-of-living index numbers based on them in discussing the issues referred to us.

20-A. **Bombay City.**—(Average from July 1933 to June 1934 =100).

The average of the official figures for the Bombay City working-class cost-of-living index during

September 1934—August 1935=100			
„	1935	„	1936=101
„	1936	„	1937=104
„	1937	„	1938=106
„	1938	„	1939=104

We have thought it desirable to set out all these five averages, although it is only the last-mentioned average that is relevant for our immediate purpose. But the others will serve to show that the average we have selected as our base (104) is also very nearly the average of the entire quinquennium (103). The figure for August 1939 was 105.

The average during September 1939—August 1940 was 111, which represents an increase of about 7 *per cent.* on the pre-war average of 104.

[The figure for the month of August 1940 was 114, about 10 per cent. higher than the pre-war average.]

20-B. **Sholapur.**—(Average from February 1927 to January 1928=100).

The average during

September 1934—August 1935=73

September 1935—August 1936=70

September 1936—August 1937=73

September 1937—August 1938=72

September 1938—August 1939=72

[ Average for the quinquennium=72

Figure for August 1939=73].

The average during the 12 months from September 1939 to August 1940 was 77, an increase of about 7 *per cent.* over the pre-war average of 72. [ The figure for August 1940 was 76, about 6 per cent. higher than the pre-war normal]. It must be mentioned in this connection that the export of *jowari* has been prohibited from Sholapur since January 1940, so that the local price of *jowari* has been kept comparatively low ; and as *jowari* is the staple food in this district, the fall in the price of that grain has tended to depress the cost-of-living figure.

20-C. Nagpur.—(January 1927=100).

The average during—

September 1934—August 1935=58

September 1935—August 1936=59

September 1936—August 1937=61

September 1937—August 1938=62

September 1938—August 1939=61

[ Average for the quinquennium =60

Figure for August 1939=64].

The average of the 12 months—September 1939—August 1940—was between 68 and 69, an increase of about *12 per cent.* over the pre-war average. It has already been pointed out that this figure would fall to about 7 per cent. if comparison is made with the figure for August 1939 instead of with the pre-war average.

[ The figure for August 1940 was 71, about 16 per cent. higher than the pre-war average ].

20-D. Jubbulpore.—(January 1927=100).

The average during—

September 1934—August 1935=56

September 1935—August 1936=56

September 1936—August 1937=60

September 1937—August 1938=58

September 1938—August 1939=57

[ Average for the quinquennium =57

Figure for August 1939=58 ].

The average of the 12 months—September 1939—August 1940—was 65, an increase of about *14 per cent.* over the pre-war average figure of 57.

[ The figure for August 1940 was 68, about 19 per cent. higher than pre-war ].

It should be remembered in connection with the Nagpur and Jubbulpore figures that they take no account of house-rent. From the evidence given before us it appears that house-rents have not gone up owing to the war ; so that the omission of this item would have the effect of exaggerating the rise in the cost-of-living index number. Thus, if a man spends Rs. 5/- per month on house-rent and Rs. 25/- per month on other things, and the latter expenditure increases by 12 per cent. *i.e.*—to Rs. 28/- per month—while the former remains the same, his total expenditure would increase from Rs. 30/- per month to Rs. 33/-, *i.e.*, by only 10 per cent.

20-E. **Jalgaon.**—This is a Junction on the G. I. P. Railway, and although an industrial centre may perhaps be regarded as the least urban of the places for which a cost-of-living index number is now being maintained. No figures are available prior to June 1940. The figures for June, July and August 1940, based on the average prices for the month of August 1939 taken as 100, were respectively 110, 111 and 110, which yield an average increase of 10 per cent. over August 1939.

20-F. **Cawnpore.**—Here, as in the case of Jalgaon, the figures available are incomplete. Indices based on a sample of 300 family budgets and worked out with a view to obtaining an approximate measure of the variations in the cost of living of mill workers at Cawnpore since the outbreak of the war are in existence. August 6, 1939, being taken as 100, the figures for the months from January 1940 onwards were as follows :—

January 14, 1940—112  
 February 11, 1940—112  
 March 10, 1940—110  
 April 7, 1940—109  
 May 5, 1940—109  
 June 2, 1940—108  
 June 30, 1940—109  
 July 28, 1940—109  
 August 25, 1940—112.

The average for the period works out to 110 or about 10 per cent. higher than August 1939. A feature of the Cawnpore figures is that the rise in the prices of foodstuffs was never more than 7 per cent. whereas the rise in the prices of the non-food group varied from 12 per cent. to 18 per cent.

21. We may notice at this stage an argument which requires to be considered in connection with our recommendations upon the results of this inquiry. The argument may be briefly put thus : It may be true that the above figures set out quite correctly the rise in the general cost of living since the outbreak of the war, but the whole of that rise cannot be attributed to the war. At least a part of the rise might have occurred in the normal course even without the war. Thus the yearly averages for Bombay City for the 5 pre-war years reckoned from September to August, *viz.*, 100, 101, 104, 106 and 104, show a slight upward tendency, and therefore the normal average for September 1939—August 1940 would have been something more than the average for the preceding 12 months, even if the war had not intervened. Unless some allowance is made for this upward trend, the rise *since* the war cannot be taken as the rise *due* to the war.

22. The short answer to this argument would be that a 5 year period is too brief to be a proper index of the trend. We must go further back to discover the true trend, if one exists. And here we are met by the difficulty that the Bombay cost-of-living figures published before April 1937 are on a different base and a different system of weighting from those published afterwards and contain fewer items. A comparison of the two sets of figures for a short test period has, however, shown that the yearly average yielded by the two methods is almost the same. We may, therefore, treat all the figures as homogeneous for our present purpose. The averages for the successive years commencing from September 1923 and ending with August 1939 (each year being reckoned from September to the following August) work out as follows :—

1923-24—155
1924-25—158
1925-26—154
1926-27—155
1927-28—149
1928-29—148
1929-30—144
1930-31—117
1931-32—109
1932-33—106
1933-34—97
1934-35—100
1935-36—101
1936-37—104
1937-38—106
1938-39—104

23. It is clear from these figures that although there was a slight upward trend from 1933-34 up to 1937-38, there was a steep and steady downward trend from 1926-27 up to 1933-34 and that there was again the beginning of a downward trend between 1937-38 and 1938-39. It cannot, therefore, be asserted that the average figure for 1939-40 would have been anything more than 104 if the war had not intervened; indeed, judging from the previous tendencies, it might well have been less.

24. To test the point further, we have adopted a slight modification of Persons' link-relative method, designed to meet the particular requirements of our problem. Upon the best expert advice we have been able to obtain, we believe the modified method to be valid for our purpose and the results reliable so long as there is

no sharp reversal of trend or a distinct cyclical movement. The underlying principle is easily explained, although the calculations involved are rather laborious. Consider the cost-of-living index numbers of any two successive months in any year, say, August and September. They will usually differ slightly from each other, as the combined result of a number of causes which are in constant operation from month to month and from year to year. If we take the ratio of the two figures for a number of years in a war-free period and strike a mean, we can expect to get what may be called the normal September—August ratio. We then apply the ratio to the figure for August 1939, the last month before the war, and deduce what the figure for September 1939 should have been but for the war. Similarly, we deduce the figures for the succeeding months up to August 1940. We then work out what the average for September 1939—August 1940 should have been if the war had not intervened.

25. We have performed the necessary calculations, taking as our war-free period the 14 years from April 1923 to March 1937 inclusive, a period which is sufficiently long to yield a reliable mean and for which, at the same time, homogeneous figures are available. We are, of course, speaking of the Bombay index figures, which are perhaps the most suitable for any kind of analysis. The results are shown below :—

Month. 1	Calculated normal cost-of-living figure, August 1939 being taken as 105. 2	Actual cost- of-living figure. 3	Difference between calculated and actual figures. 4
September 1939 . . .	105	106	+1
October 1939 . . .	105	108	+3
November 1939 . . .	105	109	+4
December 1939 . . .	104	113	+9
January 1940 . . .	104	114	+10
February 1940 . . .	103	112	+9
March 1940 . . .	102	110	+8
April 1940 . . .	101	110	+9
May 1940 . . .	101	111	+10
June 1940 . . .	101	111	+10
July 1940 . . .	102	113	+11
August 1940 . . .	102	114	+12
.. Average . . .	103	111	+8

It will be seen, therefore, that upon the best expectation that could be formed from the actual figure for August 1939 and from the previous tendencies of the cost-of-living index in Bombay over a period of 14 war-free years, the average for September 1939—August 1940 ought to have been 103 but for the war. This confirms what we have stated at the end of paragraph 23. Actually the average of the official figures was 111.

26. It has sometimes been said that the cost-of-living figure in August 1939 was low. If this means that the figure was low compared with the heights reached before the general crash of prices in 1929-31, the statement is undoubtedly correct, the Bombay figures in August 1929 being 149 against 105 in August 1939. (The two figures are not on the same base, but as already pointed out, the change of system has not made any large difference.) Even in August 1932 the figure stood at 108. If, however, the statement refers to more recent tendencies, it does not seem to us to be correct, as the following table will show :—

Centre.	Actual figure for August 1939.	Average of August figures in the five years immediately preceding 1939.	Average of 12 months immediately preceding August 1939.	Average of 5 years immediately preceding August 1939.
1	2	3	4	5
Bombay . . . .	105	103	104	103
Sholapur . . . .	73	72	72	72
Nagpur . . . .	64	60	60	60
Jubbulpore . . . .	58	58	57	57

It will thus be seen that the actual figure for August 1939 was higher than the average of the preceding 5 Augusts or of the preceding 12 months or of the preceding 5 years.

27. So far we have proceeded on the assumption that the official index figures are correct. The assumption has, however, been challenged on behalf of the railway employees, the attack being principally directed against the Bombay figures. While on this aspect of the matter, we should like to express our appreciation of the manner in which the case was conducted before us by both sides. The Railway Administration founded their case upon the correctness of the official figures; nevertheless, when the Federation asked through the Court for free passes to enable them to bring forward evidence designed to disprove those figures, the Railway Administration generously acceded to the request. On their side,

the Federation took care to see that the privilege was not abused and that only evidence of real value was brought before the Court. Throughout, the case was conducted before us not in the manner of a civil suit between hostile parties but rather of an honest difference of opinion between partners in a common undertaking. The result is that the evidence produced was, with rare exceptions, of high quality, usually supported by unimpeachable documentary proof. Before going into the details of the evidence we may briefly describe its nature. Broadly speaking, the witnesses, other than merchants, examined on behalf of the railway employees were persons whose pay ranged from Rs. 20/- to Rs. 106/- per month, not counting allowances. For the most part their pay was between Rs. 50/- and Rs. 100/- per month. To some extent this was inevitable, as employees of the lower grades seldom keep, or are capable of keeping, regular accounts of their household expenses. We had, however, before us some half a dozen witnesses whose pay was between Rs. 20/- and Rs. 35/- per month.

28. The evidence of the witnesses consisted for the most part of written statements prepared by them from accounts of actual transactions and supported by the relevant book entries or bills. The statements were prepared in a form prescribed by the Federation showing the price of each article of consumption from month to month, both for the pre-war period and for the post-war period. The statements were, as a rule, prepared with care and such errors as were disclosed in cross-examination were, as far as possible, immediately rectified. It was, however, not to be expected that every witness would be able to produce such a statement of prices for every month of the relevant periods. It is, therefore, a matter of some difficulty to collate the statements and work out a general cost-of-living index number upon their basis. Nevertheless the attempt must be made if the effect of the evidence is to be assessed.

29. Analysing the statements we have found that a larger number of them contain prices for August 1939 and July 1940 than for any other pair of months separated by the outbreak of the war. What we have, therefore, done is to calculate from the statements the price relatives or ratios for July 1940, taking August 1939 to be 100. In a few instances we have had to supplement the statements with the oral evidence given by the witnesses. Even so, we have found that in respect of certain articles, such as fish and firewood, no evidence for these particular months have been produced at all by way of rebutting the official figures; in such cases we have presumed the official figures to be correct and have used them to fill the gaps. In this way we have been able to construct from the evidence produced before us an index figure for July 1940 (with August 1939 as the base) in respect of articles of the food group and articles of the fuel and lighting group. The food group index works out to 117 and the fuel and lighting group to 104. The



details of the calculation will be found in Appendix XII to this report. These then are the figures resulting from the evidence produced before us on behalf of the Federation. The official Labour Gazette figures for the same groups, when reduced to August 1939 as the base, work out to 114 and 104, respectively. There is thus a difference of only 3 points in the food group and none at all in the fuel and lighting group between the official figure and the figure which can be regarded as proved by the Federation's witnesses before us. It must be remembered that prices in addition to varying from place to place vary from day to day and even from customer to customer. One witness has told us that the price entered in his statement under any particular month is the maximum reached in that month, whereas the official figures are meant to show the average prices in each month. It is therefore not surprising that the Federation's price-statements show a higher figure; indeed the difference is smaller than might have been expected. So far, therefore, as these two groups are concerned, the evidence has tended to confirm rather than disprove the official figures.

30. So far as house-rent is concerned, it is admitted that the official figure is correct, that is to say, there has been no change in house-rent between August 1939 and July 1940, so that the index number for July 1940 (with August 1939 as the base) is 100 in respect of this item.

31. Two other groups enter into the general index number, namely, the clothing group and the miscellaneous group. In regard to clothing, the official figure is patently and almost admittedly defective. To mention only one source of error, *saris*, which constitute an important item with a weightage of 36 per cent. in the clothing group, have been quoted at the same figure, in the Labour Gazette since September 1939, because later quotations were not available, although according to the evidence led before us the price of *saris* has gone up considerably since the war. According to the figures given by witness No. 3, *saris* have gone up nearly 13 per cent; according to witness No. 5, nearly 29 per cent. and according to witness No. 8, about 37 per cent. in Bombay. The Labour Office witnesses examined by us have candidly admitted the difficulty of ascertaining cloth prices not only in respect of *saris* but also *dhotis*, etc., because of the different varieties sold. Recently they tried to see if by averaging over a large number of varieties they could get a satisfactory mean; but the results were curious, because they showed a percentage increase ranging from 6 to 91 in respect of different varieties between August 1939 and April 1940. Where there is so large a measure of dispersion, apparently no kind of mean can be regarded as satisfactory. Even in the same variety and between the same months the Labour Office found wide discrepancies between different investigators, and the problem still remains unsolved. In the light of these circumstances

it is difficult to base any conclusion upon the recorded official figures for the clothing group included in the Bombay working class cost-of-living index number published by the Bombay Labour Office. None of the Federation's price-statements contains quotations of cloth prices both for August 1939 and July 1940; but there is a good deal of evidence relating to cloth prices generally, both before and after the outbreak of the war. Mr. Jamnadas Mehta, on behalf of the Federation has contended that the evidence produced by him establishes an increase of about 25 per cent. This is undoubtedly the general effect of the evidence: indeed the average of about 20 quotations available in the evidence of witnesses Nos. 1, 2, 3, 5, 8, 9 and 29—all of the Bombay area—discloses an increase of about 28 per cent. But the evidence is by no means uniform; according to the evidence of witness No. 1, the increase in the price of a suit (material and making charges included) works out to about 20 per cent; according to the data furnished by witness No. 2, the increase works out to about 16 per cent; while according to witness No. 3, a particularly careful witness, cloth prices generally have gone up only by 6 per cent. to 12 per cent., though this is qualified by his statement that he is now buying inferior qualities. The evidence thus bears out to some extent the Labour Office plea that different investigators estimate the increase differently. Mr. Daphtary for the Railway Administration has conceded that the rise may have been between 10 per cent. and 13 per cent. but no more. According to the Labour Gazette, the rise was only from 85 to 90, or about 6 per cent. If in the absence of anything better, we take the unweighted average of the rise in the *wholesale* price of piece goods such as long cloth (standard quality), shirtings, *dhotis* (up to 1/2" *nakhi* border), drills, and *chadars* between August 4, 1939, and July 5, 1940, we find an increase of about 16 per cent., the Bombay Millowners' Association's quotations for these qualities being as follows:—

*Long cloth (standard quality)—*

	Rs.	A.	P.	
August 4, 1939 . . . . .	0	8	5	} Increase of 23 per cent.
July 5, 1940 . . . . .	0	10	4	

*Shirtings—*

August 4, 1939 . . . . .	0	8	5	} Increase of 16 per cent.
July 5, 1940 . . . . .	0	9	9	

*Dhotis (nakhi border)—*

August 4, 1939 . . . . .	0	9	6	} Increase of 5 per cent.
July 5, 1940 . . . . .	0	10	0	

*Drills—*

August 4, 1939 . . . . .	0	7	6	} Increase of 21 per cent.
July 5, 1940 . . . . .	0	9	1	

*Chadars—*

August 4, 1939 . . . . .	0	8	9	} Increase of 14 per cent.
July 5, 1940 . . . . .	0	9	11	

In any case the dispute under this item is between a rise of 25 per cent., as claimed by the Federation, and 10 per cent., to 13 per cent. as conceded on behalf of the Railway Administration.

32. We turn now to the miscellaneous group. Here, again, the evidence as to the increase in the expenditure under "travelling to and from native place" which has a weightage of 27 per cent. in the group is difficult to assess. Witness No. 9 has stated that his bus fare went up from 12 annas to 1 rupee between Easter 1939 and December 1939, an increase of 33 per cent. and witness No. 13 has stated that his bus fare from Poona to Karad has gone up since the war from Rs. 2/- to Rs. 3/- an increase of 50 per cent. Witness No. 10 has given evidence that his steamer fare to Janjira has gone up from Rs. 1-5-0 to Rs. 1-10-0, an increase of 24 per cent. Admittedly the official figures are based only on railway fares and take no account of the rise either in bus fares or steamer fares. Accordingly they show a rise of only about 8 per cent. between August 1939 and July 1940. Mr. Jamnadas Mehta contends that there has been a rise of about 35 per cent. under the item of travelling, on its full weightage of 27 even after making allowance for the fact that most railway employees travel by rail on free passes. On the other hand, Mr. Daphtary, on behalf of the Railway Administration, argues that although the official figure ignores the increase in bus and steamer fares, the defect is rectified, so far as railway employees are concerned, by the increase of 8 per cent. allowed under railway fares, seeing that railway employees generally travel free on the railway and that only a small fraction have occasion to travel by bus or steamer.

33. The position of the two parties as to the increase in the cost of living in Bombay between August 1939 and July 1940 may, therefore, be summarised thus :—

*Food group—*

Index number according to the price-statements put in by the Federation . . . . .	117
Official index number . . . . .	114

*Fuel and lighting—*

Index number according to the price-statements put in by the Federation . . . . .	104
Official index number . . . . .	104

*Clothing—*

The official figure is admittedly defective	
Index number as contended on behalf of the Federation . . . . .	125
Maximum index number conceded by the Railway Administration . . . . .	113

*House-rent—* ]

Undisputed index number . . . . . 100

*Miscellaneous—*

Index number according to the Federation, on the basis that travelling expenditure has gone up by 35 per cent. . . . . 115

Official index number . . . . . 98

34. We are now in a position to evaluate the general cost-of-living index figure on the evidence produced by the Federation as also the figure which results from the Railway Administration's admissions. The former works out to 114, assuming the official weightage of the several items and groups to be correct, while the latter works out to 109. The official figure which is admittedly defective in regard to the clothing group and is plainly inapplicable to railway employees as regards travelling expenditure (except on the footing that the defects cancel each other) works out to 108.

35. The difference between these figures is not large and it so happens that we have certain other materials in evidence which enable us to bridge the gap between them. Let us assume for the moment that the correction to be applied to the official figure in order to get the true figure is 6 points (or roughly 6 per cent.) which results from the Federation's evidence and not merely 1 point as conceded by the Railway Administration. Strictly speaking, this is with respect to the figure for a particular month, namely, July 1940, with August 1939 as the base. Applying, however, a proportionate correction to the figure for each month since the outbreak of the war, we would get about 111+6, or 117 as the true average cost-of-living index figure for the period from September 1939 to August 1940. This would give an increase of about 13 per cent. over the pre-war average of 104 whereas according to the Railway Administration's figure the increase would be 8 per cent.

36. Now we have had at least 2 witnesses before us, Nos. 2 and 3 who have given us accurate and comparable data as to their total expenses under all heads for each month for a considerable period both before and after the outbreak of the war. The Railway Administration did not even attempt, in their cross-examination, to challenge the veracity of these witnesses. Witness No. 2 has produced his account book giving his monthly expenditure in the fullest detail from January 1939 onwards up to date from which it appears that his average monthly expenditure before August 1939 was Rs. 73-4-0, while his average expenditure after August 1939 was Rs. 82/- per month, the former average being calculated over a period of 7 months prior to the war and the latter over a period of 11 months after the outbreak of the war. He bought roughly the same quantities during both periods. The result shows an increase of about 12 per cent., in spite of his buying inferior qualities of cloth during the latter period.

37. Witness No. 3, whose candour and meticulous accuracy of statement were most impressive, has testified that his monthly expenditure has gone up since the war from Rs. 85/- to Rs. 92/- per month, an increase of about 8 per cent. It must, however, be pointed out in this connection that this was in spite of various economies both in quality and quantity as detailed in his evidence. Thus he now buys wheat of inferior quality and *dhotis* of reduced length (10 yards a pair instead of 11 yards); in *saris* also, he now buys a cheaper variety, costing no more than the superior quality which he used to buy before. But for these economies, the increase in his expenditure would have been somewhat more. The witness gets a monthly pay of Rs. 106/- plus 15 per cent. local allowances and therefore belongs to a class that has a margin for retrenchment.

In addition to the two witnesses just mentioned, there is another witness—witness No. 29—whose total expenditure during the 12 months from September 1938 to August 1939 and also during the 12 months from September 1939 to August 1940 can be calculated from the figures he has supplied. But we doubt if in his particular case the two periods are strictly comparable, the figures being complicated by extraordinary expenditure on account of births, illnesses, schools-fees, guests, etc. For what they are worth, the figures can be arrived at in the following way; witness had no debts at the end of August 1938; during the next 12 months, his net earnings were Rs. 702-8-0, to which must be added what he got from his brother, namely, Rs. 40/- in November 1938 and Rs. 25/- in April 1939; at the end of the 12 months he was in debt to his grocers to the tune of Rs. 54-8-0. It follows that his total expenditure during this period must have been the total of all these sums, *i.e.*, Rs. 822/-. During September 1939 to August 1940, his net earnings were Rs. 682-4-0; in addition he got Rs. 170/- from his father-in-law; at the end of August 1940, his debts to his grocers stood at Rs. 39/-, *i.e.*, Rs. 15-8-0 less than at the end of August 1939, so that his total expenditure must have been Rs. 836-12-0. If we have regard only to his expenditure on food and groceries, we find that his purchases during both periods were about the same, *viz.*, about Rs. 286/-. But it has to be remembered that he had a number of extra relations staying with him during December 1938, a factor which makes it difficult to compare the two figures. There are two other witnesses Nos. 8 and 9, in whose case also detailed figures of their grocery bills and their house-rent are available; but their expenditure on clothing and on certain items of the miscellaneous group is not in evidence. Their monthly expenditure, excluding these two groups, shows an increase of 11 per cent. and 12 per cent., respectively, since the war. Witness No. 8, it may be mentioned, has made no material change in the quality or the quantity of his purchases. We have arrived at these figures in the following way. So far as witness No. 8 is concerned, we have an accurate account of his purchases month by month from January 1939 in the evidence of witness No. 4

(when examined upon the second occasion). The figures supplied by this witness show that the average monthly bill for the period from January 1939 to August 1939, omitting the exceptional month of June, was Rs. 20-4-0 and the average bill for the period from September 1939 to August 1940 was Rs. 25-5-0. This was on account of foodstuffs and groceries. The house-rent including electricity charges was Rs. 25-8-0 per month during both periods. The increase under all these heads was therefore from Rs. 45-12-0 to Rs. 50-13-0 or about 11 per cent. In the case of witness No. 9, his expenditure on provisions has gone up from an average of Rs. 15/- per month to about Rs. 18/- per month, while his house-rent has remained at Rs. 10/- per month. The total increase is thus from Rs. 25/- per month to Rs. 28/- per month or about 12 per cent. It must be mentioned that the witness states that this is in spite of drastic economies both in quality and quantity. We leave out of account witnesses who have merely given rough estimates of their increased expenditure as being 20 per cent. or 25 per cent. more than before the war; these estimates are lacking in precision and therefore of no real value for our purpose. We also leave out of account the statements of various merchant-witnesses relating to wholesale prices: owing to the gap between wholesale prices and retail prices, both in time and range of variation, it is not safe to argue from the one to the other. We should, however, mention the evidence of witness No. 35, who was examined on behalf of the Railway Administration. His purchases of foodstuffs from Sheikani Bros. have gone up from an average of Rs. 8-13-0 per month before the war to Rs. 11-13-0 since the outbreak of the war an increase of about 34 per cent. To what extent this was due to a rise in prices and to what extent to extra guests is not easy to say, and so, on the whole, witness's evidence is not of much value. The average increase in the total monthly expenditure of witnesses Nos. 2 and 3 is about 10 per cent. and if we include witnesses Nos. 8 and 9, the average increase is about 11 per cent. These figures happen to be almost midway between those mentioned at the end of paragraph 35. We, therefore, feel justified in stating that on the best consideration that we have been able to give to the matter and taking into account all the evidence of real value produced before us, the rise in the general cost of living in Bombay City since the outbreak of the war is between 10 per cent. and 11 per cent. We shall indicate in a subsequent paragraph that the rise may be 3 per cent. to 4 per cent. higher, in the case of those who were living on the margin of solvency just before the war; what we are stating now is only meant to apply to the generality of consumers. It is interesting to find that the Board of Conciliation appointed to promote a settlement of the dispute between the New China Mills and their employees—often referred to as the Rangnekar Board—came to the conclusion that the cost of living in January 1940 was about 13 per cent. higher than in August 1939, when the rise indicated by the official figures was between 8 per cent. and 9 per cent. Our finding, on the

evidence produced before us, is that the *average* rise in the cost of living over the 12 months since the outbreak of the war is between 10 and 11 per cent. against a 7 per cent. increase indicated by the official figures.

38. We may at this stage notice certain other criticisms of the Labour Office cost-of-living figures advanced by Mr. Jamnadas Mehta on behalf of the Federation in the course of his argument. It will be remembered that according to the Federation's case the cost of living has risen since the outbreak of the war by a figure between 20 per cent. and 25 per cent. In general support of this case Mr. Mehta has invoked Dr. Gregory's broadcast of January 12, 1940, in which he is reported to have 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. \* \* \* The impression I wish to leave with you is that wholesale prices as a whole to-day are something like one-third higher than they were 4 months ago. \* \* \* ”

The index referred to here is an all-India index number of wholesale prices. The implication in the argument is that retail prices follow wholesale prices and that the cost of living, depending as it does upon retail prices, must also follow wholesale prices. Consequently, it is urged, the cost of living in January 1940 must have been nearly one-third higher than immediately before the outbreak of the war.

39. There are two flaws in this argument. In the first place, the position has changed a good deal since January. The all-India index number of wholesale prices, which attained a maximum of 139·5 in the week ending January 6, 1940 (week ending August 19, 1939=100), declined steadily until in the week ending July 6, 1940, it stood as low as 109·8. Since then it has declined further and in the week ending August 31, 1940, it was only 108, or only 8 per cent. more than before the outbreak of the war, although it is now showing a tendency to rise again.

40. If, instead of taking the index numbers of wholesale prices for all-India, we take those for Bombay alone (given in the Bombay Labour Gazette) the result is similar. With July 1914=100, the figures for Bombay were :—

August 1939	. . . . .	103
September 1939	. . . . .	120
October 1939	. . . . .	121
November 1939	. . . . .	133
December 1939	. . . . .	135
January 1940	. . . . .	128
February 1940	. . . . .	124

March 1940 . . . . .	119
April 1940 . . . . .	121
May 1940 . . . . .	118
June 1940 . . . . .	114
July 1940 . . . . .	115
August 1940 . . . . .	112.

It will thus be seen that the figure which stood at 135 in December last steadily fell to 114 in June 1940 and was only 112 in August last, about 9 per cent. more than immediately before the outbreak of the war.

41. A more fundamental weakness in the argument is that it ignores the true composition and meaning of the wholesale price index number. To explain this we shall consider the figure for Bombay rather than the all-India figure, because the former may be expected to be more closely related to the Bombay cost of living. From the details given in the Bombay Labour Gazette it would appear that the Bombay number is based on the prices of cereals, pulses, sugar, other foodstuffs, oilseeds, raw cotton, cotton manufactures, other textiles, hides and skins, metals, coal and kerosene. The weightage given to each group of these commodities depends upon the number of items comprised in the group: thus the food group has at present a weight of 14, cotton manufactures 3, and metals 5. As already indicated, the index number reached its peak in December last and was then 135 as compared with 103 in the preceding August; and in August last it was 112. It is instructive to compare the details of the increase in each group of commodities:—

Group.	Weight.	August 1939.	December 1939.	August 1940.
Food . . . . .	14	110	132	110
Oilseeds . . . . .	4	95	109	97
Raw cotton . . . . .	5	67	102	75
Cotton manufactures . . . . .	3	88	117	94
Other textiles . . . . .	2	83	83	83
Hides and skins . . . . .	3	99	99	99
Metals . . . . .	5	131	257	180
Coal and kerosene . . . . .	4	120	128	135
All commodities . . . . .	40	103	135	112

It will be seen from this table that even allowing for the greater weightage of the food group, the metal group contributed most to the increase in the general index between August 1939 and



December 1939, whereas the metal group hardly affects the ordinary family budget or enters into the cost-of-living figure. The contribution of the food group to the general increase (32 points) is given by the increase in the food index (22 points)  $\times$  its weight (14)  $\div$  the total of the weights (40) = 7.7 points, while the contribution of the metal group was  $126 \times 5 \div 40 = 15.7$  points. Comparing similarly the figures for August 1940 (which is the latest month for which figures are at present available) with the figures for August 1939, we find once again that such increase as there has been was largely (6.1 out of 9 points) due to the metal group. The wholesale price figure for the food group showed no increase at all and thus contributed nothing to the increase in the general number. In other words, the rise in the general index was mostly due to the metal group, which hardly affects the cost of living, and not at all to the food group, which enters most largely into the cost of living. It is, therefore, a fallacy to argue that merely because there has been an increase in the index number of wholesale prices for Bombay, as that number is constructed, there must necessarily be an increase of the same order in the cost-of-living figure. The factors that enter into the two figures are not all the same and much depends on the particular factor that has caused the rise in the wholesale index.

42. Three other arguments advanced on behalf of the Federation may next be noticed. The first is that the official cost-of-living index number takes no account of the rise in the price of medicines, stationery and household utensils, all of which, have risen in price much more than the articles included. Another point made is that the weightage given to the food group in constructing the official figure is insufficient. The third point is that the units adopted for the ascertainment of retail prices in the construction of the official figure are in some cases larger than the actual unit of purchase of the small retail customer. A sufficient answer to all these arguments is that as we have found from the evidence of some of the Federation's own witnesses, that their monthly expenditure has increased by an average of 10 or 11 per cent. and as we are prepared to accept this figure as the true measure of the increase, it is immaterial whether the official figure is defective or not. We shall, however, proceed to consider each of the arguments on its merits.

43. It is true that the prices of medicines, stationery, household utensils, etc., have gone up by 20 per cent. or 25 per cent., and in some cases much more, according to the evidence given before us. It is also true that so far as medicines are concerned, the official figure shows no change in the price since the outbreak of the war and that the other articles find no place at all in the miscellaneous group reflected in the figure. On the other hand, we must remember that, as stated by witness No. 17, the poorer

classes buy indigenous medicines, which have not gone up in price except where the increase is due to the price of the bottle. Indeed, the evidence of witness No. 7 shows that his Ayurvedic doctor has been charging him a little less for medicine than before, while the daily fee for attendance (Re. 1/-) has remained unchanged. There is also force in the reply of the Labour Office witnesses that the price of a bottle of medicine is not necessarily affected by the increase in the cost of medicines so long as the contents of the bottle are an unknown quantity; and they have found from their inquiries that the price of a bottle of medicine has in fact remained unaltered. Then again the weightage of the expenditure on medicines, stationery, cooking utensils, etc., is small and indeterminate. Individuals may on occasion have to incur considerable expenditure on medicines; but the average monthly expenditure of a family on medicines and medical fees was found to be only about 3 annas during the inquiry into 1,469 working class family budgets in Bombay City during September 1932—June 1933; only about 13 per cent. of the families reported expenditure on this item. Expenditure on cooking utensils does not appear to have been separately recorded in the published report of that inquiry, but during the earlier inquiry of 1921-22 the average monthly expenditure on this item was found to be about 8½ annas, although it was admitted that the relevant figures were not available in sufficient detail. Assuming on these figures that the total monthly expenditure under medicines, stationery, cooking utensils, etc., in an average family before the war, was of the order of Re. 1/-, and has gone up since the outbreak of the war by 8 annas (an increase of 50 per cent.) over and above the average, this would amount to an increase of only about 1 per cent. on Rs. 45-15-0, which was the total monthly expenditure of an average family as found during the inquiry of 1932-33. In other words the defects and omissions complained of in the miscellaneous group might have operated to depress the general cost-of-living index figure by 1 point at most. The figures available in the evidence of witness No. 3 appear to bear out this conclusion. It must be remembered that this witness gets about Rs. 120/- per month (including allowances) and has a family of 7 members, so that both his income and his expenditure are much above the average. According to him cups and saucers, of which he buys 3 every 3 months, have gone up in price from Rs. 1-2 or Rs. 1-4 to Rs. 2-4 per dozen; galvanised iron buckets, which last him 9 or 10 months, have gone up from 9 annas or 11 annas to Re. 1/- each; brass utensils, on which he spends Rs. 10/- or Rs. 12/- per year, have gone up from 10 annas per lb. to 12 annas per lb. It follows from these figures that his pre-war expenditure on these items was equivalent to about Rs. 1-3-0 per month and his present expenditure to about Rs. 1-8-0 per month—an increase of 5 annas per month. In adopting 11 per cent. as the measure of the increase under all heads, we have allowed for an increase of 2 annas on these items as well,

so that the error amounts to only 3 annas per month. Witness's total monthly expenditure before the war was, it will be remembered, about Rs. 85/-; the effect of the error is therefore less than  $\frac{1}{4}$  per cent.

44. The next point relates to the insufficient weightage said to have been given to the food group in the construction of the official figure. As is well known, the official number is constructed on a system of weights given to various articles of consumption classified in 5 groups: food, fuel and lighting, clothing, house-rent, and miscellaneous. The weight to be given to each group was calculated from the expenditure upon that group by an average working class family as disclosed during the inquiry of 1932-33; the average expenditure on food having been found to be about 47 per cent. of the total monthly expenditure, the food group has been assigned a weight of 47. It is said that this is low in present circumstances. Let us assume for a moment that it is in fact unduly low and let us give the food group an additional weightage of 10 points, so as to raise the weightage to 57, which was very nearly the figure resulting from the inquiry of 1921-22. Taking the Federation's own data as to the index numbers of each group, namely, Food (57) 117, Fuel and Lighting (7) 104, Clothing (8) 125, House-rent (13) 100, and Miscellaneous (14) 115, the general cost-of-living index number would, on the increased weightage of the food group, work out to 114.2, which is only a fraction of a point higher than the figure resulting from the lower weightage. This is only a further illustration of the general proposition that when the price-increases in the different groups are not markedly different, small errors in the weighting of the groups are not of much consequence. But of course a large shifting of weight from a group in which prices have not risen much to a group where the rise has been considerable will make an important difference. Although, therefore, this particular argument used by the Federation is not of much force in the general case, it assumes great importance in the special case of the lowest-paid railway employee, as we shall show immediately.

45. About 45 per cent. of the permanent staff of the Great Indian Peninsula Railway drawing less than Rs. 30/- per mensem are provided with rent-free quarters. Most of them also get a certain amount of clothing free. In rural areas their expenditure on fuel must be little or nothing. Railway servants on pay below Rs. 25/- per month are entitled to gratuitous medical attendance for themselves and their families. In the light of these facts, let us consider the budget of a railway employee of the above type, whose monthly income is Rs. 15 and who has a family of 4 members to support. He spends nothing on house-rent since he gets free housing and little or nothing on fuel. He has to spend a little on clothing for the members of his family and partly for

himself; but from the figures appearing in the evidence of the gangman witness No. 11, this would be less than Re. 1/- per month. Almost the whole of the rest of his income would be spent on food. Thus his budget would be, let us say, Rs. 13/- for food, Re. 1/- for clothing, and Re. 1/- for miscellaneous expenditure. Now, on our findings, food has gone up in price by about 16 per cent. and clothing by about 19 per cent. and even if we ignore any increase in the miscellaneous expenditure, his budget would show an increase of Rs. 2-1-0 under food and 3 annas under clothing or a total increase of Rs. 2-4-0. In other words, his cost of living has increased by 15 per cent. as compared with 11 per cent. in the case of the general consumer. The reason for this appreciable difference is that this type of budget is widely different from the ordinary type, food accounting for nearly 90 per cent. of the expenditure and house-rent being of no account at all. In fact, it approximates to the type of budget on which the Jubbulpore official cost-of-living figure is constructed; this, it will be remembered omits the house-rent item altogether and assigns a weightage of 75 per cent. to the food group, with the result that it shows a rise of 14 per cent. over the pre-war average.

46. We may in passing mention the fact that although the weightage given to the food group in the computation of the Bombay index number is nominally 47, it is actually more. The details of the computation in each issue of the Bombay Labour Gazette will show that the weight actually given to the food group is 47 out of a total, not of 100, but of 89. 47 weights out of a total of 89 are equivalent to about 53 weights out of 100. In other words, the actual weightage works out to nearly 53 per cent.

47. We now take up the next point made, namely, that the unit adopted for the purposes of the official index number is in some instances too large. The argument is that in the case of certain articles of food, a small retail customer does not buy so many pounds or seers, but a pice worth or two pice worth of goods. Therefore, it is said, the retail price ought to be worked out on the latter system of purchase rather than on the former, and when so worked out, the percentage increase would be higher. As an example, a person buying eggs by the dozen may find that the price has gone up from 5 annas to 7 annas—an increase of 40 per cent.—while another person buying six pice worth of the same eggs will find that whereas he could get 3 eggs before, he can get only 2 now, which represents an increase of 50 per cent. in the price. But, in the first place the argument is not applicable to the more important articles like rice or wheat which even the small customer usually buys by the paylee or the seer or whatever the local measure may be. It applies only to comparatively minor articles of consumption, such as milk, sugar, and salt, and even here the effect

is not always in the same direction. Witness No. 12 has told us "If sugar is  $3\frac{1}{2}$  seers per rupee and a customer asks for half-an-anna's worth, I would give him  $1\frac{1}{2}$  chhataks,—i.e., at the rate of 3 seers per rupee. If sugar goes up to 3 seers per rupee,  $1\frac{1}{2}$  chhataks for half-an-anna; so too if sugar goes down to 3 seers, 10 chhataks per rupee. It cuts both ways; sometimes this type of customer gains and sometimes he loses by his mode of purchase." That is to say, even when the price per seer shows an increase, the quantity sold for half-an-anna may show no decrease. If allowance is made for these two factors, namely, that the argument applies only to certain minor articles of consumption and that it sometimes works in favour of the small buyer, (in the sense that his prices do not go up in the same proportion as the official retail prices) the force of the argument is greatly reduced.

48. There remains one further point to be considered. Does our conclusion about the average rise being 10 or 11 per cent. require any qualification in the case of those who buy on credit rather than for cash? It might appear at first sight that, since the index figure depends upon the ratio of two prices, it is immaterial whether the prices compared are both cash or both credit. This is undoubtedly so, but there is a class of persons who before the outbreak of the war just lived within their income and are no longer able to do so because of the rise in prices. They were able to buy at cash prices before the war and are now compelled to buy at credit prices. In their case, therefore, the cost of living must have increased by something more than 10 or 11 per cent.

49. Let us examine this point a little further. Several merchant witnesses were examined before us in the course of the inquiry and have explained to us with unusual candour their practice of dealing with defaulting customers. Thus, witness No. 23, a merchant of Dadar, a suburb of Bombay, said:—

"If a customer does not pay his bill at the end of the month and is able to give a satisfactory explanation, I give him an additional month's time; if he defaults even then, I charge him an extra pice or two in the price of certain articles. The number of defaulters is increasing, owing to the increasing cost of living. [Reads from his books]. For example, I have a defaulter A—who had been in arrears since November 1938. On 17th January, 1939, I sold him 2 seers of *turdal* for  $5\frac{1}{2}$  annas, whereas on the same date, I sold to another customer 2 seers of the same *dal* for 5 annas. Again, on the same date, I sold to A—7 lbs. of *gur* for Rs. 1/- and  $3\frac{1}{2}$  lbs. for 7 annas to the other customer. A—has now left me, owing about Rs. 31/- odd in all".

It is clear from the above evidence that whereas A—might have been able to buy for cash prices before he was in arrears, he had to pay credit prices, which were 10 to 14 per cent. higher than cash prices, after he had been in arrears for two months. Another merchant witness (Witness No. 12 of Lonavla) told us :—

“ If a customer of mine leaves his bill outstanding for two months, I might stop his credit or sell to him on a higher price next month. Thus an article worth Re. 1/- would be sold to him for Rs. 1-1-0, or else I might sell him an inferior quality ; an inferior quality of Punjab wheat is difficult to distinguish from a slightly superior quality of Punjab wheat ”.

We may observe, in passing, that one of the recognized varieties of Punjab wheat contains 3 per cent. dirt while another contains  $1\frac{1}{2}$  per cent. dirt, so that the actual wheat content of the inferior variety is less. Yet another merchant witness (Witness No. 30 of Manmad) said :—

“ In the case of those who pay regularly, my cash prices and credit prices are the same, but if a customer does not pay for about 4 months, I charge higher prices to him for subsequent goods ; the prices are  $\frac{1}{2}$  anna or one anna per rupee higher. ”

There was other evidence of the same kind given before us. The general effect of the evidence is that customers who buy on a month's credit and are able to pay their bills regularly at the end of each month get their goods at cash prices ; but if they are in arrear for 2 or 3 months, their prices for goods subsequently purchased go up—by at least half an anna in the rupee.

50. Let us now consider the case of a man who was living on the margin of solvency just before the war, in the light of the above evidence. Let us suppose that his monthly income was and still is Rs. 30/- and that his monthly expenditure before the war was Rs. 30/-. Since the outbreak of the war, his monthly expenditure has gone up, let us say, to Rs. 33/- (on the basis of an increase of 10 per cent.) with the result that he would be in arrears to a small extent to his grocer at the end of every month. After about three months of continuous defaulting, he would find that his bills instead of being Rs. 33/- have gone up to Rs. 33 +  $16\frac{1}{2}$  annas = about Rs. 34/-. Thereafter, therefore, his cost of living, compared with the pre-war cost of living, would be in the proportion not of Rs. 33/- to Rs. 30/-, but of Rs. 34/- to Rs. 30/- that is to say, his continued default has had the effect of adding over 3 per cent. to the cost of living. He could doubtless avoid this additional burden by borrowing from a moneylender, but he would have to pay interest on the loan and that interest, unless he is fortunate.

would not be less than half an anna in the rupee per month. As will be seen presently the net result in the two cases would not ultimately be materially different; in the one case he is in debt to his grocer who charges him higher prices in lieu of interest, in the other case he borrows from a third person and has to pay him interest at the same rate.

51. We should like to elaborate this point a little further as it is of some importance. Let us suppose that in order to avoid his credit being stopped or his prices being raised, the customer borrows from a moneylender and pays up his grocer's arrears. The monthly deficit in the case put being Rs. 3/- he has to borrow Rs. 36/- in the course of the 12 months following the outbreak of the war. What is his position at the end of the 12 months? His monthly dues will now be Rs. 33/- *plus interest on the loan of Rs. 36/-*. Even if we calculate interest at the rate of half-an-anna in the rupee per month (the usual rate being one anna) and even if we ignore any interest accrued during the 12 months, his monthly dues on account of interest at the end of the 12 months will be Rs. 1-2-0, so that his monthly deficit will now be Rs. 4-2-0 instead of Rs. 3/- as before. In other words, the result is the same as if his prices had gone up by nearly 14 per cent. instead of by 10 per cent. The argument, it must be noticed, does not apply to persons who have reserves to fall back upon, either in the shape of ornaments which they can sell or rich relations whom they can approach for assistance nor to those who are in a position to borrow on easy terms from Co-operative Banks or elsewhere. On the other hand, it will apply with added force to the lowest-paid employees who, being unable to furnish security or personal sureties or for any other reason have to borrow from moneylenders and pay a higher rate of interest than that assumed above. Thus, an employee of the type of witness No. 28, a fitter cooly of Satna on a pay of Rs. 20/- per month, has to pay interest at one anna in the rupee per month when he borrows from *Sowcars* besides what he has been able to borrow from the G. I. P. Co-operative Bank. In such a case, the additional increase works out to nearly 7 per cent. instead of 3 per cent. or 4 per cent.

52. However we may describe this effect—whether we put it down to the difference between credit and cash prices to a customer who was able to buy at cash prices before the war and is now obliged to buy at credit prices, or whether we ascribe it to the burden of accumulated deficits due to a lag in neutralisation, the result is to add about 3 per cent. or 4 per cent. or sometimes more to the increase in the cost of living. To summarise our conclusions: in Bombay we find that the average increase in the cost of living during the 12 month period from September 1939 to August 1940 was 10 per cent. or 11 per cent. to the general consumer with an addition, usually of the order of 3 per cent. to 4 per cent., in the case of a person who was only just able to live within his means before.

the war. The difference between the figure we have found and the figure resulting from the official index numbers is due, amongst other causes, to the fact that the official index numbers for the clothing and miscellaneous groups are defective.

53. The official index figures for Sholapur are open to criticism on the same grounds. In the first place, the quotation for the *sari* item in the clothing group has remained unchanged since January 1938 and the quotation for *dhoties* has remained unchanged since March 1940. Travelling expenses to and from home do not enter at all into the miscellaneous group, so that the official index figure for that group does not reflect the increase in bus or steamer fares or even in railway fares. It is, therefore, not possible to say what correction should be introduced into the official Sholapur figure. So far as the cost-of-living index figures for other centres are concerned, no particular attack was made upon them by either side and we are therefore content to take the figures as they stand. We have already observed that the figures for Nagpur and Jubbulpore have slightly exaggerated the increase that has taken place in the cost of living at those places, inasmuch as they do not include house-rent—an item which has not moved since the outbreak of the war.

54. So far as the general consumer is concerned the result, therefore, stands thus: Increase in Bombay 10 per cent. or 11 per cent.; Sholapur 7 per cent. on the official figures, which are probably an underestimate; Nagpur 12 per cent., which is probably a slight overestimate; Jubbulpore 14 per cent., which is also probably a slight overestimate; Jalgaon 10 per cent.; Cawnpore 10 per cent. The average of all these figures is about 11 per cent.

55. For places other than these, on the G. I. P. Railway, there are no official figures; nor, except perhaps for Manmad, are there sufficient data in the evidence given before us from which we can work out the increase in the cost of living. Thus, for Wardha, although three statements of prices (Exhibits 13, 14 and 17) have been put before us, none of them contains any information about food-grains, or pulses, or cloth. For Dhond, we have Exhibits 11, 16, 24 and 25; neither Exhibit 11, nor Exhibit 24, nor Exhibit 25 gives sufficient data; Exhibit 16 might have been of some assistance but for the fact that there are several discrepancies between this statement and the detailed accounts [Exhibit 16 (a)] from which it is said to have been compiled. For Jhansi, the relevant documents are Exhibit 18, Exhibit 23, and Exhibit 30. Exhibits 18 and 30, even when combined, give no information about the fuel and lighting group or the clothing group, or the miscellaneous group, while Exhibit 23 only contains certain accounts for various months of the year 1940 and even these are of doubtful reliability. For Manmad, we have certain figures in the evidence of witnesses No. 18 and 30 based on the accounts



in Exhibit 15 (a); from these it appears that witness No. 18's average expenditure on various articles of food and on kerosene and matches during the period October 1938—August 1939 was Rs. 15/- against an average of Rs. 17/- in the next 12 months. This gives an increase of about 13 per cent. If we include this figure in the list in the preceding paragraph, the resulting average still remains at 11 per cent.

56. These figures are in each case subject to what we have said in paragraph 45 as to the steeper rise in the case of the lowest paid railway employees and also to what we have said in paragraph 52, as to the additional burden to those who were on the margin of solvency just before the war.

57. It will be seen that there is no great variation in the all-round increase between one place and another. We have, however, already referred to a peculiarity of the Cawnpore figures, namely, that in that area the increase has been much more in the non-food group than in the food group, whereas in the other places such is not the case. This suggests that the uniformity of the general rise is due to different factors predominating in different places so as to produce somewhat the same effect upon the whole rather than to any one cause operating in the same way everywhere. But whatever may be the reason, the fact is that, so far as we have been able to ascertain, the rise in the cost of living has been much the same in every place, somewhere in the neighbourhood of 11 per cent. for the general consumer.

58. We have had little evidence produced before us during the present inquiry about the cost-of-living in rural areas, the only witness of any value on this point being witness No. 11, the Lonavla gangman already mentioned. His statements, so far as they go, seem to us to be accurate, although not fortified by any books of account. He has given us a good many figures showing the rise in prices of articles of food and clothing which he has been buying from a shop at Valvan, a place between Lonavla and his village Varsuli. So far as they can be checked from the evidence of witness No. 12, a Lonavla merchant, who mainly speaks to wholesale prices, they show that there has been no attempt at exaggeration on the part of the gangman. We accordingly accept his figures, in the absence of anything better, and on the basis of these figures we find that in the food group his prices have gone up by about 18 per cent. since the outbreak of war and in the clothing group by about 24 per cent. The corresponding figures found by us for Bombay City are respectively 16 per cent. (midway between the official figure of 14 per cent. and the Federation's figure of 17 per cent.) and 19 per cent. (midway between the figure of 13 per cent. conceded by the Railway and 25 per cent. claimed by the Federation). It follows that the increase at Valvan has been slightly, though not

much, higher than in Bombay. Indeed, it was contended before us on behalf of the Federation, that generally speaking, the increase in rural areas has tended to be higher than in towns because of the fewer shops and the consequent absence of competition and also because of the difficulty of controlling prices in remote places. Certainly such evidence as has been produced before us shows that the increase in rural areas has not been less than elsewhere, and the Railway Administration have not produced any good evidence to the contrary.

59. In the Railway Administration's printed case (Appendix D), a good deal of information has been supplied to us regarding grain prices in a large number of stations including many for which a general cost-of-living index figure is not available. We do not, however, think that we can arrive at any definite conclusions on the figures furnished. For one thing, only the prices ruling in December of the years preceding 1939 have been quoted; for 1939, only the August prices and for 1940 only the June prices. It is not possible from these figures to say what has been the average rise in staple grain prices during the 12 months following the outbreak of the war as compared with a similar period before the war. A more serious criticism is that the figures supplied seem to be self-contradictory in some cases: thus the information given at page 26 of the printed case regarding Banda, Hoshangabad, and Jhansi is not easy to reconcile with what appears at page 30 regarding the same three places. Indeed the Railway Administration themselves in their argument before us admitted that Appendix D cannot be relied upon to show the true increase in different places, nor even whether one place is dearer or cheaper than another. That the figures are unreliable would be obvious from a cursory examination of the Appendix: thus, they show that in June 1940 rice was actually cheaper in Thana and Kalyan than before the war, whereas it has been proved before us that rice was then dearer. [*Vide* Exhibit 5 for Thana and Exhibit 13 for Kalyan, the former showing a rise of 19 per cent. between June 1940 and August 1939 and the latter a rise of 23 per cent. during the same period.] Again, it appears from the Appendix that in Murtazapur rice was nearly 100 per cent. dearer in June 1940 than in August 1939, although, according to witness No. 39, the Extra Assistant Commissioner of Akola, scarcity conditions prevailed in Murtazapur from July to November 1939. For these reasons, we do not think that the figures in Appendix D are of any real value.

## CHAPTER III.

## SECOND TERM OF REFERENCE.

60. The second term of reference requires us to find whether, having regard to the previous movements in wages and prices, the rise in the cost of living since the outbreak of war establishes a case for a war allowance for the lower paid staff.

61. There are at present 3 scales of pay in force on the G. I. P. Railway : one referred to as the Manmad scale, another as the Chandwani scale, and the third as the revised scale for new entrants, or, more briefly, as the revised scale. The Manmad scale was introduced in April 1920, with retrospective effect from April 1, 1919, apparently as a result of negotiations with a meeting of delegates from a number of stations held at Manmad in April 1920. The origin and the effect of the scale are described by the Railway Administration in the following terms :—

“ Speaking generally, during the 4 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”. (paragraph 16 at page 11 of the Railway’s printed case).

62. The Chandwani scale was introduced in April 1930. It was for the most part an improvement on the Manmad scale, but it did not apply to workshop staff ; and where it was not an improvement the staff concerned were permitted to retain the Manmad scale.

63. The genesis of the revised scale for new entrants is described thus in the Railway’s printed case : “ In 1931, owing to the depression which had set in it was found necessary, not only having regard to Railway earnings but also due to the very steep drop in the cost of living, to introduce, for new entrants only to the service (*i.e.* for those engaged on and after 16th July 1931) reduced scales of pay for all non-gazetted staff. These revised scales of pay for new entrants to the subordinate service were introduced from 1st October 1934 and for labourers and inferior staff from 1st January 1935.”

64. On August 1, 1940, the number of permanent staff below Rs. 30/- per month on the Manmad scale of pay was 8,914 ; the number on the Chandwani scale was 27,109, and the number on the revised scale for new entrants was 8,202. In addition, according to witness No. 37, there were, on March 31, 1940, 8,700 temporary

employees. Temporary employees include both casual labour, paid according to the prevailing daily market rate, and others, paid according to the standard monthly rates of pay. These standard rates will now mean the rates under the revised scale.

65. The argument on behalf of the Railway Administration on the issue involved in this term of reference may be briefly put thus : The Manmad scale, having been framed in 1920, by agreement at a meeting of delegates must be regarded as having been adequate to meet the living conditions of 1920. The staff at that time accepted the scale as satisfactory and some at least regarded it as generous. In April 1920 the cost-of-living index number in Bombay City stood at 172. Even the highest figure reached since the outbreak of the present war was only 114, which is far below the figure for April 1920. Therefore there is no justification for making any addition to the Manmad scale at the present time. Similarly, the Chandwani scale introduced in April 1930 must be regarded as having been adequate to meet the living conditions of that time, when the Bombay cost-of-living figure stood at 140. There is, therefore, no justification at the present time for adding to the emoluments of those who are drawing pay on the Chandwani scale. As regards the revised scale for new entrants, although the scale was introduced in 1934 or 1935, it was based principally on the cost of living in 1931, the delay in introducing the scale being due to the fact that the working out of the details in a large organisation such as a State Railway is an enormous task and therefore took more than 3 years to complete. The average cost-of-living index number in Bombay in 1931 was 110, only one point below the average of the official figures for the 12 months since the outbreak of the war. The proposition that every rise in prices should be neutralised by a corresponding increase in wages is unacceptable, because any such doctrine would carry with it the corollary that whenever prices fell, pay should be correspondingly reduced.

66. These arguments merit careful consideration. When we speak of a particular scale of pay being adequate to the living conditions of a particular date, we mean that it was adequate to maintain the standard of life prevailing at that date at the prices then ruling. Confining ourselves for the moment to income groups below Rs. 30/- per month, let us ask ourselves, what was the standard of living amongst this group of employees in 1920 when the Manmad scale was introduced. As already mentioned, there was an enquiry into working class family budgets in Bombay during the period from May 1921 to April 1922, which is near enough to the date of the Manmad scale. Let us look at some of the facts elicited during that enquiry. At page 80 of the Report of the Enquiry (1923) we find a table showing the quantity of food consumed by families consisting of a husband, a wife and two children. There were 12 families of this kind with a monthly income below Rs. 30/-

per month ; not one of them spent any money on milk. By 1932-33 things had improved slightly in this respect ; for, at the Enquiry held in that year it was found that out of 180 families with an income of less than Rs. 30/- per month, 106 families could afford to buy some milk while the remaining 74 did not buy any. (*Vide* Exhibit E. prepared by the Bombay Labour Office). The average size of these families was between 3 and 4 members (*vide* page 8 of the Report of 1935). We may, therefore, perhaps infer that, whereas working class families of this size bought no milk in 1921-22, about 60 per cent. of them had learnt to appreciate the value of milk and were able to buy it in 1932-33. The total percentage of families in all groups consuming milk in 1921-22 was 47.7 (page 22 of the Report of the Enquiry of 1921-22), while the total percentage in 1932-33 was over 79. It will, we are sure, be readily conceded that we cannot say to the families now consuming milk, "Because you did without milk in 1921-22, there is no reason why you should have milk today ; the wages which you received then were adequate for your needs at that time and must be regarded as adequate for your needs now also." We make no apology for reproducing here the following extracts from the Interim Report of the Mixed Committee appointed by the League of Nations on the Problem of Nutrition : " \* \* \* Milk is the nearest approach we possess to a perfect and complete food, and no other single food is known that can be used as a substitute. \* \* \* Its value is unique and we cannot do without it. \* \* \* Milk, it is recommended, should represent a large proportion of the diet at every age." (pages 58-59 of the Report, 1936).

67. Let us look at another aspect of the matter. At page 23 of the 1923 Report we find it stated in paragraph 33 that about 97 per cent. of the working class families then lived in single rooms and at page 8, in paragraph 13 of the same report, we find this fact mentioned as being one of the causes of the heavy mortality amongst infants in Bombay. By 1932-33 there had been a slight, though by no means considerable, improvement in this respect. Of the 1469 families whose budgets were examined in 1932-33 nearly 74 per cent. were found to be living in one-room tenements, and in no fewer than 145 cases even the one-room tenements were shared between two families. It would hardly be fair to say to the families that have been able to afford a two-room tenement, "Because in the year 1921-22 you were content to live in a one-room tenement or a portion of it, there is no reason why you should not continue to do so now, and the income which was sufficient for your needs at that time must be regarded as sufficient for your present needs".

68. Let us look at a third aspect. At page 95 of the 1923 Report, we find a table showing that of the 68 families with incomes below Rs. 30/- per month who were examined during the 1921-22 Enquiry, not one spent any money on education. It should be remembered that even where education is free, some expenditure is

necessary to buy slates, pencils, exercise-books, etc. The table at page 35 of the Report of the Enquiry of 1932-33 shows that families of this class had by then made a small beginning and were spending on an average 7 *pies* per month on education. We have reason to believe that since 1932-33 things have improved further in this respect and that some of the families are now educating not only their boys but also their girls. No one would think of saying to these families, "Because you could do without any education for your children in 1921-22, you ought to be able to do without it even now and the wages which sufficed for your requirements then must also be regarded as adequate for your needs now". In 1930, the Railway Board in their Memorandum to the Royal Commission on Labour, observed "In conclusion the Board wish to emphasize that the chief obstacle which impedes all progress is the prevailing illiteracy which operates as a serious handicap to the worker and reacts, to use the phraseology of the terms of reference of the Commission, 'on the health, efficiency and standard of living of the workers and on the relations between employers and employed.' The average labourer in India lives in a vicious circle of illiteracy, inefficiency, low wages and poor standard of living and at the root of the whole evil lies his ignorance which creates a wall of prejudice and apathy around him. Owing to illiteracy he lacks the ambition to raise his standard of living and an increase in his wages is sometimes followed by a noticeable decrease in his effort and outturn." (page 189).

69. It is perhaps needless to multiply these illustrations. Since 1921-22 there has undoubtedly been a rise in the standards of life of families with fixed money incomes, owing to the fall in prices which has occurred since that date, particularly in cereal prices. To quote once more from the Railway Board's Memorandum "The standard of living has undoubtedly increased very considerably in the last two decades. The labourer's diet is improving in quality and quantity, his clothing is more adequate and his household belongings more extensive and conducive to a greater degree of comfort. This change is probably the most hopeful sign that the worker is gradually realising the benefits to be derived from increased efficiency and improvements in his conditions of service." But even the present standards are not very high : 41 per cent. of the families earning below Rs. 30/- per month still buy no milk even for nursing mothers or for babies and 74 per cent. of the families still live in one-room tenements. In our opinion it is not possible to accept any argument which would have the result of driving back even the families that have improved their position slightly to the standards of 1921-22.

70. It is true that in war time all sections of the community, including Government servants, must submit to a reduction of standards ; but there is, we submit, a point below which reduction

is hardly possible. In this inquiry we are not concerned with Government servants in general; we are only concerned with railway employees, men, that is to say, engaged on so vital a service as the main transport of the country and some of them increasingly employed on work even more directly connected with the war. In the case of such men we venture to think that it would be a mistake to compel reduced standards which must inevitably tell upon their health and efficiency, although they may have been content with these low standards 20, 10 or even 5 years ago. Writing in 1931 with reference to the various revisions of wages made since 1914, the Royal Commission on Labour in their Report said, "Although the position of railway workers generally would appear to have improved considerably in recent years, as regards both earning capacity and buying power, the Railway Board recognise that accepted standards are being raised, and what would have been regarded as satisfactory even ten years ago is no longer sufficient."

71. Of course, where the wages earned provide a margin for reduction of standards without detriment to the health or efficiency of the worker, the position is different.

72. In regard to those employees who entered service on the revised scales of pay introduced in 1934 or 1935, the argument advanced by the Railway Administration is, as we have seen, on slightly different lines. The point sought to be made in their case is not that the present cost of living is lower than the cost of living upon which the scale was based, but that the difference is not yet sufficient to justify any addition to the scale.

73. Another point sought to be made is that on the whole the revised scale of pay for new entrants is no worse, and in many instances better, than the Manmad scale which, as already mentioned, was sanctioned when the Bombay cost-of-living index stood at 172, a figure far higher than any reached since the outbreak of the war. Therefore, it is implied, the revised scale must be regarded as more than adequate for the needs of to-day.

74. The whole of this line of argument as to the adequacy of the Manmad scale or the Chandwani scale or the revised scale turns upon what we mean by adequacy. In a country where, at certain seasons of the year, labour can be obtained on a daily rate of perhaps 5 annas, a monthly wage of Rs. 14/- or Rs. 15/- (which is the maximum wage under the Chandwani scale or the revised scale in certain categories on certain sections of the railway outside the Bombay area) may in one sense be said to be more than adequate; and if, in addition, it happens to be a generously-conceived improvement upon some previous scale, it may be accepted with gratitude by the employees. Nevertheless, if the question arises whether such a wage is adequate in the sense of being sufficient to maintain

the worker with a normal family at a reasonable level of efficiency it is obvious that considerations of a different kind will arise and the answer may well be different. The fact that a man accepts a certain wage does not prove its adequacy in this sense; he may accept it merely because he cannot get anything better. We cannot forget that we are concerned in this inquiry with a class of men whose health and efficiency are a matter of importance to the community, particularly in a time of war. In the course of our tours we had occasion to visit several Railway workshops. From the officials in charge of these workshops we heard nothing but praise for the men and the manner in which they are responding to every call made upon their energies in aid of India's war effort, often regardless of their own health and sometimes even requiring to be restrained from overwork. Doubtless, with some of them, the incentive has been the natural desire to earn more money by working overtime; all the same we feel that for men so engaged and often working at such high pressure, no wage can be properly called adequate unless it is sufficient to maintain them in a proper state of health and efficiency.

75. We must here sound a note of caution. We have no intention in this inquiry of pronouncing upon the general question of a living wage for railway employees or for others, as we have not sufficient materials upon which to found an opinion on so large an issue. We wish we could have avoided the question altogether. But, as will appear more clearly in the sequel, in order to determine what classes of employees should be granted a dearness allowance, it is necessary for us to draw, roughly and with the aid of such materials as may be readily available, what has been called a "poverty line", between incomes that are above subsistence level and incomes that are not. For this limited purpose, no great precision is required: the amount of the dearness allowance we propose to recommend is comparatively small and even if we err in drawing the line, whether on one side or the other, the error is not likely to cause grave inconvenience. We shall, of course, endeavour to do our best with the materials at our disposal; but further materials may show that our estimates are too high or too low. We only wish to emphasize that these estimates, necessarily diffident, are for the limited purpose of deciding at what level of income a war dearness allowance should be given at the present time and our references in this report to the "poverty line" or the "subsistence level" or the "efficiency level" are not to be construed in any larger sense. With these reservations, we proceed.

76. In a pamphlet on "Balanced Diets" (Pamphlet No. 8) issued by the Bombay Presidency Baby and Health Week Association in 1935 and described by Sir Robert McCarrison (the then Director of the Nutrition Research Laboratories in Coonoor) as accurate in detail and the best pamphlet of its kind he had ever



seen, the authors estimate the minimum cost of a balanced diet (including fuel for cooking) in Bombay City at Rs. 5/- per adult per month. This was at the wholesale prices then current in Bombay and the above monthly cost is described by them as "very nearly the minimum that can be attained in cities like Bombay" to maintain the worker "in a fairly healthy condition", which we assume to be the same thing as the cost of minimum subsistence. The early part of 1935, when the pamphlet was issued, was a comparatively cheap period in Bombay, when the cost-of-living index stood at 98 or 99. From the evidence given before us we find that wholesale prices are usually about 10 per cent. lower than retail prices, and a corresponding percentage must be added on this account. At the average pre-war retail prices, the figure works out to Rs. 5-13-0. We have seen references to later estimates which place the cost at a higher figure; but assuming for the present that the minimum cost during the year immediately preceding the war was no more than Rs. 5-13-0 per adult per month in Bombay, it follows that any income which left a worker of that city, having a normal family of 4 members to support (equivalent to, say, 3 adults or consumption units, the father counting as one unit, the mother as .8 unit and the 2 children together 1.2 units), less than about Rs. 17-8-0 per month for food and fuel cannot be called adequate, whether that income accrued to him as the result of the Mammad scale or the Chandwani scale or the revised scale. Dr. Aykroyd, the present Director of the Nutrition Research Laboratories, Coonoor, in his Health Bulletin No. 23 (1938 edition) prescribes a well-balanced and adequate diet whose cost works out to Rs. 5/- or Rs. 6/- per adult per month. His figure, therefore, leads to much the same test of adequacy as the figure in the Bombay pamphlet. It will be seen from paragraphs 92 and 95 dealing with our third term of reference that this test of adequacy substantially confirms conclusions which may be reached by another line of approach as well. Where the wage was not adequate in this sense before the war and has become less adequate since, or where it was originally adequate and has now become inadequate owing to the war, we consider that a dearness allowance should be granted so as to restore the earner as nearly as possible to his pre-war level. Not only is this policy supported by authority (see paragraph 89) but it would seem to be the obvious policy to adopt towards men engaged in a vital and increasingly important service.

77. Another defect in the Railway Administration's line of argument that because a certain scale of pay was sanctioned or accepted at a particular time it must be regarded as adequate until prices rise higher than those ruling at that time is that by applying the argument at different dates and from different points of view, we shall be led to different results. Take, for instance, an employee whom the Railway took into service in April 1935 on the revised

scale of pay for new entrants. In that month, the Bombay cost-of-living index number was 98. The fact that the Railway Administration were prepared to pay him on the revised scale proves, it may be said, that in his case the scale was not considered excessive for a cost-of-living figure of 98. That figure has increased since the war to an average of 115, as we have found; therefore, this particular employee is entitled to relief on the basis that there has been an increase in the cost of living of over 17 per cent. In fact, the same argument might be extended to all employees upon the following considerations: Owing to the financial stringency, there was an emergency cut in the pay of all railway employees from December 1, 1931; the cut was halved on April 1, 1933, and completely abolished with effect from April 1, 1935. It may, therefore, be said that the full wages then paid, on whatever scale, were not considered to be too generous for the living conditions of April 1935, when the cost-of-living index number in Bombay was 98. All the scales must therefore be now supplemented in the case of all employees to whom they apply and supplemented on the basis that the cost-of-living figure has increased from 98 to 115—*i.e.*, by over 17 per cent., and not merely on the basis of the 11 per cent. rise which has occurred since the war. In our view this type of argument, from whichever side it may be urged, is unsound. It ignores, on the one hand, the fact that an employer may sometimes pay a generous wage well above the economic level prevailing at the time, and on the other hand, that an employee often has to accept wages well below subsistence level because they are better than nothing.

78. No one would contend that every rise in the cost of living, however small, should at all times and in all circumstances be neutralised by a corresponding increase in wages. Even in normal times, the cost-of-living index number fluctuates from month to month, and any such contention would involve a monthly revision of wage-rates which no one advocates. We believe, however, that when as the result of scarcity or of war conditions the cost of living increases beyond a certain point, it is usual for railway employees (and indeed other Government employees also) to be granted a compensatory allowance just as in times of grave financial depression, particularly when combined with a fall in prices, they may have to submit to temporary cuts in pay for the duration of the emergency. Thus Supplementary Rule 6A made by the Governor General in Council under the Fundamental Rules provides that a competent authority may sanction Grain Compensation Allowance, up to a maximum of Rs. 3/- a month, to a whole time Government servant whose pay does not exceed Rs. 30/- a month, whenever from temporary causes there is a material rise in prices above the normal in the particular locality in which the servant is employed. As far as we are aware, there is no corresponding rule providing for the reduction of pay of existing incumbents when prices fall. We, therefore, infer that the implied contract between

the parties is that when prices rise above a certain level, Government employees may expect to receive a compensatory allowance but that when prices fall their pay will not be reduced except temporarily in times of grave financial depression.

79. It is, of course, a difficult problem to determine, what should be the measure of the rise in the cost of living to justify the grant of compensation. We venture to think, however, that in the case of the lower paid railway staff a rise even of the order of 11 per cent., such as we have found to have taken place in the general cost of living since the outbreak of the war, is material and does justify relief. Even a rise of this magnitude may appear small to those who are accustomed to a high standard of comfort and who have a sufficient margin for retrenchment, but we have also to consider the point of view of the man who is not quite sure of his next supply of milk. Thus, one of the witnesses examined before us (Witness No. 11) is a gangman who now gets Rs. 20/- per month, from which is deducted a sum of Rs. 4/- under the Civil Court's orders, towards certain decretal debts. (We observe in parenthesis that deductions of this kind do not seem to be authorised by the law as it now stands.) He appears to be constantly in debt, which is an indication that his monthly expenditure probably exceeds Rs. 20/- per month. Even a rise of 1 per cent. in the cost of living would, therefore, mean, in his case, an extra expenditure of about 3 annas. He has told us that he buys only 1 pice or 2 pice worth of milk per day, although there are 4 members in his family, including a child 1½ years old. Three annas would, therefore, represent in his case a week's or even a fortnight's milk bill. To employees of this grade even a rise of 11 per cent. in the cost of living means a reduction in their standard of living which must impair their efficiency.

80. For these reasons we find it difficult to accept the argument advanced on behalf of the Railway Administration under this term of reference. We shall indicate in a subsequent paragraph what appears to us to be the true principle to be adopted.

81. The case for granting some measure of relief may at first sight appear to be stronger in the case of new entrants on the revised scale of pay than in the case of older employees on the Manmad or the Chandwani scale. We have already tried to point out that if a certain rate of pay is inadequate to maintain the worker in a state of efficiency, it is equally inadequate whether it results from one scale or from another; but there are certain additional practical considerations which seem to us to make any discrimination between employees on different scales undesirable. For example, in the same workshop and working side by side there may be a cooly drawing perhaps Rs. 19/- per month on the Manmad scale with a service perhaps of 15 years, and an assistant workman drawing perhaps Rs. 30/- per month on the revised scale with a much shorter period of service. If the assistant workman were to be granted a

war dearness allowance and the cooly were to be granted none, there would inevitably be a sense of grievance : it would be difficult to explain to the cooly why he is denied relief while a man on higher pay and with a shorter period of service is granted an allowance. It is true that to grant the same measure of relief, *e.g.*, to a gangman drawing Rs. 17/- per month on the Chandwani scale and to another drawing Rs. 16/- per month on the revised scale would continue the existing disparity in their wages. We have to remember, however, that the object of a war dearness allowance is not to correct pre-war inequalities between one employee and another, but to secure to each employee on the poverty line that his position is not worsened by the war.

82. In our opinion there is a case for granting relief to all low paid employees within the limits which we shall try to indicate when making our recommendations ; and in coming to this conclusion we have taken into consideration not only previous movements in prices and wages, but also the rise in standards of living and the necessity of securing to men engaged in a service vital to the country's war effort that the standards which had not yet risen above efficiency level before the war shall not be lowered by reason of the increased cost of living due to the war.

## CHAPTER IV.

## THIRD TERM OF REFERENCE.

83. We now come to our third term of reference. In what areas and subject to what conditions should an allowance be given? We have already said that as far as we have been able to ascertain, there has been in all areas an average rise in the cost of living of about 11 per cent. to the general consumer since the outbreak of the war. The question now is how far this rise is to be neutralised by granting a war dearness allowance.

84. The arguments against what may be called full neutralisation are familiar to all. The rise in prices caused by the war is in part due to a shortage of consumable goods. If this rise is sought to be neutralised by raising wages all round, the supply of goods remaining the same as before, the result would merely be to raise prices still further, so that no person will be able to buy more goods than before. Any attempt at full and all-round neutralisation in this sense will, therefore, defeat its own purpose. Where, however, neutralisation is confined to those wage-earners who lived at or below efficiency level before the war, this argument would lose much of its force.

85. Another argument that has sometimes been urged against full neutralisation is that in a time of war every citizen must reduce his consumption of goods and no section of the community ought to claim to be put in a position which would enable them to buy the same quantity of goods as before. This argument also would not apply to persons who even before the war were consuming no more than was essential for health and efficiency. It applies only to those who were living above that level and had a margin for retrenchment. We may quote here from the London Economist of September 7, 1940 (page 302). "It is the Economist's contention that the general lowering of the standard of living made necessary by war should be accompanied by the establishment of a minimum standard of living below which no individual would be allowed to fall."

86. A third argument, bearing specially on wage-increases on State Railways, may be put thus: An addition to wages may mean heavier taxation in some form or other in order to find the necessary money, *e.g.*, raising Railway freights on food-grains. This in its turn may raise prices once again and this further rise would then necessitate a further increase of wages, and so on in an endless spiral. This is a moot point upon which we do not venture to express any opinion; but we have made our recommendations as modest as possible so as to minimise the effect on general revenues and to avoid any risk of a continuous rise of prices and wages.

87. A fourth argument is that the cost-of-living index number is subject to fluctuations even in ordinary times and that as these do not entitle the worker to demand a rise in wages, there is no reason why war fluctuations should do so except to the extent that they exceed the normal fluctuations of peace time. In other words, there is no justification for neutralising in full the rise of 11 points that has occurred since the war. We have already endeavoured to meet this argument. Here we would only add that the unimpaired efficiency of the men with whom this inquiry is concerned and a good many of whom are now engaged upon work directly connected with the prosecution of the war, is a matter of more than ordinary importance in war time.

88. Finally, it may be said that the large fall in the cost of living since 1920 and even since 1930 must have enabled the worker earning wages on the scales fixed in those years to accumulate reserves sufficient to neutralise at least a part of the present rise. On this point we need only refer once more to the report of the Royal Commission on Labour who, after reviewing the various wage-revisions since 1914 concluded with the observation, "We recommend therefore that the claims of low-paid workers to improved wage standards should continue to receive careful consideration from the Railway Board and the administrations concerned" (page 150). Evidently, then, even the Chandwani scale left room for improvement in the lower categories; then came the revised scale for new entrants, which, where it applied, reduced the maximum pay in almost all the categories. In addition, there was a small emergency cut in wages between December 1, 1931 and March 31, 1935. It is therefore difficult to assert that the low-paid worker must have accumulated any reserves; indeed, the great majority of workers of this class whom we saw in the course of our tours were in debt. We do not therefore think that this argument can apply to the lower categories of the employees with whom the present inquiry is concerned.

89. Except perhaps for the considerations mentioned in paragraph 86 we are in fact not aware of any valid argument against full neutralisation limited to those who just before the war were living at or below efficiency or subsistence level. We use these terms in the same sense, subsistence meaning subsistence on the minimum standard necessary to maintain "health and working capacity". [We quote the phrase from the terms of reference of the Committee appointed in 1932 by the British Medical Association "To determine the minimum weekly expenditure which must be incurred by families of varying size if health and working capacity are to be maintained and to construct specimen diets".] Our attention has been drawn in this connection to a much-quoted article in the London "Economist", dated January 20, 1940, in which the writer puts the matter thus: "The first principle of

wage policy in wartime must inevitably be that enunciated by the Prime Minister. Any attempt to raise all wage-rates in proportion to the rise in the cost of living must be self-defeating. But there should be a second principle also; no one whose wages provide no margin over the cost of minimum subsistence must be pushed below that level by the rise in prices. These should be the limiting factors; on the one hand, no general adjustment to the cost of living; on the other hand, no refusal to help those already on the poverty line". The writer then refers to certain practical suggestions that have emerged from current discussions and proceeds:— "One that is of particular importance in the main strategy of the price problem is that wage increases should not come into play until the cost of living has risen above its minimum by more than a certain minimum number of points. Much the greater part of the rise in the cost of living in the first four months of war was due to the non-recurrent effects of the change from peace to war. If this rise is faithfully followed by wages, then the vicious spiral will be inevitable; if it is largely ignored, the vicious spiral will never begin. The official figure stood at 155 (July 1914=100) on August 1st and at 173 on December 1st. For the purposes of wage negotiations the datum line might be taken at 165, and only rises above this point should be taken into account. The equity of this proposal lies in the fact that the British wage-earner has enjoyed an enormous uncovenanted benefit, in the past decade, from the fall in the cost of living; its expediency lies in the hope it would hold out of avoiding the start of a continuous rise.

"Beyond this point, the problem is to protect those whose incomes are nearest the minimum, without attempting to maintain the consumption of those who have a margin to spare. This would suggest that the proper method of making allowance for the rise in the cost of living would not be to alter the basic rates of wages, but to give every employee a flat-rate cash bonus, whose amount would be the same whatever the rate of wages. This bonus should be calculated to offset the rise in the cost of living on a minimum subsistence wage. Thus if the rise in the cost of living above the datum line were 10 per cent., and the minimum subsistence wage in August last were adjudged to have been 40s. then the flat rate bonus should, on this calculation, be 4s."

90. We accept the conclusions of the writer of the article subject to the observation that so far as the low-paid employees on the G. I. P. Railway are concerned, it would be difficult to say that they accumulated any reserves in consequence of the fall in the cost of living in the past decade (see paragraph 88). Such benefit as they derived from it was, we believe, exhausted in reducing their previous debt and in improving their standard of living slightly, *e.g.*, by buying a little milk for their children where they previously bought none. Therefore, the "datum line" for them should not perhaps

differ much from the actual cost-of-living figure on this ground. We shall accordingly adopt the principle that for this class of workers neutralisation should be as full as the considerations set out in paragraph 86 permit.

91. The problem now arises of deciding who are the employees whose pre-war wages were already on or below the poverty line. This is a difficult question which we approach with great diffidence. We are aware that it is impossible to isolate any particular class of wages as being on the subsistence line irrespective of the family responsibilities of the individual wage-earner, and have taken this factor into account in the analysis which follows. Absolute precision in this matter is obviously impossible to attain; we have to do the best we can with the materials available to us. At page 16 of the Report of 1935 on the Enquiry into working class Family Budgets in Bombay City held in 1932-33, there is a statement of the average monthly income and expenditure of various working class families by income-groups. From that statement we find that in the income-group below Rs. 30/-, the average monthly income was Rs. 25-3-8 and the average monthly expenditure was Rs. 27-9-7. In other words, there was an average monthly deficit of more than Rs. 2/- in the family budgets of this group. It must be remembered that the average number of persons in the family was 3·15 or, if dependants living away from the family are included, 3·35 (*vide* page 8 of the Report). The deficit cannot, therefore, be attributed to the excessive size of the family. It must further be noted that the expenditure did not include such items as interest on loans, expenditure on festivals, marriages, etc. The fact that the average family in this group was nevertheless unable to balance its budget, is therefore probably an indication that the group is below the poverty line.

92. The same inference emerges from another consideration. We have already seen that the minimum cost of food and fuel for a family of 4 (equivalent to 3 adults or consumption units) at the wholesale rates ruling in Bombay in the early part of 1935 was Rs. 15/- per month. Adding to this 10 per cent. on account of the difference between wholesale and retail prices, we get Rs. 16-8. The average cost-of-living index in Bombay during the period from September 1932 to June 1933, when the above Family Budget Enquiry was held, was 106 against 98 in the early part of 1935. Therefore, an expenditure of Rs. 16-8 in the early part of 1935 would correspond to Rs. 17-13 in 1932-33\*. This was for a family of 4 members or 3 consumption units, whereas the average size of the family in the income-group below Rs. 30/-, studied during the above Enquiry, was 3·15, equivalent to about 2·7 consumption units.

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\*If we take the index figures for the food and fuel groups only instead of the figures for the whole index, the expenditure in 1932-33 will work out to Rs. 18-1-0.



(The exact equivalent cannot be worked out in the absence of information as to the ages of the children in the table at page 8 of the Report of the Enquiry. Assuming the ages to be between 9 and 12 years, each child would count as .8 unit and the entire family of 3.15 persons would be equivalent to 2.7 consumption units.) The proportionate cost for such a family on the basis of the consumption units would work out to about Rs. 16/-. We find from the figures at page 17 of the Report of the Enquiry that the average family in this group spent Rs. 12-9-5 per month on food and Rs. 2-4-7 on fuel and lighting. The expenditure on fuel alone may be taken as about  $\frac{4}{5}$ ths of the combined expenditure on fuel and lighting [78 per cent., judging from the weights of the several items in the fuel and lighting group in the Bombay Labour Gazette figures relating to the Bombay cost-of-living index]. On this basis, the expenditure of the above family on food and fuel works out to Rs. 14-8-0 against Rs. 16/- necessary for the minimum balanced diet. We may, therefore, perhaps infer that the families in the income-group below Rs. 30/- were living in 1932-33 below subsistence level. Prices during the 12 months preceding the war were only about 2 per cent. lower than in September 1932—June 1933.

93. Turning to the next group of families studied during the Enquiry of 1932-33, namely those earning between Rs. 30/- and Rs. 40/- per month, we find that the average monthly income of the families was Rs. 34-3-3 and the average monthly expenditure Rs. 34-11-7. Once again, therefore, the average family in this group, as in the previous group, was finding it impossible to balance its budget. Its expenditure on food and fuel was Rs. 16-0-3 +  $\frac{4}{5}$ ths of Rs. 2-9-8 or about Rs. 18/- in all. The average size of the family in consumption units was about the same as in the previous group, so that the family was spending Rs. 18/- on food and fuel against Rs. 16/- necessary for the minimum balanced diet. These facts probably justify the inference that the lower sections of this group of families, though slightly better off than the previous group, were nevertheless living on a standard hardly above subsistence level.

94. The families in the income groups above Rs. 40/- examined during the Enquiry of 1932-33 were on the average able to balance their budgets and moreover their expenditure on food and fuel appears to have been distinctly above the minimum that we have adopted. We may, therefore, perhaps conclude that these families had a slight margin for retrenchment, the margin increasing as we go up the scale. We shall have something more to say about the income-group between Rs. 40/- and Rs. 50/- per month in paragraph 97.

95. Another way of looking at the matter leads to similar results. We have seen that the minimum cost on account of food and fuel in a family of 3 consumption units in Bombay at the retail prices of the early part of 1935 was Rs. 16-8-0. The average cost-of-

living figure in Bombay during the 12 months preceding the outbreak of the war was, it will be remembered, 104 as compared with 98 in the early part of 1935. Therefore, an expenditure of Rs. 16-8-0 in the early part of 1935 would be equivalent to Rs.  $16-8 \times 104/98$  or about Rs. 17-8-0, in the latter period\*. Now the expenditure on food and fuel has a weightage of about 52 and should therefore be about 52 per cent. of the total monthly expenditure of the average family. It follows that a family, in order to be able to spend Rs. 17-8-0 on food and fuel, must be able to afford a total monthly expenditure of Rs.  $17-8 \times 100/52$  or between Rs. 33/- and Rs. 34/-. This calculation assumes that the proportion of the expenditure on requirements other than food and fuel (48 per cent.) in the average family budget of the income-group between Rs. 30/- and Rs. 40/- per month will not bear any reduction. We have examined the budget carefully and have been unable to discover any room for reduction except possibly in the expenditure under liquor and toddy, but against this must be set the fact that the budget does not include such necessary items as interest on debt. It will be seen from the statement at page 31 of the Report of the Enquiry of 1932-33 that the average indebtedness of all the families surveyed was Rs. 130/-, the interest on which at the lowest rate mentioned at page 33 of the Report would be about Rs. 2/- per month. This exceeds the average expenditure on liquor and toddy (Rs. 1-10-3) shown at page 28. Consequently a Bombay family whose average income during the 12 months preceding the outbreak of the war was less than Rs. 33/- or Rs. 34/- must have been living below the level necessary to secure the minimum balanced diet.

96. We have already stated that absolute precision in this matter is not possible, but the considerations which we have set out above would appear to justify the conclusion that in the City of Bombay families of average size whose pre-war monthly income was less than Rs. 35/- would have had no margin for retrenchment.

97. The case of the income-group between Rs. 40/- and Rs. 50/- in Bombay needs some further investigation. It may be said that although the average family in this group had a certain margin above the cost of minimum subsistence in 1932-33, that margin has been more than wiped out by the increased cost of living since the war. Let us examine this point. The expenditure of the average family in this group in 1932-33 was Rs. 41-9-1 per month against an income of Rs. 43-4-3 (page 16 of the Report of the Enquiry of 1932-33). The average cost-of-living index during the 12 months following the outbreak of the war was, as we have found, 115 in Bombay (i.e., 11 per cent. over the pre-war average figure of 104) against 106 in the relevant period of 1932-33—an increase of about

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\*If we take the index figures for the food and fuel groups only instead of the figures for the general index, the expenditure in the pre-war year will work out to Rs. 18-4-0.

9 per cent. If we add 9 per cent. to Rs. 41-9-1, we get about Rs. 45-5-0 which would exceed the income. Therefore, in order to continue to balance its budget, the family would have to reduce its standard slightly. We think that it can do this without touching its expenditure on food, house-rent, clothing, or fuel and lighting; for, under the head "Miscellaneous", its average monthly expenditure was Rs. 10-6-6 (*vide* page 17 of the Report of the Enquiry). If in this category of expenditure the family could reduce its standard to that of the income-group just below, namely, the income-group between Rs. 30/ and Rs. 40/-, the expenditure would drop from Rs. 10-6-6 to Rs. 7-14-11 or, allowing for the slightly larger number of consumption units (3 against 2·8 from the statement at page 8 of the Report of the Enquiry) to Rs. 8-7-6, so that the total expenditure under all heads would drop from Rs. 41-9-1 to about Rs. 39-10-0. Adding 9 per cent. to this on account of the increased cost of living as found above, we get about Rs. 43-4-0, which is just less than the average monthly income. Thus, the family can just balance its budget by a slight reduction of standards on miscellaneous expenditure. But the balance will be upset even by a slight further rise of prices, in which event this group also may need relief. In the income-groups above Rs. 50/-, the position is easier, and the average family should, on the figures at page 16 of the Report of the Enquiry of 1932-33, be able to balance its budget without any reduction of pre-war standards.

98. For places outside Bombay, our materials are scantier. There was an enquiry into the family budgets of cotton mill workers in Sholapur during the period from May to December 1925. It was then found that the average family in the group earning between Rs. 20/- and Rs. 30/- per month had an income of Rs. 25-7-7 and spent Rs. 26-12-3; in the next higher group, the monthly income was Rs. 35-2-2 and expenditure Rs. 34-1-11. The figures of expenditure include interest-payments on debts. The families were larger than the corresponding Bombay families studied in 1932-33, but the number of members was below 5, so that the size was not excessive. In the absence of any further information, we may perhaps conclude that in places outside Bombay, those whose income in 1925-26 was less than Rs. 27/- per month had no margin for reduction of expenditure. This would, of course, be much less at 1938-39 prices, if we do not take into account changes in the standard of living; but if we do take them into account, then, on the analogy of the Bombay figures between 1921-22 and 1932-33, the level would remain much the same, *i.e.*, Rs. 27/-. We have roughly calculated the cost at pre-war Sholapur and Nagpur prices of the minimum balanced diet of Dr. Aykroyd mentioned in paragraph 76 and have found that it works out to about Rs. 5/- per adult per month. On this basis, bearing in mind that house-rent costs less in Sholapur and Nagpur than in Bombay, it seems that subsistence level is in the neighbourhood of Rs. 30/- per month in these two places.

We therefore take Rs. 30/- as representing subsistence level in urban areas outside Bombay for a family of 4 or 5 members.

99. It is obviously impossible to treat all areas outside Bombay as urban for this purpose. Just as the cost of living at Nagpur or Sholapur is lower than that at Bombay, there must be rural or semi-rural areas where it is less than that at Nagpur or Sholapur. It would be unreasonable to hold that subsistence level at villages on the railway line is the same as, say, at Poona merely on the ground that both are outside the Bombay area.

100. The existence of more than two levels is also indicated by the prevailing scales of pay on the G. I. P. Railway (*vide* Appendix K to the Railway case). The explanatory note to Appendix K shows 5 different zones for each of which there is a separate rate of pay. Zone (a) of the note corresponds to what we have called the Bombay area, the subsistence level of which we have found to be Rs. 35/- per month. The difference in the rates for the 3 cheapest zones is small and on the basis of the maximum rates of pay for these zones as compared with the corresponding maximum rates for zone (a), the subsistence level for them works out to about Rs. 25/- per month. On a similar basis, the subsistence level for zone (b), which includes Poona and the Ghats is in the neighbourhood of Rs. 30/- per month.

101. We advocate therefore the adoption of 3 subsistence levels : (1) the Bombay level of Rs. 35/- per month which applies to the section from Bombay to Kalyan (inclusive), (2) the urban level of Rs. 30/- per month which applies to the sections from Kalyan to Poona (inclusive) and Igatpuri (inclusive) and (3) the rural or semi-rural level of Rs. 25/- per month applying to the remaining sections, with certain exceptions. In our view the urban level should apply to any town with a population of not less than 20,000 (according to the census of 1931), to the Railway settlements at Manmad, Bhusaval and Dhond, and to any other area that the Railway Administration may think fit to classify as urban for this purpose. We have already recommended that this level should apply to the Ghats.

102. We need hardly repeat the caution that these estimates are only for the limited purposes of the present inquiry and are not meant to lay down a general living wage for all purposes.

103. We are well aware that the estimates which we are adopting even for the limited purposes of the present inquiry, are open to criticism. On the one hand, they may be criticised as too high on the ground, amongst others, that they do not take account of the value of certain concessions such as uniforms or blankets, nor of possible savings in the expenditure on liquor and toddy, nor of the fact that the cost of feeding 3 adults or consumption units may

be less than 3 times the cost of feeding one. On the other hand, they may be criticised as too low on the ground that they leave out of account the more recent expressions of medical opinion on the food requirements of working class families, as also interest-payments on account of debt (in Bombay), expenditure on festivals, marriages, etc. To some extent these omissions cancel each other; but in any case the factors involved are not all easy to evaluate, and it is difficult to say whether on balance they make any difference to our estimates.

104. We now come to our specific recommendations. In making these, we have taken into consideration the following, amongst other factors :—

- (1) The increase of 11 per cent. in the cost of living of the general consumer, which on our findings has occurred since the outbreak of the war.
- (2) The additional increase in the budgets of the lowest-paid employees to which we have referred in paragraph 45.
- (3) The additional increase which must have occurred in the case of those who were living on the margin of solvency just before the war and to which we have referred in paragraph 52 of this Report.
- (4) The need for reducing to a minimum the burden on general revenues to which we have referred in paragraph 86.
- (5) The relief likely to result from the opening of cost-price grain shops for railway employees.
- (6) The advantages, in simplicity and uniformity, of a flat rate cash bonus rather than one varying from employee to employee or even from one group of employees to another.

Bearing all these considerations in mind we would recommend the grant of a dearness allowance at the following rates :—

In each area, to all whole-time adult employees whose earnings, including pay and allowances and the value of the free housing concession, if any, but not including overtime, do not exceed the subsistence level for that area, Rs. 3/- per month.

In each case a marginal adjustment will be necessary so as to avoid placing those earning Rs. 25/- or Rs. 30/- or Rs. 35/- per month, as the case may be, in a better position than those who are earning a little more and who would not be entitled to any relief under this

scheme. We shall, therefore, have to supplement the above proposals thus :—

In each area, to all whole-time adult employees whose earnings exceed the subsistence level for that area by an amount less than Rs. 3/-, an allowance equal to the difference between that amount and Rs. 3/-.

The rates we have recommended above are meant to apply only to adult employees that is to say, employees who have completed their 17th year. To those who have not completed their 17th year, we recommend half the above rates. By "overtime" we mean "overtime allowance" or "special overtime allowance" as defined in Chapter V of the State Railway Establishment Code, 1940, Volume I. Where an employee is entitled both to grain compensation allowance under the existing rules and a dearness allowance under the present scheme, he will be allowed only the larger of the two sums.

The effect of the marginal adjustment is, it will be seen, to extend some measure of relief to the lower strata of the income-groups between Rs. 35/- and Rs. 40/- in Bombay, Rs. 30/- and Rs. 33/- in urban areas outside Bombay, and Rs. 25/- and Rs. 28/- elsewhere. This would mitigate any hardship that might be caused by too strict an adherence to the subsistence level rule. In addition, we would propose that the General Manager be given power to deal with any cases of special hardship.

We also recommend that the allowances be given with effect from October 1, 1940, that is to say, as an addition to the pay or wages for September 1940 and the succeeding months, so as to avoid any further delay in neutralisation. It will probably be found to be administratively convenient, for the purpose of deciding who is eligible for the allowance, to take as the criterion his earnings for the month immediately preceding the date on which the scheme is sanctioned.

105. We think that overtime should be excluded from the definition of pay for deciding the limits of allowance, because overtime pay is earned for extra work and extra strain, which in turn mean that more energy-providing food is necessary, and a more nourishing diet. There may in addition be extra wear and tear on clothes, and a workman may have to travel to and from his home by tram or bus instead of walking. Therefore there is a corresponding set off to be made against the additional pay earned by working overtime, and we feel that the simplest course is to exclude it altogether. We have left out of account concessions other than free housing, such as, free clothing (uniforms or blankets or umbrellas) medical facilities, school subsidies, etc., because they are

difficult to evaluate, although their total cost to the railway is not negligible. A list of these concessions as supplied by the Railway will be found in Appendix XIV to this Report.

106. We have referred to the opening of cost-price grain shops for railway employees. We understand that during the war of 1914-18, such shops were opened at convenient junctions and that railway employees were given free "provision-passes" to travel to and from these junctions for the purpose of buying provisions. To the best of our information, these shops were successful and afforded a certain measure of relief to railway employees. They may, of course, be open to objection on the ground that they interfere with private enterprise; at the same time it cannot be denied that they would operate as a useful check on profiteering, particularly in the remoter places in the interior of the country. In fact it was urged before us in another connection that the cost of living has tended to increase more in the rural areas than in the cities because of the absence of competition and the difficulties of price control in out-of-the-way places. We would, therefore, recommend that the question of opening such shops at the present time be sympathetically considered. Grain can be bought at wholesale rates for sale at these shops and even if freight at the usual rates is charged, they would probably have the effect of bringing down the cost of living by 2 or 3 per cent.

107. We have carefully considered whether there should be a single flat rate of compensation for all the employees included in our recommendations or whether there should be different rates at different levels of income. As already indicated, simplicity and uniformity would dictate a single flat rate for all. This would, however, mean a much larger percentage increase of remuneration in the lower income-groups than in the higher. Thus, in the case of a worker who now gets Rs. 15/- per month, an addition of Rs. 3/- would mean a 20 per cent. increase of wages, although we have found that the increase in the cost of living since the outbreak of the war has been only about 11 per cent. to the general consumer. We have, however, to remember that although the worker's income may be Rs. 15/- per month, his pre-war expenditure must have been much more than Rs. 15/-, this class of earner being a good deal below the poverty line. The 11 per cent. rise must be applied not to the income but to the expenditure. Where the wage-earner gets free housing, free clothing, etc., either the value of these concessions must be included in his expenditure (and his income) and the 11 per cent. rise applied to the total expenditure so reckoned, or else, a rise of about 15 per cent. must be applied to the expenditure excluding the value of the concessions (see paragraph 45 above). In the second place, we are entitled to take into consideration the fact that apart from the rise in the cost of living to the general consumer, there has been an additional rise (referred to in paragraph 52

of this Report) to those living on the margin of solvency, this additional rise being relatively greater at the bottom of the scale than higher up. We may also mention that the existing grain compensation allowance on this Railway has, in certain conditions of scarcity, been at the uniform rate of Rs. 3/- per month for employees on pay exceeding Rs. 16/-, but not exceeding Rs. 30/- per month, while for those on pay not exceeding Rs. 16/- per month, the allowance has been at the rate of Rs. 1-8-0 per month. We believe that the proportion of employees who now draw Rs. 16/- or less per month is not large, so that in its operation as between the various grades of employees now in railway service the scale of allowance that we have recommended is similar to the grain compensation allowance already in force ; that is to say, it treats a man at the bottom much more favourably than at the top. If, in complete analogy to the grain compensation allowance, we were to recommend a lower rate of compensation than Rs. 3/- to employees drawing not more than Rs. 16/- per month, they would find it difficult to understand why men on higher pay and presumably better off were being given more than themselves. The principle, sometimes adopted of granting a dearness allowance at a fixed percentage of the *income* is equally open to criticism : it gives more to those who have already more and ignores the fact that the increase in the cost of living, which the allowance is meant to neutralise, is greater in the lower income-groups than in the higher. For all these reasons we have thought it best to have one uniform flat rate for all employees.

108. It has been contended before us on behalf of the Railway Administration that no dearness allowance ought to be given to those employees who, whatever their pay, entered service after the outbreak of the war, because they knew, or ought to have known, that the war was likely to send up prices. Their position, it is argued, cannot be said to have been worsened by the war. In theory this may be so ; but the effect of the argument would be that even those new recruits who earn no more than Rs. 12/- per month will get no relief. It is true that their position cannot be said to have been worsened by the outbreak of the war, the war having broken out before they entered service ; but it has been worsened, at least for some of them by the continuance of the war and the further rise of prices since they joined. It would, to say the least, be a needless complication to separate the new entrants into (a) those who joined between September and November 1939 when the cost of living was lower than it is now, (b) those who joined in December 1939 and January or February 1940, when it was not lower than at present, (c) those who joined between March and June 1940, when it was again lower, etc., and to direct that while relief may be given at varying rates to classes (a) and (c), none should be given to (b). We believe that when allowances were given during the war of 1914-18, there was no discrimination



between those who entered service before and those entered after the outbreak of the war. For these reasons, we are unable to recommend any discrimination of this kind.

108A. It will be seen that in framing our recommendations we have confined relief to those classes of workers for whom on our calculations relief is imperatively needed, and have not extended relief to any class beyond the present "poverty line". We realise that there are classes above the poverty line who are put to considerable hardship as a result of the increased cost of living and that in addition to using up any available surplus they may have, they may also have to reduce their standard of living to some extent. We believe that we are justified in adopting this course on the basis of the arguments we have already set out. To extend relief further might have meant giving less to those below. In an article in the *Economic Journal* (of the Royal Economic Society, London) for December 1939, dealing with the problems of wage policy in war time, an eminent economist has suggested that "if the present emergency requires a reduction of working class standards of consumption, a further diminution of the ratio of skilled to unskilled rates may help to achieve it with the least hardship". We take this to mean that those on unskilled rates should be given first consideration in any proper scheme of relief, and this is what we have attempted to do.

## CHAPTER V.

## FOURTH TERM OF REFERENCE.

109. We now turn to our last term of reference. How should the allowances, if any, be regulated if in future the cost of living should rise or fall? There is one initial difficulty in dealing with this question. It is obvious from what we have said in the foregoing paragraphs that if the cost of living should increase in any considerable degree, some of the higher income-groups may have to be included in the scheme of relief, although in their case there is room for some measure of economy by substitution of cheaper but not less nutritious articles of food for the dearer. We have also to bear in mind the possibility, in these higher groups, of there being more than one earner entitled to a war allowance. To what extent the inclusion of higher groups will be necessary will depend upon the measure of the rise; if our calculations are correct, the income-group between Rs. 40/- and Rs. 50/- per month is even now only just above the need for relief. We cannot think of any simple formula which will indicate what income-groups will need relief at a particular cost-of-living level, although it may be possible to prepare a rough table for this purpose from the data available in the various family budget enquiry reports. We have endeavoured to draw up such a table [Appendix XIII]. We have not thought it necessary, in the table, to provide for increases in the cost-of-living index of more than 10 per cent. over the present level, which, as we have seen, is already about 11 per cent. higher than the pre-war average. We assume that every endeavour will be made to keep prices from soaring too high by one or other of the usual methods of sterilising the excess purchasing power of the community, besides the checking of profiteering. Cases have been brought to our notice in which prices have been charged in excess of the prescribed maxima. We would, therefore, strongly emphasize the continued need for strict price control, especially in the remoter places in the interior.

110. A second difficulty arises from the fact that we have not been empowered in this inquiry, as we read the terms of reference, to examine the question of the Railway's "capacity to pay", possibly because that would have involved technical issues of great complexity. We have not therefore had occasion to examine the question fully and although we are aware of certain published figures of Railway earnings in the past few months, we are in no position even to conjecture how those figures may vary in the years to come. Possibly no one can predict their future course with any degree of assurance. Our recommendations for the future regulation of the dearness allowance must therefore be necessarily subject to an unknown factor.

111. There is another difficulty which we must mention. None of the cost-of-living index figures at present available are entirely satisfactory. The Bombay figure, which in most respects is above criticism, is not quite up to date in certain items, and although the Bombay Labour Office has been doing its best to bring it up to date, the difficulties have so far proved insuperable and the defect still remains. Knowing how much care and thought the Bombay Labour Office bestows on the preparation of its figures, we should be surprised if the cost-of-living figures prepared at other centres were less open to criticism. The first requisite for any satisfactory revision of the allowances that we have recommended is the preparation of up-to-date cost-of-living index figures for 3 distinct classes of areas, city, urban and rural. (*Vide* paragraph 101.) We would accordingly recommend that the question of preparing and maintaining such figures for the purposes of the Central Government be considered by the Government of India.

112. Both parties before us have asked that any allowances that we may recommend should not be revised at too frequent intervals nor for every change in the cost-of-living index figure. In the Australian Federal Arbitration Court Awards it is, we believe, now usual to provide for a quarterly revision of wages for the purpose of adjusting them to the cost of living and this is also the case on English Railways under the National Agreement of March 20, 1920. Following these precedents, we would recommend a revision every three months. We would also recommend that, as on English Railways, no change should be made in the allowance in force during any quarter until the cost-of-living index figure falls or rises by full 5 points. We have carefully considered what should be the figure upon which the revised allowance for each quarter should be based. Should it be the average of the cost-of-living index numbers for the previous month (Cawnpore has weekly figures) or the previous quarter, or the previous 6 months, or the previous 12 months? At one time the Australian Federal Arbitration Court used to adopt the 12-monthly average, but in 1922 it appears to have adopted the average of the previous quarter, the Deputy President of the Court observing that he could see no more just and equitable method of dealing with the problem than by adopting a scheme of quarterly adjustments in accordance with the fluctuations in the cost of living during the previous quarter. We have, therefore, adopted the average cost-of-living number of the previous quarter as the criterion for revision. Further details will appear from the Table in Appendix XIII.

113. In addition to the recommendations we have already made, we would suggest that the railway authorities consider the feasibility of issuing milk free or at reduced rates to the children

of the lower paid railway employees at convenient centres. In support of the suggestion we reproduce below a tabular statement which the Bombay Labour Office kindly prepared for us :—

## BOMBAY CITY.

*Number of families which reported expenditure on milk in the course of the Bombay Working Class Family Budget Enquiry, 1932-33.*

Income-groups.	No. of families spending on milk.	No. of families not spending on milk.	Total No. of families.	Percentage of column 3 to column 4.
(1)	(2)	(3)	(4)	(5)
Below Rs. 30 . . .	106	74	180	41.11
Rs. 30 & below Rs. 40 . . .	234	63	297	21.21
Rs. 40 & below Rs. 50 . . .	311	74	385	19.22
Rs. 50 & below Rs. 60 . . .	204	35	239	14.64
Rs. 60 & below Rs. 70 . . .	123	21*	147	14.29
Rs. 70 & below Rs. 80 . . .	66	11	77	14.29
Rs. 80 & below Rs. 90 . . .	46	11*	60	18.33
Rs. 90 & over . . .	74	10	84	11.91
<b>Total . . .</b>	<b>1,164</b>	<b>299†</b>	<b>1,469</b>	<b>20.35</b>

\*Excluding three cases in which the details were imperfectly specified.

†Excluding six cases in which the details were imperfectly specified.

We see no reason for not taking these figures at their face value. It is, we believe, the rule in constructing the budgets of families keeping their own cows or getting gifts of milk in kind, to include the value of the milk consumed both in the income and in the expenditure (see, for example, page 76 of "A Scheme for an Economic Survey of India" by Dr. Bowley and Mr. Robertson, 1934). Moreover, it is not likely that working class families in Bombay City living for the most part in one-room tenements could keep cows. It follows that the absence of any expenditure on milk in the case of a number of families in the above statement must be taken as showing that they consumed none. We are, therefore, led to conclude that over 20 per cent. of the families surveyed in 1932-33 consumed no milk, the percentage being as high as 41 in the group earning less than Rs. 30/- per month. The percentage drops steadily as the income rises except in the group between Rs. 80/- and Rs. 90/-, which shows an abrupt rise. This is probably due to the fact that of the 60 families studied in

this group, only 13 were "natural families", the other 47 being "joint households" (see page 6 of the Report of the Enquiry of 1932-33). In other words, the typical family of this group was not really a single family but probably consisted of 2 families, each belonging to the Rs. 40-50 group, and living to some extent according to the standards of that group. This perhaps explains why the milk consumption standard in these 2 groups is nearly the same and is lower than that of the groups between Rs. 50/- and Rs. 80/-.

The fact that this standard rises steadily with the monthly income of the family is an indication that the poor standard observed in the lower groups is due mainly to lack of purchasing power.

114. We have not lost sight of the fact that while the average expenditure on milk of all the families surveyed was Rs. 1-3-9 per month, the average expenditure on liquor and toddy was Rs. 1-11-3 per month, and that the number of families consuming liquor was 1,165 (see page 28 of the Report of the Enquiry of 1932-33) against 1,164 consuming milk. What this means is that some families, not having enough money to buy both liquor and milk, preferred to buy liquor and go without milk. In other words, the unsatisfactory standard of milk consumption must be attributed not only to poverty but also to associated causes, such as, ignorance and sordid surroundings, as in the case of the Manchester operative who said that he got drunk regularly because "it was the shortest way out of Manchester". (Page 33 "Working Class Budgets—Bombay, 1923"). Clearly, therefore, the only certain means of securing that the children of these families get enough milk is not by paying cash, which may be mis-spent, but by issuing milk, preferably to the children themselves through the agency of welfare centres. There are already 3 Infant Welfare and Maternity Centres on the G. I. P. Railway at Bhusaval, Manmad and Jhansi, upon which, in the year 1939-40, there was spent a sum of about Rs. 16,000 out of the Railway Staff Benefit Fund. We notice from the accounts for the year 1939-40 that Railway revenues contributed about Rs. 46,000 to this Fund. If to the other activities of these centres there is added the free or half-free issue of milk to the children of the lower paid railway employees, not only would the children be benefited, but the attendance at the centres would also increase. The suggestion would involve a larger contribution to the Staff Benefit Fund from Railway revenues, but the experiment appears to be worth trying.

115. One of the results of this inquiry has been to show to us that the dispute between the two parties is of the rare kind in which both are in the right. The paradox can be explained in a few words. Take 2 workers, one of whom gets Rs. 30/- per month, out

of which he spends Rs. 10/- per month on house-rent and the remaining Rs. 20/- on food, and the other gets free housing together with Rs. 20/- per month, the whole of which he spends on food. If food prices alone rise, but not rents, and the food bill of each increases by Rs. 3/- per month, what is the effect? The total monthly expenditure of the first worker being Rs. 30/- per month, the three-rupee rise represents an increase of 10 per cent. in his cost of living, while to the second worker, whose total cash expenditure is Rs. 20/-, the same rise represents an increase of 15 per cent. If, in addition, it so happens that the second worker has no reserves of any kind with which to meet his increased bill, he will find after some months that his grocer, by way of interest on the accumulated arrears, charges him higher prices, so that there is a further increase of perhaps 5 per cent. in his cost of living. In such a situation the official cost-of-living index number in most places, being based on budgets of the first type, will show an increase of 10 per cent. while those who have in mind the budget of the lowest paid railway employee, which is of the second type, will maintain that the increase is 20 per cent. Both would be right, each for a certain type of budget, and this, broadly speaking, is what appears to have happened in the present instance.

116. We have made our recommendations as modest as possible so that relief, where it is imperatively needed, may be given in the full measure recommended. To some it may seem that they go too far; to others that they do not go far enough. To the former we would say that in the new order which is fast marching upon us, the standards of the past, however generous in origin, must be abandoned if they are no longer enough. To the latter we would point out that when there is less for everybody, the necessities of the poorest workers must come first and last and all the time, for it is among them that the nation dwells.

117. We thank the Railway Administration for granting us various facilities, and giving us the fullest possible information to aid us in our inquiry. Our requests for information must at times have caused a great deal of extra labour, but everyone in the Administration did his utmost to procure information, answer our questions, and see that we were given every opportunity to ascertain the facts. We wish to thank especially the General Manager and Mr. W. T. Griffiths, officer on special duty, who worked very hard to see that the materials placed before us were complete, accurate and prompt. He was always available and willing to explain to us any points that arose out of the evidence, or our tours on the railway, or from the Railway case.

We would also place on record our appreciation of the fairness and fulness with which the case on behalf of the Federation was conducted and argued. The care which those in charge took in

sifting the material and in putting before us only what was of real value saved us much time and trouble.

We must thank those witnesses who came at considerable personal inconvenience and possible expense, and gave us full details of their daily and monthly expenditure. In many cases they could not expect that our recommendation would include their own income levels, and so their willingness to give evidence was not due to the hope that they would personally benefit. None of the railway servants who gave evidence claimed any diet money ; they received free passes from the railway administration and were treated as being on duty, but otherwise paid their own expenses.

We wish to thank, among many who gave us assistance, the staff of the Bombay Labour Office, particularly the two Assistant Commissioners who gave evidence before us in camera, Mr. Deshpande and Mr. Joshi, and in addition Mr. Keni, Statistical Superintendent. They were of considerable assistance to us in supplying information, discussing technical points, and meeting our criticisms. Without their help, this report, especially the portion dealing with our first term of reference, could not possibly have been completed to our satisfaction.

We must also acknowledge our indebtedness to the Economic Adviser to the Government of India and his staff, particularly Mr. Subramaniam, whose technical assistance has been invaluable.

Col. Wagstaff of the Railway Board has also assisted us greatly by placing at our disposal his long experience of Railway staff matters.

We also wish to thank our staff, who have worked with energy and devotion and when necessary have put in long hours, and worked both on holidays and Sundays to complete the inquiry.

We have the honour to be,

Sir,

Your most obedient servants,

B. N. RAU,

*Chairman.*

SHAFĀĀT AHMĀD KHĀN,

*Member.*

NEW DELHI :

A. HUGHES,

*The 12th December 1940.*

*Member.*

## 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. 30; 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 . . . . .	{ <i>Summer—</i>			
		1 Coat cotton blue . . . . .	0 15 0	
		1 Short cotton blue . . . . .	0 9 0	
		1 Turban cotton blue . . . . .	1 6 0	
		Total .	2 14 0	
		{ <i>Winter—</i>		
1 Coat woollen . . . . .	4 11 0			
1 Short cotton blue . . . . .	0 9 0			
Total .	5 4 0			
<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
Total . . . . .	2,54,099 7 0

### 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**