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- (1) Report of the Textile Labour Enquiry Committee of the Central Provinces & Berar. 1938.
 - (2) Report of the Nagpur Textile Enquiry Committee. 1940.
 - (3) Report of the Central Provinces & Berar Textile Labour Enquiry Committee. 1941.
 - (4) Report of the Committee appointed to examine the Wages and Conditions of Work of Sweepers in Municipal and Notified Area Committees in the Central Provinces and Berar. 1939.
 - * (5) Report of the Bidi Industry Committee in the Central Provinces and Berar. 1941. X9(MJ452):9.2
 - * (6) Report on Labour in Coal Mines in the Central Provinces & Berar. 1944. N3

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GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



REPORT
OF THE
TEXTILE LABOUR ENQUIRY
COMMITTEE
OF THE
CENTRAL PROVINCES & BERAR

NAGPUR
GOVERNMENT PRINTING, C. P. & BERAR
1938

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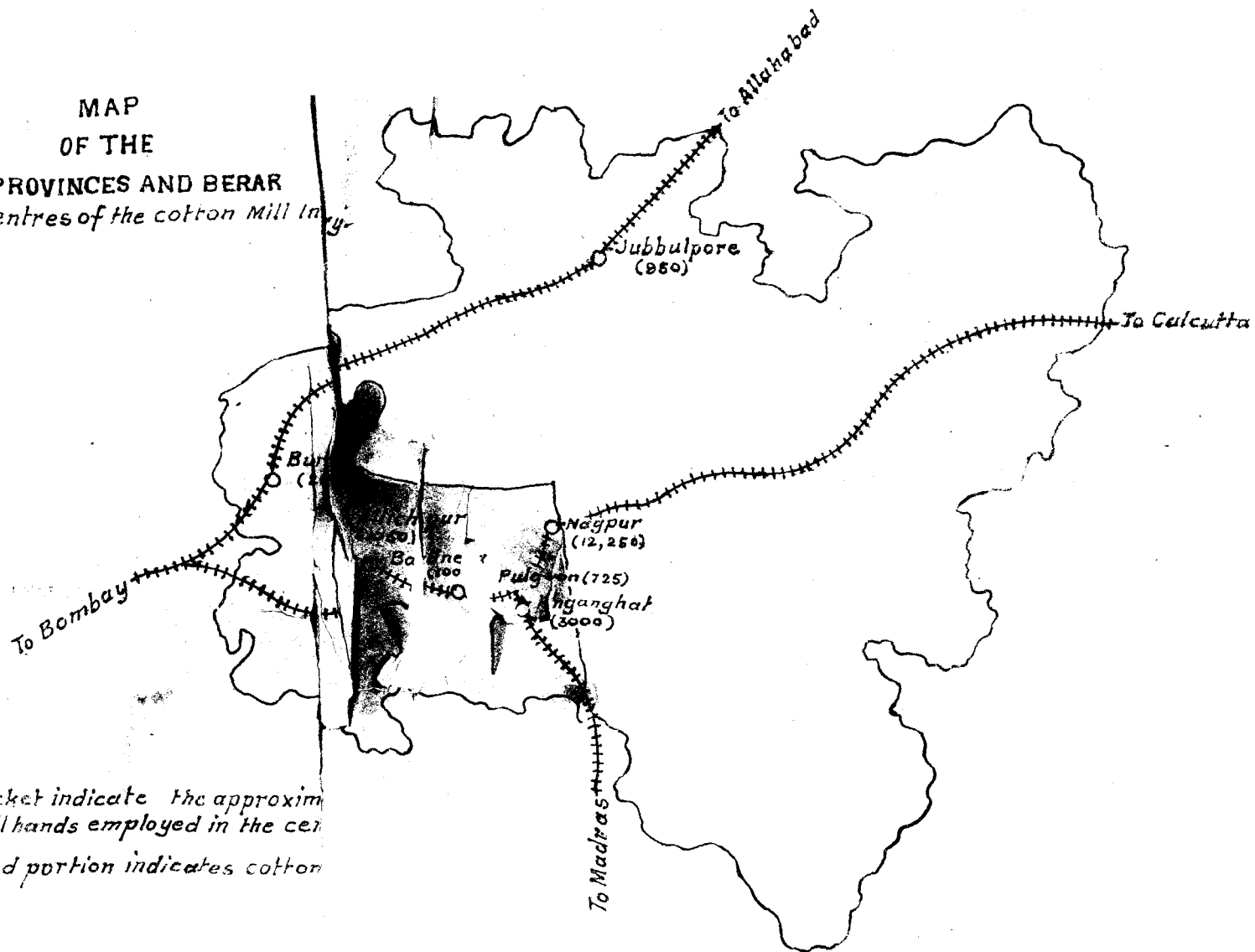
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MAP
OF THE
CENTRAL PROVINCES AND BERAR
Showing the centres of the cotton Mill Industry



Figures in bracket indicate the approximate
Number of mill hands employed in the cen

No. :- Coloured portion indicates cotton

REPORT OF THE CENTRAL PROVINCES AND BERAR TEXTILE LABOUR ENQUIRY COMMITTEE

CHAPTER I.—INTRODUCTORY

APPOINTMENT OF COMMITTEE AND TERMS OF REFERENCE

The Central Provinces and Berar Textile Labour Enquiry Committee was appointed by the Resolution of the Government of the Central Provinces and Berar in the Commerce and Industry Department No. 914-351-VII, dated the 11th March 1938. The following is the text of the Resolution :—

“No. 914-351-VII.—At a meeting of the textile workers of Nagpur held on the 21st February 1938 at Needham Park the Hon'ble the Prime Minister made the following statement :—

‘It will be the endeavour of the Central Provinces Congress Cabinet to fall in line with the policy of the Bombay Government regarding the recommendations of the Bombay Enquiry Committee, both as regards the extent of restoration of wage cut and the period from which it will take effect, subject to such variations as local conditions necessitate.

The Provincial Government has seen the Interim Report of the Bombay Textile Labour Enquiry Committee and the Resolution No. 1988-34, dated the 14th February 1938, of the Government of Bombay thereon. With a view to implementing the undertaking given by the Hon'ble the Prime Minister, the Governor of the Central Provinces and Berar is pleased to appoint the following Committee :—

Chairman.

Mr. N. J. Roughton, C.I.E., I.C.S., Financial Commissioner.

Members.

- (1) Mr. A. C. Sen Gupta, M.A. (Edin.), Principal, Morris College, Nagpur.
- (2) Mr. V. R. Kalappa, M.L.A.
- (3) Mr. C. C. Desai, I.C.S., Director of Industries. He will also act as Secretary to the Committee.

The Committee will be advised on technical matters by the following associate members :—

Mr. S. H. Batliwala, Manager, Empress Mills, Nagpur.

Mr. R. S. Ruikar, M.A., LL.B., General Secretary, Nagpur Textile Union.

The terms of reference of the Committee will be to examine the report of the Bombay Textile Labour Enquiry Committee and to report on—

- (1) the extent to which the conditions in the Central Provinces and Berar differ from those which form the basis of the Committee's recommendations,
- (2) the changes that would as a consequence be necessary in these recommendations in their application to the conditions in the Central Provinces and Berar, and
- (3) the date from which the modified recommendations should take effect.

The Committee will be requested to submit its report to the Provincial Government by the 30th April 1938."

PROCEEDINGS OF THE COMMITTEE

2. In view of the shortness of the time available to it, the Committee in its first meeting held on the 14th March 1938 decided immediately to issue a questionnaire asking the mills, the representatives of labour and other persons interested in the cotton industry to submit their replies by the end of March. A copy of the questionnaire will be found in appendix A. In its next meeting on the 2nd of April, the Committee considered the replies received. Oral evidence was taken from the 6th to the 14th April. Written replies were received from all mills and three bodies representing mill labour; and 13 representatives of the industry and 11 persons representing labour unions were examined orally. While replies received from Empress, Model, Jubbulpore and Bansilal Mills at Hinganghat supplied more or less complete information, the replies received from some other mills, notably Burhanpur, the two mills at Akola and Rekhchand Mohota Mills at Hinganghat were far from satisfactory and have added not a little to the difficulties of the Committee. The replies received from labour organisations except the reply from the Nagpur Textile Union were generally vague and inaccurate, partly because these organizations are of recent origin, some not having had time even to get themselves registered, and partly because, owing to the non-recognition of trade unions, their representatives are unable to obtain statistical information and data regarding the wages earned by the workers and the general financial position of the industry.

INTERPRETATION OF TERMS OF REFERENCE

3. As some doubt arose as to whether the clerical staff was included in the terms of reference, an enquiry was addressed to Government asking for a ruling. The Committee was informed that the enquiry was confined to operatives and that the clerical staff was excluded from its purview.

4. It will be seen from the terms of reference that the scope of the enquiry entrusted to the Committee is much narrower than that of the Committee appointed in Bombay. The Committee is only required to consider how far the conclusions embodied in the Interim Report of the Bombay Committee are

applicable to the Central Provinces and Berar and what changes in their proposals are necessary in the light of local conditions before they are recommended for being adopted in this province. The Committee has not been asked to express an opinion as to the correctness of the main proposals of the Bombay Committee or on its estimate of the future trend of the cotton industry as a whole. The Committee accordingly refrains from going beyond the basis of the findings of the Bombay Committee or giving any decisions on these points. In particular, it wishes to make no pronouncement on the vexed question whether the recent betterment in the position of the cotton industry is likely to be of long or short duration, or on such general assumptions and principles laid down in the Interim Report and accepted as binding on the Committee as—

- (1) The productive capacity of a concern during a year should be judged mainly in relation to the charges payable for that particular year. (p. 85);
- (2) Over-capitalisation of some units and the heavy financial liabilities of a few others continue to affect adversely the profit-earning capacity of the industry, as a whole, and a truer perspective is obtained when the figures for such units are excluded from the consolidated account. (p. 88);
- (3) The large gains which are accruing to the cotton textile industry at present are, in the main, due to the widening of the profit margin in industry as a result of the fall in the price of cotton. (p. 92);
- (4) So long as other elements entering into the cost of production of cloth remain the same, and the level of cloth prices remains stable, the fall in the price of cotton would be fully reflected in the margin of profits. (p. 93);
- (5) It is fair to estimate that the price levels for Indian cottons this year will rule about 20 per cent lower than in previous years, the corresponding figure for foreign cottons being 15 per cent. (p. 102);
- (6) The index number of cloth prices reveals no downward trend in cloth prices in recent months. (p. 104);
- (7) The demand for piece-goods has been active and the informed opinion in the piecegoods-market does not expect cloth prices to follow the trend in the price of cotton. (p. 106);
- (8) Prices of raw materials in general, though unable to maintain the high level that most of them attained during the first quarter of 1937, are, on the other hand, maintaining a level distinctly above that reached during the years of depression. (p. 110). No general decline in the prices of raw materials is indicated and Indian and world economic conditions do not suggest the possibility of such a decline. (p. 112);
- (9) The depression, which was adduced as the principal justification for the wage cuts, has lifted and the

capacity of the industry to earn profits is distinctly better today than it was when the cuts were imposed. (p. 124);

- (10) The general recovery and the recovery in textiles are not temporary as they are based on trends which are visible in almost all aspects of economic activity in most countries of the world. (p. 125).

5. It is fair to add here that most of the representatives of mills disputed the correctness of many, if not most, of the above assumptions. Sir Maneckji Dadabhoy on behalf of the Model Mills and Mr. Batliwala on behalf of the Empress Mills were emphatic in the view that the trend of prices of Indian staple cotton and of cloth and yarn could not be forecasted while they were apprehensive of a falling off of forward bookings of which they already saw signs. They considered that the low price of raw cotton while benefiting the textile industry by widening the margin of profit to the mill would react unfavourably on the purchasing power of the masses and the demand for mill products. While there is some force in these arguments, we have been precluded by the terms of our reference from reopening these questions and investigating their validity. Our task is not to give findings on the correctness of these principles but to apply the principles of the Bombay Report to local conditions.

6. Our task, difficult as it was owing to the shortness of time, was made the more so by the absence of reliable statistical information either in the office of the Director of Industries or in any of the Provincial Government publications. We were particularly handicapped by the absence of data of rail-borne inland traffic and would suggest the revival of this useful publication. In the days to come, with increased activity in the industrial field and the greater importance of the labour questions, statistics relating to trade and industry will become increasingly essential.

CHAPTER II.—SURVEY OF THE INDUSTRY

EXTENT AND DISTRIBUTION

The cotton textile industry in this province differs from that of Bombay in that there are no principal centres in which the mills are situated. The number of textile mills is only 11, and with one exception, the Raja Gokuldas Mills at Jubbulpore, they are scattered throughout the cotton growing area. At no place are more than two mills situated.

The following table summarises the progress of the industry since 1926 :—

Table 1

Year	Number of mills working	Number of spindles installed	Number of looms installed	Average daily number of persons employed	Production of yarn in million pounds	Production of woven goods in million pounds	Production of woven goods in million yards	Consumption of raw cotton in bales of 400 pounds each
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1926 ..	11	360,379	6,694	19,379	40.6	19.46	71.27	..
1927 ..	11	361,396	6,747	18,734	38.9	19.06	70.66	..
1928 ..	11	362,012	6,822	19,389	42.86	19.22	71.94	..
1929 ..	11	352,732	7,105	19,905	44.05	20.27	77.78	..
1930 ..	11	361,504	7,172	20,200	45.11	21.34	81.61	..
1931 ..	11	365,952	7,169	20,446	45.1	21.65	82.00	116,186
1932 ..	11	368,690	7,072	20,200	43.96	20.54	79.19	118,517
1933 ..	11	370,720	7,072	18,818	42.2	18.27	68.13	108,298
1934 ..	11	373,220	7,082	18,396	44.5	23.83	87.86	121,300
1935 ..	11	385,768	7,112	19,534	46.09	24.64	87.23	122,900
1936 ..	10	387,840	7,096	18,933	49.51	22.31	80.09	124,050
1937 ..	10	388,214	7,089	18,986	49.02	23.64	81.94	Not available.
		(approx.)	(approx.)					
Equivalent average for 10 mills in Bombay Presidency.		290,486	6,737	11,595	29.33	28.07	111.77	80,454

2. One mill, that at Pulgaon, ceased working in 1936, but has again recommenced operations in March of this year in view of the more favourable conditions now prevailing. The figures indicate a slight increase in production with a labour force which has remained stationary in spite of the slump which started in 1929, and the decrease in the number of working hours per week from 60 to 54 in 1935. So far as the quantum of production is concerned, that is, the number of mills, spindles, looms, employees and the consumption of cotton, the figures proportionately resemble to a somewhat remarkable degree those given in the Bombay report for the Bombay Presidency as a whole. They show neither the expansion which has occurred in Ahmedabad nor the decline of Bombay city.

3. It is unnecessary for us to examine in detail the history of the Indian Cotton Textile Industry as a whole during recent years. An analysis of the relevant factors has been made in the Bombay report, and is available to those who desire to investigate the matter. The same factors have operated in this province as elsewhere in India. Two special features have been noticed in Bombay, the movement towards the manufacture of finer goods, and the progress of rationalisation. The statement below shows that in this province there has been remarkably little increase in the production of yarn of higher counts and that the bulk of the outturn continues to be the lower counts:—

Table 2

Statement of yarn production by counts

(In pounds—000's omitted).

Year	Ending 31st March						
	1—10	11—20	21—30	31—40	Over 40	Waste, etc.	Total
1927-28	8,994	24,713	7,619	833	189	511	42,860
1930-31	9,523	25,349	8,335	1,145	361	390	45,103
1935-36	9,078	27,062	7,318	2,028	590	352	46,428
1936-37	11,608	25,946	6,470	2,374	700	502	47,599

Table No. 3 below gives statistics regarding woven goods.

Table 3

Statement of the quantity and description of woven goods manufactured in Central Provinces and Berar. (Ending 31st March)

Grey and bleached piece-goods	1929-30			
	Pounds	Yards	Average yard per pound	Percentage of total pound
Dhoties	7,060,000	29,933,000	4.2	33.1
Shirtings and long cloth	1,418,000	5,959,000	4.2	6.6
T cloth domestics and shirtings.	701,000	3,029,000	4.3	3.3
Khaddar	2,094,000	6,211,000	2.0	9.3
Others	3,415,000	12,399,000	3.6	16.0
Total	14,688,000	57,531,000	3.9	68.8
Coloured piece-goods	5,859,000	24,078,000	4.1	27.5
Miscellaneous	796,000	..	..	3.7
Grand Total	21,343,000	81,609,000	3.8	100

1931-32				
Grey and bleached piece-goods	Pounds	Yards	Average yard per pound	Percentage of total pound
Dhoties ..	8,976,441	37,536,559	4.2	42.5
Shirtings and long cloth ..	1,729,768	7,490,874	4.3	8.2
T cloth domestics and shirtings.	1,086,505	4,064,176	3.7	5.2
Khaddar ..	1,802,236	5,101,328	2.8	8.6
Others ..	2,687,117	9,832,700	3.7	12.7
Total ..	16,282,077	64,025,637	3.9	77.2
Coloured piece-goods ..	4,283,603	17,631,114	4.2	20.1
Miscellaneous ..	580,158	..	..	2.7
Grand Total ..	21,100,838	81,656,751	3.8	100

1936-37				
Grey and bleached piece-goods	Pounds	Yards	Average yard per pound	Percentage of total pound
Dhoties ..	7,706,000	33,192,000	4.3	36.3
Shirtings and long cloth ..	1,952,000	8,026,000	4.1	9.2
T cloth domestics and shirtings.	596,000	2,349,000	3.9	2.8
Khaddar ..	3,073,000	8,116,000	2.6	14.5
Others ..	4,038,000	13,052,000	3.2	18.9
Total ..	17,365,000	64,735,000	3.7	81.7
Coloured piece-goods ..	3,315,000	11,608,000	3.5	15.6
Miscellaneous ..	592,000	..	..	2.7
Grand Total ..	21,272,000	76,343,000	3.6	100

The average number of yards of cloth to the pound which was 3.8 in 1929-30 and 1930-31 had only declined to 3.6 in 1936-37. There is no evidence of any tendency to turn out lighter and therefore superior woven goods. No such tendency is likely to occur, as in order to turn out fine goods it is necessary to import long staple cotton; and for that purpose, the advantage due to proximity to the raw material of the industry enjoyed by up country mills is neutralised by the greater cost of imported cotton. The opportunity of acquiring great financial stability by the manufacture of better class goods, to the need for which

the Indian Cotton Tariff Board of 1927 drew attention, is thus denied to the industry of the province. The millowners claim that there are signs that the demand for coarser products is falling off, while that for better quality goods has been maintained up to date. On the other side of the account we must put the fact that the cost of raw cotton bears a higher proportion to the total cost of production in mills turning out coarse cloth and a greater proportion of yarn and that in consequence they obtain a greater advantage from the present disparity between the price of the finished article and that of raw material. The figures given in Table 1 indicate that there has been some rationalisation of labour in that the labour force has decreased whereas production has increased. It is claimed by the millowners that there is little scope for further economies in this respect owing to the inefficiency of local labour. At the same time they maintain that if wages rise they will be forced to discharge some of the operatives. On the whole we consider that rationalisation of the industry is more difficult than in Bombay, and that the local mills are in consequence in a weaker position. Financial rationalisation, that is the writing down of inflated capital costs either voluntarily or as a result of force sales, which has been a feature of the mills in Bombay city, is not in evidence in this province, though the necessity for it exists in the case of some mills.

4. The province is landlocked and exposed to competition from such big centres of industry as Bombay and Ahmedabad. Capital in the province is notoriously shy, and apt to seek investment in industries outside the province; and indigenous industries even if their prospects are favourable are handicapped by difficulties of finance. Competition from mills in the neighbouring Indian States is severe, unfettered as they are by modern factory laws and the burden of income-tax. The number of mills in the province is only 11 of which one has been under liquidation, and with three or four exceptions the remainder are finding it difficult to make both ends meet. We, therefore, consider it desirable to sound a note of warning that burdens which can be borne by the well established industry of Bombay may in spite of the benefits derived from the proximity to raw materials prove too heavy for the less stable and less developed industries of the province.

CHAPTER III.—WAGES

In the absence of a properly conducted wage census, or periodical enquiries into the wages in the textile industry, it is scarcely possible to make an accurate survey of the wage position in the industry in the province. The different systems of wage payments adopted by the different mills together with the diverse methods of wage cuts make it difficult to assess the wage cut correctly, or to express it accurately in terms of a common denominator. In reply to our questionnaire, all the mills have not been able to show with any degree of accuracy the savings made by the various wage cuts in their total wage bill. Evidence tendered before the Committee disclosed a wide disagreement between representatives of the mills and of the labour in respect of wage cuts. In spite of this divergence it has been possible with the aid of the published report on the previous enquiry into wage cuts in the textile industry in 1934 to form tentative conclusions in the matter of wage reductions in consequence of wage cuts and loss of earnings as a result of a reduction in the working hours. Percentages have been worked out taking into account the number of persons employed in the important typical occupations in which percentage reduction in daily earnings has been separately worked out for each mill. Table 4 given below compares the average daily earnings in certain typical occupations in 1932, 1933, 1936 and 1937:—

Table 4

Table showing earnings of cotton mill workers in Central Provinces and Berar in selected occupations

Occupations	Average daily earnings in December 1932	Average daily earnings in 1933	Percentage increase or decrease in 1933 as compared with 1932	Average daily earnings in 1936	Percentage increase or decrease in 1936 as compared with 1932	Average daily earnings or average daily rates in 1937	Percentage increase or decrease in 1937 as compared with 1932
	Rs. a. p.	Rs. a. p.		Rs. a. p.		Rs. a. p.	
Empress Mills, Nagpur							
Frame tenters	..1 1 11	0 12 7	-30	0 13 2	-27	0 13 5	-25
Siders (one side)	..0 11 10	0 9 10	-15	0 11 8	-2	0 11 8	-2
Winders	..0 6 7	0 5 1	-15	0 4 10	-25	0 4 9	-27
Reelers	..0 9 5	0 8 2	-14	0 5 9	-39	0 5 3	-44
Weavers—							
One loom	..0 13 6	0 11 5	-15	0 10 4	-23	0 11 0	-18
Two looms	..1 5 3	1 1 11	-15	1 1 4	-18	1 1 8	-17
Frame doffers	..0 7 5	0 7 8	+2.5	0 8 3	+10	0 8 7	+11.4
Spinning doffers	..0 7 10	0 7 4	-6	0 7 7	-1	0 8 5	+6.5

Occupations	Average daily earnings in December 1932	Average daily earnings in 1933	Percentage increase or decrease in 1933 as compared with 1932	Average daily earnings in 1936	Percentage increase or decrease in 1936 as compared with 1932	Average daily earnings or average daily rates in 1937	Percentage increase or decrease in 1937 as compared with 1932
Model Mills, Nagpur							
	Rs. a. p.	Rs. a. p.		Rs. a. p.		Rs. a. p.	
Frame tenters	..0 14 10	0 10 7	-28	0 12 3	-17	0 12 6	-16
Siders (one side)	..0 8 2	0 7 0	-14	0 7 9	-5	0 8 3	+1
Winders	..0 6 3	0 6 4	+1	0 5 3	-15	0 6 0	-4
Reelers	..0 7 5	0 5 9	-22.5	0 4 3	-43	0 4 9	-36
Weavers—							
One loom	..0 14 3	0 13 7	-5	0 13 6	-5.5	0 13 3	-7
Two looms	..1 7 9	1 3 11	-16	1 1 9	-25	1 4 3	-15
Frame doffers	..0 6 1	0 5 3	-13	0 4 0	-34	0 5 9	-5
Spinning doffers	..0 6 4	0 5 10	-8	0 5 6	-13	0 6 6	+2.5
Vidarbha Mills, Ellichpur							
Frame tenters	..0 9 11	0 11 5	+11.5	0 10 4	+10.3	0 11 6	+11.5
Siders (one side)	..0 11 4	0 10 1	-11	0 10 5	-8	0 9 3	-18.5
Winders	..0 5 7	0 5 5	-3	0 4 11	-11	0 4 4	-22
Reelers	..0 3 11	0 3 2	-18.8	0 2 1	-47	0 2 7	-34
Weavers—							
One loom	..0 13 0	0 12 1	-7.5	0 10 7	-18	0 9 10	-25
Two looms	..1 10 5	1 0 6	-37	0 14 4	-46	0 14 5	-45
Frame doffers	..0 7 1	0 5 7	-21	0 6 4	-11	0 5 7	-21
Spinning doffers	..0 7 1	0 6 7	-7	0 6 7	-7	0 5 5	-22
Rekchand Mohta Mills, Hinganghat							
Frame tenters	..0 10 7	0 10 8	+1	0 9 5	-10.4	0 9 5	-10.4
Siders (one side)	..0 7 3	0 7 8	+3	0 7 4	+1	0 7 5	+2
Siders (two sides)	.. ..	0 12 5	..	0 12 4	..	0 12 4	..
Winders	..0 6 6	0 3 8	-43	0 3 6	-46	0 5 8	-43
Reelers	..0 6 6	0 5 6	-15	0 4 9	-26.5	0 5 1	-22
Weavers—Two looms.	0 15 3	0 14 1	-8	0 15 3	..	0 13 5	-12
Frame doffers	..0 5 0	0 5 11	+20	0 4 6	-10	0 4 5	-10.5
Spinning doffers	..0 5 0	0 5 1	+1	0 4 7	-8.5	0 4 7	-8.5

Occupations	Average daily earnings in December 1932	Average daily earnings in 1933	Percentage increase or decrease in 1933 as compared with 1932	Average daily earnings in 1936	Percentage increase or decrease in 1936 as compared with 1932	Average daily earnings or average daily rates in 1937	Percentage increase or decrease in 1937 as compared with 1932
R. B. Bansilal Abirchand Mills, Hinganghat							
	Rs. a. p.	Rs. a. p.		Rs. a. p.		Rs. a. p.	
Frame tenters	.. 0 13 10	0 14 5	+4	0 11 5	-17	0 11 4	-17.5
Siders (one side)	.. 0 9 1	0 7 7	-16.5	0 6 11	-23	0 6 11	-23
Winders	.. 0 7 6	0 5 2	-31	0 4 2	-45	0 3 9	-50
Reelers	.. 0 7 2	0 6 11	-5	0 5 3	-26.5	0 5 4	-25
Weavers—							
One loom	.. ..	0 11 4	..	0 8 8	..	0 7 7	..
Two looms	.. 1 7 5	1 3 3	-17	0 15 9	-33	0 15 1	-35
Frame doffers	.. 0 6 3	0 5 3	-16	0 4 7	-27	0 4 5	-30
Spinning doffers	.. 0 5 10	0 4 11	-15	0 4 7	-22	0 4 8	-20
Burhanpur Tapti Mills, Burhanpur							
Frame tenters	.. 0 13 4	0 15 4	+13	0 11 3	-15	0 11 7	-12.5
Siders (one side)	.. 0 12 1	0 12 3	+2	0 10 5	-13.5	0 10 3	-15
Winders	.. 0 6 10	0 6 5	-5	0 5 11	-12	0 5 7	-4
Reelers	.. 0 9 2	0 6 7	-28	0 5 9	-37	0 5 5	-40
Weavers—							
One loom	.. 0 11 3	0 9 9	-14	0 8 4	-26.5	0 7 10	-30
Two looms	.. 1 5 9	1 3 4	-11	1 0 8	-23	0 14 9	-32.5
Frame doffers	.. 0 8 6	0 8 1	-5	0 6 11	-18.5	0 6 3	-26
Spinning doffers	.. 0 6 11	0 7 5	+7	0 6 6	-6	0 5 11	-14
Savatram Ramprasad Mills, Akola							
Frame tenters	.. 0 13 6	0 9 8	-28.5	0 8 6	-37	0 8 0	-41
Siders (one side)	.. 0 9 5	0 7 8	-19	0 6 9	-28	0 6 6	-31
Winders	.. 0 6 6	0 4 11	-24	0 4 0	-38.5	0 5 7	-14
Reelers	.. 0 6 1	0 4 2	-32	0 4 4	-29	0 3 5	-43.5
Weavers—Two looms.	1 10 6	1 10 5	-3	1 3 4	-27	1 2 0	-32
Frame doffers	.. 0 6 9	0 5 0	-26	0 4 10	-29.5	0 4 11	-29
Spinning doffers	.. 0 6 4	0 5 1	-20	0 4 3	-33	0 4 1	-35

Occupations	Average daily earnings in December 1932	Average daily earnings in 1933	Percentage increase or decrease in 1933 as compared with 1932	Average daily earnings in 1936	Percentage increase or decrease in 1936 as compared with 1932	Average daily earnings or average daily rates in 1937	Percentage increase or decrease in 1937 as compared with 1932
R. S. Rekchand Mohta Mills, Akola							
	Rs. a. p.	Rs. a. p.		Rs. a. p.		Rs. a. p.	
Frame tenters	..0 12 9	0 13 8	+7	0 11 7	-9	0 8 1	-36.5
Siders (one side)	..0 9 10	0 9 7	-2	0 9 1	-8	0 8 2	-17
Winders	..0 6 3	0 5 9	-8	0 7 1	+12.5	0 4 1	-35
Reelers	..0 9 9	0 8 10	-9	0 7 10	-20	0 5 9	-41
Weavers (two looms)	1 11 8	1 6 9	-15	1 4 7	-25	0 15 4	-44.5
Frame doffers	..0 6 5	0 6 0	-7	0 5 10	-9	0 4 10	-25
Spinning doffers	..0 6 1	0 6 3	+3	0 5 10	-4	0 4 11	-19
Berar Manufacturing Mills, Badnera							
Frame tenters	..0 10 5	0 8 11	-14	..	..	0 8 3	-20
Siders (one side)	..0 9 7	0 7 8	-19.5	..	..	0 6 5	-32
Winders	..0 7 4	0 7 5	+1	..	..	0 4 6	-39
Reelers	..0 6 9	0 5 9	-15	..	..	0 3 3	-51.5
Weavers (one loom), weavers (two looms)	0 8 9	0 10 8	+21	..	..	0 8 7	-2
Frame doffers	..0 7 11	0 6 0	-24	..	..	0 5 4	-33
Spinning doffers	..0 8 0	0 6 7	-18	..	..	0 5 4	-33

Figures for the Jubbulpore mill have not been given as their accuracy is open to doubt. The table will show the loss of earnings suffered by a person who did the same kind of work and provides the only practical method of comparing the extent of wage cut effected between two points of time during which changes in the conditions of work, in the distribution of the labour force in different wage classes, and in the character of work have taken place.

2. We also give below a table (Table 5) to show the percentage reduction in wages since the first cut was introduced in 1933 for all mills except Pulgaon, which was unable to supply the information we asked for owing to the mill having gone into liquidation and being closed down. The percentages have been worked out by taking the actual wages of typical occupations and obtaining the average number of employees in each category. The basis of the calculation is the same as that adopted

in the Bombay Report. Figures for the three Bombay centres, namely, Bombay city, Ahmedabad and Sholapur are included in the statement to facilitate comparison :—

Table 5

Statement showing wage cuts and restoration if the Bombay schedule is adopted.

Mill centres	Wage reduction since 1933	Restoration of wage cut as per Bombay schedule in page 133 of the Interim Report	Portion of wage cut which will still remain unrestored after the increase
(1)	(2)	(3)	(4)
	Per cent	Per cent	Per cent
Bombay	.. -25.4	11.9	-13.5
Ahmedabad	.. -12.9	9	-3.9
Sholapur	.. -13.4	14.3	+0.9
<i>Central Provinces and Berar.</i>			
The Empress Mills, Nagpur	.. -16	14	-2
The Model Mills, Nagpur	.. -14	12.5	-1.5
Rai Bahadur Bansilal Abirchand Mills, Hinganghat.	-21	12.5	-8.5
Rai Sahib Reckchand Mohta Mills, Hinganghat.	-18	12.5	-5.5
Berar Manufacturing Company, Ltd., Badnera.	-22.5	17	-5.5
Raja Gokuldas Mills, Jubbulpore	.. -10	11.5	+1.5
Burhanpur Tapti Mills, Burhanpur	.. -24	15.5	-8.5
Savatram Ramprasad Mills, Akola	.. -30	14	-16
Rai Sahib Reckchand Gopaldas Mohta Mills, Akola.	-32	11	-21
Vidarbha Mills, Ellichpur	.. -24.5	15	-9.5

It must be explained that the table exemplifies the fall in wages and not the extent of the actual cuts the percentages of which will be less than those shown in column 2 of the statement. We have not obtained figures for all mills, but the Empress Mills have given us figures showing how the restoration of their wage cut would affect their wage bill. The total increase in their pay bill would be 10 per cent and not 16 per cent as shown in column 2 of the statement. The difference is accounted for by two facts, namely, (1) that new employees, which may include some old employees re-employed after a period of absence, have been

taken on at lower rates and thus draw lower wages without having been subjected to a wage cut and (2) that the output of piece-workers was reduced owing to the number of hours of work per week being reduced from 60 to 54 in 1935. It was also alleged by some mills that with the decrease in the total number of employees, the work people themselves preferred that a large number should work for a short time rather than that a small number should be refused work altogether; and as a result the earnings of individuals were reduced. Distribution of work among themselves is, we are told, often resorted to by workers, especially women, even at the cost of lower wages, in order to secure employment for a larger body of workers. We have not set forth in detail the actual cuts introduced by the various mills because we considered that the figures in the above statement illustrated as accurately as possible the real fall in wages.

3. Not only is the wage cut not uniform but the method of application also varies widely from mill to mill. In the two mills in Nagpur and Raja Gokuldas Mill of Jubbulpore the lowest paid time workers were exempted from the cut. The lowest limit for exemption is Rs. 15 for male operatives and Rs. 10 for female operatives in the Empress Mills, and Rs. 13 for male operatives and Rs. 9 for female operatives in the Model Mills, and Rs. 10 for all operatives in the Jubbulpore mill. One mill in Hinganghat has exempted only mechanics from the wage cut. In some mills an additional wage cut was made when there was a reduction in the hours of work but the practice was not universal: for instance, there was no cut on this account in the mills at Nagpur.

4. Analysis of the tables shows that the wages in this province are much lower than in Bombay and the wage cuts are on the whole lower than in Bombay. In these circumstances, an increase in wages to the same extent as in Bombay will, in our opinion, be inequitable as it would mean that the mills that had succeeded in obtaining the greatest reduction in wages would have to restore proportionately the smallest amount. A comparison of the figures given in table 4 with the corresponding figures in the Bombay report shows that the level of wages is appreciably higher in the Bombay Presidency than it is in this province. It follows that if a schedule of increase of wages on the lines of the Bombay schedule were to be adopted, the stages at which the different scales applied would have to be different. This would also be justified if we take into account the lower cost of living in this province as compared with Bombay. While we have obtained information from some mills as to the cost of increase on the Bombay scale and could calculate without difficulty any changes in the cost that would result from the adoption of different rates of increase, we are not able in the time at our disposal to assess the financial effect of varying the stages.

COST OF LIVING

5. We have observed that the cost of living of the working class families has recently risen as shown by the cost of living

index numbers published by the Department of Industries. Table 6 below shows the variation in the cost of living index numbers in Nagpur and Jubbulpore since 1930:—

Table 6
Cost of living index numbers for the industrial workers at Nagpur.
Base period—January 1927=100.

Months of the year	1930	1931	1932	1933	1934	1935	1936	1937	1938
January	94	68	63	58	57	56	58	61	62
February	94	67	60	59	57	59	58	61	61
March	92	66	62	58	54	58	58	60	..
April	90	66	61	55	54	57	58	63	..
May	89	62	61	59	54	58	58	62	..
June	85	63	62	59	57	58	58	63	..
July	84	63	63	59	58	58	59	65	..
August	83	64	62	58	57	58	59	65	..
September	83	63	62	58	57	59	59	65	..
October	79	63	62	58	58	60	60	66	..
November	76	64	62	59	59	61	58	65	..
December	68	65	60	58	57	58	60	62	..
Average	85	65	61	58	57	58	59	63	..

Cost of living index numbers for the industrial workers at Jubbulpore.
Base period—January 1927=100.

Months of the year	1930	1931	1932	1933	1934	1935	1936	1937	1938
January	87	63	61	58	52	55	56	61	60
February	87	62	61	57	52	58	55	61	58
March	83	62	62	56	52	53	54	59	..
April	79	62	57	52	53	54	53	59	..
May	78	60	57	56	53	55	54	60	..
June	78	60	56	54	54	55	55	60	..
July	78	62	57	55	55	57	57	63	..
August	76	64	60	55	54	58	60	63	..
September	76	63	61	54	56	57	60	63	..
October	74	62	61	54	56	59	58	60	..
November	71	63	60	55	57	56	58	63	..
December	65	62	57	54	56	56	59	61	..
Average	78	62	59	55	54	56	57	61	..

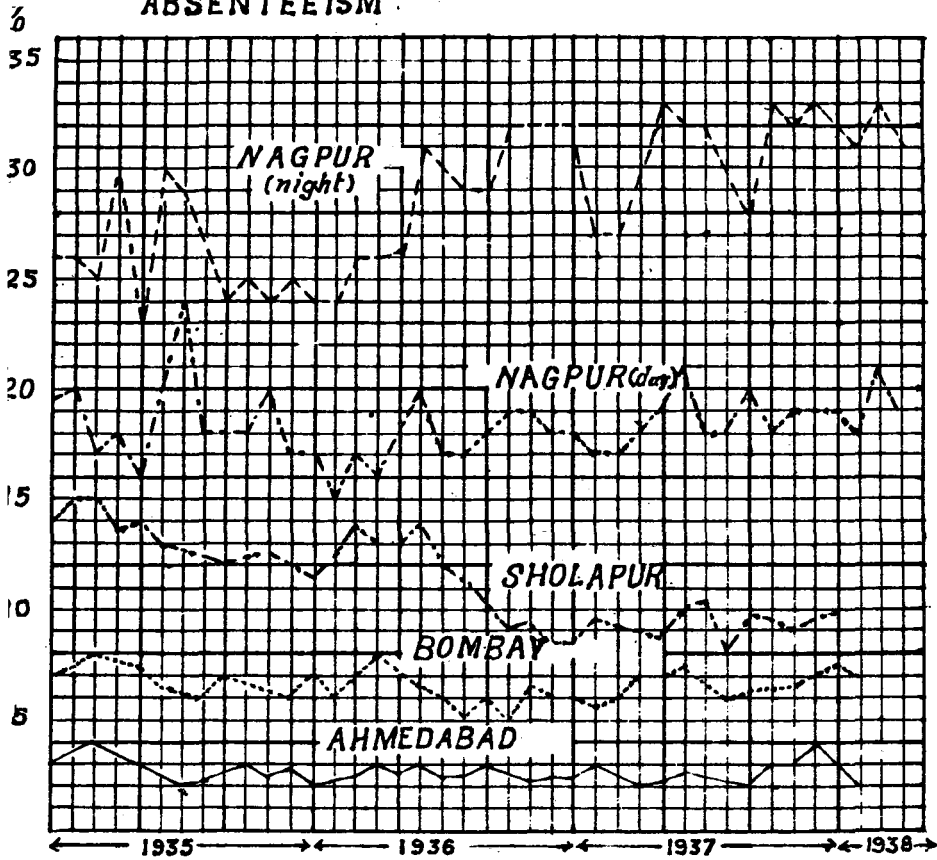
The representatives of mills have pointed out that the cost of living is low and have quoted the 1934 Report on the Enquiry into Unemployment and Wage Cuts to the effect that "while the nominal wages have decreased by 17 per cent in Nagpur, the real wages have increased by 43 per cent". Apparently the implications of the figures on page 28 of the above report have been misunderstood. The decrease in the nominal wages and increase in the real wages have in reference to 1927 which is the base year and the percentages are in relation to the wages and cost of living prevalent at that time as compared with the conditions in 1933. In 1937, the cost of living has increased from 58 to 63 in Nagpur whereas the wages have decreased from Rs. 18-12-0 to Rs. 15-10-0 per month. The decrease in nominal wages in 1933 is 17.2 per cent, while the real wages have fallen by 23.5 per cent. The following table (table 7) will show the comparative index numbers at a glance:—

Table 7

	January 1927	December 1933	December 1937
Average daily wages	.. Re. 0-14-0	Re. 0-11-8	Re. 0-9-8
Nominal wage index	.. 100	83	68.7
Cost of living index	.. 100	58	63
Real wage index	.. 100	143	109

6. Evidence before us showed that there is considerable absenteeism and forced or compulsory leave in the two mills at Nagpur. The latest figures of absenteeism given in the March issue of the Labour Gazette published by the Government of Bombay show that the percentage of absenteeism amounted to 7.7 in Bombay City, 3.3 in Ahmedabad and 10.7 in Sholapur, while at Viramgaum a semi-urban centre in the Bombay presidency, it was only 2.7. In this province the system of compulsory leave is not in force at Hinganghat and Akola. The mill-owners assert that the high percentage of absenteeism results in an inefficient labour force and labour objects to a system which entails enforced idleness and the consequent reduction of earnings. It is not within the scope of our enquiry to make any recommendation in the matter, but we find it difficult to believe that the system of compulsory leave to which both capital and labour object is necessary at one place and not at another, or that the high percentage of absenteeism cannot be reduced in time.

ABSENTEEISM



Comparative Chart of Average Absenteeism in Ahmedabad, Bombay, Sholapur and Nagpur.

CHAPTER IV.—TRENDS IN PRODUCTIVE
ACTIVITY, 1937

PRODUCTION OF YARN AND PIECE-GOODS

That there is a definite improvement in the productive activity of the mills in the province during 1937 is clear from the statement below showing the quantity of woven goods manufactured and yarn spun :—

Table 8

Statement showing the quantity of woven goods manufactured and yarn spun in the Central Provinces and Berar during 1937.

	Woven goods manufactured			Yarn spun
	Lbs.	Yds.	Doz.	Lbs.
January ..	1,640,586	5,961,279	2,206	3,540,321
February ..	1,507,094	5,463,162	3,831	3,283,916
March ..	1,810,926	6,450,023	5,839	3,899,734
April ..	1,899,599	6,986,710	4,301	4,167,581
May ..	1,788,309	6,633,608	5,423	4,037,761
June ..	1,863,744	6,786,844	7,501	3,942,624
July ..	2,149,886	7,337,896	8,995	4,132,567
August ..	2,075,561	6,916,724	8,652	4,151,784
September ..	2,229,495	7,377,458	10,201	4,205,039
October ..	2,330,262	7,639,493	8,463	4,442,250
November ..	2,076,776	6,796,308	6,297	4,228,959
December* ..	2,271,594	7,593,829	12,791	4,989,099
Total ..	23,643,826	81,943,334	84,500	49,021,635

There has been a slight falling off in the production of cloth in the last two years, but the increased production of yarn has more than compensated for this. The total quantity of yarn and cloth combined has been increasing continuously and has reached its highest point in 1937. It has already been stated in a previous chapter that there is a slight variation in the character of production, the tendency being towards an increased output of coarse goods. This illustrates the difference between mills of this province and those of the Bombay presidency where the tendency is definitely towards finer goods.

2 The evidence before the Committee showed that stocks of cloth and yarn on hand in the mills had reached a very low level by the end of December 1937 and all the mills had at least

*Provisional.

three months' advance bookings. The mill at Burhanpur has secured forward sales for the whole of the year 1938. Representatives of mills, however, complained that the market was showing signs of deterioration and that the demand for forward bookings was already less brisk. There is little reason to anticipate an immediate slump.

STOCKS AND DESPATCHES OF CLOTH

3. Another indication of the activity in production is given by the figures of despatches of piece-goods by rail. Table 9 compiled from weekly figures published in the *Indian Trade Journal* gives the monthly despatches from the three towns which are the centres of the textile industry and the figures may be taken to represent the outturn of the mills. Nagpur and Akola, the two important centres in the province, show a marked increase in the despatch of piece-goods in 1937 over the previous two years, while at Jubbulpore there was an increase in 1937 compared with 1936. Two charts of local prices of cloth and yarn are herewith appended; they show that the fluctuations in prices during the last two years have been slight and that the market remains firm notwithstanding the fall in the price of the raw material :—

Table 9

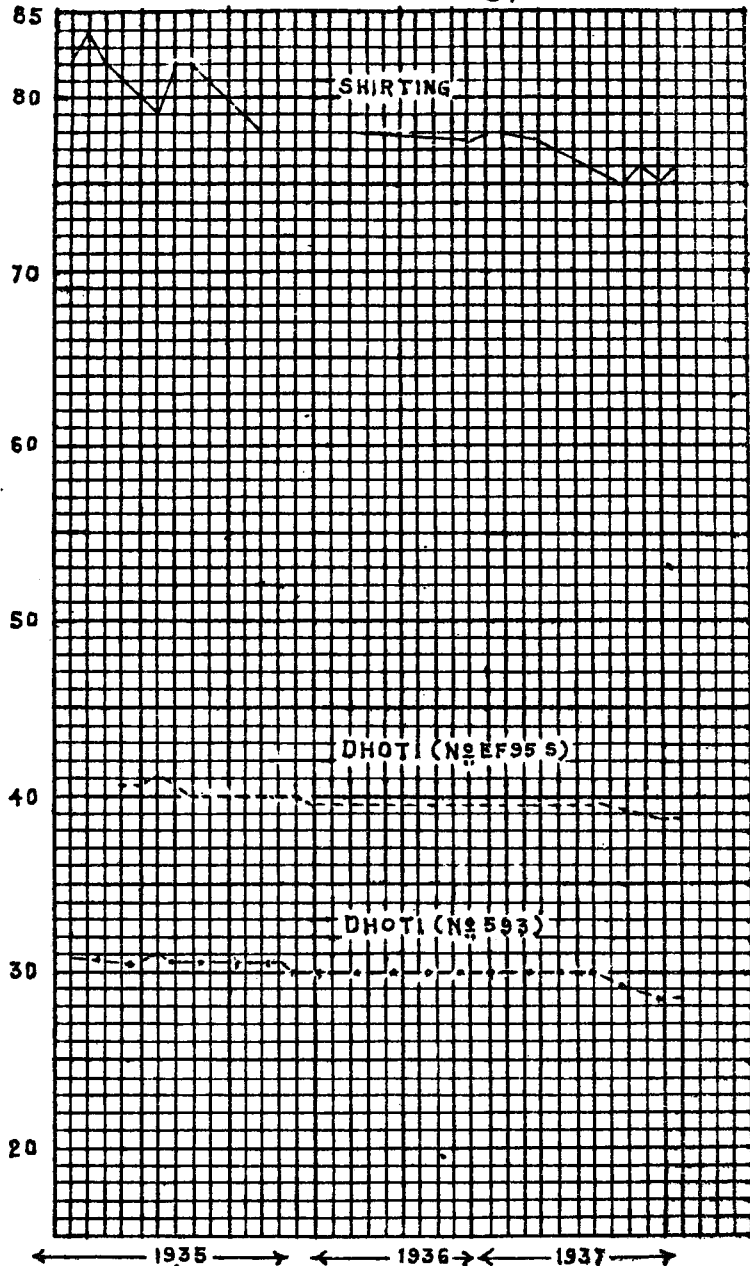
Table showing the quantity of cotton piece-goods despatched by rail from Akola, Jubbulpore and Nagpur.

Year	Quantity in Indian maunds		
	Akola	Jubbulpore	Nagpur
1935—			
January	4,093	2,058	9,655
February	3,397	1,766	6,193
March	3,267	2,406	8,656
April	2,566	2,192	7,626
May	2,782	2,885	6,922
June	3,891	1,112	6,124
July	2,999	1,171	5,567
August	3,508	1,531	7,136
September	3,734	1,254	8,019
October	5,645	1,961	11,844
November	7,074	2,675	12,231
December	4,104	1,521	7,602
Total	47,060	22,532	97,475

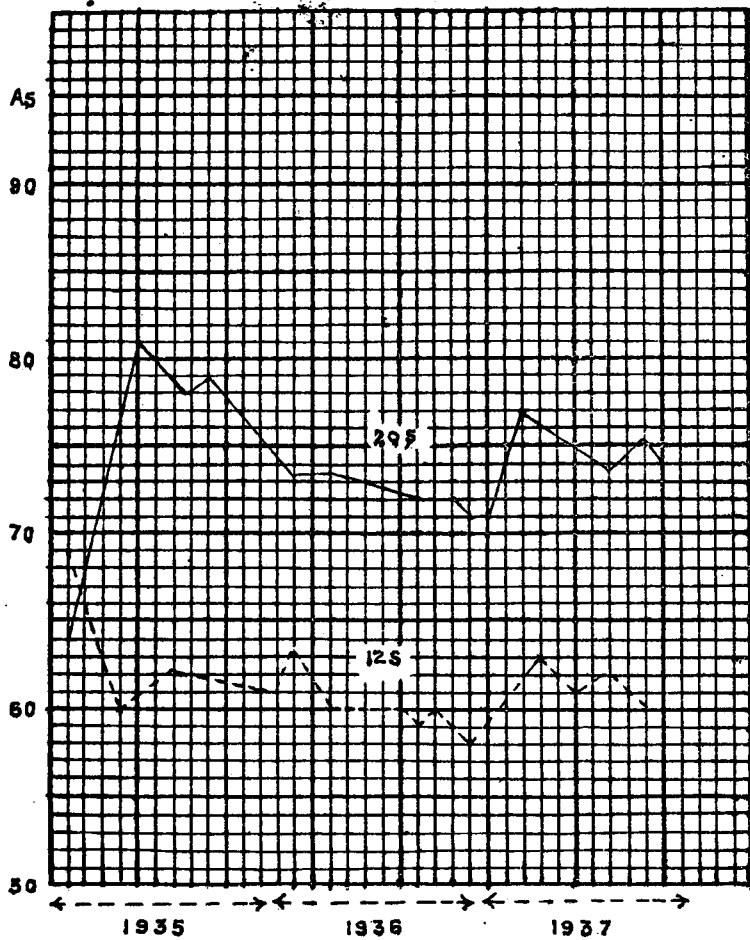
Year	Quantity in Indian maunds		
	Akola	Jubbulpore	Nagpur
1936—			
January	.. 3,580	1,645	6,760
February	.. 3,777	2,158	7,485
March	.. 2,607	1,617	6,036
April	.. 2,028	1,752	6,143
May	.. 2,327	1,287	8,401
June	.. 3,823	974	6,404
July	.. 3,039	773	5,644
August	.. 3,345	868	6,856
September	.. 2,996	1,006	7,316
October	.. 7,036	1,002	17,064
November	.. 5,416	1,035	12,195
December	.. 4,187	1,890	9,491
Total	.. 44,161	16,007	99,795
1937—			
January	.. 4,145	1,841	13,319
February	.. 2,389	1,318	5,462
March	.. 2,566	1,220	4,883
April	.. 3,123	1,502	7,638
May	.. 2,384	2,225	7,971
June	.. 2,047	142	5,943
July	.. 3,955	1,250	10,083
August	.. 3,350	1,211	6,191
September	.. 4,768	1,625	10,225
October	.. 9,184	2,126	13,915
November	.. 10,736	2,375	8,848
December	.. 7,575	1,240	11,549
Total	.. 56,222	18,075	1,06,027

A.S.

Cloth Price (Nagpur)



YARN Price (Nagpur)



CHAPTER V.—FINANCIAL POSITION OF THE MILLS.

The financial position of the mills in the province varies considerably; and it is difficult to give a true picture of it by means of a consolidated statement. The Empress Mills at Nagpur has a position of financial strength with which none of the other mills in the province can compare. We have accordingly classified them separately in the statement below, which shows the amounts which have been set aside for depreciation:—

Table 10

Statement showing the details about the depreciation, annual repairs, renewals and addition to block.

(Rupees in lakhs.)

Mills	Total block undepreciated	Depreciation hitherto provided	Depreciation at the over-all rate of 4 per cent on the original block for 1936-37	Amount provided in 1936-37	Maximum provided since 1933	Value of block for the year shown in column 6
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Empress ..	94	89.4	7.33	0.5	0.5 (1936-37)	183.4
Others ..	255	52.6	8.82	2.47	4.0 (1934-35)	241.7
Total ..	349	142	16.15	2.97	..	..

Year	Repairs and renewals	Addition to block
1934-35	.. 2*	12.32*
1935-36	.. 2.46*	6.53*
1936-37	.. 1.63†	2.12*

The Model Mills started working in 1924 and all the remaining mills, excepting a small mill at Ellichpur, are pre-war. It is evident that the total amount of depreciation is inadequate except at the Empress Mills.

2. The Empress Mills has a block value of Rs. 183 lakhs against which it has a depreciation fund of Rs. 96 lakhs. This fund though less than what it would have been if it has been credited with the maximum amount allowed by the income-tax rules is, in the opinion of the management, adequate. In the last four years only Rs. 80,000 have been provided as against Rs. 20 lakhs allowed by the income-tax department. Dividends which were as high as 28 per cent have now dropped to 7 per cent for 1937, having been 8 per cent for the years 1934, 1935 and 1936. The Rs. 100 shares are valued at Rs. 225. The company

* One mill did not submit a statement.

† Three mills did not submit statements.

has Rs. 47 lakhs invested in government securities. The company is in a strong financial position, and although dividends are maintained at their present low rate by making no provision for depreciation, this has been made possible by the conservative financial policy adopted in the past.

3. The Model Mills, Nagpur, was floated as a company in 1920 and began to produce goods in 1924 just at the end of the post-war boom. In consequence, the value of its block, which is Rs. 122.5 lakhs, is unduly inflated. The mill is well-equipped, but the only dividend that it paid was 2 per cent in the year 1930. A depreciation fund of Rs. 19 lakhs exists, but it is not separately invested, and at the standard rates there is a deficiency of Rs. 53 lakhs. Even if the block value of the buildings and machinery had been brought down to its real value by writing down the capital value, it is clear that the provision for depreciation is inadequate. Owing to the high prices of machinery at the time of its purchases, the mill had to provide its working capital by borrowing and there is now a debt of Rs. 11 lakhs secured on the personal credit of the managing agents. During the last four years 1933-34 to 1936-37, the total loss has been about Rs. 80,000 without making any provision for depreciation. The difficulties of the mill are aggravated by the fact that interest has to be paid on that portion of the capital by which the subscribed share capital fell short of requirements. It is evident that the financial position of the mill is weak and that it will have no small difficulty in financing the renewal of machinery when this becomes due, unless its finances improve as the result of a considerable period of prosperity in the cotton textile industry. The shares of a face value of Rs. 250 are quoted at Rs. 49.

4. *Sawatram Ramprasad Mills, Akola.*—This is a small concern with a share capital of Rs. 7.55 lakhs. During the last four years it has paid dividends of 6, 6, 5 and 5 per cent in spite of the fact that the depreciation fund made up from profits is only about 40 per cent of that calculated on the income-tax basis. During the last four years, only Rs. 30,000 have been written off the block value by way of depreciation. The mill is in a moderately prosperous condition. The shares are quoted at 400 with a face value of Rs. 500.

5. The Burhanpur Tapti Mills commenced operations before the war and benefited by the low prices then prevailing for the purchase of machinery. The block value is Rs. 24 lakhs from which Rs. 14.33 lakhs have been written off by depreciation. The block value is low, and the depreciation allowed to date is hardly adequate. During the last four years only Rs. 94,000 have been written off. The capital raised by shares is 12 lakhs and this is supplemented by loans to the extent of Rs. 9½ lakhs of which a major portion is advanced by the managing agents. A dividend of 3 per cent was declared in 1934, but none has been paid since then. The shares are said to be at a discount of 50 per cent.

6. The Vidarbha Mills, Ellichpur, was started in 1927. The block value was originally Rs. 19 lakhs which has been now written down to Rs. 16 lakhs. The mill has only twice paid a dividend of 16 per cent in 1928-29 and 4 per cent in 1934-35.

During the last four years only Rs. 57,500 have been allocated to depreciation against the amount of Rs. 3.17 lakhs allowed under the income-tax rules. The mill is not in a strong position.

7. The Raja Gokuldas Mills in Jubbulpore is an old mill purchased by the present company in 1920 or thereabouts. It has a share capital of Rs. 6 lakhs and a block value of Rs. 15 lakhs. The depreciation fund of Rs. 1½ lakhs is insufficient and nothing has been added to it for many years. Being located outside the cotton area, the mill is unfavourably situated as regards raw material and is not in a flourishing condition.

8. The Pulgaon Mill has recently been restarted by a new company after going into liquidation. It is not possible to say how it will fair now.

9. The Berar Manufacturing Company's Mill at Badnera is now working at a loss. The paid up capital is Rs. 5½ lakhs and the block value is nearly Rs. 30 lakhs. It has a depreciation fund of nearly 14 lakhs which is nearly Rs. 3 lakhs short of the total allowed by the income-tax rules, but owing to the age of the mill and the magnitude of the block value compared to the share capital and the fact that the depreciation fund is not separately invested, it is doubtful if the fund is adequate. No additions have been made to it in any of the last four years. The mill is not in a strong position.

10. The remaining three mills, two at Hinganghat and one at Akola, are proprietary concerns and complete figures are not available. But, from the profits of recent years, it appears that they are in a more favourable position than the majority of the mills owned by companies. They have set aside full depreciation out of profits during the last four years.

11. The statement (Table 11) appended to this chapter gives details of the financial working of the mills (except that at Pulgaon) for the last four years. The figures are not complete, particularly as regards the proprietary mills, and it is a matter for regret that the profits for the latest half year in many cases are not available. It is however, expected that there will be an increase. The general condition of the industry in the province is more akin to that of the mills of Bombay city than to that of the more prosperous concerns in Ahmedabad or Sholapur. We invite attention to the following remarks in paragraph 81 of the Interim Report: "The industry in Ahmedabad and Sholapur has been more fortunate, and the proportion of dividends to paid-up share capital has in no year gone down to the levels it has reached in Bombay. If the present level of dividends in Ahmedabad and Sholapur seems low, it is only as reviewed against the back-ground of a series of more prosperous years." In paragraph 136, the Interim Report points out that Ahmedabad did not suffer from the depression till 1933 and that in recent years it has maintained a fairly high level of commissions and that it has been a centre of expanding activity. About Sholapur, the following statement occurring in paragraph 138 may be quoted in order to show that our industry cannot compare favourably with that centre in the matter of finances: "The Sholapur industry, though not expanding, is in a very strong financial position. It has been able to pay dividends throughout the years of depression in spite of the high interest charges that some of the mills bear".

BETTERMENT

12. For lack of reliable data, it is difficult to assess the actual betterment in the various mills during the year 1937. The figures of profits received from seven mills for the second half of 1937 show that a profit exceeding Rs. 9½ lakhs has been made without allowing any depreciation but deducting the losses made by three mills. The amount of profit (also without deducting depreciation) in the previous twelve months for the same group of mills came to Rs. 7.2 lakhs thus indicating a betterment of more than 100 per cent in 1937-38. The following statement gives an accurate account of the comparison:—

Description	Twelve months of 1936-37	Latter half of 1937 (six months)
Number of mills taken ..	7	7
Profit in 7 mills after deducting losses in 3 mills and without deducting depreciation (but agents' commission deducted).	Rs. 7,18,192	Rs. 9,51,956
Depreciation on income-tax basis ..	14,06,167	7,07,033
Net profit or loss ..	-6,87,975	+2,44,923

It appears that even after allowing full depreciation on the income-tax basis, the seven mills showed profit of nearly Rs. 2½ lakhs in six months or Rs. 5 lakhs in the whole year assuming that the trading conditions remain the same. Four months have passed since the end of 1937 and as yet there are no indications that improvement in the profit margin noticeable towards the end of 1937 will not be maintained.

Table 11
Statement of profit and loss.

[No TE.—L—Indicates loss]

	Empress Mills, Nagpur				
	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	62,372	6,80,664	4,38,444	7,04,670	7,12,951
2. Agents' commission ..	6,237	68,066	43,844	70,467	71,330
3. Agents' commission given up.	43,763	..	6,156	..	..
4. Depreciation on income-tax basis.	467,305	4,69,935	5,35,738	5,35,866	2,67,000
5. Actual deduction made for depreciation.	Nil	Nil	Nil	50,000	..
6. Total deficiency in depreciation.	..	..	..	..	..
7. Depreciation fund maintained.	91,13,980	89,33,652	89,09,821	89,48,481	..
8. Dividend declared ..	6,25,000 (8 p.c.)	6,25,000 (8 p.c.)	6,25,000 (8 p.c.)	5,78,125 (7 p.c.)	..
9. Paid up capital ..	96,87,500	96,87,500	96,87,500	96,87,500	..
10. Block value (original)	69,17,822	1,77,73,000	1,82,43,000	1,83,38,000	..

Model Mills, Nagpur					
	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	1,64,363	1,30,689	38,599	8,044	1,16,001
2. Agents' commission..	26,200	25,800	25,800	25,800	12,900
3. Agents' commission given up.	3,800	4,200	4,200	4,200	2,100
4. Depreciation on income-tax basis.	5,52,685	5,51,336	5,52,343	5,52,557	..
5. Actual deduction for depreciation.	Nil	Nil	Nil	Nil	..
6. Total deficiency in depreciation.	36,38,080	42,06,020	47,58,363	53,10,920	..
7. Depreciation fund maintained.	..	..	..	..	..
8. Dividend declared ..	Nil	Nil	Nil	..	..
9. Paid up capital ..	99,02,750	99,02,750	99,02,750	99,02,750	99,02,750
10. Block value (original)	1,22,29,863	1,22,06,000	1,22,15,000	1,22,57,000	..

Savatram Ramprasad Mills, Akola					
	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	1,83,879	1,17,410	1,20,270	50,288	..
2. Agents' commission..	13,512	10,035	9,966	6,995	..
3. Agents' commission given up.	Nil	Nil	Nil	Nil	..
4. Depreciation on income-tax basis.	66,800	66,800	67,000	70,000	..
5. Actual deduction made for depreciation.	54,031	25,897	34,277	..	..
6. Total deficiency in depreciation.	1,14,645	1,81,472	2,48,590	3,18,590	..
7. Depreciation fund maintained.	..	..	..	..	..
8. Dividend declared ..	45,600 (6 p.c.)	45,600 (6 p.c.)	37,750 (5 p.c.)	37,750 (5 p.c.)	..
9. Paid up capital ..	-----	-----	7,55,000	-----	..
10. Block value (original)	12,25,749	12,06,800	11,92,000	12,07,200	..

R. B. Bansilal Abirchand Mills, Hinganghat

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	2,40,450	1,30,760	1,05,935	1,67,201	..
2. Agents' commission..	..	..	..	..	..
3. Agents' commission given up.	..	..	..	..	..
4. Depreciation on income-tax basis.	85,473	83,726	84,304	83,773	..
5. Actual deduction made for depreciation.	85,473	83,726	84,304	83,773	..
6. Total deficiency in depreciation.	..	..	..	..	..
7. Depreciation fund maintained.	—————		11 lakhs	—————	
8. Dividend declared ..	..	..	..	..	..
9. Paid up capital ..	—————		29 lakhs (block value)	—————	
10. Block value (original)	..	..	..	..	..

R. S. Rekchand Mohota Mills, Hinganghat

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	2,13,487	97,510	1,58,509	..	..
2. Agents' commission..	..	..	..	..	..
3. Agents' commission given up.	..	..	..	..	..
4. Depreciation on income-tax basis.	97,963	97,963	97,963	..	..
5. Actual deduction made for depreciation.	1,20,222	1,17,247	1,19,154	..	..
6. Total deficiency in depreciation.	..	..	..	..	..
7. Depreciation fund maintained.	..	..	..	..	..
8. Dividend declared ..	..	..	..	..	..
9. Paid up capital ..	—————		28 lakhs (block value)	—————	
10. Block value (original)	..	28,00,000	28,00,000	28,00,000	..

Berar Manufacturing Mills, Badnera

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	L-1,02,367	L-38,193	L-70,860	L-89,819	L-27,651
2. Agents' commission..	26,470	25,800	25,800	25,800	12,900
3. Agents' commission given up.	13,750	12,900	25,800	25,800	..
4. Depreciation on income-tax basis.	45,150	45,492	45,808	46,954	23,477
5. Actual deduction made for depreciation.	Nil	Nil	Nil	Nil	..
6. Total deficiency in depreciation.	1,49,440	1,94,122	2,39,930	2,86,884	..
7. Depreciation fund maintained.	13,89,731	13,89,731	13,89,731	13,89,731	..
8. Dividend declared ..	..	..	..	..	..
9. Paid up capital ..	5,50,000	5,50,000	5,50,000	5,50,000	..
10. Block value (original)	21,47,479	22,94,000	25,75,000	22,12,000	..

Burhanpur Tapti Mills, Burhanpur

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	20,593	99,219	L-22,708	L-50,827	..
2. Agents' commission	15,000	15,000	..	..	..
3. Agents' commission given up.	..	..	15,000	15,000	..
4. Depreciation on income-tax basis.	71,825	71,859	74,944	74,563	..
5. Actual deduction made for depreciation.	10,000	44,000	..	..	..
6. Total deficiency in depreciation.	..	..	..	..	..
7. Depreciation fund maintained;	13,98,399	13,88,832	14,32,832	14,32,832	..
8. Dividend declared ..	..	36,000 (3 p. c.)	..	..	..
9. Paid up capital ..	12,00,000	12,00,000	12,00,000	12,00,000	..
10. Block value (original)	30,62,255	30,94,200	31,55,500	..	..

Rekchand Gopaldas Mills, Akola

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	74,076	80,827	31,611	..	..
2. Agents' Commission..	Nil	Nil	Nil	..	..
3. Agents' commission given up.	Nil	Nil	Nil	..	..
4. Depreciation on income-tax basis.	38,677	41,202	44,281	..	..
5. Actual deduction made for depreciation.	38,677	41,202	44,281	..	..
6. Total deficiency in depreciation.	Nil	Nil	Nil	..	..
7. Depreciation fund maintained.	Nil	Nil	Nil	..	..
8. Dividend declared ..	Nil	Nil	Nil	..	..
9. Paid up capital ..	—————	19.52 lakhs (block value)	—————	—————	—————
10. Block value (original)	..	19,51,500	19,51,200	..	..

Vidarbha Mills, Ellichpur

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	L-6,223	1,44,996	L-35,287	32,846	L-22,407
2. Agents' commission	..	14,499	..	3,284	..
3. Agents' commission given up.	..	..	..	..	..
4. Depreciation on income-tax basis.	78,221	79,027	79,585	79,873	40,198
5. Actual deduction made for depreciation.	..	57,541	..	..	..
6. Total deficiency in depreciation.	..	..	..	..	..
7. Depreciation fund maintained.	3,13,000	3,13,000	3,70,541	3,70,541	3,70,541
8. Dividend declared ..	..	..	..	..	..
9. Paid up capital ..	16,70,000	16,70,000	16,70,000	16,70,000	16,70,000
10. Block value (original)	..	19,50,000	19,66,800	19,74,400	..

Raja Gokuldas Mills, Jubbulpore

	1933-34	1934-35	1935-36	1936-37	Half year 1937
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Gross profit or loss (without charging agents' commission or depreciation).	L-15,306	L-39,438	L-6,475	L-23,528	L-15,300
2. Agents' commission..	..	..	..	..	..
3. Agents' commission given up.	..	..	..	..	..
4. Depreciation on income-tax basis.	40,000	40,000	40,000	40,000	..
5. Actual deduction made for depreciation.	Nil	Nil	Nil	Nil	..
6. Total deficiency in depreciation.	Nil	Nil	Nil	Nil	..
7. Depreciation fund maintained.	1,50,000	1,50,000	1,50,000	1,50,000	..
8. Dividend declared ..	..	..	..	..	..
9. Paid up capital ..	6,00,000	6,00,000	6,00,000	6,00,000	..
10. Block value (original)	14,52,919	14,86,500	14,84,300	14,94,200	..

Table 12

Comparative statement of the average component cost as a percentage of the total cost production in different mills in the Central Provinces and Berar.

Heads	Empress Mills, Nagpur	Model Mills, Nagpur	Rai Bahadur Bansilal Abirchand Mills, Hinganghat	Rai Sahib Reckchand Mohta Mills, Hinganghat
Cotton, yarn, waste, etc.	.. 58.2	65.10	61.07	57.8
Stores	.. 4.4	3.81	8.10	8.1
Dyeing and bleaching charges	.. 3.2	3.23	..	1.9
Labour wages	.. 16.5	12.88	14.80	15.7
Mill salaries	.. 2.5	1.39	2.34	2.8
Manufacturing charges including repairs and depreciation.	2.9	5.32	4.99	8.4
Establishment charges including office allowance and commission.	2.0	0.83	4.23	0.7
Interest	.. 2.3	5.32	..	..
Fuel (Power is included in stores, salaries and wages).	2.2	3.66	..	2.0
Profit or loss	.. 5.8	-0.55*	4.47	2.6

*Shows loss sustained by the Mills.

NOTE.—Figures in cases of the Burhanpur Tapti Mills, Burhanpur, and the Pulgaon Cotton Mills, Pulgaon, are not available from the mills.

Heads	Savatrani Ramprasad Mills, Akola	Rai Sahib Reckchand Gopaldas Mohta Mills, Akola	Berar Manufactur- ing Company's Mills, Badnera	Vidarbha Mills, Berar, Ltd., Ellichpur	Raja Gokuldas Mills, Jubbulpore
Cotton, yarn, waste, etc. ..	48.92	54.32	82.43	54.65	56.82
Stores ..	10.18	10.13	5.0	6.57	} 10.27
Dyeing and bleaching charges.	1.46	1.43	..	2.16	
Labour wages ..	12.21	17.14	7.47	14.31	22.03
Mill salaries ..	4.31	2.67	1.74	1.40	2.98
Manufacturing charges including repairs and depreciation.	13.30	2.99	1.23	8.0	} 1.44
Establishment charges including office allowance and commission.	..	1.92	1.41	2.40	
Interest ..	1.36	4.06	2.48	3.87	4.87
Fuel (Power is included in stores, salaries and wages).	2.99	4.12	2.13	4.47	3.95
Profit or loss ..	4.77	1.20	-3.89*	2.18	-2.36*

*Shows loss sustained by the mills.

NOTE.—Figures in cases of the Burhanpur Tapti Mills, Burhanpur, and the Pulgaon Cotton Mills, Pulgaon, are not available from the mills.

CHAPTER VI.—PROFIT MARGIN

Before we make our recommendations, it is necessary to make a quantitative measurement of the extent of improvement in the profit margin of the industry as a whole. It is a recognized fact in the textile industry that the difference in the price index of raw cotton and the price index of manufactured goods is an index of the margin of profits. As the cost of cotton exceeds the total of the other costs of production, even a slight reduction in the cost of raw materials widens the margin of profits appreciably.

COTTON PRICES

2. The following table (No. 13) gives an idea of the fluctuations in the prices of different varieties of cotton in the last few years. It will be found that the price fall between the last season and the current season averages from 10 to 15 per cent for long staple cotton and about 25 per cent for short staple cotton. It has not been possible for us to ascertain in what proportion the different varieties of cotton are used in the different mills, but on a conservative estimate, there is on the average a fall of 20 per cent in the price of cotton used by the local mills. The mill at Jubbulpore uses 37.23 per cent of foreign cotton while the Empress Mills uses 4.75 per cent foreign cotton and the other mills in the province use practically no foreign cotton but all mills use a varying proportion of Indian cotton of better staple. The average fall in foreign cotton between the years 1936-37 and 1937-38 may be taken at 15 per cent as calculated in the Bombay Report.

3. As, however, the local mills obtain their requirements for raw material in the form of kapas, and it is clear from the statement attached that the fall in price of kapas is even greater than that of baled cotton, the advantage obtained by the local mills will be greater than that indicated by the above figures.

Table 13
Price of Staple Cotton (per Khandi of 784 pounds.)

Variety of cotton	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	Percentage fall in prices between seasons 1936-37 and 1937-38.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Verum	464	..	326	209	256	211	209	301	219	215	192	10
Dharmabad	431	.. 312	336	190	307	230	235	329	251	226	210	7
Gangakhed	..	..	..	..	238	199	186	268	232	223	190	15
Verum Kapas (Amraoti)	..	..	..	55	..	..	65	..	..	70	64	8
Combodia Kapas (Amraoti)	..	..	..	..	..	..	..	..	79	71	63	11
	—	—	—	C. P. No. 1 (Nagpur)			—	—	—	—	—	—
November	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	181.6	141.2	} 22 (average)
December	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	293	183.66	145.6	
January	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	188.5	184	145.8	
February	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	184	180	136.6	
March	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	168.8	..	134.7	
April	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	172	..	124.6	}
	—	—	—	Oomra (Amraoti)			—	—	—	—	—	—
November	.. 340	296	244	127	141	..	..	..	203	181	..	} 26 (average)
December	.. 314	296	239	117	183	155	132	211	..	182	..	
January	.. 322	225	217	120	198	145	146	209	..	173	132	
February	.. 299	237	184	142	195	141	164	195	..	189	136	
March	.. 260	227	173	159	190	143	..	..	165	195	..	
April	.. 300	240	188	133	147	152	111	..	172	206	..	}

NOTE.—Average is worked out for the months of November to February as the mill purchases are highest in those months.

Table 14

The statement showing the prices of kapas ruling during the last five years in two principal markets of Akola and Nagpur.

Year and months	Kapass rate for Oomra (Akola market)		Kapas rate for C. P. No. I, (Nagpur market)	
	Rs.	a.	Rs.	a.
1932-33—				
November 1932	..	66 8	70	1
December 1932	..	62 9	63	6
January 1933	..	61 9	65	4
February 1933	..	54 4	58	5
March 1933	57	1
1933-34—				
November 1933	..	47 8	55	14
December 1933	..	50 15	55	15
January 1934	..	56 15	60	0
February 1934	..	60 12	60	2
March 1934	58	12
1934-35—				
November 1934	..	73 14	75	8
December 1934	..	79 15	83	4
January 1935	..	86 5	88	14
February 1935	..	84 2	83	4
March 1935	73	8
1935-36—				
November 1935	..	81 4	81	10
December 1935	..	78 10	77	13
January 1936	..	70 9	70	8
February 1936	..	64 8	65	2
March 1936	64	12
1936-37—				
November 1936	..	71 8	67	15
December 1936	..	73 1	70	4
January 1937	..	74 9	71	5
February 1937	..	77 11	72	7
March 1937	..	81 2	80	0
1937-38—				
November 1937	55	0
December 1937	58	0
January 1938	..	53 0	56	12
February 1938	..	52 3	54	11
March 1938	..	49 4	53	10

PRICES OF CLOTH AND YARN

The following prices quoted by the two mills at Nagpur for the most common varieties of cloth and yarn produced by them will show that the fluctuations in the prices have been slight during the last two years.

Table 15

Statement showing the contract rates of Dyed Shirting from medium count and Dhories from medium and course counts during the last three years. (Empress Mills.)

Months	Dyed shirting Cypher No. 17600S Warp 24s; Weft 20s.								
	1935			1936			1937		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
January	..	5	2 0	4	14	0	4	14	0
February	..	5	4 0	..	..	..	4	14	0
March	..	5	2 0	..	..	..	..	..	..
April	4	13	6
May	4	14	0	..	..	..
June	..	4	15 0	..	..	..	..	..	..
July	..	5	2 0	..	..	..	..	..	..
August	..	5	2 0	..	..	..	..	..	..
September	4	11	0
October	4	12	0
November	4	11	0
December	..	4	14 0	4	13	0	4	12	0

Months	Grey Dhoty Cypher No. EF95S Warp 17s; Weft 14s.								
	1935			1936			1937		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
January	2	7	6
February	2	8	0	..	..	..
March	2	7	0	..	..	..
April	..	2	8 9	2	7	6	2	7	6
May	..	2	8 9	..	..	..	2	7	6
June	..	2	9 0	..	..	..	..	..	..
July	..	2	8 9	..	..	..	2	7	6
August	..	2	8 9	..	..	..	..	..	..
September
October
November	..	2	8 0	..	..	..	2	6	9
December	2	6	9

Months	Grey Dhoty Cypher No. 653 Warp 24s; Weft 34s.								
	1935			1936			1937		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
January	..	1	14 9	1	14	6	1	14	0
February	1	14	0	..	..	..
March	1	14	0	..	..	..
April	..	2	14 6	..	..	..	1	14	0
May	..	1	14 6	1	14	0	1	14	0
June	..	1	15 0	..	..	..	1	14	0
July	..	1	14 6	..	..	..	1	14	0
August	..	1	14 6	..	..	..	1	13	9
September	..	1	14 6	..	..	..	..	..	..
October	..	1	14 6	1	14	0	..	..	..
November	1	12	9
December	..	1	14 6	1	3	6	1	12	9

Table 15

Statement showing average rates realised by Model Mills.

Description	Cloth number	1935-36			1936-37			1937-38		
		Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Dhoti	.. 4643	1	11	7	1	10	6.80	..	..	..
Dhoti	.. 8332	1	9	2.9	1	8	7.46	1	8	11.35
Dyed cloth	.. A38700	4	11	7.5	4	7	8.30	4	4	11.22
Dyed cloth	.. A28700	4	6	1.92	4	3	3.6	3	14	1
Dyed Chaddar	.. 1656	1	8	6	1	7	10.7	1	7	8.94
Grey Chaddar	.. 4405	1	0	2.79	0	15	10.48	1	0	2.59

Statement showing the contract rates of yarns Nos. 20-1-2s and 12-1-2s during the last three years.

Months	20-1/2s.						12-1/2s.							
	1937		1936		1935		1937	1936		1935				
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.				
January	.. 4	7	6	..	4	0	0	3	12	3	13	0	4	5
February	.. ..	4	9	6	..	..	..	3	13	3	15	6	..	..
March	.. 4	13	0	..	..	..	..	..	3	13	0	..	..	..
April	.. ..	4	9	6	4	13	0	3	15	3	13	0	3	12
May	.. ..	..	5	1	6	..	..	..	3	13	0	..	..	..
June	.. 4	11	0	..	..	..	..	3	13	..	..	..	..	..
July	.. ..	..	4	15	6	..	..	..	..	..	..	..	3	14
August	.. 4	9	6	..	4	14	0	3	14	3	13	0	3	14
September	.. ..	4	8	0	4	15	0	..	..	3	12	0	..	..
October	.. 4	11	6	..	..	..	..	..	3	13	0	..	..	..
November	.. 4	10	0	4	8	0	..	..	3	12	3	12	0	..
December	.. ..	4	7	6	..	..	..	3	12	3	11	6	..	..

It has not been possible to obtain reliable data for preparing an index of yarn rates current in the bazar, but the following table (No. 16) showing the cloth price index (Nagpur—retail price) prepared from data obtained from the department of industries will show how well the price has been maintained for over two years. The method followed in preparing the index is the same as that adopted by the Bombay Labour Office. A chart is also given in this chapter to show the trend of prices of the different varieties of cotton used in the province and of cloth and yarn prices. The chart shows clearly that while there has been a substantial fall in the price of cotton, the prices of cloth and yarn have remained steady. Some millowners have asserted that forward bookings are now less easy to make, and that there is a tendency to cut prices in some lines of cloth.

Whatever justification there may be for the apprehensions of the millowners as regards the future trend of prices, we do not consider that it has been established that any fall in prices has yet occurred of sufficient extent to justify our taking it into account.

Table 16
Cloth Price Index (Nagpur.)

Description	Years					
	1927	1928	1929	1930	1931	1932
Dhoti	100	96	99	90.5	70	73
Shirtings	100	95	98	88	86	78
White Drill	100	92	96	95	84	74
Turban Cloth	100	96	100	100	95	82
Chaddar	100	96	96	89	81	73
Average	100	95	98	93	83	76

Description	Years					
	1933	1934	1935	1936	1937	1938
Dhoti	66	59.5	63.5	61	60	60
Shirtings	69	62	64	64	64	64
White Drill	67	59	63	61	61	61
Turban Cloth	76	67	73	73	73	73
Chaddar	69	62	65	65	65	65
Average	69	62	66	65	65	65

WIDENING OF PROFIT MARGIN

4. In the Bombay Report it was found that there was for the province as a whole an increase of profits owing to the fall in the price of cotton of 8 per cent. It was calculated that the cost of raw cotton amounted to 50 per cent of the total expenditure incurred, that indigenous cotton had fallen by 20 per cent and imported cotton by 15 per cent; the percentage of imported cotton was at Sholapur as low as 1/10th and in Ahmedabad sometimes as high as 40 per cent, but taking into account the provincial average for the imported cotton used, the extra profit which would amount to 10 per cent if no imported cotton was used and 7½ per cent if no indigenous cotton was used, amounted to 9.3 per cent. An allowance of 1.3 per cent was made for increase in other costs and the figure of 8 per cent was thus obtained for the increased margin of profit. The principal difference so far as this province is concerned, is that owing to the larger proportion of the spindles to looms and the coarser cloth

PRICE MOVEMENTS IN COTTON CLOTH & YARN -
 (Base Jan 1935 Prices = 100).

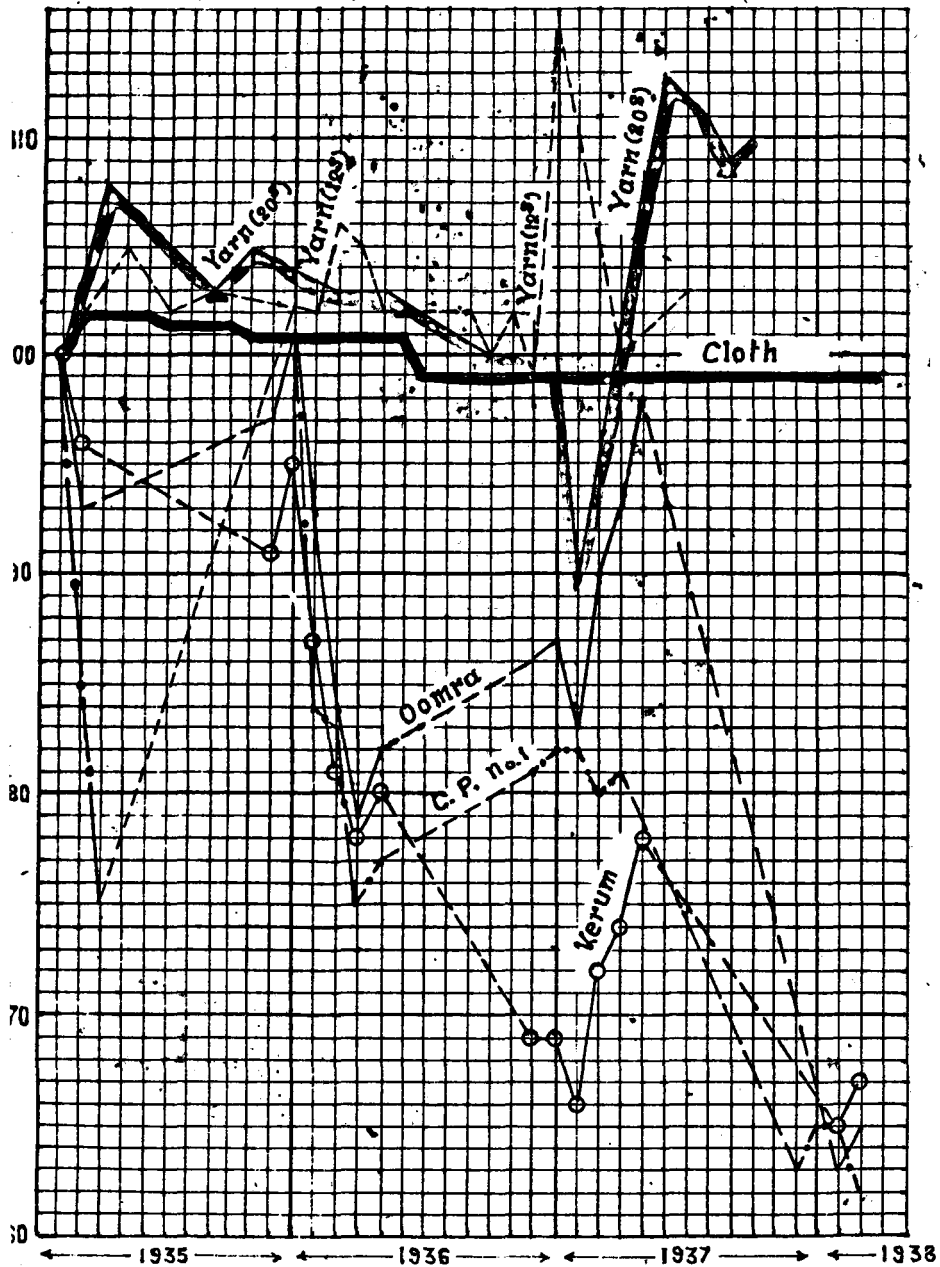


Chart of Price Index for Cotton Cloth and Yarn
 Domra
 C.P. no.1. } Cotton Price index
 Yerum }
 125 } Yarn Price index
 205 }
 Cloth Price index

produced, the cost of manufacture bears a smaller proportion to total cost, and the cost of raw cotton a higher proportion, than is the case in Bombay. The proportion of the cost of cotton to the total cost for various mills has been given in the previous chapter. It would be fair to take a provincial percentage of 58. On the other hand, a claim is advanced that Indian staple cotton such as Verum (10), Dharmabad (7), Ganga Khed (15) and Cambodia (11) has not fallen in price as much as imported cotton. The figures in brackets indicate the percentage falls in each variety during the last year as disclosed by actual transactions quoted to us by the mills. These two factors appear on different sides of the account, but the former is of greater importance. Owing to the varying proportion of different kinds of cotton used in different mills, it is not possible to make exact calculations, but the extra margin of profit due to the fall in the price of cotton must be in the neighbourhood of 10 per cent as against 8 per cent in Bombay.

5. There is one matter in respect to which the provincial mills are placed at a definite disadvantage in comparison to those in the Bombay city. The fall in the price of cotton began in June 1937 and proceeded with great rapidity. But in this province as there are no facilities for the purchase of cotton in the off season such as exist in Bombay it is necessary for the mills to purchase a year's supply of local cotton during the season. The mills were unable to get any benefit from the fall in the price of cotton until they made purchases of the new crop which in 1937 matured late. The actual time when they obtained the full benefit of the fall in prices varied from mill to mill according to the stocks of old cotton, but having regard to the time when the fall occurred, to the fact that Bombay mills are said to carry two or three months stocks, and to the fact that the cotton season of 1937-38 was late, it is reasonable to allow the wage increase to come into effect 3 months later in this province than it did in Bombay.

CHAPTER VII

CONCLUSIONS AND RECOMMENDATIONS

It is clear from the account of the textile industry of this province that it approximates more to that of the mills of Bombay city than of either Ahmedabad or Sholapur and accordingly the proposals for increases in the wages of the operatives should be based on those adopted for Bombay city. Owing, however, to the lack of uniformity in the wage cuts, we are of opinion that it will not be equitable to adopt a scheme of graduated rates of increase similar to that adopted in Bombay (*vide* paragraph 133). The objection to the Bombay method is that it gives an advantage to those mills which succeeded in introducing the largest wage cut and are consequently now paying lower wages. It is clear that conditions here are not the same as in Bombay in such important matters as the cost of living, the level of wages and the efficiency of textile labour and, therefore, the Bombay schedule could not be adopted bodily for the mills in this province and would have to be modified so as to suit local conditions. It is for these reasons, that in spite of the attractiveness of the Bombay method in that it gives greater relief to the lower paid workers, we have preferred the system of restoring a fixed percentage of wage cuts.

2. Table 5 of our report shows that the percentage of decrease in wages in Bombay city between 1933 and 1937 is 25.4, whereas for the Central Provinces mills it varies from 10 to 32 per cent. The percentages in column 2 of table 5, however, for the reasons given by us previously, are in excess of the actual percentage of wage cuts. We have shown that in the Empress Mills the decrease in the pay bill caused by cut is 10 per cent, while the percentage of wage cut reduction is 16. In view of the fact that in Bombay city the proposals will result in restoration of 11.9 per cent in wages as against a wage reduction of 25.4, and further as some margin must be left for possible social legislation as in Bombay, we consider that for this province 60 per cent of the actual wage cut should be restored and that, in addition, where new rates have, since the cut of 1933, been adopted for new employees, 60 per cent of the difference between the new rates and the old rates should be added to the new rates. We have calculated the actual effect of these recommendations in the case of certain mills and are satisfied that the increase in the wage bill will be proportionately much the same as in Bombay city with the adoption of the schedule in paragraph 133 of the Interim Report. In actual figures, the effect of our recommendations will be to increase the wage bill of the Empress Mills by nearly Rs. 1,27,000 and of all the mills in the province by roughly Rs. 2,75,000 per annum.

3. One of the members of our Committee desires that the restoration of the wage cut should be 75 per cent instead of 60 per cent recommended by us on the ground that the widening of the profit margin is sufficient to justify such an increase. Our calculations of the margin of profit due to the fall in the price

of cotton, taking into account the percentage of the cost of raw material in the total cost of production, support the view of our colleague, but we feel that in view of the weak condition of the industry in the province it is not desirable to impose on it a burden heavier than that imposed in Bombay city.

4. It has been represented to us that in some mills both labour and the owners may prefer that the increase in wages should be regulated by a schedule similar to that in Bombay. We see no objection to this being done, provided that the total amount of the increase is determined in the manner suggested by us. As, however, there are likely to be differences of opinion between capital and labour as to how the schedule should be worked out and what would be the exact increase in wage we suggest that the services of the department of industries should be utilized for the purpose of making the necessary calculations. As there are only 11 mills in the province, the labour involved will not be excessive.

5. In Chapter VI we have indicated our opinion that the benefit from the rise in prices has accrued at least three months later in this province than in Bombay. We also observe that the Government of Bombay recommended the effect being given to the increase in wages from the first pay period after the publication of the Interim Report and the conclusions of Government. We consider that the same principle should be followed in our province and that the increase should be introduced with reference to wages earned after the 1st of May. If for any reason, the calculation of the increased wages is delayed, we consider that the wage earners should not be prejudiced by the delay and that when the calculations are complete the new wages should be paid with effect from the date indicated by us above. Here we have to make special mention of the case of Empress Mills. The manager of the Empress Mills gave an assurance when there was a stay-in strike at that mill in February last that his mills will give effect to the increase in wages suggested by Government from the same date from which effect was given in Bombay by the Bombay Millowners' Association. That date is the 1st February. We have no doubt that the management of the Empress Mills will implement their assurance.

6. In conclusion we acknowledge the assistance we have received from our Assistant Secretary Mr. P. K. Sen, who in the short time available, has worked with diligence and despatch in examining the information we received and in compiling the necessary statistics. We also desire to acknowledge the assistance received by us from Messrs. Batliwalla and Ruikar, our associate members, in explaining the technical problems involved in our enquiry. We were much impressed by the moderation and fairness with which these representatives of Capital and Labour presented their cases. The responsibility for the report and recommendations is of course wholly ours.

7. Mr. Kalappa has signed this report subject to a minute of dissent which follows it.

N. J. ROUGHTON,
Chairman.

A. C. SEN GUPTA,
Member.

V. R. KALAPPA,
Member.

C. C. DESAI,
Member and Secretary.

PACHMARHI :
The 29th April 1938.

MINUTE OF DISSENT

Much as I should like to see a unanimous report which will strengthen the case of the textile labour in this province for restoration of the wage-cut, I am constrained to write this minute of dissent, as the recommendations made by the Committee are, in my opinion, neither adequate nor fully justified by the local conditions. The main differences in the local conditions that strike any casual observer lie in the wage-levels which are much lower in this Province than in Bombay city or other centres of the Bombay Presidency as a whole. This has been amply borne out by the evidence before the Committee as well as by a comparison of table IV in this Report with the tables VIII, IX, X and XI of the Bombay Report. The percentage cost of labour-wages to the total cost of production in table XII of this Report when compared with the paragraph 78 of the Bombay Report will show beyond doubt the lower wage-levels obtaining in the Central Provinces and Berar. Even the alleged lower efficiency of labour does not increase the percentage of labour wages in this province as it should, had the allegation been true. The average labour cost in this province works to about 15 per cent as against 22.5 per cent in Bombay. This lower percentage in labour costs conclusively establishes that the need and scope for an adequate increase in the wages of the workers is much greater in this province than in Bombay. The contention of the Millowners that the percentage on labour costs has been depressed due to higher consumption of cotton as shown by its higher costs is negated by the fact that there has been an enormous fall in the price of cotton which has resulted in a larger margin of profit than in Bombay. A reference to the report indicates that the widening of the margin of profit is in the neighbourhood of 11.5 per cent of the cost of production. Even after the deduction of 1.5 per cent due to increase in the prices of coal and stores, the available margin for giving an increase in wages and providing for an improvement of the industry will work to 10 per cent.

The financial position of the mills as revealed by the statements supplied to the Committee shows that it is in no way inferior to that of Bombay city. A comparison of the position in this province with that of the Bombay mills as disclosed in table XXI of the Bombay Report will bear out that the net loss after providing for items (i) and (ii) in the table for the whole of the industry in Bombay average to Rs. 1.3 lakhs per mill. These are the figures for the minimum losses incurred during the period under examination, whereas no mill in Central Provinces and Berar with the exception of the Model Mills has exceeded the above figures of loss during the years 1934—37.

The betterment or improvement in the condition of the industry in this province assessed from the figures available for the latter half of 1937 (six months) is 165 per cent above that of the year 1936-37 (up to June). This percentage in actual figures will be about Rs. 9½ lakhs for seven mills in the Central Provinces and Berar as against about Rs. 7 lakhs for eight mills in Bombay. This makes an irrefutable case for adoption of the Bombay schedule or restoration of the wage cut in full.

Although it is suggested that the restoration should be on the basis of the wage-cut and that the wage-cut effected in Bombay was much higher than the average wage-cut in this province, a comparison of table IV of this Report with table VIII of the Bombay Report will show that the wage reductions in the case of weavers and reelers who form the most numerous of categories of male and female workers respectively are much higher in this province than in Bombay. The conditions in this province are said to be similar to those of Bombay city. But there is clearly a greater material affinity to an inland centre like Sholapur than a seaport like Bombay. The increase in wages secured by the schedule in Sholapur exceeds the cut itself, namely, increase of wages amounted to 14.3 per cent while the wage-cut averaged to only 13.8 per cent. The basis of improvement of wages, was not therefore, the wage-cut as assumed by my colleagues. If that were so, the restoration should have been based on the wage-cut in different centres. The real basis for enhancement of wages, according to the Bombay Report, is not the wage-cut itself but the widening in the margin of profit resulting from the fall in the price of cotton. The percentage of labour wage costs to the total cost of production permitted an increase of about 12 per cent. A schedule therefore, was prepared to fit into this average 12 per cent increase which incidentally works to 11.9 per cent in Bombay as against a cut of 25.4 per cent. But there is no justification whatever for the assumption that the restoration was on the basis of 50 per cent of the cut in Bombay.

I, therefore, strongly feel that the restoration should be based on the widening of the margin in the profits rather than the cut.

I do not suggest that no margin should be left for the improvement of the industry. I do not, however, believe that the industry derives any benefit whatsoever from sweated labour. There are various reasons for the shyness of capital in this province. Joint Stock Companies have to secure the confidence of the investing public by efficient management and there is a considerable body of opinion to the effect that they have not discharged the onus laid upon them.

The increase in the margin of profit is sufficient both for restoration of the whole wage-cut and for the rehabilitation of the industry.

The management of the Empress Mills have already notified the workers in February last that they will follow the lines of the Bombay Millowners' Association. It is now too late to put the interpretation on this pronouncement that this means restoration of 50 per cent of the cut as in Bombay.

I, therefore, recommend the adoption of the Bombay schedule with such modifications as may be necessary to secure the restoration of 75 per cent of the wage-cut as an immediate measure and the restoration of the full wage-cut at the earliest possible opportunity.

V. R. KALAPPA,

PACHMARHI :

The 29th April 1938.

**APPENDIX A
QUESTIONNAIRE**

<p>(1) What is the profit of your concern exclusive of depreciation for the 6 months preceding the date when your accounts were last made up? Please also state, what commission has been calculated in arriving at this figure. Please bring these figures, if possible, up to the end of December 1937.</p>	
<p>(2) What would be the depreciation on the income-tax basis for the same period? Is there any particular factor justifying special depreciation?</p>	
<p>(3) Please supply annual statements of profits and depreciation and agents' commissions for the last four years. (Specify the year adopted.)</p>	
<p>(4) Please state the average daily number of persons employed, the total wages bills, wage-rates for typical occupations (<i>vide</i> schedule attached), and the total production of cloth and yarn during six monthly periods from January 1933 to June 1937. If possible, please give figures to the end of December 1937.</p>	
<p>(5) Has your financial position improved during this year? If so, what are the factors which have brought about the improvement?</p>	
<p>(6) Do you think that the cotton textile industry has been benefited or is likely to benefit as a result of the present position of the cotton and cloth markets? If so, to what extent? State percentage of local and foreign imported cotton used by you in your mill.</p>	

<p>(7) Please state in detail what cuts in wage-rates, bonuses, allowances, etc., were effected in your mill or in your centre since 1st January 1933 and the reasons therefor.</p>	
<p>(8) In what direction and to what extent have the conditions which may be held to have justified these wage-cuts changed today ?</p>	
<p>(9) Are you of the opinion that in view of the present condition of the industry an immediate increase can be given in any occupation, centre or unit of the industry ? If so, what should be the extent of the increase ? Please state the factors which you would take into consideration in calculating the increase.</p>	
<p>(10) To what extent are increases in wages proposed by the Textile Labour Enquiry Committee of Bombay in para. 133 of their Report acceptable to you ? What modification do you suggest ? What are your reasons ?</p>	
<p>(11) How does the mill labour in this province compare in efficiency with the labour in the mills in other provinces especially Bombay Province ?</p>	
<p>(12) Please state from what date the recommendations for increase in wages should be given effect to, and if you suggest any variation from the Bombay proposal, give reasons.</p>	

(13) What would be the effect of increase in wages as recommended by the Bombay Textile Labour Enquiry Committee (*vide* para. 133 of the Bombay Report) on your wage bill? Support your statement by facts and figures.

(14) Please state the distribution of the average component cost in your mill as a percentage of the total cost of production under the following heads (*vide* para. 78 of the Bombay Report) :—

- (i) Cotton, yarn, waste, etc.
- (ii) Stores.
- (iii) Dyeing and bleaching charges.
- (iv) Labour wages.
- (v) Mill salaries.
- (vi) Manufacturing charges including repairs and depreciation.
- (vii) Establishment charges including office allowance and commission.
- (viii) Interest.
- (ix) Power and fuel.
- (x) Profit.

NOTES.—(1) Eight copies of replies should be sent.

- (2) The reply should reach the Secretary to the Committee by 31st March 1938 at the latest. Special efforts must be made by all mills to submit the replies punctually, to support the information by facts and figures, to adduce reasons for any variation from the Bombay conclusions and to set out the information in a simple and intelligible manner. If necessary, special staff should be entertained immediately, but the reply must be complete and punctual.
- (3) Those interested in the cotton textile industry may send in replies to the Secretary on all or any of the questions in the questionnaire.
- (4) The Committee will summon witnesses from among those who have tendered written evidence.
- (5) If it is desired that information supplied should be kept confidential the Secretary should be informed accordingly.
- (6) All replies should be addressed to the Director of Industries and Secretary to the Textile Labour Enquiry Committee.

C. C. DESAI,

Secretary, Cotton Textile Labour Enquiry Committee.

SCHEDULE

	Total number of workers	Average number of days worked	Average monthly earnings	Average daily earnings
1. Frame Tenters ..				
2. Siders (one side) ..				
3. Siders (two sides) ..				
4. Winders (Grey) ..				
5. Reelers ..				
6. Weavers single loom ..				
7. Weavers double looms				
8. Frame Doffers ..				
9. Spinning Doffers ..				

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



REPORT

OF THE

Nagpur Textile Enquiry Committee
1940



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COMMERCE AND INDUSTRY DEPARTMENT

RESOLUTION

Nagpur, the 12th June 1940.

No. 1857-397-VII.—The Provincial Government has considered the Report of the Nagpur Textile Enquiry Committee appointed under Commerce and Industry Department Notification No. 1472-397-VII, dated the 1st May 1940, and the representations received from the mill-owners and the Nagpur Textile Union, the last of which was received on the 8th June, in response to the communiqué, dated the 25th May 1940. The Committee was required to examine, in the light of the recent settlement of the textile disputes in Bombay and Ahmedabad, whether any dearness allowance should be granted to cotton operatives in Nagpur on account of the admitted rise in the cost of living due to the war; what the rate of such allowance, if any, should be; how it should be adjusted from time to time and from what date it should be paid. After having given both sides ample opportunity to state and substantiate their case and after a close and careful examination of the whole problem, the Committee has made the following recommendations:—

- (a) that a dearness allowance should be granted to operatives in cotton mills in Nagpur receiving Rs. 100 per month or less;
- (b) that the allowance should be calculated on the basis of one pie per day per worker for each one per cent rise in the three-monthly moving average of the cost of living index number with August 1939 as base (=100);
- (c) that the allowance should be paid as from January 1940; and
- (d) that cost price grain shops should be opened by the mill-owners as early as possible.

These recommendations are based on the findings that there has been a definite rise in the cost of living since the outbreak of war, that the average rise in the period of eight months from September 1939 up to the end of April is 6.5 per cent, that the rise in the cost of living has reduced real wages below the pre-war level, which was the same level as in January 1927; that the average daily expenditure affected by the fluctuations in the cost of living was less than 100 pies per day; that, therefore, a rise of one pie per day in the wages will neutralise every one per cent rise in the cost of living since August 1939; that the margin of profit in the industry since the war has probably been maintained at the same or a slightly higher level than before the war and that the industry has capacity to bear the additional burden of the allowance recommended by the Committee, although the future of the industry is to some extent uncertain owing partly to a fall in the price of cotton, partly to a decrease in demand since March 1940 and partly to the general uncertainty on account of the war situation in Europe.

2. Government is satisfied that in the investigation of this problem the Committee has fully weighed all relevant factors and has reached a solution that is reasonable and fair to the interests of the parties to the dispute. Government considers that the recommendations of the Committee are such that they can be accepted by both the mill-owners and the workers and hopes that the parties will give effect to them in a spirit of goodwill in the interests of the industrial peace of Nagpur.

3. Government desires to place on record its warmest thanks to the President, members and Secretary of the Committee for having dealt with a complicated problem in such a prompt and lucid manner and for having made recommendations which could be commended to both parties to the dispute without modification.

By order of the Governor,
Central Provinces & Berar,

C. C. DESAI,

*Secy. to Govt., C. P. & Berar,
Commerce and Industry Department.*

REPORT OF THE NAGPUR TEXTILE ENQUIRY COMMITTEE*

CHAPTER I

INTRODUCTION

The outbreak of war in September 1939, was followed by a rise in the price of foodstuffs and other articles consumed by industrial workers. The rise was comparatively slow at first but became sharper in November and December 1939. A meeting of the Council of Representatives of Nagpur Textile Union was held on the 5th December 1939 when resolutions were passed demanding the grant of a dearness allowance to the workers to the extent of an additional 35 per cent of their wages; and copies of these resolutions were forwarded to the two textile mills at Nagpur, the Empress and Model Mills, as well as to the Provincial Government. Similar resolutions were passed at a second meeting held on the 19th January 1940; and on the 1st February, a deputation from the Union waited on Sir G. P. Burton, the Financial Adviser to Government. Subsequently the Union gave notice to the Mills of a general strike to be commenced on the 1st March 1940. The Government, however, constituted a Court of Enquiry under Commerce and Industry Department Notification No. 761-397-VII, dated the 29th February 1940, in the following terms:—

“Whereas a trade dispute is apprehended between employers and workmen in the textile industry at Nagpur, the Provincial Government in pursuance of section 3 of the Trade Disputes Act, 1929 (VII of 1929), is pleased to appoint a Court of Enquiry consisting of Mr. M. N. Clarke, I.C.S., District and Sessions Judge, and to refer to it, for enquiry and report, the question whether any dearness allowance should be given to the workmen in the said industry, having regard to the present cost of living, and the existing conditions in the industry at Nagpur.”

2. The Court commenced its sittings on the 1st March 1940. Mr. R. S. Ruikar represented the Nagpur Textile Union and opened the case on their behalf. In reply statements were submitted by the Empress and Model Mills; and a large number of issues were framed. Numerous witnesses on behalf of the Union as well as of the mills were examined. On the 18th March 1940, the Union decided to withdraw from the Enquiry and did not take any further part in the proceedings. The Court of Enquiry came to the conclusion that, although there had been a rise of about ten per cent in the cost of living since the commencement of war, “no dearness allowance should be given to the workmen in the textile industry at Nagpur, having regard to the present cost of living, and the existing conditions in the industry.” The report of the Court of Enquiry was published

*Appointed under Commerce and Industry Department Notification No. 1472-397-VII, dated the 1st May 1940.

in the *Central Provinces and Berar Gazette Extraordinary*, dated 28th March 1940. On the same date the following official communiqué was issued by the Commerce and Industry Department and was published in the Gazette:—

“By Commerce and Industry Department Notification No. 761-397-VII, dated the 28th February 1940, Government appointed Mr. M. N. Clarke, I.C.S., District and Sessions Judge, Nagpur as a Court of Enquiry under section 3 of the Trade Disputes Act, 1929, and referred to it, for enquiry and report, the question whether any dearness allowance should be given to the workmen in the textile industry, having regard to the present cost of living, and the existing conditions in the industry at Nagpur. Government has now received the report of the Court and directs that it be published in the *Central Provinces and Berar Gazette*, as required by section 12 (1) of the Act.”

3. At the end of March the Nagpur Textile Union gave notice to both the mills of their intention to strike work from 8th April. Stay in strike commenced in the Empress Mills from the 8th April and the workers of the Model Mills struck work from the 15th April. This was followed by lockout notices by both the mills allowing the workers time up to 25th April to rejoin duties. On the 10th April 1940 the Provincial Government issued the following communiqué:—

“During the last few days the Provincial Government has had the advantage of discussing the present dispute between employers and workmen in the Empress Mills in Nagpur both with the representatives of the mill-owners and with a deputation of the workers led by Mr. Ruikar. The Provincial Government is anxious to assure both parties that its good offices are always at their disposal in procuring a settlement of this dispute.

In the meantime, however, the workers in the Empress Mills, have decided to strike work. This decision is, in the view of the Provincial Government, highly regrettable, and the Government trusts that even at this late hour it may be reconsidered.

The question whether an increase in wages should be given to cotton operatives on account of the admitted rise in the cost of living due to the war is in issue in Bombay and Ahmedabad as well as in Nagpur. It seems to the Provincial Government that the wise course for the Nagpur workers would have been to await a final decision in Bombay and Ahmedabad instead of embarking on a strike here. The Government feels therefore that the Nagpur operatives should resume work. When a settlement has been achieved in Bombay and Ahmedabad, the Provincial Government will then readily undertake to examine the whole problem afresh and will do its utmost to procure a settlement of the dispute on the lines acceptable to both parties.”

4. Subsequently another communiqué was issued by the Provincial Government on the 20th April 1940 in the following terms :—

“On the 10th of April the Provincial Government issued a communiqué about the current dispute between employers and workmen in the Nagpur textile mills. In the course of that communiqué the Provincial Government stated *inter alia*—

- (a) that the wise course for the textile workers was to await a final decision in Bombay and Ahmedabad instead of embarking on a strike in Nagpur, and
- (b) that when a settlement had been achieved in Bombay and Ahmedabad the Government would then readily undertake to examine the whole problem afresh and would do its utmost to procure a settlement of the dispute on lines acceptable to both parties.

The workers in the Empress Mills, who were already on strike when this communiqué was issued, found themselves unable to accept the advice of the Provincial Government to resume work pending a settlement of the dispute in Bombay and Ahmedabad and in the interval the situation has further deteriorated in that the workers in the Model Mills have now also gone on strike while the managements of both concerns have given notices of a lockout.

In the view of the Provincial Government there is need neither for a strike nor for a lockout in Nagpur. Government is in process of setting up a committee to examine the whole question of a dearness allowance for textile workers in Nagpur in the light of the decision arrived at in the Bombay dispute. This is a highly technical matter however and expert assistance will be needed in making the enquiry. The Provincial Government is endeavouring to secure the services of an expert of the necessary standing and a competent committee will be constituted with the least delay possible. Even then the necessary enquiries will take time and meanwhile the Provincial Government trusts that both parties to the dispute will accept its advice and that on the one hand the employers will withdraw the notices of a lockout and on the other hand that the operatives will resume work.”

5. In view of another enquiry promised by the Government communiqué the strike was called off on the 25th April. Accordingly the present Committee was constituted under notification No. 1472-397-VII, dated the 1st May 1940, on the following terms :—

“On the 10th of April 1940, the Provincial Government issued a communiqué about the dispute between employers and workers in the Nagpur textile mills, and the undertaking given therein was reaffirmed in a subsequent communiqué issued by the Provincial Government on the 20th of April

1940. In pursuance of the undertaking the Governor of the Central Provinces and Berar is pleased to appoint the following Committee :—

Professor P. C. Mahalanobis, I.E.S.—*Chairman.*

Mr. K. D. Guha, Director of Industries, Central Provinces and Berar—*Member.*

Rai Sahib P. K. Sen, Inspector of Factories, will act as Secretary to the Committee. The Committee will be advised on technical matters by the following Associate Members :—

Mr. S. H. Batliwala, Manager, Empress Mills, Nagpur.

Mr. R. S. Ruikar, President, Nagpur Textile Union, Nagpur.

The Committee will be required to examine in the light of the recent settlement reached in Bombay and Ahmedabad—

- (a) whether any dearness allowance should be granted to cotton operatives in Nagpur;
- (b) if so, at what rate should this allowance be granted;
- (c) from what date the allowance, if any, should be paid; and
- (d) if a dearness allowance is justified, whether any formula can be devised for the adjustment of the allowance from time to time as the cost of living advances or declines.

For the purposes of this enquiry the cost of living, the present level of wages and the working condition of the industry in Nagpur since the commencement of the war as also the capacity of the industry to bear any additional burden shall be relevant factors.

The Committee will be requested to submit its report to the Provincial Government by the end of May at the latest."

CHAPTER II

PROCEEDINGS OF THE COMMITTEE

The first meeting of the Committee which was attended by both the Associate Members was held on the 6th May 1940 when the terms of reference were considered in detail and certain questions of procedure were discussed. It was decided that the findings of the Nagpur Court of Enquiry and the evidence submitted before it would be taken into consideration; but the whole problem would be examined afresh and new material would be collected and considered from time to time as might be necessary. As this was not a Court of Enquiry it would not be necessary to follow the procedure of a judicial enquiry. The status and functions of Associate Members were discussed and certain questions were referred to Government. The Chairman, however, gave an assurance that the Committee would endeavour to give the Associate Members full facilities for offering technical advice in all matters.

2. The second meeting was held on the 8th May and was attended by all the Associate Members of the Committee and also by a representative of the Model Mills. Certain information relating to the Empress Mills, which had been prepared in the meantime by Mr. Batliwala, were supplied to the Committee together with published balance sheets since 1901. Balance sheets for the Model Mills were also supplied a day later. Materials relating to the cost of living were examined; and there was a preliminary discussion regarding present level of wages and working conditions of the industry. Certain statements regarding these points were subsequently supplied by Mr. Ruikar.

3. The third meeting was held on the 10th May; representatives of both Empress and Model Mills were present, but Mr. Ruikar was unfortunately unable to attend owing to a slight attack of heat-stroke. Changes in the level of wages were broadly reviewed; and statements relating to working conditions were submitted on behalf of both the Mills. There was also a general discussion on the capacity of the industry to bear any additional burden.

4. The fourth meeting was held on the 11th May; and was attended by both the Associate Members and representatives of the Model Mills. The report of the Nagpur Court of Enquiry was discussed in detail; and portions emphasized by the Mills were noted. Statements relating to working conditions and the capacity of the industry to bear any additional burden were submitted on behalf of both the mills. It was decided that Mr. Ruikar would submit a written statement and the mills would also furnish some information regarding average number of working days and earnings as early as possible. After some discussion it was agreed that no useful purpose would be served by waiting for any fresh materials, and that the writing of the Report might be considered at an early date.

5. The fifth meeting was held on the 13th May and both the Associate Members as well as the representatives from the Model Mills were present. The working condition of the industry since the commencement of the war was discussed in detail, and it was held that the terms should be interpreted on the same lines as in the case of the Ahmedabad dispute; and the period September 1939 to April 1940 would be taken into consideration in this connection. The level of wages was considered on the basis of information supplied by the mills.

6. The sixth meeting was held on the 16th May and was attended by Associate Members and Mr. Registrar from the Model Mills. The draft report (without the recommendations) was read and discussed, and comments were invited from both the Associate Members. It was held that the question of the capacity of the industry to bear additional burden was to be assessed on the financial position of the mills on the lines of the report of the Central Provinces Textile Labour Enquiry Committee of 1938 and subsequent balance sheets of the mills. As regards the recommendations of the Committee it was agreed that it would not be necessary to discuss these with Associate Members who would, however, have the right, of submitting,

through the Secretary of the Committee, their notes and observations for consideration by Government.

7. The seventh meeting of the members of the Committee (at which Associate Members were not present) was held on the 17th May 1940; when the recommendations of the Committee were settled. The eighth and final meeting of the Committee was held on the 18th May when the report was signed.

Terms of Reference

8. In accordance with the terms of reference we are required to examine the question of a dearness allowance "in the light of the recent settlement reached in Bombay and Ahmedabad"; and in doing this we are required to take into consideration the cost of living, the present level of wages, the working conditions of the industry at Nagpur since the commencement of the war, and the capacity of the industry to bear any additional burden.

9. As regards the Bombay dispute, by a notification, dated the 4th February 1940, a Board of Conciliation with Sir Sajba Rangnekar as Chairman was constituted by the Government of Bombay "for promoting a settlement of the industrial dispute. . . regarding the demand for a change in the scale of wages to neutralise the rise in the cost of living"; and by a subsequent notification "the general issue regarding the dearness allowance raised by the Millowners' Association" was also referred to the Board (*Bombay Government Gazette* Extraordinary, 26th February 1940, page 205). The report of the Bombay Board, dated the 21st February 1940, was published in the *Bombay Government Gazette* Extraordinary of the 26th February 1940 (pages 202—230), and will be referred to in this report as the Bombay decision with page references as mentioned above.

10. The Bombay Board of Conciliation discussed chiefly the question of the dearness allowance, but excluded the question of the restoration of the wage-cut which was raised by the employees on the ground that "it was not expedient to consider the question as the subject-matter of it was actually pending before the Textile Labour Enquiry Committee", without, however, "expressing any opinion on the question as to whether the demand was within the terms of reference" (page 210). The Board also stated that the position of the industry was not strictly relevant. "The fact remains that the employers are prepared to increase the wages to enable their employees to meet the increase in the cost of living due to the war. Apart from that, no materials have been placed before us so as to enable us to determine the question" (page 223).

11. There was some difference of opinion among the members of the Bombay Board; and two sets of recommendations were made. The majority of the Bombay Board accepted the cost of living index published by the Bombay Labour Office as the basis of their calculations, but made certain allowances for clothing and travelling; and decided "that the cost of maintaining the pre-war standard of living was about 13 per cent higher in January 1940 as compared with the pre-war

month August 1939" (page 221) against a rise of about 9 per cent in accordance with the Bombay Labour Office index. According to the minority view there was "a rise of 20 per cent in the cost of living" in January 1940 as compared to August 1939 (page 227).

12. The majority recommended "a total benefit of about 13 per cent increment over the wages prevailing in the month of August (page 214) of which the worker would get about 10 per cent or Rs. 3-4-0 a month, that is, two annas a day for each working day in cash" (page 214) and a benefit of at least 3 per cent in kind by purchasing from cost price grain shops to be established by mills. The majority of the Board recommended—

- "(1) A dearness allowance at a flat rate of two annas per day be given during the war as an addition to the wages of the cotton textile mill-workers to cover variations in the official cost of living index number between 105 and 123. In the event of the index number falling outside the limits of 105 and 123 for any period of three consecutive months, an adjustment of the proposed dearness allowance would be necessary;
- "(2) That the wage increase be given to all employees drawing under Rs. 150 per month;
- "(3) That the wage increase be given with retrospective effect from the 1st December 1939; and
- "(4) That cost price grain shops be established by the mills at convenient centres to enable the workers to obtain cheaper and better food-stuffs." (B. G. G. E. 26-2-40, pp. 223-224).

The minority recommendation was "a 20 per cent (twenty per cent) increase from November 1939 to continue for a period of six months, and to be re-examined thereafter" (page 228). We understand that the efforts of the Bombay Board of Conciliation to reach a settlement were not successful, and the workers declared a strike; but they ultimately accepted the majority recommendations and went back to work.

13. At Ahmedabad an Industrial Court was set up with the Hon'ble Mr. Justice H. V. Divatia as President; and the Ahmedabad Millowners' Association and the Textile Labour Association agreed "to refer to the arbitration of the Industrial Court the question of dearness allowance due to the rise in the cost of living owing to the European war, the Court had to determine the following points taking into consideration the working condition of the industry after the commencement of the war as a relevant factor for the settlement of the dispute:—

- (1) the quantum of relief to be granted to the workmen in kind and cash;
- (2) the date from which the relief was to commence; and
- (3) the administrative arrangement necessary for the purpose of giving relief in kind as determined above."

The award was published in the *Bombay Government Gazette* Extraordinary, April 26th, 1940, pages 484—506, and will be referred to as the Ahmedabad award.

14. After a careful consideration of the whole question the Industrial Court decided "that the figure for August 1939 should be taken as basis with reference to which the rise should be computed" (page 490). Weights based on family budget enquiries conducted by the Bombay Labour Office and price data supplied by the same office were adopted for calculating the rise; and after considering the results given by different methods of calculation the Industrial Court was of opinion that there was a rise of 15 per cent in the cost of living between August and December 1939 (page 491).

15. The Industrial Court made allowance for payments of debt charges and for expenses in connection with marriages, festivals, etc., and was of opinion that the average monthly income and expenditure of a textile worker in Ahmedabad did not leave any surplus which could be utilized towards meeting the rise in the cost of living (page 492).

16. The Industrial Court was not prepared to accept the demand that a rise in the cost of living as such would entitle the workers to ask the employer for a proportionate increase in their wages. The working condition of the industry after the commencement of the war must be taken into consideration in determining the extent to which the cost of living should be neutralised. Reviewing the general trade conditions based on the trend of price of raw materials and finished products and the figures of production and despatches for which definite dates were available, the Court held that the working condition of the industry during the period after the declaration of the war could not justify a rise in the wages of the workers in the same proportion as a rise in the cost of living (page 500). The Court, therefore, recommended a dearness allowance of Rs. 3-8-0 for the month of February and decided that the whole of the relief should be given in cash. The cash relief in subsequent months should be adjusted proportionately to the change in the index number from month to month. As we shall have occasion to refer to the Ahmedabad decision in our report it is not necessary to give further details at the present stage.

17. We find then that the cost of living and questions relating to the dearness allowance are common subject-matters for consideration at Bombay, Ahmedabad and Nagpur. At Ahmedabad "the working condition of the industry after the commencement of the war" was also a relevant factor; while at Nagpur we have two new items, namely, "the present level of wages" and "the capacity of the industry to bear any additional burden".

18. Although the terms of reference required us to consider the working condition of the industry at Nagpur since the commencement of the war, the reference to the capacity of the industry to bear any additional burden is not specifically limited as to the period of time. We are, therefore, keeping in mind the general position of the Textile Industry at Nagpur as reviewed by the Central Provinces Textile Labour Enquiry Committee of 1938, and as revealed by the information given in the balance sheets of the two mills at Nagpur.

CHAPTER III

CHANGES IN THE COST OF LIVING AT NAGPUR

We have carefully considered the changes in the cost of living of working class families at Nagpur since the commencement of the war. A monthly index number of the cost of living of industrial workers at Nagpur is issued at present from the office of the Director of Industries. A detailed description of the index is given in Bulletin No. 3 on Index Numbers published by the Department of Industries, Central Provinces, in 1929. The method adopted for its construction was the family budget method and the weights for different commodities were obtained from averages based on 1,002 family budgets collected at Nagpur during the period September 1926 to January 1927 (Bulletin No. 3, p. 3). During this period the prices of commodities were fairly steady and the prices data were believed to be reliable.

2. We have had the opportunity of examining a number of original family schedules which were preserved as specimens in the Department of Industries. We find from the general instructions printed on the first page of the schedules that the enquiry was restricted to workers in mills and factories earning less than Rs. 100 per month. In Bulletin No. 3 it is stated, however, that there were only a very few families earning over Rs. 100 per month; so that this particular restriction did not introduce any serious bias.

3. In the general instructions it was also stated that "in selecting wage earners those normally employed over the whole month should be taken and persons in casual employment should be excluded for the present". The 1927 enquiry, therefore, gives the level of living for families in which the earners were usually gainfully occupied during the whole month. But as a certain amount of absenteeism or "compulsory leave" must have occurred in the case of many families the average earnings of all families must be lower than earnings of the families included in the 1927 enquiry. The level of living determined in this enquiry must have been, therefore, above the average level of living of all families.

4. From our point of view the most serious defect of the enquiry was that it was not based on a random sample method. This makes it quite impossible for us to find out how far the family budgets were truly representative of working class families in general at Nagpur. Apart from this limitation an examination of the original family schedules and papers connected with the enquiry makes us believe that it was carried out with care and the results may on the whole be accepted as reliable.

5. "The items included in the different groups for the Nagpur index number represent about 99.8 per cent of the expenditure on cereals, 99.5 per cent of that on pulses, 91.4 per cent of that on other food articles, 98.9 per cent of that on fuel and lighting and 74.8 per cent of that on clothing and bedding. Instead of omitting the miscellaneous group altogether, three items representing 15.3 per cent of the expenditure on that group have

also been included. Thus the items included in the list represent about 82 per cent of the total family expenditure." (Bulletin 3, p. 7). The omission of 18 per cent of the expenditure from the cost of living index number introduces certain difficulties in making comparisons which we have discussed in the section on the level of wages and also in Note No. 3.

6. We should like to state at this stage that from our examination of the original family schedules we find that data had been collected regarding "payments to dependent members of the family not residing at the address given", "payments on account of debts", "travelling expenditure to and from native place", "provident fund contributions", and also regarding house rent, but these items were subsequently omitted at the stage of tabulation.

7. The official Nagpur index number of cost of living is based on the relative weights of commodities determined at the time of the enquiry in 1927; and we have adopted the same relative weights for our calculations. The official index number, which had January 1927 (=100) as its basis, remained practically steady at 60 between January and July 1939, but rose sharply to 64 in August. This rise may no doubt be partly ascribed to anticipations of war; but as we have to assess the rise since the commencement of war we have adopted August 1939 (=100) as our base month. We have already mentioned that the Ahmedabad Court took the same view of the matter.

8. It must be remembered that "in the preparation of index numbers no account is taken of changes in the standard of living and habits of consumption. The reason for this is that the ordinary cost of living index number is designed to measure the cost at different periods of maintaining the same standard of living. Consequently it is only the effect of changes in the prices that is taken into consideration". (Bulletin No. 3, p. 1). By using the same weights as the Nagpur index number we are, therefore, merely considering the changes in the cost of maintaining the same standard of living which formed the basis for the construction of the index number in 1927.

9. As regards prices we have used the material supplied to us from the office of the Director of Industries*. These price quotations are being regularly collected by the Department of Industries for more than thirteen years, and we have no reason to doubt their general reliability. We may mention here that price quotations other than those supplied from the Department of Industries were carefully considered by the Nagpur Court of Enquiry (paragraph 13 of the Report) and we agree broadly with the findings of the Court in accepting the official figures as more suitable for our purpose.

10. One of our Associate Members, Mr. Batliwala, accepted the official price quotations as substantially correct; but the other Associate Member, Mr. Ruikar, was not prepared to do so, and he supplied us with certain other price quotations the reliability of which could not be checked in any way; and we have not

*The figures are given in Note (1) in the Appendix.

considered it safe to use them for our calculations. Mr. Ruikar also sent us certain price quotations which were published in the vernacular bi-weekly *Maharashtra*, and we had the opportunity of discussing these quotations personally with Mr. P. R. Joshi, of the Nagpur Chamber of Commerce. Unfortunately it is not clear how far these quotations refer to commodities of the same grade and quality at different times; however, we have used these for purposes of comparison along with the prices of a small number of commodities which are published in the *Nagpur Municipal Gazette*.

11. Apart from the question of prices we have also considered the question of relative weights of commodities. At Nagpur itself a small scale enquiry was conducted some time in the middle of 1930; and 102 working class family budgets were collected at the request of the Royal Commission on Labour. The actual figures are given in the Report of the Commission, Volume XI, Part I, pp. 191—233. As the number of budgets was only 102 we have considered it safer to use the index number based on the results of the earlier enquiry in 1926-27 for our standard calculations. We have, however, used the 1930 weights for purposes of comparison. We have also used for the same purpose relative weights of commodities as determined by family budget enquiries at Jubbulpore in 1927, Ahmedabad in 1926-27 and Bombay in 1933-34, which are being used at present for calculating the respective index numbers for these places.

12. The results of our calculations are shown in Table (1) and fuller details are given in Note (1) in the Appendix. In this Table (1), column (1) shows the month; column (2) gives the official Nagpur index number [with January 1927 (=100)] issued by the Director of Industries; column (3) gives the Nagpur index number calculated by us using 1927 weights for commodities and Nagpur prices supplied by the Labour Office (with August 1939=100). These index numbers will of course agree broadly with the official index numbers. For example, Nagpur index number for December in column (3) of Table (1) is 117 showing a rise of 17 per cent in the cost of living. The values of the official index number for August and December 1939 were 64 and 74, respectively, showing a rise of 10 points in 64 or a rise of 16 per cent.*

*We need scarcely mention that slight differences are usually made when the base period is changed. In this particular case the difference appears to be of the order of only one per cent.

TABLE (1)—COMPARATIVE TABLE OF INDEX NUMBERS OF THE COST OF LIVING AT NAGPUR:
AUGUST 1939—APRIL 1940

Prices Weights	Nagpur Official			Municipal Gazette	Maharashtra	Nagpur average	Nagpur Official		
	Nagpur	Official	1930	Nagpur	Official	(A)—(D)	Jubbulpore	Bombay	Ahmedabad
Symbol		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1939—									
August	.. 64	100	100	100	100	100	100	100	100
September	.. 64	101	100	103	102	101.5	101	100	101
October	.. 63	100	99	103	102	101.0	99	100	99
November	.. 67	105	104	108	107	106.0	111	110	104
December	.. 74	117	118	114	117	116.5	118	118	115
1940—									
January	.. 71	112	113	111	113	112.3	113	114	111
February	.. 67	105	107	109	104	106.3	106	109	104
March	.. 67	105	105	107	105	105.5	105	108	103
April	.. 68	107	107	110	111	108.8	107	109	105
Average	.. ..	106.5	106.6	108.1	107.6	107.2	107.5	108.5	105.3

13. A number of auxiliary index numbers are given in other columns for purposes of comparison. Index number (B) is based on weights found in the 1930 budget enquiry and official prices; index number (C) on 1927 or official weights and prices from the *Nagpur Municipal Gazette* for a number of commodities for which such prices were available with official prices for the other commodities; and index number (D) is similarly based on official weights and price quotations published in the *Maharashtra*. Index number (E) is simply the average of (A), (B), (C) and (D). Finally (F), (G) and (H) give the index numbers with official prices and weights as in Jubbulpore, Bombay and Ahmedabad, respectively.

14. Although the actual values of individual index numbers differ to some extent depending on the weights and prices used, the changes in the cost of living are in broad agreement. The index number was more or less stationary in September and October but rose sharply in November and attained the peak value in December followed by a gradual decline which continued till March 1940 with a subsequent rise in April 1940. Differences between individual index numbers in the same month are not large; and the averages for the eight months—September 1939—April 1940—all agree, with one exception, within one per cent. In view of the general agreement among the index numbers calculated by different methods, and for reasons already explained we are of opinion that the Nagpur index number (A) calculated by us may be accepted as the standard for our present purposes.

15. One point is worth mentioning at this stage. It will be remembered that the Nagpur family budgets were collected during the period September 1926 to January 1927. The index number was not constant during this period; it fell from 108 in September to 102 in December 1926 and 100 in January 1927 which had been taken as the base period. The average value of the index number during this period was 104. This introduces a marginal uncertainty of about 2 per cent in comparisons based on this index number.

16. Keeping this residual uncertainty of 2 per cent in mind we may conclude that since the commencement of the war there was very little change in the cost of living till October 1939. There was a rise of about 5 per cent in the cost of living in November, and the peak value was reached in December when the rise as compared to August 1939 was of the order of 17 per cent. The cost of living then decreased to about 12 per cent above August in January 1940, and was only about 5 per cent higher than August in February and March 1940. In April it appeared to be going up again and was 7 per cent above August 1939. The average rise in the cost of living since the commencement of war, that is for the eight months from September 1939 to April 1940 was about 6 or 7 per cent above the level in August 1939, so that the total increase in the cost has been roughly about half a month's expenditure spread over eight months.

CHAPTER IV

THE PRESENT LEVEL OF WAGES IN THE
TEXTILE INDUSTRY AT NAGPUR

We shall now consider the second factor in the terms of reference, namely, the "present level of wages". It is clearly necessary to compare the present level with the level either at different points in time at Nagpur or with the level at other places like Bombay or Ahmedabad; and, as we have to do this with reference to the question of a dearness allowance, the level of wages has to be considered in relation to the level or standard of living. In other words we are required to consider real wages in the textile industry at Nagpur at the present time. In order to do this with scientific precision it is necessary to conduct a fresh enquiry into family budgets. This, however, is not possible as we are required to submit our report to Government before the end of this month. We are, therefore, obliged to have recourse to such indirect comparisons as may be possible with the materials at our disposal.

Distinction between Basic Wage Rate and Earnings

2. In discussing the present question we have to distinguish carefully between the different senses in which the word "level of wage" is sometimes used. For example, we have first of all the basic wage-rate which means the rate at which payment is made either on the basis of output (piece rate), or on the basis of full-time work for all working days in the month. In piece-work, even if the basic rate remains the same, the wages earned in any month will depend on the capacity of individual workers, the amount of work available, and the number of days of the month on which work is done. A distinction must, therefore, be made between average daily earnings and average monthly earnings. Working a short number of days will affect the latter; but, if output is maintained at the normal level, the average daily earnings may remain unchanged. As wages are usually paid on a daily basis the total monthly earnings in the case of time rates also would depend on the number of days on which work is done. Monthly earnings may, therefore, decrease even if basic rates or average daily earnings remain unchanged; in comparing standards of living we must, therefore, consider actual monthly earnings rather than basic wage-rates or average daily earnings. Our first task is to ascertain the level of monthly earnings at the present time as compared with monthly earnings in the past.

Earnings in January 1927

3. The basic material for this purpose is furnished by the family budget enquiry of 1927; and we shall first try to ascertain the actual position at the time of this enquiry. From the figures given on page 74 of Bulletin No. 3 we find that the average earnings of the 1,002 families included in the survey were Rs. 34.4 approximately or say Rs. 34-8-0 per month. From the data given on page 77 of the same Bulletin we also find that the average number of earners per family was about 1.62 which is of the same order as the corresponding figures of 1.53 at Bombay in 1933-34; 1.66 at Ahmedabad in 1926-27; 1.58 at

Ahmedabad in 1934-35; and 1.48 at Jubbulpore in 1926-27. We have accepted 1.6 earners per family as the basis of our calculations for Nagpur. The average size of the family at Nagpur was 4.33 consisting of 1.47 men, 1.47 women, 0.78 male and 0.61 female children under 14 (Bulletin page 76); and was larger than the size of family 3.70 at Bombay (1933-34); 3.87 at Ahmedabad (1926-27); 4.05 at Ahmedabad (1933-35); and 3.76 at Jubbulpore (1926-27).

4. From Table No. III on page 20 of the "Report on an enquiry into Unemployment and Wage-cuts in the Cotton Textile Industry in the Central Provinces and Berar" published in 1934 (which we shall refer to in future as the Wage-cuts Enquiry of 1934), we find that average daily earning per worker in January 1937 was 14 (fourteen) annas. As the number of earners per family was 1.6 the average daily earnings were Rs. 1.4 per family. As the total monthly earnings were Rs. 34.44 we easily find that the average number of days worked was 24.6 out of a possible 26 days which shows an average absenteeism of 5.4 per cent. This fits in very well with the view that attempts were made in this enquiry to include wage earners who were "normally employed for the whole month" to which we have already referred in paragraph 3, Chapter III. From the same Table No. III on page 20 of the Wage-cuts Enquiry we find that average monthly earnings of all workers were Rs. 20.8-0. Multiplying by 1.6 we find that the average earnings of all families were Rs. 32.8 per month with an average attendance of 23.4 days out of 26 days.

Expenditure in January 1927

5. It is now necessary to consider the expenditure side. For families covered by the enquiry we find from Table No. VIII of Bulletin No. 3 that the total annual expenditure included in the index number was Rs. 269.783 or Rs. 22.48 per month in January 1927. As this represents 82 per cent of the expenditure included in the index numbers, we find that the total expenditure as tabulated was Rs. 27.4 per month. The actual earnings were, however, Rs. 34.4 per month which leaves a residue of Rs. 7 per month. It will be remembered, however, that expenditure on house rent, travelling to and from native place, payments on account of debt, expenses for marriages, festivals, social occasions, etc., had not been included in the tabulation.

6. It is stated in Bulletin No. 3 that "in Nagpur, although the proportion of persons living in rented houses is greater than at Jubbulpore, there are still a fairly large number of persons in Indora or other localities living in their own houses" (page 6). But, although house rent is not paid in such cases certain expenses must be incurred for payment of the capital cost and for the maintenance of these houses. From the bottom line of Table I on page 16 of Bulletin No. 3 it will be seen that the average expenditure on house rent spread over all 1,002 families was 1.92 per cent of Rs. 22.48 or say seven annas per month. If we take into consideration the charges for maintaining one's own house the average expenditure for house is not likely to be less than,

say Rs. 1.2 per month on an average*. To this must be added expenses for beddings and household utensils, travelling to and from native place, and for payments to dependants. Allowing say a modest sum of Rs. 1.2 for this purpose, we are left with a balance of Rs. 4.6 for payments on account of debts and expenses for marriages, festivals, etc.

7. Certain observations of the Industrial Court on the Ahmedabad dispute are of interest in the present connection. According to the Report on the Enquiry into Working Class Family Budgets at Ahmedabad in 1935 (page 68) "the average earnings of a working class family in Ahmedabad were Rs. 47-14-11 and the average monthly expenditure of a family was Rs. 41-15-2". The Industrial Court observed that the "monthly expenditure of Rs. 41-15-2. . . . is exclusive of instalments and interest on account of debts and occasional expenditure on festivals and marriages, etc. These items were not taken into consideration in arriving at the figure of the monthly expenditure of the family, not because these items did not exist; but because no accurate figures were available for ascertaining the precise expenditure on these items. The item on account of instalment and interest on debts is by no means a small item. . . . We are not in a position to ascertain the precise extent of the expenditure on account of these items, but we have no doubt that an allowance of Rs. 4-8-0 a month for expenses in connection with marriages, festivals and other social occasions, etc., is by no means an excessive item" (Pages 491-492). We are in entire agreement with these observations. As the average income at Nagpur was Rs. 34.4 and much lower than the income at Ahmedabad the possibility of any surplus remaining at Nagpur is even more remote. We are, therefore, of opinion that the whole of the balance in the case of Nagpur families must be considered to have been utilized for the various charges mentioned above.

"Absenteeism" and Compulsory Leave

8. Before we can compare monthly earnings at different times it is necessary to take into consideration the fact that, average daily earnings remaining constant, monthly earnings depend on the total number of days on which the earner actually works in the mills. It is well known that Nagpur workers do not always work to their fullest capacity. On an average 17 per cent of the Nagpur workers stay away from the mills. This "absenteeism" of about 17 per cent has been remarkably steady for at least 27 years. From the evidence submitted by Sir Sorabji B. Mehta, Manager of the Empress Mills, before the Royal Commission on Labour (Report, Volume III, Part I, Appendix S, page 104), we find that absenteeism stood at the level of 16 or 17 per cent from 1914 to 1928; and from figures supplied to us by Mr. Batliwala it appears that "absenteeism" still stands at the same figure at the present time.

9. Mr. Ruikar pointed out the difficulties of distinguishing between compulsory leave and absenteeism. Making allowance for these difficulties we are, however, still of opinion that

*The actual average house-rent for families paying house-rent was found to be Rs. 1-3-9 in 1930 at the time of the visit of the Royal Commission on Labour (Report, Volume XI, Part I, Pages 192-239).

absenteeism is much higher at Nagpur as compared to Bombay and Ahmedabad and that about 17 per cent absenteeism or an attendance of 21.6 days per month (out of 26 days) on an average may be accepted as a normal figure for Nagpur.

10. At first sight it may appear as if the Nagpur worker can easily increase his earnings by reducing his "absenteeism". In fact the mill-owners have laid considerable stress on this point; and the Nagpur Court of Enquiry observed that the workers "to a great extent have the means of supplementing their earnings by greater punctuality and deliberate abstention from work" (paragraph 28, page 118).

Short Working of the Mills

11. The problem, however, is in fact far more complicated. When the mills are working at high pressure and are short of labour it is possible for a large number of families to increase their earnings by increasing their average number of days of work in the mills. When, however, the mills are not working to their full capacity it is usually not possible to find employment for all the workers. In this situation a particular family may increase its earnings to some extent by reducing its absenteeism, but this will have to be done at the cost of other families. In other words, when the total wage bill is kept constant, and there is no possibility of increasing it for lack of orders, the total earnings of all the families which participate in the work will necessarily remain constant. The actual share of individual families may differ or may be increased or decreased depending on the relative degree of absenteeism. But the workers as a whole are helpless in this matter and it is not correct to think that the remedy for this state of affairs is in the hands of the workers themselves.

12. In times of depression when the mills are unable to work to their full capacity a reduction in the total wage bill may become unavoidable. If the depression persists and if there is a continuous shrinkage in the margin of profit a decrease in wages of labourers also becomes inevitable. In this situation, when the total wage bill has to be kept constant or has to be reduced it is possible to follow either of two alternative policies. The level of earnings may be maintained by reducing the number of workers or the same total amount of wages may be distributed among larger number of workers by reducing the level of earnings. We recognise that in certain circumstances the second policy may be more desirable from the point of view of the society as a whole, especially in a country like India where there is no unemployment insurance. We are, therefore, not suggesting that the level of earnings of real wages must be maintained at all costs for we know that this is not always possible. We are merely trying to assess the level of real wages at the present time as determined by the joint influence of all relevant factors; and secondly to disentangle the influence of the different factors as far as this may be possible.

13. We find that apart from changes in basic or nominal wage-rates, there may be a fall in the actual earning on account of "absenteeism" or compulsory leave granted by the authorities

for unpunctuality for which the responsibility definitely lies on the workers themselves. Earnings may, however, also decrease on account of a reduction in the total wage bill due to adverse trading conditions, or on account of the same wage bill being distributed among a larger number of workers. In the latter case the workers as a whole cannot possibly increase their earnings by reducing their absenteeism or by becoming more punctual.

Monthly Earnings at Different Levels of Absenteeism

14. We can easily calculate the monthly earnings per family at other levels of absenteeism. From the chart given opposite page 16 of the "Report of the Textile Labour Enquiry Committee of Central Provinces and Berar" of 1938 we find that the average level of absenteeism may be taken in round figures as 7 per cent at Bombay, and 3 per cent at Ahmedabad. The absenteeism of 1,002 families included in the 1927 enquiry was 5.4 per cent which was only slightly below the Bombay level; and we may treat these families (which we shall call the 1927 budget families) as roughly representing the Bombay level of absenteeism. For 17 per cent of absenteeism, or attendance on 21.6 days per month, monthly earnings were Rs. 30.2; and for 3 per cent (or Ahmedabad level of) absenteeism monthly earnings were Rs. 35.3 per family in January 1927.

Adjustments for Changes in the Cost of Living

15. Finally, even if nominal earnings in terms of rupees, annas and pies remain constant, the real wage may decrease or increase owing to a change in the purchasing power of the rupee. Before comparing earnings at different times the effect of changes in purchasing power must, therefore, be eliminated with the help of the index number of the cost of living. In doing this we have to remember, however, that the whole of the expenditure is not susceptible to short period changes in the cost of living. There are certain items, such as house-rent, payments on account of debts, payments to dependants, travelling expenses, newspapers, amusements, services from barbers, etc., which are not usually affected by short period fluctuations except in times of abnormal or violent changes. Expenditure on these items represents more or less a fixed charge; and in making adjustments for the cost of living it is reasonable to leave out this fixed portion. It is difficult to make an accurate estimate of its actual amount. In the case of the 1927 budget families we know that Rs. 22.48 was included in the cost of living index number out of the total income of Rs. 34.4. This means that 35 per cent of the total income was left out of the index number. But we think an additional portion of the expenditure can probably be included under the index number. We have, therefore, tentatively adopted 30 per cent of the total expenditure as a fixed charge and have left this out from the adjustment for the cost of living. The procedure for the adjustment is straightforward, and has been explained in Note (2).

Level of Real Wages

16. We may now consider the present level of real wages as compared with the level in January 1927. Relevant figures for this purpose are given in Table (2) in which column (1) gives

the year and month for which the comparison is made; column (2) the Nagpur index number of cost of living with January 1927 as 100; and column (3) the number of days on which the mills were open. Column (4) shows the average number of days worked, and column (5) the average daily earnings per earner; multiplying this by 1.6 we get the average daily earnings per family shown in column (6); and multiplying again by the number of days worked we get in column (7) the average monthly earnings per family for all families working in the mills. The figures for January 1927, December 1932, and December 1933 have been taken from Table III on page 20 of the Report of Wage Cut Enquiry of 1934; the figures for July 1938 were supplied from the office of the Director of Industries. The material for the period, August 1939 to March 1940, was kindly supplied at our request by the authorities of the Empress and the Model Mills.

TABLE (2)—COMPARISON OF REAL WAGES IN DIFFERENT PERIODS

Year and Month	Nagpur Cost of Living Index number	Number of days Mills open	Average of all families				Families working the same number of days as in column (4)		Normal families 17 per cent absenteeism		
			Number of days worked	Daily earnings		Monthly earnings per family	Equivalent earnings at the rate of January 1927	Percentage difference (7) - (8)	Earnings at same rate as in column (6)	Equivalent earnings at the rate of January 1927	Percentage difference (10) - (11)
Per worker	Per family =(5) × 1.6	(8)		(10)	(11)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				Rs.	Rs.	Rs.	Rs.	Per cent	Rs.	Rs.	Per cent
1927, January ..	100	26	23.4	0.88	1.40	32.8	32.8	0	30.3	30.3	0
1932, December	60	26	22.8	0.85	1.36	31.0	23.0	+35	29.4	21.8	+35
1933, December	58	26	20.0	0.73	1.17	23.3	19.8	+18	25.2	21.4	+18
1938, July ..	60	26	20.4	0.66	1.06	21.7	20.6	+5	23.0	21.8	+6
1939, August	64	27	21.4	0.64	1.03	22.0	22.4	-2	23.0	22.7	+1
1939, September	64	25	19.1	0.67	1.07	20.4	20.0	+2	22.3	22.7	-2
1939, October	63	27	21.2	0.64	1.02	21.6	22.0	-2	22.7	22.5	+1
1939, November	67	25	19.4	0.68	1.08	21.0	20.9	0	22.5	23.3	-3
1939, December	74	26.7	21.3	0.66	1.05	22.3	24.4	-9	23.3	24.8	-6
1940, January ..	71	26.2	20.9	0.67	1.07	22.4	23.3	-4	23.2	24.2	-4
1940, February	67	24.1	18.8	0.69	1.10	20.7	20.2	+2	22.0	23.3	-6
1940, March ..	67	25.7	19.6	0.67	1.07	21.0	21.1	0	22.8	23.3	-2

17. Let us now compare these earnings with those in the month of January 1927. In doing this we must remember that the actual number of days worked varies from month to month depending on the combined influence of absenteeism, compulsory leave, and short working of the mills. We know that the daily earnings per family in January 1927 were Rs. 1.4; so that if we multiply the average number of days worked given in column (4) of Table (2) by Rs. 1.4 we shall get the corresponding monthly earnings in January 1927. For example, in December 1932 the average number of days worked was 20; the corresponding monthly earnings in January 1927 would have been therefore Rs. 28. We now make adjustments for the change in the cost of living as explained in paragraph 15 and described in greater detail in Note (2)] and find the equivalent value to be Rs. 23.0 in December 1932 as shown in column (8).

18. Equivalent earnings to maintain the same standard of living as in January 1927 for families which worked the same number of days as shown in column (4) were calculated in this way; and are given in column (8). The actual monthly earnings, on the other hand, are given in column (7). It will be remembered that the number of days worked is identical in both cases. The difference between these two columns (7) and (8) thus represents the difference in real wage between January 1927 and the period under consideration. Expressing these differences as percentages of equivalent earnings we get in column (9) the percentage change in real wages between January 1927 and the month under review for families which worked the same number of days as shown in column (4) in each case. For example, in December 1932 the actual earnings were Rs. 31.0 as shown in column (7) against equivalent earnings of Rs. 23.0 required to maintain the same standard of living as in January 1927 as shown in column (8). The difference between these two figures, namely, Rs. 8 then represents the rise in real wage; expressing this as a percentage of equivalent earnings Rs. 23.0 we get the percentage increase of 35 per cent in real wages in December 1932 shown in column (9).

Average Number of Days worked

19. We should like to emphasize the fact that in the above comparison we have equalised the average number of days worked in both the periods under comparison. We know, however, that this average number is determined by the fact whether the mills are working at full or below capacity.

20. We know that the usual level of absenteeism may be taken as 17 per cent, *i.e.*, the usual "presence" is 83 per cent of working days on an average. So long as the actual number of days worked stands at this level of 83 per cent we may consider the position to be more or less normal. When the average number of days worked is less than 83 per cent the mills must be considered to be working below their full capacity; and the lowering in wages must be partly ascribed to the reduction in production. This may, of course, be unavoidable under adverse trade conditions; but this portion of the lowering cannot be ascribed to the laziness or unpunctuality of the workers. On the

other hand, when the average number of days worked is appreciably greater than 21.6 days for a full working month of 26 days or higher than 83 per cent in other cases, it is reasonable to infer that the workers are attending the mills more regularly under some increased incentive probably in the way of increased wages. A higher average number of days worked may, therefore, be considered to be characteristic of comparatively prosperous times.

21. It will be noticed from column (4) of table (2) that the average number of days worked was 23.4 in January 1927, and 22.8 in December 1932 showing a comparatively high level of production. The average number of days worked was distinctly lower in December 1933 (20) and July 1938 (20.4). It reached practically the normal level in August (21.4), October (21.2) and December 1939 (21.3), but was lower in September (19.1) and November 1939 (19.4); and has continued to be below normal in January (20.9), February (18.8) and March 1940 (19.6). This probably gives an indirect and rough idea of working conditions in the mills.

Real Wages of "Normal" Families

22. We have accepted 17 per cent absenteeism as a normal characteristic of the average working class family in Nagpur; and we may now compare the monthly earnings of such families in different periods. We have already calculated the monthly earnings of such families in January 1927, and found that this was Rs. 30.3. We can easily calculate the earnings in the different periods under review with the help of the daily rates of earnings shown in column (6); these values are given in column (10). The equivalent earnings in different months which correspond to Rs. 30.3, and which would enable the same standard of living being maintained as in January 1927, are shown in column (11). The difference between columns (10) and (11) gives the change in real wage; and this difference expressed as a percentage of the equivalent earnings is shown in column (12).

23. It will be seen that the change in real wages for normal families with absenteeism of 17 per cent follow the same general course as the change in real wages for the other families shown in column (9). We find that real wage was practically at the same level as January 1927, during August and the first two months of the war; began to fall from November and was below normal by 6 per cent in December 1939; and has continued to be below normal in recent months.

Real Wages at different Levels of Absenteeism

24. Instead of considering families with an absenteeism of 17 per cent we may also consider our 1927 budget families with 5.4 absenteeism which is roughly of the same order as the average level of absenteeism in Bombay. Earnings calculated at current rates are shown in column (13) of Table 2 (A) for such families together with equivalent earnings in column (14); and the differences expressed as percentages of equivalent earnings are given in column (15). In the case of these families also the real

wage has followed an almost identical course. It was more or less at par with January 1927 in August and also in the first two months of the war, but then began to fall appreciably.

25. Finally we may consider families with 3 per cent or the Ahmedabad level of absenteeism for which relevant earnings calculated at current rates, the equivalent earnings required to maintain the same standard as in January 1927, and the differences between these two expressed as percentages of equivalent earnings are given in columns (16), (17) and (18), of Table 2 (A), respectively. Real wages in this case also have changed practically in the same way as in the case of other families, and have fallen below the January 1927 level at the present time.

26. Without attaching too much significance to the details of the fluctuations shown in Tables (2) and (2A), we may conclude generally that, as compared with January 1927, real wages were roughly 35 per cent higher in December 1932, 18 per cent higher in December 1933, and 5 or 6 per cent higher in July 1938; and were practically at the same level as January 1927, in August 1939, just before the declaration of the war, and continued to be more or less normal during the first two months of the war. Real wages, however, began to fall in November; were appreciably below the 1927 level in December 1939; and have remained below normal since then.

TABLE (2) (A)—COMPARISON OF REAL WAGES IN DIFFERENT PERIODS

Year and Month	Nagpur Cos of Living Index number	Number of days Mills open	Daily earnings		1927—Families with 5.4 per cent absenteeism			Families with 3 per cent absenteeism (Ahmedabad level)			
			per earner	per family =(5) × 1.6	Earnings at same rate as column (6)	Equivalent earnings at the rate of January 1927.	Percentage difference (13)–(14)	Earnings at same rate as column (6)	Equivalent earnings at the rate of January 1927	Percentage difference (16)–(17)	
			(5)	(6)	(13)	(14)	(15)	(16)	(17)	(18)	
(1)	(2)	(3)	Rs.	Rs.	Rs.	Rs.	Per cent.	Rs.	Rs.	Per cent.	
1927, January	..	100	26	0.88	1.40	34.4	34.4	0	35.3	35.3	0
1932, December	..	60	26	0.85	1.36	33.4	24.8	+35	34.3	25.4	+35
1933, December	..	58	26	0.73	1.17	28.7	24.3	+18	29.4	24.9	+18
1938, August	..	60	26	0.66	1.06	26.1	24.8	+5	26.8	25.4	+6
1939, August	..	64	27	0.64	1.03	26.2	25.7	+2	26.9	26.4	+2
1939, September	..	64	25	0.67	1.07	25.4	25.7	–1	26.0	26.4	–2
1939, October	..	63	27	0.64	1.02	26.0	25.5	+2	26.7	26.2	+4
1939, November	..	67	25	0.68	1.08	25.6	26.5	–3	26.2	27.2	–4
1939, December	..	74	26.7	0.66	1.05	26.6	28.1	–5	27.2	28.9	–6
1940, January	..	71	26.2	0.67	1.07	26.5	27.4	–3	27.2	28.1	–3
1940, February	..	67	24.1	0.69	1.10	25.1	26.5	–5	25.7	27.2	–6
1940, March	..	67	25.7	0.67	1.07	26.0	26.5	–2	26.6	27.2	–2

TABLE (3).—COMPARISON OF THE LEVEL OF LIVING AT NAGPUR, BOMBAY AND AHMEDABAD IN AUGUST 1939

Families (1)	Nagpur prices			Bombay prices			Ahmedabad prices		
	Nagpur (2)	Bombay (3)	Ahmed- abad (4)	Nagpur (5)	Bombay (6)	Ahmed- abad (7)	Nagpur (8)	Bombay (9)	Ahmed- abad (10)
Items	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Food	11.4	18.1	13.9	17.4	24.4	19.4	12.7	16.8	15.3
Fuel and light- ing.	1.6	4.1	2.0	1.5	3.2	1.7	2.2	6.1	2.4
Clothing	1.8	2.2	4.5	2.2	3.1	6.5	1.1	1.5	3.1
Sub-total (A)	14.8	24.4	20.4	21.1	30.7	27.6	16.0	24.4	20.8
Variable Misc.	0.5	5.2	1.2	0.6	8.6	1.6	0.6	3.7	1.2
Total variable (B).	15.3	29.6	21.6	21.7	39.3	29.2	16.6	28.1	22.0
House rent ..	1.2	1.2	1.2	5.8	5.8	5.8	4.8	4.8	4.8
Fixed charge	7.6	4.3	8.9	7.6	4.3	8.9	7.6	4.3	8.9
Grand Total	24.1	35.1	31.7	35.1	49.4	43.9	29.0	37.2	35.7
	Percentage								
Sub-total (A)	100	165	138	100	145	131	100	152	130
Total variable (B).	100	193	141	100	181	135	100	169	133
Grand Total..	100	146	132	100	141	125	100	128	132
Grand Total (B o m b a y scale).	69	100	90	71	100	89	78	100	96

27. Two or three most important facts have emerged from the above discussion. Accepting January 1927 as our base period (and we have no other alternative as this is the only period for which we possess information regarding the level of consumption), we find that the level of real wages was more or less normal at the beginning of the war; so that subsequent changes in the real wage can be most conveniently studied with the help of index numbers of the cost of living with August 1939 as 100. Secondly, real wages began to fall from November 1939, and have continued to remain below normal. Finally, as judged by the families with the Ahmedabad (3 per cent) level of absenteeism, this fall in real wages cannot possibly be remedied by the workers themselves as there is no further scope for reduction in absenteeism. In other words even if workers attend the mills practically on all possible working days, real wages will still remain below the level of January 1927.

28. We may, however, point out that, although the analysis given here does succeed in bringing out the general features of the position regarding real wages, since 1927, more accurate results will naturally be obtained by using a recent base month like August 1939 (=100) than by adopting a thirteen-year old base period like January 1927.

Indirect Additions to Real Wage

29. We have been much impressed by the substantial contributions made by the Empress Mills towards provident fund, pensions, and various welfare schemes, and other benefits given

to the workers in the form of twelve days' holiday on full pay per year to workers who have served the mills for twenty years or more, and credit support given to the Co-operative Society—etc. We agree that these benefits add indirectly to the real wages of the workers. On the basis of the statement supplied by the Empress Mills we understand that annual expenditure incurred by the Mills for this purpose amounts to over two lakhs per year and comes to an expenditure of a little less than two rupees per head per month taking all benefits into consideration. This benefit is however limited to permanent workers in the Empress Mills.

Comparison of the Standard of Living at Nagpur, Bombay and Ahmedabad

30. In considering the level of real wages in Nagpur at the present time it is of some interest to enquire how this compares with the corresponding level at Bombay and at Ahmedabad. We are giving certain results of our calculations in Table (3), details of which are explained in Note (3). Let us consider, for example, Nagpur families; the expenditure for the different group items of food, fuel and lighting and clothing, at prices ruling at Nagpur in August 1939 is shown in column (2) of Table (3). The variable expenditure for miscellaneous items is the portion included in the Nagpur index number which is susceptible to changes in the purchasing power of money. For house rent we have used a nominal figure of Rs. 1.2 which leaves Rs. 7.6 as the expenditure for miscellaneous items not susceptible to short time changes in the cost of living; this includes the expenditure for payments on account of debts, payments to dependants, etc., so that the total expenditure of the Nagpur family at Nagpur is Rs. 24.1 per month in August 1939.

31. In column (3) we have shown the corresponding expenditure which would be incurred by a Bombay working class family which migrates to Nagpur and which continues to consume the same quantities of commodities which it used to consume at Bombay but which it now purchases at Nagpur price. It will be noticed that for house rent we have allowed the same amount as in the case of the Nagpur families. The total expenditure which a Bombay family migrating to Nagpur would have to incur in order to maintain its own standard of consumption comes out as Rs. 35.1 against an expenditure of Rs. 24.1 for the Nagpur family. The comparison must be, of course, to some extent approximate as certain adjustments had to be made details of which are explained in Note (3). But a glance at the two sets of figures leaves no doubt that the standard of living of Bombay families is much higher than that of Nagpur workers.

32. In the same way the cost, at Nagpur price, of maintaining the standard of living of Ahmedabad families in 1926-27 is shown in column (4). Here also we find that the Ahmedabad level is much higher than the Nagpur level.

33. We may look at the problem from a different point of view. Instead of considering what happens when the Bombay or the Ahmedabad family comes to Nagpur let us suppose that

the Nagpur family moves to Bombay but keeps to its own standard of consumption. We find that, at Bombay prices, the cost of maintaining the Nagpur standard of living would be Rs. 35.1 as shown in column (5). The corresponding cost of the Bombay family would be Rs. 49.4 and of the Ahmedabad family Rs. 43.9 as shown in columns (6) and (7), respectively.

34. Finally if the Nagpur family migrates to Ahmedabad we find from the figures given in column (8) that the cost of maintaining its own standard would be Rs. 29.0 against Rs. 37.2 of the Bombay family and Rs. 35.7 of the Ahmedabad family as shown in columns (9) and (10), respectively.

35. For convenience of comparison we are showing the same results in the form of percentages. Adopting the expenditure of the Nagpur family as 100 we are giving the corresponding expenditure of the Bombay and the Ahmedabad family at all three places. It will be seen from the line for Grand Total that the expenditure of the Bombay family to maintain its own standard of living would be higher than the Nagpur family by 46 per cent at Nagpur, 41 per cent at Bombay, 28 per cent at Ahmedabad. In the same way we find that the level of living of the Ahmedabad is higher than that of the Nagpur family by about 32 per cent at Nagpur, 25 per cent at Bombay and 32 per cent at Ahmedabad. If we confine our attention to sub-total (A) for food, fuel and lighting, and clothing for which price adjustments can be made with greater accuracy, we find that the Bombay standard is higher than the Nagpur scale by 65 per cent, 45 per cent and 52 per cent; and the Ahmedabad scale is higher than the Nagpur scale by 38 per cent, 31 per cent and 30 per cent at Nagpur, Bombay and Ahmedabad, respectively.

36. If we adopt the scale of consumption of the Bombay family as the standard (=100) we find from the bottom line that the expenditure of the Nagpur family in order to maintain its own standard would be about 68 per cent at Nagpur, 71 per cent at Bombay and 78 per cent at Ahmedabad. The expenditure of the Ahmedabad family (in terms of the Bombay scale) would be 90 at Nagpur, 89 at Bombay and 96 at Ahmedabad.

37. If we accept the Nagpur scale as the standard (=100) we find on the whole (taking the average of the proportionate expenditure at Nagpur, Bombay and Ahmedabad) that the scale of living of the Bombay family is 38 per cent higher and of the Ahmedabad family 30 per cent higher than that of the Nagpur family. Compared with the Bombay standard (=100) we find that the level of living of the Nagpur family is 28 per cent lower than that of the Bombay family.

38. We have pointed out and emphasised in Note (3) the difficulties of such comparisons owing to the lack of standardisation in methods of collection and statistical analysis of family budgets, and much importance should not be attached to the numerical values given above. However, in spite of these limitations, we think that the analysis given here establishes beyond any doubt that after making allowances for differences in price, the standard of living of Nagpur industrial families is much

lower than that of Bombay families and appreciably lower than that of Ahmedabad families.

Labour Efficiency

39. The above discussions show that even after allowing for differences in the price of commodities at Nagpur, Bombay and Ahmedabad, the effective standard of living of workers in Nagpur is appreciably below that at Bombay or Ahmedabad. Two reasons have been adduced by the mill-owners to explain this. One is that, as yarn and cloth of coarser types form a much larger proportion of manufactures at Nagpur, the relative expenditure on labour wage is necessarily low at Nagpur as compared with Bombay or Ahmedabad. We agree that there is considerable force in this argument; and that a certain difference in the proportion of labour costs between Nagpur and Bombay or Ahmedabad is inevitable owing to differences in the quality of the goods manufactured at different centres.

40. A second reason advanced by the mill-owners has been the inefficiency of Nagpur labour, as compared with textile workers in Bombay and Ahmedabad shown by a higher rate of absenteeism as well as by a lower rate of output per worker. We have already discussed absenteeism and its effect on the wage level in considerable detail. The question of the comparative efficiency of labour is difficult and complicated; and cannot be settled without prolonged investigation of a highly technical nature which we cannot possibly undertake in the short time at our disposal. We find that the question of one or two looms per worker is contested; employers are of opinion that only very few of the workers at Nagpur can look after two looms; workers allege that they are not given proper facilities for improving their output. We understand that in mills at other centres in this province two looms per worker is quite usual; possibilities of developing this practice at Nagpur do not, therefore, appear to have been fully explored for we find it difficult to believe that the Nagpur worker is intrinsically more inefficient than workers at other centres in this province.

41. On enquiry from Mr. Batliwala we find that in recent years labour efficiency has increased in case of long frames in spinning department in which payment is made by time-rates; while there has been no such increase in efficiency in departments in which piece-rates of payments are in force. An increase in the efficiency of workers receiving fixed wages by time-rates is bound to be of advantage to the mills; while an increase in the output of piece-work is immaterial so far as the interests of the mills are concerned. This makes us believe that the question of relative inefficiency of labour is, at least to some extent, bound up with the labour policy of the management. Questions of relative efficiency of plants, and machinery, working conditions, and other details of management and supervisions are also involved.

42. We believe that on the whole it will be safer to rely on the over-all condition of the industry as reflected in the profit and loss account rather than on a detailed examination of the question from a technical point of view. It has been argued that if labour efficiency were greater profits would be higher which

would enable higher wages being given to labour; but in actual fact wages are low owing to the inefficiency of local labour. We do not think it necessary to discuss this point in detail. For our present purposes the real question is whether the margin of profit is sufficiently great to enable a dearness allowance being granted at the present time; and we have considered this in a later section.

Consolidation of Wages in October 1924

43. We may now consider certain questions connected with the level of wages. Before the Nagpur Court of Enquiry much emphasis was laid on behalf of the Empress Mills on the consolidation of wages as from 1st October 1924, and this was made the subject matter of Issue II-A on which the Court came to the findings:—"That the present rate of wages is based on the cost of living as it stood on the 1st October 1924."

44. We have already mentioned that the enquiry into family budgets at Nagpur took place in 1926-27; the index number constructed on the basis of this enquiry was carried back to January 1925 and is given in Table III of Bulletin No. 3. Information regarding the "cost of living as it stood on 1st October 1924" is therefore not available.

45. The Nagpur Court also observed that the cost of living "for January 1927 is itself 5 per cent lower than what it was in 1924". We have already pointed out in an earlier section that as the family budgets were collected during the period September 1926 to January 1927 and the average index number during this period was 104, the standard of consumption of the families included in the enquiry should be considered to be that appropriate to an index number of 104 rather than to an index number of 100. We also find that the average value of the index number for the whole of the earlier period, January 1925 to August 1926, was 104; so that the level of living represented in the family budget enquiry of 1926-27 was about the same as the level of living during the two years, 1925 and 1927. Assuming further that there was no appreciable change in the cost of living between October 1924 (when the wages were consolidated) and in 1925-26 all we can say is that the effective level of living at the time of enquiry had become adjusted to the actual scale of wages settled in 1924. This would have, of course, happened in any case, even if the scale of wages had been consolidated at a much lower rate. The fact of such adjustment does not, therefore, give any information regarding the adequacy or otherwise of the level at which wages were consolidated in 1924. To put the matter in a slightly different way, we find that certain scales of wages were consolidated in 1924, and naturally and inevitably the scale of living in the course of the next two years became adjusted to it. The question of its being sufficient or otherwise to meet any particular scale of living has, therefore, no meaning. The finding of the Nagpur Court of Enquiry, namely, that "the present rate of wages is based on the cost of living as it stood on the 1st October 1924" is, therefore, based on misconceptions.

Restoration of Wage-cut in 1938

46. It is now necessary to consider the restoration of wage-cut in 1938 on which also much emphasis was laid by the mill-owners as well as by the Nagpur Court of Enquiry as this question is intimately connected with the level of wages. We find that a certain amount of confusion of thought exists in this connection. For example, it has been claimed by the mill-owners that in Nagpur in 1938 they restored 80 per cent of the wage-cut that had been effected in 1933 while the Bombay mills restored only 50 per cent of the wage-cut; so that the latter still had some margin in reserve from which they were now giving an increase in wages in the form of dearness allowance. In other words, Bombay is now doing what Nagpur had already done in 1938. This claim, we believe, is based on Table 5 given on page 13 of the Central Provinces Textile Labour Inquiry Committee of 1938. In this table the heading of column 2 is printed as "wage reduction since 1933"; and the figure 25.4 per cent for Bombay given in this column is evidently taken from Table VIII of pages 24-25 of the Interim Report of the Bombay Textile Labour Inquiry Committee of 1937-38. It is clearly stated in the Bombay Report that the figure 25.4 per cent represents the "percentage decrease in July 1937 as compared with July 1926", and not since 1933 as stated in the column heading in Table 5 of the Central Provinces Report. The reduction of 25.4 per cent in Bombay is in fact not the actual wage-cut effected in 1933 but the cumulative reduction in wages since July 1926. The wage reduction of 16 per cent and 14 per cent respectively shown against the Empress and the Model Mills in Table 5 on the other hand are actual wage-cuts effected in 1933 as worked out from the fall in the weighted average daily earnings between December 1932 and December 1933; we have verified this from the original calculations in the files relating to the Central Provinces Enquiry Committee which were placed at our disposal by the Department of Industries.

47. As no wage figures for 1926 are available for Nagpur it is not possible to calculate the "wage reduction in 1937 as compared with July 1926" as in the case of Bombay. The figures given for Nagpur in Table 5 of the Report of the Central Provinces Committee is thus not comparable in any way with the figure for Bombay given in Table VIII in the Report of the Bombay Committee. It is unfortunate that a printing mistake in the Central Provinces Report has given rise to a great deal of misunderstanding on the subject.

48. The restoration of 80 per cent of the wage-cut claimed by the Nagpur Mills also required consideration. This figure has been calculated by expressing the amount paid by increase in wages due to restoration in 1938 as a percentage of the amount saved by the wage-cut in 1933. Two factors, namely, that a considerable number of employees have been employed at lower scales of wages in the intervening five years, and secondly, that a large number of old employees have not received increments which they were formerly receiving, have been lost sight of in this calculation. In fact the character of employment had changed in the intervening five years; and the two amounts

used for the calculation are not comparable. If the above factors are taken into consideration the restoration amounts to 60 per cent as calculated and recommended by the Central Provinces Committee in 1938 and not 80 or 75 per cent as claimed by the Mill—The Nagpur Court of Enquiry in Issue II-E stated that "the mills restored 78 per cent of the wage-cut in 1938". For reasons explained above this statement can only be accepted in an extremely restricted sense.

49. The increase in wages granted in 1938 by the Bombay schedule is 11.9 per cent against the wage reduction of 17 per cent in 1933 and 25.4 per cent in 1937. This works out to 70.5 per cent restoration of the wage reduction in 1937 in Bombay. Similarly the increase in wages given by the Nagpur schedule is about 10 per cent against the wage-cut of 16 per cent in 1933 and 28 per cent in 1937, which works out to 62.5 per cent restoration of the cut in 1933 and 35.7 per cent restoration of the wage reduction up to 1937. It cannot, therefore, be said that the Bombay mills had anything up their sleeves to enable them to meet the dearness allowance recently granted by them.

The Subsistence Level

50. We find that in the Nagpur Court of Enquiry a question was raised regarding the subsistence level; and it was stated that "there is no evidence to show that the wages of the textile workers are below subsistence level as a result of the war (page 118)". The subject is full of difficulties; the determination of a subsistence level depends on many factors and there is no accepted objective method of achieving this. The question was considered at the time of constructing the Nagpur index number and was rejected in favour of the family budget method. It was noted on page 2 of Bulletin No. 3 that "quantities of the different articles of food necessary to maintain an individual of a particular community in health and efficiency are found by taking into account their nutritive values based on the chemical analysis and the detailed costs for these quantities at different periods are calculated. The serious defect of this method is that its application is limited to food group only".

51. The question has been discussed recently in an International Labour Office publication on the "Workers Standard of Living" in 1938; and the difficulties of setting up standards of living in terms of subsistence level have been emphasised. It has been pointed out in this report that "in most countries the tendency is to regard the actual cost of living of the ordinary labourer as the subsistence level and the level of living of the skilled workers as the decency or comfort level" (page 58). On page 86 of the same publication it is stated, on the basis of the "Report on the Enquiry into the Working Class Family Budget in the Bombay City" published in 1937; that "food expenses per month fall below the cost of the recommended well balanced diet in Bombay with the exception of the higher income groups". We have already seen that the level of earnings as well as the standard of living in Nagpur is much below the Bombay standard. If the average level in Bombay fails to come up to the subsistence level it is clear that the Nagpur level cannot possibly be considered to have

reached the standard accepted by the International Labour Office. In passing we may also point out that a comparison between the rural and urban populations is not valid in terms of money values. The International Labour Office Bulletin states, for example, that "nutrition statistics in South India serve to indicate that in general the poor in the villages are often better fed and suffer less severely from malnutrition than do the urban workers" (page 86).

52. The question of subsistence level is, however, a matter in which a wide divergence of opinion is possible. The Nagpur Court of Enquiry observed that workers at Nagpur "would appear to be a great deal better paid than persons in a great many other walks of life" (page 118). This is absolutely correct. On the other hand it may be stated with equal accuracy that there are large groups of people with higher earnings both at Nagpur and at other places. No useful purpose will be served by discussing these rival contentions, as we do not think there is any likelihood of the subsistence level being settled with scientific precision in the near future. The question of the level of wages or of a dearness allowance will have to be decided independently of the theoretical subsistence level for a long time to come. We agree with the Industrial Court in concluding that "the theoretical question as to what constitutes the minimum wage or the living wage is not relevant" for our present purpose.

CHAPTER V

THE WORKING CONDITIONS OF THE INDUSTRY

We have now to consider the working condition of the industry since the commencement of the war. This was included as one of the relevant factors in the terms of reference in the Industrial Court presided over by the Hon'ble Mr. Justice Divatia, and we have been guided to a great extent by the principle laid down in the decision of the Ahmedabad Court.

2. The Industrial Court interpreted working condition to mean "the trading conditions of the industry after the declaration of war which would include all the transactions which took place since then. This would not mean that we have to take into consideration only the prices of cotton, stores and cloth during the period under review but we must also consider, so far as the material supplied to us permits, the actual transactions which took place during that period. These transactions would necessarily include the sale, during this period, of cloth and yarn which had accumulated and were in existence on 1st September. We should also have to take into consideration the cloth manufactured out of cotton which had been purchased and stored before the war was declared." (Ahmedabad Report, page 495.)

3. The Empress and the Model Mills have supplied us with certain information regarding the stock of cotton, cloth and yarn on the 1st September 1939 and on the 30th April 1940 as well as certain statements regarding sales. We have ourselves gathered certain information regarding the market price of cloth and yarn as the statements supplied by the mills in this respect were not complete.

4. We had enquired whether it was possible to prepare Profit and Loss Account for the period September 1939 to 30th April 1940, but were informed that this would be difficult and would in any case take a long time. The Empress Mills, which usually prepares six monthly accounts, supplied us with a provisional Profit and Loss Account for the period of six months ending 31st December 1939. As the Model Mills do not have any half-yearly audit it was not possible for them to give us a similar statement.

5. As much of the information supplied by the mills is of a confidential nature we are unable to quote actual figures; but we see no objection in giving the results of our calculations in general terms. In Nagpur cotton is purchased during the earlier part of the reason for practically the whole year; and we are in a position to make a fairly reliable estimate of the average price paid since the declaration of war. We had from figures supplied by both the mills for the quantity and value of stock of cotton held on the 1st September 1939 and for both quantities and prices of cotton purchased since then that the cost of cotton was on an average about 40 per cent above the pre-war level. As cotton accounts for nearly 50 per cent of the total cost of manufacture this rise in price would mean an increase of about 20 per cent in manufacturing costs on account of rise in price of raw cotton.

6. The position is more difficult in regard to stores and other charges. We have been supplied with a large number of price quotations, but as we do not have complete information regarding the quantities purchased at these prices we are unable to calculate the weighted average of the increase in price. The Industrial Court discussed this point in considerable detail and after reviewing all available evidence was of opinion that there was a rise of 25 to 30 per cent in the price of stores. As there is no reason why the rise in prices should be greater in Nagpur we may accept 30 per cent as a reasonable estimate of the increase in the cost of stores and other manufacturing charges. As stores amount to roughly 7 per cent of the total cost, the increase in total cost on account of this item would be of the order of 2 per cent. We find then that manufacturing costs since the commencement of war may be considered to have risen by roughly 22 or 23 per cent.

7. We can fortunately check this estimate in another way. The Model Mills in a statement submitted before the Nagpur Court of Enquiry on the 5th March 1940, had estimated the increase in the cost of stores as 40 per cent, of coal as 10 per cent, and in insurance and interest as 25 per cent. We have ourselves calculated the proportionate cost on account of cotton, stores, coal and interest, on the basis of actual expenditure incurred by the two mills in the two years 1937-38 and 1938-39 as given in the Profit and Loss for these two years. The relevant figures which are given in Table (4) show that proportionate cost on stores, coal, interest, etc., were 7.3 per cent, 2.0 per cent, and 2.2 per cent respectively of the total cost. As the increase in cost of these items was estimated to be 40 per cent, 10 per cent and 28 per cent, respectively, the increase in total costs would come to 2.8 per cent, 0.2 per cent and 0.5 per cent as shown in column (3) of Table (4). To

this we must add the increase due to the rise in the price of cotton which we have already found to be 40 per cent. As the proportionate cost on cotton is 49.5 per cent, the increase in total cost is 19.8 per cent on account of cotton. The total increase in manufacturing cost would thus come to 23.7 per cent against 22 per cent as calculated on the basis adopted by the Industrial Court. The agreement is sufficiently close to enable us to accept 23 per cent as a reasonable estimate of the increase in manufacturing costs since the commencement of war. We do not wish to attach undue importance to this particular figure but we think that this gives us a good idea of manufacturing conditions during the last seven or eight months.

TABLE (4).—ESTIMATED INCREASE IN MANUFACTURING COSTS

Items	Proportionate costs based on balance-sheets for 1937-38 and 1938-39	Increase in cost estimated by Nagpur owner	
		Cost of item	Total cost
(1)	(2)	(3)	(4)
Labour ..	17.2	Nil.	..
Other charges ..	13.7	Nil.	..
Profit ..	8.1	Nil.	..
Stores ..	7.3	40	2.9
		per cent	per cent
Coal ..	2.3	10	0.2
Interest, etc. ..	2.2	25	0.8
Cotton ..	49.5	40*	19.8
Total ..	100.0	..	23.7

8. We have now to consider the rise in the price of cloth and yarn. We find from Bombay quotations published in the *Indian Trade Journal* that prices of yarn during the period from September 1939 to April 1940 stood on an average 30 per cent above the level in August 1939 for 10½'s and 50 per cent above the pre-war level for 20½'s. As 12½'s are usually considered to be the staple production in Nagpur it would be quite safe to accept say 35 per cent as the average rise in the prices of yarn. This is fully confirmed by the statement dated the 5th March 1940 submitted by the Model Mills before the Nagpur Court of Enquiry.

9. It is more difficult to judge the price position of cloth. We find from Bombay quotations that the price of grey unbleached long-cloth of standard quality stood about 30 per cent higher than the pre-war level during the period September 1939 to April 1940. The wholesale index number of prices of cotton manufactures published in the *Bombay Labour Gazette* stood roughly 25 per cent higher than the pre-war level during the five months September 1939 to January 1940. The Mill managers told us, however, that Bombay quotations are not applicable to Nagpur. Unfortunately there are no regular market quotations available in Nagpur. The Mills contend that the rise in the price of cloth of their own manufacture has been only about 15 per cent above the pre-war level. However, keeping the Bombay

*Directly calculated from statements supplied by the Empress and Model Mills.

quotations in mind, we are of opinion that an average rise of 20 per cent in the price of cloth would be probably a reasonable estimate.

10. We admit, however, that the average level of price quotations is not an infallible criterion. Some of the transactions might have taken place on unfavourable terms; on the other hand, other transactions might have taken place at particularly favourable prices. It is impossible to arrive at a correct estimate without preparing a complete statement of all transactions or, what comes to the same thing, without preparing a profit and loss account. As we have no material to do this we have to rely on general considerations as well as general tendencies in the textile market. Broadly speaking we are of opinion that yarn prices may be considered to have stood roughly 35 per cent above pre-war prices, and cloth prices roughly 20 per cent above the pre-war level since the commencement of war.

11. We find from the balance-sheets of the two mills for 1937-38 and 1938-39 that the proportion of cloth and yarn was about 52 per cent and 48 per cent respectively. On the basis of an increase in price of 20 per cent and 35 per cent, respectively for cloth and yarn the total increase in price comes to 27.2 per cent; deducting 23.7 per cent as the increase in the cost of production we obtain a widening in the margin of profit by about 4 per cent. On the other hand, if we accept 15 per cent as the average rise in the price of cloth as estimated by the mill-owners the total increase in receipts amounts to 24.6 per cent giving an increase in the margin of profit of about one per cent.

12. From the above discussion it will not be unreasonable to conclude that the profit margin has probably widened to some extent since the commencement of war: in any case, on the basis of figures submitted by the mill-owners themselves there is no reason to apprehend that there has been any shrinkage in profits. On the other hand, there is no evidence to show that excessive profits have been earned by the Nagpur Mills since the declaration of war.

13. We have noted the general position as shown by the half yearly Profit and Loss Account of the Empress Mills for the period ending December 1939. We admit that over a short period a balance sheet does not necessarily give a correct view of the situation; and also that the present balance sheet includes transactions for two months before the declaration of the war. We believe, however, that the Profit and Loss Account gives certain indications of the position of the industry which, we are of opinion, are in broad agreement with the view we have taken of the matter, namely, that the margin of profit has not deteriorated on the whole.

14. We find from statements relating to productions as well as such other information as we could gather, that on the whole conditions were improving up to December 1939 or January 1940; but since then there has been a set-back. We find that in recent months stocks have accumulated to a larger extent; and there has been an appreciable fall in demand in March and April. The present position of the market is to some extent uncertain.

15. We are aware that the Nagpur Mills are obliged to purchase their cotton during the earlier months of the season which places them at a certain disadvantage as compared with mills in Bombay and Ahmedabad. Owing to the comparatively high prices at which cotton had to be purchased this year we agree that there is a certain amount of risk so far as the future is concerned. In case cloth and yarn prices go down appreciably, or in case there is a serious fall in the demand for Nagpur manufactures the possibility of the profit margin being lowered during the latter part of the year cannot be denied.

16. We are, however, of opinion that the findings of the Industrial Court are on the whole applicable to Nagpur. The industry made larger profits during the earlier months of the war. This has been, however, followed by a downward trend which to some extent offsets the comparative prosperity during the first three or four months after the commencement of the war. We find that the stock position shows some accumulation which however we do not yet consider to be very serious or unprecedented, but coupled with the recent fall in demand it is apparently causing some anxiety to the mill-owners. It is difficult and indeed hazardous in view of the rapidly changing war situation in Europe to try to make any forecast regarding future trends in the industry. In any case we do not think it necessary for our present purposes to visualize the future. We are concerned only with the question whether a dearness allowance is to be granted or not. We may, therefore, point out that the demand for yarn and cloth especially of the coarser types is closely linked with the price of agricultural commodities and the question of a dearness allowance arises only if agricultural prices remain high.

17. A review of the working condition of the industry since the commencement of the war shows that on the whole the margin of profit has probably been maintained at the same or at a slightly higher level than before the war. Although the future position is to some extent uncertain the outlook cannot be considered so gloomy as to exclude the possibility of granting a dearness allowance. As the Industrial Court observed, the working condition is not the sole but one among other relevant factors which have to be kept in mind in reaching a decision; and the capacity of the industry to bear an additional burden still requires to be considered.

CHAPTER VI

FINANCIAL POSITION OF THE INDUSTRY

In considering the working condition of the industry we restricted our review to the period after the declaration of war; but in discussing the capacity of the industry to bear any additional burden it is necessary to take a wider view extending over a longer period of time into consideration. The general principles in this regard were considered in connection with the question of restoration of the cut in wages in the Interim Report of the Bombay Textile Labour Committee of 1937-38; and the

position of the textile industry in the Central Provinces was carefully reviewed in the Central Provinces Textile Labour Enquiry in 1938. It is therefore unnecessary to examine in detail the special features of the industry in Nagpur as these have been fully discussed in the Report of the Central Provinces Committee.

2. The Empress Mills which was started in 1877 has a paid-up capital of a little over Rs. 96 lakhs, a block value of Rs. 183 lakhs against which it has a depreciation fund of Rs. 96 lakhs. It gave very high dividends at one time and even during the depression years it continued to give dividends of the order of 8 per cent by drawing upon its dividend equalisation fund. It is recognised to be one of the strongest industrial concerns in the whole of India.

3. The Model Mills, however, is in a different position. The Central Provinces Textile Committee noted that "the Model Mills was floated as a Company in 1920 and began to produce goods in 1924 just at the end of the post-war boom. In consequence the value of its block which is Rs. 120.5 lakhs is unduly inflated. The mill is well equipped, but the only dividend that it paid was 2 per cent in the year 1930. . . It is evident that the financial position of the mill is weak" (page 22.)

4. The material facts on which we have to assess the financial position of the mills at the present time are available in the balance sheets and profit and loss accounts. We have prepared certain statements on the basis of this material which are given in Tables (5) and (6) for the Empress Mills; and in Tables (7) and (8) for the Empress and Model Mills taken together.

TABLE (5).—EXTRACTS FROM PROFIT AND LOSS ACCOUNTS OF THE EMPRESS MILLS, NAGPUR

(Figures are given in thousands of rupees.)

Year ended 30th June	Total income	Profit including depreciation but excluding agents' commission.	Agents' commission charges.	Gross profit including depreciation and agents' commission.	Depreciation.	Net profit plus commission	Net profit	Dividend	Labour wages	Dividend plus wages	Contribution to provident fund and welfare work
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1924-1927	.. 6,89,45	91,26	10,26	1,01,52	8,00	93,52	83,26	85,47	79,82	1,65,29	7,98
1928-1931	.. 5,21,23	67,41	7,51	74,92	8,00	66,92	59,41	58,28	83,34	1,41,62	9,97
1932-1935	.. 3,06,06	16,71	1,85	18,56	..	18,56	16,71	32,50	62,89	95,39	9,33
1936	.. 96,01	3,95	44	4,38	..	4,38	3,95	6,25	16,94	23,19	2,15
1937	.. 1,05,65	6,34	70	7,05	50	6,55	5,84	5,78	17,15	22,93	2,22
1938	.. 1,20,50	15,86	1,76	17,62	5,40	12,22	10,46	6,25	19,44	25,69	2,19
1939	.. 1,19,58	11,04	1,23	12,27	4,00	8,27	7,04	7,66	23,01	30,67	2,15
1936-1939	.. 4,41,74	37,19	4,13	41,32	9,90	31,42	27,29	25,94	76,54	1,02,48	8,71
Total for 1924—1939	19,58,49	2,12,57	23,75	2,36,33	25,90	2,10,43	1,86,67	2,02,19	3,02,59	50,478	35,99

TABLE (6).—PROPORTION OF PROFIT, DIVIDEND AND LABOUR WAGES : EMPRESS MILLS, NAGPUR

Year ended 30th June	Percentage of total income						Percentage of paid-up capital (Rs. 96, 87, 500)					Share of dividend and wages	
	Gross profit	Net profit plus commission	Net profit	Dividend	Wages	Provident fund contribu- tion	Gross profit	Net profit plus commission	Net profit	Dividend	Wages	Dividend	Wages
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1924-1927 ..	14.72	13.56	12.08	12.40	11.58	1.16	26.20	24.13	21.49	22.06	20.60	51.71	48.29
1928-1931 ..	14.37	12.84	11.40	11.17	15.99	1.91	19.33	17.27	15.33	15.04	21.51	41.15	58.85
1932-35 ..	6.06	6.06	5.46	10.62	20.55	3.05	4.79	4.79	4.31	8.39	16.23	34.07	59.93
1936 ..	4.57	4.57	4.11	6.51	17.64	2.24	4.53	4.53	4.07	6.45	17.49	26.95	73.05
1937 ..	6.67	6.20	5.53	5.47	16.23	2.09	7.27	6.76	6.03	5.97	17.70	25.21	74.79
1938 ..	14.62	10.14	8.68	5.19	16.13	1.82	18.19	10.62	10.80	6.45	20.07	24.33	75.67
1939 ..	10.26	6.91	5.89	6.40	19.24	1.80	12.66	8.53	7.27	7.90	23.75	24.98	75.02
1936-1939 ..	9.35	7.11	6.18	5.87	17.33	1.97	10.66	8.11	7.04	6.69	19.75	25.31	74.69
1924-1939 ..	12.07	10.75	9.53	10.32	15.45	1.84	15.25	13.58	12.04	13.04	19.52	40.06	59.94

TABLE (7).—EXTRACTS FROM PROFIT AND LOSS ACCOUNT : COMBINED EMPRESS AND MODEL MILLS, NAGPUR

(Figures are in thousands of rupees)

Year ended 30th June	Total income	Profit including depreciation but excluding commission	Agents' commission charged	Gross profit (including depreciation and Agents' commission)	Depreciation	Commission plus net profit	Net profit	Dividend	Labour wages	Dividend plus wages
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1936 ..	1,34,46	4,07	70	4,77	..	4,77	4,07	6,25	23,16	29,41
1937 ..	1,37,86	6,16	96	7,12	50	6,62	5,66	5,78	22,09	27,87
1938 ..	1,67,27	20,96	2,23	23,19	5,40	17,79	15,56	6,25	26,58	32,83
1939 ..	1,61,39	15,08	1,62	16,70	6,45	10,25	8,63	7,66	30,04	37,70
1936—1939 ..	6,00,98	46,27	5,51	51,78	12,35	39,43	33,92	25,94	1,01,87	1,27,81

TABLE (8).—PROPORTION OF PROFIT, DIVIDEND AND LABOUR WAGES : COMBINED EMPRESS AND MODEL MILLS, NAGPUR

Year ended 30th June	Percentage of total income					Percentage of paid-up capital (Rs. 1,91,79,350)					Share of dividend plus wages	
	Gross profit	Net profit plus commission	Net profit	Dividend	Wages	Gross profit	Net profit and commis- sion	Net profit	Divi- dend	Wages	Dividend	Wages
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1936 ..	3.55	3.55	3.03	4.65	17.22	2.49	2.49	2.12	3.26	12.08	21.25	78.75
1937 ..	5.16	4.51	4.10	4.19	16.02	3.71	3.45	2.95	3.01	11.52	20.74	79.26
1938 ..	13.86	10.64	9.30	3.74	15.89	12.09	9.28	8.11	3.26	13.86	19.04	80.96
1939 ..	10.35	6.35	5.35	4.75	18.61	8.71	5.34	4.50	3.99	15.66	20.32	79.68
1936—1939 ..	8.62	6.56	5.64	4.32	16.95	6.77	5.14	4.42	3.38	13.26	20.32	79.70

5. It will be noticed from column (10) of Table (5) that in the case of the Empress Mills the expenditure on account of labour wages increased from Rs. 17.15 lakhs in 1936-37 to Rs. 19.44 lakhs in 1937-38 on account of a partial restoration of the wage-cut from February 1938. The full effect of the restoration was, however, felt in the next year when labour wages went up to Rs. 23.01 lakhs. In order to get a proper perspective we have, however, also to consider the profit and dividend position. From Table (6) we find that, taking the total income as the basis of comparison the gross profit was 10.26 per cent in 1938-39 against 14.62 per cent in 1937-38 and 6.67 per cent in 1936-37. After deducting agents' commission and depreciation the net profit was 5.53 per cent, 8.68 per cent and 5.89 per cent in 1936-37, 1937-38 and 1938-39, respectively. The dividend given was 5.47, 5.19 and 6.4 per cent in these years against labour wages of 16.23, 16.13 and 19.24 per cent, respectively. If we consider the respective share of dividend and labour wages we find from columns (13) and (14) of Table (6) that in all three years dividend absorbed about 25 per cent, while the share of labour was roughly 75 per cent.

6. Broadly speaking we find then that the profit in 1939 was lower than that in 1938, but appreciably higher than the profit in 1937. Dividend on the basis of paid-up capital was slightly below 6 per cent in 1936-37, 6.45 per cent in 1937-38, and was appreciably higher, namely, 7.90 per cent in 1938-39. It should be pointed out, however, that this is much lower than the dividend which the Empress Mills had paid at one time. In fact during the four-year period 1924-27 the average dividend was about 22 per cent of the paid-up capital; 15 per cent during 1928-31; and during 1932-35 still stood at 8.39 per cent. Compared with earlier periods the dividend has decreased appreciably in recent years; and during the latest four-year period 1936-39 it was 6.69 per cent.

7. The position of the Empress Mills by itself is, however, not sufficient to reach any decision as we are required to consider the textile industry in Nagpur as a whole. The position of the two mills taken together is shown in Tables (7) and (8). We find from column (10) of Table (7) that the expenditure on account of labour wages was Rs. 22.09 lakhs, Rs. 26.58 and Rs. 30.04 lakhs in 1936-37, 1937-38 and 1938-39, respectively showing the effect of the partial restoration of the wage-cut in the two latter years. Taking the total income as the basis for comparison, we find that gross profit was 5.16 per cent, 13.86 per cent and 10.35 per cent in 1936-37, 1937-38 and 1938-39 respectively, while the net profit in these three years was 4.10, 9.30 and 5.35 per cent respectively. On the whole, profit in 1939 was much higher than profit in 1937, but was below the level of 1938. Dividend, on the basis of the paid-up capital, was 3.01, 3.26 and 3.99 in these three years, respectively. As regards the share of capital and labour dividend stood at about 20 per cent, while labour got 80 per cent. In Bombay we find that the respective shares of dividend and labour wages were less than 10 per cent and 90 per cent (Interim Report, Bombay Committee, page 54).

8. From Table (7) we find that the gross profit earned was Rs. 6.16 lakhs, Rs. 20.96 lakhs and Rs. 15.08 lakhs in 1936-37, 1937-38 and 1938-39 and after deducting agents' commission and depreciation, the net profit was Rs. 5.66 lakhs, Rs. 15.56 lakhs and Rs. 8.63 lakhs in these three years. The financial position of the industry taking both the Empress and Model Mills into consideration was much better in 1938-39 as compared with 1936-37 but showed a falling-off as compared with 1937-38.

9. We have taken note of the fact that the market value of shares of the Empress Mills (of the face value of Rs. 100) went up from 194 in August 1939 to 291 in September and to 384/8 in January; the latest quotation on the 7th May 1940 was 321; and since September the value has not fallen below Rs. 271. In the case of the Model Mills the value of the share went up from Rs. 40 in August to Rs. 100 in December; and has gone down to 72 in May 1940; the lowest value touched since the declaration of war was 52 in October 1939.

10. It has been pointed out that fluctuations in share values usually take place on a speculative basis; and we agree that this is certainly true to some extent, and that too much importance should not be attached to the sharp rise in the value of shares since the commencement of war. But at the same time we think that as the Bank rate remains substantially steady, the rise in the value of the shares and the maintenance of the high level for more than eight months reflects to some extent expectations of improved industrial conditions and increased profits in the minds of investors.

11. We also find that Nagpur succeeded in maintaining its dividend at a level above 3 per cent even in 1936-37, while the dividend in Bombay fell to such a low figure as 1.1 per cent in 1933 and did not rise above 2 per cent during the period 1928-36 (Interim Report, Bombay Textile Enquiry Committee, page 57). The profit in Nagpur even in 1936-37 was above 5 per cent against 2.1 per cent in Bombay in the same year. Reviewing the position as a whole we find that the industry in Nagpur in 1938-39 was better off than the industry in Bombay at the time of the restoration of the wage-cut.

12. Representations have been made on behalf of Model Mills that their ability to bear any additional burden should be examined separately from that of the Empress Mills. We recognize that the Model Mills is in a much weaker financial position; but in accordance with the terms of reference we are required to consider the position of the industry in Nagpur as a whole. It is not possible for us therefore to make any distinction between the two mills in our enquiry. In this connection we should also like to refer to the remarks of the Special Conciliator in the Bombay dispute (paragraph 16, B. G. G. E., 10th February 1940, page 112) who, after considering the objection that mills which were incurring losses would not be able to bear any additional burden, observed that the precarious position owing to the weak financial structure or technical equipment of certain mills could not be made a ground for refusing relief to the workers if a case for the grant of a dearness allowance is otherwise established.

CHAPTER VII CONCLUSIONS AND RECOMMENDATIONS

We are giving below a summary of conclusions arrived at.

Changes in the Cost of Living

1. The official index number of the cost of living is based on an enquiry into the family budgets of industrial workers in 1926-27. The survey was not carried out by the method of random samples; and it is not possible to ascertain how far it was truly representative in character. The material collected during the enquiry however appears to be reliable in other respects. (Paragraph 4,—Chapter III.)

Using August 1939 as the base period (=100) the cost of living was practically stationary in September and October 1939; but began to rise in November when it was 5 per cent above normal. It increased to its peak value of 17 per cent above normal in December 1939; but again decreased to 12 per cent above normal in January 1940. There was fourth fall in February and March when it stood only about 5 per cent higher than the level in August 1939. In April it was going up again and was 7 per cent above normal. (Paragraphs 12 to 16,—Chapter III.)

The average rise in the cost of living since the commencement of war was about 6 or 7 per cent for the whole period of eight months from September 1939 to April 1940. (Paragraph 16,—Chapter III.)

The Level of Wages

2. A detailed analysis of statistics relating to wages showed that the level of real wage was determined by not only the basic wage-rate and the cost of living, but also by absenteeism on the part of industrial workers and short working of the mills on account of adverse trade conditions. (Paragraphs 16—25,—Chapter IV.)

Real wage was roughly 35 per cent higher in December 1932 as compared with January 1927; but appreciably lower in December 1933 when it was about 18 per cent higher than the 1927 level. In July 1938 even after the partial restoration of the wage-cut, the level of real wage was only about 6 per cent above that in January 1927. (Paragraph 26,—Chapter IV.)

After making allowances for the changes in the cost of living as well as for absenteeism and short working of the mills, it was found that real wage in August 1939 just before the declaration of war was roughly at the same level as in January 1927. (Paragraph 26,—Chapter IV.)

Since the commencement of war there has been a definite fall in real wages; and this fall was partly due to the rise in the cost of living and partly to short working of the mills. Real wage has decreased even for families with a low rate of three per cent absenteeism showing that the greater part of the fall was not due to absenteeism but to the other causes mentioned above. (Paragraph 27,—Chapter IV.)

When the mills do not work to the full capacity the total amount of work is distributed to some extent among a larger

number of workers. This implies a lowering of earnings of individual families; at the same time it distributes the total wage-bill among a larger number of families which is not necessarily undesirable in India as there is no unemployment insurance in this country. (Paragraph 12,—Chapter IV.)

A comparison of the standard of living at Nagpur, Bombay and Ahmedabad, after correcting for differences in prices, showed that the level of consumption of Nagpur families in August 1939 was about 40 per cent below that of Bombay families and about 25 per cent below that of Ahmedabad. This difference is partly due to the fact that manufactures in Nagpur are of coarser grades for which the wage rate per unit of output is necessarily low. (Paragraph 35,—Chapter IV.)

The rate of wages was consolidated on the 1st of October 1924, and in the course of the next two years the standard of living became automatically adjusted to it. There is no ground for thinking that the consolidation of wages in 1924 was based on any considerations of adequacy or otherwise of the existing scale of living. (Paragraph 45,—Chapter IV.)

The restoration of the wage-cut in 1938 amounted to 60 per cent of the original cut as calculated and recommended by the Central Provinces Textile Labour Enquiry Committee. The estimate of 75 or 80 per cent claimed by the mill-owners, which is based on the total wage-bills before and after the restoration, does not give a correct picture of the situation in the intervening five years. (Paragraph 48,—Chapter IV.)

The average level of wages in Bombay is considered by the International Labour Office to be below the subsistence level adopted by it. The level of living in Nagpur being lower than that at Bombay is necessarily much below the International standard. Necessary material however is not available to enable the subsistence level being determined on an objective basis. (Paragraph 51,—Chapter IV.)

Working Condition of the Industry

3. The industry made larger profits during the earlier months of the war which was however offset to some extent by a downward trend since February 1940. (Paragraph 14,—Chapter V.)

The margin of profit since the commencement of the war has on the whole been maintained probably at the same or at a slightly higher level than the pre-war level. However the future of the industry is to some extent uncertain owing partly to a fall in the price of cotton, a decrease in demand since March, and the general uncertainty on account of the war situation in Europe. (Paragraph 17,—Chapter V.)

Financial Position of the Industry

4. The profit of the industry was fairly high in 1938, but decreased to an appreciable extent in 1939. The financial position in 1939 was, however, much better than that in 1936-37. (Paragraphs 7 and 8,—Chapter VI.)

One of the mills in Nagpur is in an extremely strong position, while the financial position of the other mill is weak. The position of the two mills taken together is, however, not worse than that of mills in Bombay. (Paragraphs 2-7,—Chapter VI.)

The respective shares of dividend and labour wages were roughly 20 per cent and 80 per cent in recent years in Nagpur as compared with less than 10 per cent and 90 per cent in Bombay. (Paragraph 7,—Chapter VI.)

The margin of profit has not widened to any appreciable extent, and trade conditions in recent months have deteriorated. The capacity of the industry to bear an additional burden is, therefore, limited. (Paragraph 14,—Chapter V and paragraph 6,—Chapter VI.)

• 5. Before discussing the question of a dearness allowance we may mention we have given due consideration to the representations of the mill-owners, regarding the disadvantages arising from the geographical position of Nagpur, the competition from mills located in the Indian States, difficulties arising from the need of purchasing cotton at specified seasons, the difficulties of manufacturing goods of better class and higher counts, the shyness of capital, etc. These questions were reviewed by the Central Provinces Textile Labour Enquiry Committee in 1938. We accept generally the findings of this Committee so far as they are relevant to our enquiry and we have made necessary adjustments for the intervening period of two years (April 1938—April 1940) on the basis of materials placed before us.

6. We have noted carefully the points submitted by the two mills before the Nagpur Court of Enquiry. The question of consolidation of wages in 1924 as also the comparative level of wage-cuts at Bombay and Ahmedabad have been already discussed. We have considered the question of comparative inefficiency of labour in an earlier section. In any case this cannot be considered to be a factor of importance so far as the present enquiry is concerned, as we have no reason to believe that there has been any special deterioration in the efficiency of labour since the declaration of war.

7. We have noted the claim on behalf of the Empress Mills that the wages paid by them are highest in the Central Provinces. We are aware that the Empress Mills make substantial contributions towards the provident fund, pension and other welfare work, and we have taken this factor into consideration in making our recommendations.

8. Statements have been submitted on behalf of both the mills claiming that the trade depression is more acute at present at Nagpur than at other places; and it may be necessary for both the mills to close down even if no dearness allowance is recommended. We have no material evidence to enable us to offer any opinion on this point. We admit that different business concerns may be affected in different degree by a trade depression; but we find it difficult to believe that conditions in Nagpur would remain appreciably different from other places for any considerable length of time. In the case of a highly organized industry like textiles, conditions are likely to change broadly in the same way all over India.

9. We have been informed of the possibility of night shift being discontinued in the Empress Mills, and also of the possibility of both the Empress and the Model Mills having to be closed down on account of the alleged trade depression. Although we do not deny that industrial conditions may deteriorate in future to such an extent as to make this inevitable we are not prepared to take such a gloomy view of the matter. We think there has been some setback in the textile industry at Nagpur during the last two or three months; but we think that a part of this may be due to seasonal trends. Heavy fluctuations in the price of raw cotton have made the textile market a little uncertain, but as the end of the cotton season draws near, conditions are likely to become more steady.

10. We have also carefully considered the representations submitted on behalf of the workers. Mr. Ruikar suggested that greater emphasis should be given to the Bombay settlement on the ground that it was mentioned in the official communiqué of the 20th April 1940 on the publication of which the strike was called off. We do not think the question of giving more or less emphasis on either the Bombay or the Ahmedabad settlement arises at all, the terms of reference require us to keep in view the settlements reached at both the places. He drew our attention to the Director's report and the balance sheet of the Model Mills for 1939 to point out that there was a clear profit even though the production was restricted. We are aware that under certain conditions a restriction of output may not only not decrease profits but may lead to increased profits. We are, however, of opinion that under existing trade conditions this is not likely to happen at present in the textile industry. Mr. Ruikar also raised the question of complete neutralisation of the rise in the cost of living as this was the basis of settlement in the Bombay dispute; but in our case the terms of reference leave our hands free in this matter; and in submitting our recommendations we have kept in mind the level of wages as well as the capacity of the industry to bear any additional burden.

11. We have given careful consideration to certain views expressed by the Nagpur Court of Enquiry. For example, it had been stated that the workers had no claim to "an increased rate of wages by reasons of the mills earning increased profit out of the war until the profits reach a figure in excess of those which were being earned in early twenties" (page 117). The Industrial Court of Ahmedabad referred to this statement but was unable to agree to it. We, therefore, do not think it necessary to discuss it in detail beyond mentioning that in the early twenties not only the profits but the dividends distributed were in excess of 100 per cent on more than one occasion. The Nagpur Court had also discussed economic principles relating "to the vicious spiral of wages and prices chasing each other up the scale" (page 118). The fact that this has not prevented wages being increased at the time of abnormal rise in prices, so far as we are aware, in any country of the world, makes it unnecessary to consider the question at length in the present connection.

12. We may, however, point out that in a country like India the quantum of money distributed in the form of labour wages is only a very small fraction of the total circulation so

that the general level of prices is determined to a far greater extent by the price of agricultural commodities rather than by the wage level of industrial workers.

Recommendations

13. After reviewing the whole position we are of opinion that a dearness allowance should be granted to cotton operatives in Nagpur. This dearness allowance should, in our opinion, be restricted to workers in cotton mills receiving Rs. 100 per month or less. We have seen in paragraph 16, Chapter III, that the average rise in the cost of living at Nagpur has been a little over six per cent (with August 1939 as base = 100) during the period September 1939 to April 1940. In view of the working condition since the commencement of the war and the financial position of the industry we believe that a dearness allowance at a basic rate of six pies or half anna per day per worker will be appropriate.

14. In the Bombay dispute the allowance was fixed in the form of a flat rate of payment in cash which would remain constant so long as the cost of living index stood between 105 and 123 during three consecutive months. In the case of the Ahmedabad dispute, on the other hand, the amount of the compensation was linked to the monthly change in the index number of the cost of living. We are of opinion that the latter plan is more scientific as it allows for automatic adjustment for changes in the cost of living in the course of time. As the index number is likely to fluctuate rapidly from month to month in abnormal time, we think it will be more convenient and desirable to adjust the compensation not on monthly values of the index number but on three-monthly moving averages. In this plan the average of the index numbers in three consecutive months will be calculated; and the amount of the dearness allowance two months later will be adjusted on the basis of this three-monthly average. As we are recommending six pies per day per worker against an average rise of about six per cent in the index number since the commencement of the war, we think it will be both convenient and appropriate if the dearness allowance is changed by one pie (one-twelfth anna) per day per worker for a change of one per cent in the three-monthly moving average in the index number of the cost of living with August 1939 as the base month (=100). This will smooth down to a considerable extent the fluctuations from month to month, and will also compensate for slight errors due to price quotations being collected only once in the middle of each month.

15. The calculation is simple; but it will be convenient if an auxiliary series of index numbers is published from the Labour Office with August 1939 as the base month (=100) along with the old series with January 1927 as basis. If this plan is adopted, all that will have to be done is to find the three-monthly moving average, and adjust the dearness allowance in the second succeeding month on the basis of one pie per day per worker for a rise of one per cent or one point in the cost of living. We think that no useful purpose will be served by calculating

the three-monthly average beyond three significant figures; and we think it will be appropriate if the three-monthly average be rounded off to the nearest whole number.

16. We have also to decide the date from which the dearness allowance should be paid. Having regard to the fact that the rise in the cost of living reached its peak in December 1939 we think it appropriate that the dearness allowance should be paid as from January 1940. We are giving below the details of the calculations on this basis :—

TABLE (9)—RECOMMENDED RATES OF DEARNESS ALLOWANCE

Year and month	Index number of cost of living	Three consecutive months		Dearness allowance	
		Total	Average	Month of payment	Rate in pies per day per worker
(1)	(2)	(3)	(4)	(5)	(6)
1939—					
August ..	100	..	..	..	..
September ..	101	..	..	..	..
October ..	100	..	..	..	..
November ..	105	306	102	January ..	2
December ..	117	322	107	February..	7
1940—					
January ..	112	334	111	March ..	11
February ..	105	334	111	April ..	11
March ..	105	322	107	May ..	7
April ..	107	317	106	June ..	6

Total for six months, January 1940—June 1940=44 pies.

17. The calculations shown in Table (9) are easy to follow. Adding index numbers 101, 100 and 105 for September, October and November respectively [as given in column (2)] we get 306 the total for three consecutive months as shown in column (3). Dividing by three we get the average for three months or three monthly moving average 102 with November as the end-month. As the index number for any particular month is issued in the second week of the succeeding month, the index number for November was therefore available in the second week of December, and the calculation of 102 shown above would have been possible at that time. We therefore recommend that 102 should be accepted for determining the payment of dearness allowance in January 1940. On the basis of one pie for each rise of one per cent in the index number, the rate of dearness allowance in January will be two pies per day per worker, as shown in column (6). The rate has been calculated in the same way for the other months up to June 1940.

18. We have pointed out that the dearness allowance need not necessarily be such as to neutralize completely the whole of the rise in the cost of living. We should like to explain, however, that owing to roughly 25 per cent of total expenses being of the nature of a fixed charge, the scale of dearness allowance which we are recommending would, in our opinion, effectively compensate for practically the whole of the rise in that portion of the expenditure which is susceptible to short period changes in the cost of living. In other words the dearness allowance recommended would automatically maintain real wages at the level of August 1939, and hence of January 1927.

19. The total amount of dearness allowance for the six months January to June 1940 will amount to 44 pies per day per worker. Using the actual figures for the number of operatives supplied by the mills for the period August 1939 to March 1940 we find on the basis recommended by us the total additional cost will come to about Rs. 60,000 of which about Rs. 46,000 will be the share of the Empress Mills and about Rs. 14,000 of the Model Mills. These calculations of course are to some extent approximate as the actual amount of dearness allowance to be paid will depend on the number of operatives who work in May and June.

20. It is not possible to forecast what will be the additional cost after June as the rate of payment will depend on the actual value of the index number in subsequent months. On the whole we believe that the rate which we have recommended will be one which will give effective compensation to the textile workers for the rise in the cost of living and yet will not be a heavy burden to the industry. In case agricultural prices are not maintained and prices of yarn and cloth also fall, it is almost certain that the cost of living will decrease so that the additional burden on account of the dearness allowance will automatically fall. On the other hand, if agricultural prices are maintained, prices of cloth and yarn are likely to remain high; and in this case the industry will be well able to bear the additional burden.

21. We think that the dearness allowance recommended by us should be paid entirely in cash. We also recommend that cost-price grain shops on the same lines as in Bombay and Ahmedabad should be opened by the mill-owners as early as possible. This will enable additional relief to the extent of 3 to 5 per cent increase being given to the workers without imposing any burden on the industry.

22. We are recommending the same rate of dearness allowance for operatives working at different rates of wages. This means that workers in lower wage groups will get proportionately a larger share of the benefit. This we consider equitable in view of the fact that the rise in the cost of living affects earners with lower incomes more adversely than workers in the higher income groups. However the relief given by the cost-price grain shops will be greater in the case of workers with higher incomes and larger purchasing capacities.

23. We may mention here that we are in complete agreement with the view expressed by the Nagpur Court of Enquiry, namely, "when a country is at war, in modern times, every

member of the community must be expected to suffer to a greater or less degree as a result of the war". But to apply this principle consistently it requires an equitable adjustment of the available surplus distributed in the form of dividends and in labour wages. This is what we have tried to do in recommending a moderate scale of dearness allowance which will compensate the workers for the rise in the cost of living and yet will not affect the dividend rate by more than one per cent.

24. As we have been asked to devise a suitable method for automatic adjustment of the dearness allowance we think it necessary to refer to certain questions regarding the preparation of the index number of the cost of living at Nagpur. We have had occasion to look into the official index number very carefully. We believe that there is an urgent necessity of revising it on the basis of a fresh enquiry into family budgets of industrial workers. We are further of opinion that in case the proposal for a fresh family budget enquiry is accepted by Government the actual work should be done in accordance with recent developments in statistical techniques. In this connection we should specially like to mention the method of replicated random samples which give results of greater reliability than other methods.

25. We are also of opinion that instead of revising the index number at long intervals it will be desirable to adopt a plan of continuous partial re-surveys on a sample basis from year to year. This method will be administratively more convenient, financially less expensive, and scientifically more reliable than periodic revision at the interval of 10 or 15 years. Pending revision of the index number of the cost of living at Nagpur we are of opinion that it would be desirable to explore possibilities of collecting price quotations on a more comprehensive and wider basis.

26. We should like to mention here that we have been much impressed by the argument advanced by the mill-owners regarding the unfair competitive position in which they will be placed if a dearness allowance is to be granted only in Nagpur and not in other centres of the textile industry in this province. As this is outside the scope of our terms of reference we are unable to make definite recommendations; but we commend to the Provincial Government the need of considering the desirability of adopting some kind of uniform procedure in this matter.

Summary of Recommendations

27. After a detailed examination, in the light of the recent settlement reached in Bombay and Ahmedabad, of the cost of living, the present level of wages, the working condition of the textile industry in Nagpur since the commencement of the war and the capacity of the industry to bear an additional burden, and after due consideration of the technical advice given by the Associate Members, we are of opinion—

- (a) that a dearness allowance should be granted to operatives in cotton mills in Nagpur receiving Rs. 100 per month or less;

(b) and (d) that the allowance should be calculated on the basis of one pie (one-twelfth anna) per day per worker for each one per cent rise in the three-monthly moving average of the cost of living index number with August 1939 as base (=100);

(c) that the allowance should be paid as from January 1940.

In order that the automatic adjustment of the allowance in accordance with the rise and fall of the cost of living may be possible on a scientific basis we are of opinion that necessary action on the lines indicated in the report should be taken to revise and maintain the index number of cost of living by up-to-date methods.

Acknowledgments

We have received most valuable help and technical advice at every stage of our enquiry from our two Associate Members Mr. S. H. Batliwala and Mr. R. S. Ruikar. Our thanks are also due to the representatives of the Model Mills, who were present at most of the meetings, for the information which they have promptly and willingly supplied from time to time.

We wish especially to place on record our appreciation of the help we have received from our Secretary Rai Sahib P. K. Sen, whose wide experience and intimate knowledge of earlier enquiries and questions relating to labour problems in Nagpur have been of great service to the Committee. He worked very hard to facilitate the early completion of this Report.

The Chairman is indebted to the Provincial Government for permitting three members of the staff of the Statistical Laboratory, Mr. V. G. Pendharkar, B.Sc. (Econ.) (London), Statistician, and Mr. N. G. Mukerjee and Mr. G. Adak, Computers, to be brought over from Calcutta to help in the preparation of the Report which involved very long hours of work and attendance on Sundays and holidays. We also thank the office staff placed at our disposal who worked hard to finish the typing of the Report in time.

P. K. SEN,

Secretary.

NAGPUR :

The 18th May 1940.

P. C. MAHALANOBIS,

Chairman.

K. D. GUHA,

Member.

APPENDIX

NOTE (1).—CALCULATIONS REGARDING INDEX NUMBERS OF THE COST OF LIVING AT NAGPUR

Table N. (1.1).—The actual consumption of different commodities and their relative weights for constructing the Index Numbers of the Cost of Living at Nagpur given in Table (1), which are shown in Table No. (1), are based on official enquiries into family budgets of industrial workers conducted in Nagpur, Jubbulpore and Ahmedabad in 1926-27; and in Bombay in 1933-34. The details are given for Nagpur and Jubbulpore in Bulletin No. 3 on Index Numbers published by the Central Provinces Department of Industries; for Bombay in the "Report on the Enquiry into Family Budgets in Bombay City", and for Ahmedabad in an earlier report published by the Bombay Labour Office.

In Table N (1.1) column (1) gives the serial number, and column (2) the name of the item; column (3) the unit of consumption; columns (3.1), (4.1), (5.1), (6.1), (7.1) and (8.1) the actual consumption per month per family at Nagpur (1927), Bombay (1933-34), Ahmedabad (1926-27), Ahmedabad (1933-35), and Jubbulpore (1927). The relative weights for Nagpur, Bombay, Ahmedabad (1926-27) and Jubbulpore are shown in columns (4.2), (5.2), (6.2) and (8.2) respectively. The size of the family at each of these places is given in terms of men, women, boys and girls at the foot of the table. The last but one row shows the total size of the family and the last row the number of wage earners.

Table N (1.2).—Table N (1.2) gives the relative weights for groups of commodities for these places.

Table N (1.3).—As prices of the commodities used in the Bombay and Ahmedabad cost of living were not always available in Nagpur, the weights have been redistributed as shown in Table N (1.3).

Table N. (1.4).—The prices of different commodities at Nagpur as supplied by the Labour Office are given for the period August 1939—April 1940 in Table N (1.4).

Table N (1.5).—The prices of commodities published in the fortnightly *Nagpur Municipal Gazette* have been given for the period August 1939—April 1940. The price of a commodity for any month has been taken as the average of the price published at the end of the second week of that month and the price published at the beginning of the next month. As the prices for the official index number are collected on the 15th of each month, the two prices are not strictly comparable. This partly explains the differences between the index numbers based on the two sets of prices.

Table N (1.6).—The average prices of commodities for the four weeks of a month as published in *Maharashtra* have been given in this table for the period August 1939—April 1940. Here also the prices are not strictly comparable with the official price quotations as they do not refer to the same point in time.

At a time of rapidly changing prices index numbers based on quotations at different times within the same month would differ to some extent. Keeping this point in mind the agreement between the index numbers shown in Table (1) may be considered satisfactory on the whole.

TABLE N (1.1)—CONSUMPTION AND RELATIVE WEIGHTS OF COMMODITIES AT VARIOUS PLACES

Serial No.	Name of item	Unit of consumption	Average monthly consumption at					Relative weights			
			Nagpur 1927	Bombay 1933-34	Ahmedabad 1926-27	Ahmedabad 1933-35	Jubbulpore 1927	Nagpur	Bombay	Ahmedabad	Jubbulpore
(1)	(2)	(3)	(4.1)	(5.1)	(6.1)	(7.1)	(8.1)	(4.2)	(5.2)	(6.2)	(8.2)
<i>I.—Food.</i>											
1	Rice	.. Seer	41	48	21	25	28	36	28	20	27
2	Wheat	.. Do.	22	4	31	34	34	19	3	23	28
3	Juar	.. Do.	3	8	13	9	..	2	5	9	..
4	Arhar	.. Do.	5.0	4.5	5.5	6.0	5.3	6	1	2	6
5	Gram	.. Do.	2.0	1.4	2.1	7.0	1.2	2	1	2	1
6	Lakhori	.. Do.	2.0	..	..	..	..	2	1	1	1
7	Masur	.. Do.	0.2	..	..	..	1.3	0.2	1	1	1
8	Urud	.. Do.	0.1	..	..	..	0.7	0.1	1	1	1
9	Gur	.. Do.	0.8	1.1	1.6	2.4	1.2	1.4	1	2	2
10	Sugar	.. Do.	0.8	3.9	1.3	2.0	1.3	2	5	3	3
11	Tea	.. Lb.	0.1	0.7	0.2	0.3	0.1	0.3	7	1	1
12	Fish	.. Seer	0.2	..	..	..	0.1	1	8	1	0.5
13	Mutton	.. Do.	1.3	1.9	1.1	2.5	1.0	6	5	2	4
14	Milk	.. Do.	1.1	4.8	3.6	6.2	3.6	2	7	4	5
15	Ghee	.. Do.	0.3	0.3	1.5	1.9	0.9	4	2	12	3
16	Salt	.. Do.	2.1	1.5	0.4	1.6	1.5	1	1	1	1
17	Chillies	.. Do.	1.2	1.6	1.6	0.6	0.3	4	4	3	2
18	Turmeric	.. Do.	0.2	1.6	..	..	0.2	1	3	1	0.5
19	Potatoes	.. Do.	1.4	1.5	10.3	11.7	1.8	2	6	4	1
20	Onions	.. Do.	1.5	2.6	..	..	0.7	1	6	4	1
21	Mustard oil	.. Do.	0.2	1.6	1.04	2.2	0.4	1	1	1	2
22	Til oil	.. Do.	1.4	..	..	..	0.6	5	1	1	3
23	Cocoanut oil	.. Do.	2.1	1.3	..	..	0.1	1	2	1	1
								100	100	100	100

II.—Fuel and Lighting.

24	Charcoal	..	Maunds	..	1.7	..	..	0.1	1	30	18	7
25	Firewood	..	Do.	..	2.7	2.3	..	2.8	77	52	60	77
26	Kerosene oil	..	Bottle	..	2.9	4.8	..	2.6	100	100	100	10

III.—Clothing.

27	Dhoties	..	Pair	..	0.2	0.1	0.2	..	0.2	26	15	23	20
28	Shirting	..	Yard	..	1.3	..	..	..	1.5	19	15	15	22
29	Drill	..	Do.	..	0.7	3.7	7.8	..	0.7	11	16	10	13
30	Turban cloth	..	Do.	..	0.3	..	..	..	0.7	2	2	6	4
31	Saris	..	Number	..	0.2	0.4	1.0	..	0.2	39	46	40	27
32	Chaddar	..	Do.	..	0.1	..	..	..	0.1	3	6	6	6
									..	100	100	100	100

IV.—Miscellaneous.

33	Tobacco	..	Seer	..	0.3	..	..	0.3	27	22	35	20	
34	Bidis	..	Packet of 25.	..	6.3	22.8	57	..	7.8	42	22	36	52
35	Supari	..	Seer	..	0.2	2.6	..	..	0.2	31	56	29	28
									..	100	100	100	100

Size of family.

Men	..	..	1.47	1.33	..	1.43	1.27	..				
Women	..	..	1.47	1.26	..	1.26	1.17	..				
Boys	..	..	0.78	1.11	..	1.36	0.69	..				
Girls	..	..	0.61	..	..	0.32	0.62	..				

Total	..	..	4.33	3.70	3.87	4.37	3.75	..	..	
Earners per family	..	..	1.60	1.53	1.66	1.58	1.48	..	..	

TABLE N (1.2).—RELATIVE WEIGHTS FOR GROUPS OF COMMODITIES AT VARIOUS PLACES

	Item (2)		Nagpur (3.1)	Bombay (4.1)	Ahmed- abad (5.1)	Jubbul- pore (6.1)
1	Food	..	76.5	52.8	63.6	75.3
2	Fuel and lighting	..	11.0	8.0	7.7	13.1
3	Clothing	..	9.4	9.0	11.0	8.5
4	House rent	..	..	14.6	13.2	..
5	Miscellaneous	..	3.1	15.7	4.4	3.1
	Total	..	100.0	100.1	99.9	100.0

TABLE N (1.3).—REDISTRIBUTION OF WEIGHTS

Name of item (1.1)	Original weight (1.21)	New weight (1.22)	Name of item (1.1)	Original weight (1.21)	New weight (1.22)
<i>Bombay.</i>			<i>Bombay—concl'd.</i>		
Rice	.. 22	28	Mustard oil	.. ..	1
Patni	.. 6	..	Til oil	.. ..	1
Jowar	.. 1	5	Sweet oil	.. 2	..
Bajri	.. 4	..	Kerosene	.. 16	18
Arhar	.. 4	1	Matches	.. 2	..
Gram	.. 1	1	Coating	.. 12	..
Lakhori	.. ..	1	Shirt ng	.. 23	15
Masur	.. ..	1	Cloth for trousers	.. 4	..
Urad	.. ..	1	Drill	.. ..	16
Tea	.. 2	7	Turban cloth	.. ..	2
Ready-made	.. 5	..	Chaddar	.. ..	6
Chillies	.. 3	4	Saris	.. 36	46
Turmeric	.. 2	3	Khans	.. 10	..
Tamarind	.. 2	..	Tobacco	.. ..	22
Potatoes	.. 1	6	Supari	.. 25	56
Onions	.. 1	6	Other items	.. 53	..
Brinjals	.. 5	..			
Pumpkins	.. 5	..			

TABLE N (1.3).—REDISTRIBUTION OF WEIGHTS—*concl.*

Name of item (2.1)	Original weight (2.21)	New weight (2.22)	Name of item (2.1)	Original weight (2.21)	New weight (2.22)
<i>Ahmedabad</i>			<i>Ahmedabad—concl.</i>		
Jowar	.. ..	9	Charcoal	.. ..	18
Bajri	.. 9	..	Firewood	.. 78	60
Arhar	.. 5	2	Kerosene oil	.. 11	22
Mung	.. 2	..	Castor oil	.. 8	..
Gram	.. ..	2	Matches	.. 3	..
Lakhori	.. ..	1	Dhotis	.. 16	23
Masur	.. ..	1	Coating	.. 13	..
Urad	.. ..	1	Shirting	.. 24	15
Sugar	.. 2	3	Cloth for trousers	.. 7	..
Sweetmeats	.. 1	..	Drill	.. ..	10
Fish	.. ..	1	Turban cloth	.. ..	6
Mutton	.. 3	2	Chaddar	.. ..	6
Chillies	.. 4	3	Saris	.. 17	40
Turmeric	.. ..	1	Cloth for skirts	.. 13	..
Potatoes	.. 8	4	Khans	.. 10	..
Onions	.. ..	4	Tobacco	.. ..	35
Ginjily oil	.. 3	..	Bidis	.. 71	36
Mustard oil	.. ..	1	Supari	.. ..	29
Til oil	.. ..	1	Soap	.. 29	..
Cocoanut oil	.. ..	1			

TABLE N (1.4).—PRICES (IN ANNAS) USED FOR THE NAGPUR COST OF LIVING INDEX AUGUST 1939—APRIL 1940

Serial No.	Name	Unit	1939 Aug.	1939 Sep.	1939 Oct.	1939 Nov.	1939 Dec.	1940 Jan.	1940 Feb.	1940 March	1940 April
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Rice	.. Seer ..	1.50	1.55	1.53	1.53	1.77	1.64	1.53	1.64	1.68
2	Wheat	.. Do. ..	1.58	1.58	1.49	1.58	2.11	1.95	1.81	1.49	1.58
3	Jowar	.. Do. ..	1.33	1.48	1.48	1.48	1.33	1.21	1.03	1.01	1.07
4	Arhar	.. Do. ..	1.83	1.83	1.83	1.83	1.98	1.98	1.60	1.83	1.98
5	Gram	.. Do. ..	2.17	2.17	2.17	2.60	2.60	2.36	1.99	2.17	2.17
6	Lakhori	.. Do. ..	1.42	1.60	1.60	1.83	1.83	1.70	1.60	1.60	1.60
7	Masur	.. Do. ..	2.17	2.17	2.17	2.60	2.60	2.60	1.86	2.08	2.17
8	Urad	.. Do. ..	1.50	1.59	1.59	1.82	1.97	1.82	1.82	1.82	2.13
9	Gur	.. Do. ..	4.00	4.00	4.00	4.00	4.00	3.50	3.50	3.00	3.00
10	Sugar	.. Do. ..	6.00	6.00	6.00	7.00	6.50	6.00	6.00	6.00	6.00
11	Tea	.. Lb. ..	8.25	8.25	8.25	8.75	8.75	8.75	8.75	8.75	8.75
12	Fish	.. Seer ..	10.00	9.00	10.00	10.00	10.00	10.00	10.00	8.00	8.00
13	Mutton	.. Do. ..	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00
14	Milk	.. Do. ..	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
15	Chee	.. Do. ..	22.00	22.00	20.00	20.00	23.00	22.00	22.00	25.00	25.00
16	Salt	.. Do. ..	1.33	1.33	1.45	1.44	1.45	1.45	1.39	1.33	1.33
17	Chillies	.. Do. ..	7.20	7.20	7.20	6.40	7.20	7.20	7.20	8.00	7.20
18	Turmeric	.. Do. ..	6.00	6.00	6.00	8.00	9.00	8.00	9.00	8.00	8.00
19	Potatoes	.. Do. ..	2.50	2.50	2.50	2.50	2.75	2.50	1.50	1.50	1.75
20	Onions	.. Do. ..	1.25	0.96	0.96	0.60	0.96	0.96	0.96	0.60	0.60
21	Mustard oil	.. Do. ..	8.00	8.00	8.00	10.00	8.00	8.00	8.00	8.00	8.00
22	Til oil	.. Do. ..	6.00	6.00	6.00	8.00	7.00	6.00	6.00	6.00	6.00
23	Cocoanut oil	.. Do. ..	6.00	6.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00
24	Charcoal	.. Maund ..	18.00	18.00	16.00	20.00	20.00	20.00	18.00	16.00	16.00
25	Firewood	.. Do. ..	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
26	Kerosene oil	.. Bottle ..	2.50	2.50	2.75	2.75	2.75	2.75	2.75	2.75	3.00
27	Dhoties	.. Pair ..	28.50	28.50	28.50	28.50	40.25	40.25	50.00	50.00	50.00
28	Shirtings	.. Yard ..	3.33	3.33	3.33	3.33	4.60	4.60	3.85	3.85	3.85
29	Drill	.. Do. ..	3.40	3.40	3.40	3.40	5.20	5.20	4.80	4.80	4.80
30	Saris	.. Number ..	32.00	32.00	32.00	38.00	40.00	40.00	40.00	40.00	40.00
31	Turban cloth	.. Yard ..	1.61	1.61	1.61	1.61	2.33	2.33	1.72	1.72	1.72
32	Chaddar	.. Number ..	25.25	25.25	25.25	25.25	30.00	30.00	32.00	32.00	32.00
33	Tobacco	.. Seer ..	10.00	10.00	10.00	14.00	16.00	16.00	16.00	16.00	16.00
34	Bidis	.. Packet of 25 ..	0.50	0.50	0.50	0.75	0.75	0.75	0.63	0.63	0.63
35	Supari	.. Seer ..	8.00	8.00	8.00	10.00	11.00	10.00	1.00	10.00	10.00

TABLE N (1.5).—PRICES (IN ANNAS) FROM "NAGPUR MUNICIPAL GAZETTE"

Serial No.	Name	Unit	1939					1940			
			August	September	October	November	December	January	February	March	April
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Rice	.. Seer	1.45	1.56	1.52	1.45	1.60	1.43	1.60	1.52	1.72
2	Wheat	.. Do.	1.39	1.44	1.49	1.60	1.78	1.83	1.60	1.62	1.52
3	Jowar	.. Do.	1.19	1.26	1.34	1.34	1.46	0.99	1.04	0.96	0.92
4	Arhar	.. Do.	1.60	1.64	1.73	1.78	1.78	1.68	1.60	1.88	1.78
5	Gram	.. Do.	1.42	1.56	1.60	1.68	1.88	1.88	1.60	1.78	1.64
6	Ghee	.. Do.	16.00	17.02	18.18	16.00	16.00	18.18	18.18	18.18	19.76
7	Salt	.. Do.	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
8	Chillies	.. Do.	8.00	7.11	8.00	8.00	6.40	8.00	8.00	6.40	5.34

TABLE N (1.6).—PRICES (IN ANNAS) FROM "MAHARASHTRA"

Serial No.	Name	Unit	1939					1940			
			August	September	October	November	December	January	February	March	April
			(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Rice	.. Seer	1.42	1.46	1.49	1.51	1.59	1.49	1.38	1.54	1.71
2	Wheat	.. Do.	1.47	1.48	1.52	1.60	1.88	1.88	1.64	1.41	1.50
3	Jowar	.. Do.	1.13	1.23	1.25	1.26	1.11	0.97	0.91	0.88	0.99
4	Arhar	.. Do.	1.47	1.59	1.60	1.61	1.80	1.64	1.45	1.53	1.79
5	Gram	.. Do.	1.69	1.87	1.88	2.11	2.35	2.06	1.76	1.75	1.79
6	Lakhori	.. Do.	0.99	1.06	1.07	1.09	1.28	1.03	0.89	0.93	1.00
7	Urad	.. Do.	1.29	1.42	1.43	1.53	1.61	1.68	1.46	1.59	1.59
8	Gur	.. Do.	3.34	3.53	3.53	3.24	2.83	2.66	2.25	2.35	2.23
9	Sugar	.. Do.	4.80	5.14	5.14	5.63	5.77	5.40	5.35	5.43	5.47
10	Ghee	.. Do.	15.56	14.83	14.49	15.16	17.87	16.00	16.00	17.00	16.67
11	Til oil	.. Do.	5.20	5.50	5.40	5.90	6.42	6.27	5.50	5.27	5.70
12	Groundnut oil	.. Do.	3.50	4.22	4.08	4.80	5.12	4.50	4.22	4.50	4.58
13	Other oil	.. Do.	3.92	4.50	4.42	5.78	6.74	6.10	5.35	5.13	5.58

NOTE (2).—CALCULATIONS OF REAL WAGES IN
DIFFERENT PERIODS

Let us consider any particular month, say, August 1939, from column (4) of Table (2) we find that the average number of days worked in this month was 21.4; from column (5) we see that the average daily earnings per worker was Rs. 0.64, multiplying this by 1.6 (the average number of earnings per family) we get the average daily earnings per family of Rs. 1.03 shown in column (6). Multiplying Rs. 1.04 by the average number of days worked, 21.4, we get the average monthly earnings per family, Rs. 22.0, as shown in column (7).

We have now to find the equivalent earnings at the rate of January 1927 for families which worked the same number of days, namely, 21.4 in this case. The earnings for 21.4 at the January 1927 rate of earnings, namely, Rs. 1.4, per day per family, are Rs. 29.96. As explained in the Report 30 per cent of this amount, *i.e.*, Rs. 8.99, is kept fixed, the remaining 70 per cent, that is, Rs. 20.97, is multiplied by the Nagpur Cost of Living Index Number for August 1939 which is 64 as shown in column (2) as 64. The product is Rs. 13.42, to which we add Rs. 8.99 as the fixed charge and get the figure Rs. 22.4 given in column (8). This is the amount which is required in August 1939 to maintain the same standard of living as in January 1927 for families which worked 21.4 days on an average; while actual earnings were Rs. 22.0. The difference, namely, Rs. 0.4, which is negative since actual earnings are less than equivalent earnings required to maintain the standard, represents the fall in real wage. This difference expressed as a percentage of Rs. 22.4 is -2 per cent as shown in column (9) with the appropriate sign.

When calculating the earnings at the same rate for families with 17 per cent absenteeism the first step is to find out from the number of the days mills were open in column (3), the number of days corresponding to 17 per cent absenteeism, *i.e.*, to 83 per cent working days. In August 1939 the mills were open on 27 days; and 83 per cent of this is 22.4. The earnings at the average August 1939 rate Rs. 1.03 shown in column (6) for 22.4 days come to Rs. 23.0 which is given in column (10). In calculating the equivalent earnings for this month required to maintain the same standard as in January 1927 we use the total number of days the mills were open in January 1927, namely, 26, to find out the number of days that corresponds to 17 per cent absenteeism. Multiplying 26 by 0.83 we get 21.6 as the number of working days in January 1927 at the level of 17 per cent absenteeism. Next we multiply this number 21.6 by Rs. 1.4 the average daily earnings per family in January 1927 giving us Rs. 30.3 as the average monthly earnings of a family with 17 per cent absenteeism in that month. Out of this amount of Rs. 30.3 we set aside 30 per cent, *i.e.*, Rs. 9.1 as a fixed charge and the remaining 70 per cent, *i.e.*, Rs. 21.2 is multiplied by 64, the Nagpur Cost of Living Index Number for the month of August 1939. The product is Rs. 13.6 to which is added the fixed amount Rs. 9.1 and the resulting

figure Rs. 22.7 is entered in column (11) as the earnings in August 1939 required to maintain the same standard of living as in January 1927 for families with 17 per cent absenteeism. The difference between these two columns expressed as a percentage of column (11) is 2 per cent as shown in column (12). These percentage charges give a measure of the improvement or deterioration in the real wages of families with 17 per cent absenteeism in columns (16), (17) and (18) respectively.

The results of similar calculations have been given in Table 2 (A) for families with 5.6 per cent of absenteeism in columns (13), (14) and (15) and for families with 3 per cent of absenteeism in columns (16), (17) and (18) respectively.

**NOTE (3).—COMPARISON OF THE LEVEL OF LIVING
AT NAGPUR, BOMBAY, AND AHMEDABAD IN
AUGUST 1939**

In Nagpur we have detailed information regarding consumption for the families included in the budget-enquiry of 1926-27. It will be remembered that the total earnings in this case were Rs. 34.4 in January 1927 as shown in column (7) of Table 2 (A); of this we have treated Rs. 24.1 as the variable expenditure (susceptible to adjustment by the cost of living index number) and Rs. 10.3 as a fixed charge. We know, however, that these families have higher earnings (owing to their working a large number of days in the mills) than average families whose earnings in January 1927 were Rs. 32.8 as shown in column (7) of Table (2). It is better to use the "average" families with earnings of Rs. 32.8 as we shall be comparing them with "average" families elsewhere. Allowing Rs. 24 in round numbers as the variable portion of the expenditure we thus get Rs. 8.8 as the fixed charge in the case of these average families; and this is the portion shown as the fixed charge in the case of Nagpur families.

The greatest difficulty in making inter-city comparisons (in the same period) arises from the way the miscellaneous group is treated at different places. For example, in the variable portion of miscellaneous expenditure included in the cost of living index number (at Nagpur prices) is only Rs. 0.5 for Nagpur families; Rs. 1.2 for Ahmedabad families and Rs. 5.2 for Bombay families. Also certain other expenses like payments on account of debt, expenses for marriages, festivals, etc., are usually left out or not explicitly stated. In the case of the Nagpur family we have included the whole of the expenditure. In the case of Ahmedabad in 1926 the total average earnings were Rs. 44.7.2 (Report on an Enquiry into Working Class Family Budgets in Ahmedabad published by the Bombay Labour Office in 1928, page 13) of which Rs. 39.5.8 had been included in total expenditure leaving a balance of Rs. 5.1.4 for payments on account of debts, marriages, etc. As Rs. 5 was included in the expenditure under the miscellaneous head (Report on an Enquiry into Working Class Family Budgets in Ahmedabad in 1933-35 and published in 1937, page 30) we find that the total miscellaneous expenditure was Rs. 10.1.4 or say, Rs. 10.1; of this amount we are including Rs. 1.2 under variable miscellaneous which leaves Rs. 8.9 as the fixed charge as shown in Table (3).

Table N (3.1).—The quantities and prices used in columns (2), (3) and (4) of this have already been given in Table (1), columns (4.1), (5.1) and (6.1), and Table (1.4) under columnar heading August, 1939. The prices for Bombay and Ahmedabad were taken from the September 1939 issue of the *Labour Gazette* published by the Bombay Labour Office. As, however, the commodities included in the Nagpur index number of the cost of living are different from those in Bombay and Ahmedabad certain adjustments were made as regards the prices and quantities when calculating the cost of living in Bombay and Ahmedabad at the Nagpur standard of living. These adjustments are set out in Table (3.1).

Table N (3.2).—The expenditures in the various groups as obtained by utilising these prices and quantities have been increased in the appropriate ratios as the expenditure on the commodities in various groups is only a fraction of the expenditure on that group. These fractions are given in Table (3.2) expressed as percentages. The high figures for Ahmedabad are due to the fact that the quantities were indirectly calculated as published in the *International Labour Review*, November 1933, page 65, from the distribution of the total expenditure *et seq.* and the weights and average prices for 1927 as published in *Labour Gazette*, Labour Office, Bombay, since a copy of the Report on this particular inquiry was not readily available.

Table N (3.3).—The fixed miscellaneous in the case of Nagpur has been explained in the main Report, Chapter IV, in the section on the Comparison of the Standard of Living at Nagpur, Bombay and Ahmedabad. The composition of the fixed miscellaneous for Bombay and Ahmedabad has been given in Table (3.3). The information for Bombay has been extracted from the Report on an Enquiry into Working Class Family Budgets in Bombay (1935), page 28, and for Ahmedabad from the Report for Ahmedabad (1937), page 45.

TABLE N (3.1).—ADJUSTMENTS OF PRICES

Nagpur at Bombay		Nagpur at Ahmedabad	
Item	Bombay prices	Item	Ahmedabad prices
(1)	(2)	(3)	(4)
Rice	.. Average of rice and patni.	Juar	.. Price of bajri.
		Gram	.. Price of mung-dal.
Lakhori	.. Omitted	Lakhori	.. Omitted
Masur	.. Do.	Masur	.. Do.
Urad	.. Do.	Urad	.. Do.
Fish	.. Do.	Fish	.. Do.
Mustard oil	.. Average of til and mustard oil.	Turmeric	.. Do.
		Mustard oil	.. Price of gingily oil.
Til oil	.. Do.	Til oil	.. Do.
Shirting	.. Average of shirting, coating and cloth for trousers.	Cocoanut oil	.. Do.
		Shirting	.. Average of shirting, coating and cloth for trousers.
Drill	.. Do.	Drill	.. Do.
Turban cloth	.. Do.	Turban cloth	.. Do.
Tobacco	.. Omitted	Tobacco	.. Omitted
		Supari	.. Do.

TABLE N (3.2).—PROPORTION REPRESENTED BY EACH GROUP TO THE TOTAL OF THAT GROUP

Group	Nagpur	Bombay	Ahmedabad
	Per cent	Per cent	Per cent
Food	.. 95	75	All
Fuel and lighting	.. All	96	89
Clothing	.. 75	80	All

TABLE N (3.3)

Bombay		Ahmedabad	
Item	Average Expenditure	Item	Average Expenditure
	Rs.		Rs
Barber ..	0.8	Hair cutting ..	0.50
Medical fees and medicines.	0.2	Dhobi and washing soap	0.48
Amusements ..	0.1	Medicine and medical fees	0.12
Postage ..	0.1	Tobacco, including bidis, hukka and gudaku.	1.17
Payment to dependents	2.1	Bhang, ganja and opium	0.15
Newspapers ..	0.1	Pansupari ..	0.42
Others ..	0.9	Liquor ..	0.55
Total ..	4.3	Travelling to and from native place.	0.59
		Remittance to dependents	0.44
		Others*	0.58
		Total ..	5.00

NOTE (4).—THE REVISION OF THE NAGPUR INDEX
NUMBER OF THE COST OF LIVING

1. The reliability of an index number of the cost of living depends on two factors, namely, the relative weights assigned to different commodities; and current price quotations. The relative weights are adjusted to be proportional to the average expenditure on different commodities. As habits of consumption change owing to changes in economic conditions the relative expenditure on different commodities also change progressively with time. When the relative weights differ appreciably from the relative expenditure on different commodities, valid comparisons of real wages are no longer possible; and a revision of the weights becomes necessary. The Nagpur index number is based on the enquiry into family budgets which was carried out in 1926-27; since then economic conditions as well as patterns of consumption have changed materially all over India; and a fresh enquiry into family budgets is, therefore, essential for

*This includes expenditure on education, travelling to and from work, snuff, amusements, postage, bangles, trade union subscription, land revenue, insurance, provident fund, hair oil and other miscellaneous items (but does not include the expenditure of Rs. 5.1 for payments on account of debts, expenses for marriages, festivals, etc.).

reconstructing the index number. The existence of a state of war is in itself a strong reason for undertaking such an enquiry without any further delay. War conditions usually necessitate frequent and difficult adjustments in wage rates. This need, if anything, becomes even more acute in the post-war period. Unless a fresh enquiry is undertaken in the immediate future it will be difficult to make such adjustments on an objective and scientific basis.

2. In organizing such an enquiry it will be desirable to cover, if possible, about two thousand working-class families in Nagpur. In selecting the families included in the sample no special restriction should be imposed in regard to earnings, period of employment, occupation, community, residence or any other factor. In fact it is most important that the families should be selected in a purely random manner.

3. It will be desirable to use the method of replicated random sub-samples for this purpose; and it may be useful to explain here briefly the general principles underlying this method. In this method the whole area is divided into a suitable number of zones which are demarcated, as far as practicable, in such a way that the total number of working class families residing in each zone is approximately equal. Roughly the same proportion of families in each zone is included in the sample which means that the number of families to be surveyed is about the same in each zone.

4. In the replicated sub-sample method it is essential that information relating to each zone should be collected by more than one investigator. For example, in the case of Nagpur, let us suppose, it is decided to divide the whole area into five zones in each of which, say, four hundred families are to be surveyed at random. Let us also suppose that it is decided to do the work with four sets of investigators. The four hundred families in each zone should be then sub-divided into four sub-samples of, say, one hundred families each. Each sub-sample of 100 families is then selected purely at random from over the whole zone. In this way we get four sub-samples each of which may be considered to be equally representative of the zone as a whole.

5. The next important point is to allot each sub-sample to a different set of investigators. As we have got four sets of investigators and four sub-samples, this means that each set of investigators will collect the primary information for one and only one sub-sample in each zone, so that each sub-sample will be collected by a different set of investigators. This is the fundamental principle underlying the method of replicated sub-samples.

6. It is clear that in this way we get four independent estimates for each zone. As each of these estimates may be considered to be equally representative, the differences between the different estimates must be ascribed either to the personal equation of the investigators or to sampling errors due to pure chance. As we shall have similar results for five different zones it becomes possible to eliminate with considerable accuracy the personal equation of the investigators by suitable statistical methods. Secondly, it also becomes possible to make a valid estimate of the marginal error of sampling due to pure chance.

7. It will be noticed that this method depends purely on using a suitable programme for the field work; but does not involve any additional cost or labour in carrying out the sample survey. The analysis of the material has to be carried out, of course, in accordance with appropriate statistical principles; but this does not present any serious difficulties and need not be discussed here. We may observe in passing that it may be desirable to tabulate the material separately, say, for textile workers or for families in different income groups. This will enable separate index numbers being constructed for textile workers or for families in different income groups; so that the adjustments of wage rates can be made with greater accuracy.

8. After a revised index number is constructed it will be still necessary to keep it up-to-date. As we have already pointed out this can be done by a periodic revision at intervals of, say, five or ten years. A more flexible and scientific procedure is however also available. We may arrange for a comparatively small number of families being surveyed each year on a random replicated basis. In the case of Nagpur we may, for example, decide to collect information regarding the family budgets of, say, 300 or 400 families every year. In this case we can calculate the relative expenditure on different commodities and watch how far the relative weights change from year to year. Sometimes spurious or short time fluctuations may occur which however fade out in the course of a few years; this will not require any changes in the weights. On the other hand, if changes in relative expenditure in certain items persist from year to year it may become necessary to revise the weights in an appropriate manner. In this case auxiliary index numbers may be constructed and studied along with the original index number; and, when the divergence becomes appreciable, the new index number may be adopted as the standard.

9. Sudden changes and discontinuities in the index numbers can be completely eliminated in this method. Auxiliary index numbers also become available which enable valid comparisons being made over long intervals of time. Apart from the gradual revision of the index number such an annual survey of family budgets enables a very clear picture being obtained of actual living conditions of industrial workers which is bound to be of great value in handling various labour problems.

10. The most convenient way of organizing a continuous sample survey is to employ a small number of permanent investigators who will carry out this work along with other work in the Labour Office. As the actual survey will proceed at a slow rate, the work of inspection and supervision will be more thorough than that in an *ad hoc* enquiry. The investigators also become more experienced and more efficient as the work progresses, which means not only a gradual increase in the accuracy of the results but also a progressive reduction in costs. The continuous method is therefore more convenient from the administrative point of view and yet in the long run is less expensive. Also it is more efficient from a scientific point of view as the results are kept up-to-date and under perfect control.

11. In case a fresh enquiry into family budgets is undertaken we should like to emphasize the need of doing the work on a standardized basis so that valid comparisons may be made between the level of living and of changes in the cost of living at different centres in the country. For this purpose it is necessary to adopt standard definitions, and standard methods of collection and analysis of the primary material relating to family budgets.

12. We have already recommended that attempts should be made to improve the quality of the price quotations in any case, that is, whether a revision of the index numbers is immediately taken up or not. The replicated sample method may be used with advantage for this purpose. In this plan, a number of retail shops should be selected at random, and independent price quotations should be obtained by more than one investigator. The agreement or otherwise between these independent quotations will then furnish an excellent check on the reliability and representative character of the prices obtained through usual official channels.

P. C. MAHALANOBIS.

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



REPORT
OF THE
CENTRAL PROVINCES & BERAR
TEXTILE LABOUR ENQUIRY
COMMITTEE

1941

NAGPUR
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1941

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GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR
COMMERCE AND INDUSTRY DEPARTMENT

RESOLUTION

Nagpur, the 21st November 1941.

No. 3658-2605-VII.—The Central Provinces and Berar Textile Labour Enquiry Committee, 1941, was appointed under the Commerce and Industry Department Notification No. 2084-1329-VII, dated the 10th July 1941, with the following terms of reference:—

- (i) The Committee will make a fresh survey on the lines of the Textile Labour Enquiry Committee which was appointed in 1938 under the chairmanship of Mr. N. J. Roughton, C.I.E., I.C.S., in order to ascertain to what extent conditions in the textile industry in this province have changed during the past three years and will make recommendations whether there is a justification for an improvement in the wage level either by further restoration of the wage cut or otherwise.
- (ii) The Committee will consider and make recommendations whether dearness allowance should be granted on the lines of the recommendations of the Nagpur Textile Enquiry Committee which was appointed in 1940 under the chairmanship of Professor P. C. Mahalanobis, I.E.S., to cotton operatives outside Nagpur.
- (iii) The Committee will also consider the circumstances of strikes at short intervals and make suggestions on the subject.

Immediately on appointment, the Committee prepared and issued a comprehensive questionnaire, invited views and representations from interested parties, examined witnesses on behalf of both the mill-owners and the workers, and visited all but one of the textile centres in the province. The report of the Committee was submitted to Government on the 18th October 1941 and published on the 22nd. A Government communiqué was issued inviting the views of interested parties on its recommendations and in response thereto representations have been received from all the mill-owners and from the Nagpur Textile Union. Government has given careful consideration to the recommendations of the Committee as well as to the representations received and is now pleased to announce the following observations and decisions.

2. The more important of the recommendations of the Committee are as follows:—

- (a) There is full justification for restoring with effect from the 1st June 1941 the 1931-32 wage level (paragraphs 68 and 78 of the report)

- (b) The grant of dearness allowance to workers in every mill in the province is fully justified and should be paid from the 1st June 1941. The allowance should be calculated at the rate of one pie per worker per day for a change of 1 per cent in the three-monthly moving average in the index number of the cost of living at each centre calculated with September 1938—August 1939 as the base and should be paid to all operatives including night-shift workers, whether temporary or permanent, receiving Rs. 100 per month or less (paragraph 79 of the report).
- (c) Legislation should be undertaken to provide for (1) recognition of registered trade unions and (2) for settlement of trade disputes without resort to cessation of work by means of either strikes or lock-outs (paragraph 80 of the report).

3. The remaining recommendations are as follows:—

- (a) The mills are advised to institute provident fund schemes for their operatives and the Empress Mills are advised to raise their rate of contribution to the fund to the previous rate of one anna with a corresponding increase in the contribution of the workers [paragraphs 63 and 78 (9) of the report].
- (b) In order to control absenteeism the mills should introduce schemes of payment of regularity bonus for regular attendance throughout the year to permanent workers, the bonus being payable at the end of the year and the rate being Rs. 18 a year [paragraphs 64 and 78 (10) of the report].
- (c) Safety and essential services should not be interfered with during a strike or lock-out (paragraph 77 of the report).
- (d) A Labour Commission should be appointed for the province and the Labour Office should be strengthened on the technical and statistical side [paragraph 80-(3) of the report].
- (e) The Labour Office should calculate the cost of living index number for centres outside Nagpur and these index numbers should be published along with the Nagpur index numbers [paragraph 79 (4) of the report].

4. The recommendation of the Committee on the question of the improvement of the wage level, either by further restoration of the wage cut or otherwise, is based on its finding that "the depression in the textile industry which led to the wage cuts has ceased to exist and the margin of profits of the mills has widened". The Committee points out that some of the mill-owners gave an assurance at the time of the wage cuts in 1932-33 that the wage cuts would be restored when conditions improved. The Committee, after a careful survey of the financial position of the industry, trading conditions and other relevant factors, came to the conclusion that there was full justification for restoring the 1931-32 wage level and that this restoration should

take effect from the 1st June 1941. The Committee has suggested that there should be no differential treatment between day-shift and night-shift workers who are on the rolls of the mills at present, including permanent as well as temporary workers as also substitute labour on the usual reserve lists of the mills. The effect of the recommendation of the Committee would be to restore wages to the level prevailing before the cuts, and once this recommendation is implemented there would be no further question of restoration of any wage cuts hereafter. On the question of further improvements in the wage level, the Committee has the following comments to make :—

“We think that as the textile industry in this province has only recently revived and had a spell of comparatively unfavourable years; the consideration of further improvements must await stabilization of profits in the industry.”

The views of the mill-owners on the recommendation of the Committee regarding the wage level indicate that the industry as a whole accepts the Committee's conclusions. The recommendation is one which, in the opinion of Government, can and should be accepted by both the mill-owners and the workers and given effect to as from the date suggested, subject only to the proviso that it should not involve any reduction in the existing wage level of any class of operatives in any mills.

5. The recommendation of the grant of dearness allowance made under the second term of reference of the Committee is based on the fairness of the demand of the workers no less than on a survey of the industry as a whole. Government cannot do better than reproduce the statement of the Committee in this behalf. In paragraph 66 of its report, it says as follows :—

“We have already examined at some length the trading results of the mills at all centres during the last three years, the financial position of the industry as a whole and the existing condition of the industry in the province. We think it almost self-evident that the grant of a dearness allowance to textile workers in this province is justified on account of the rise in the cost of living which has occurred in all the centres concurrently with the improved trading conditions obtaining in the industry at present.”

The Committee found that relatively, the improvement in the condition of the industry in this province was no less than in Bombay or Ahmedabad and it had no hesitation therefore in coming to the conclusion that the grant of a dearness-allowance to every mill worker is fully justified. The Committee has endorsed the rate recommended last year by the Mahalanobis Committee which has been actually applied in the Empress Mills since January 1940. The Committee has suggested only one modification of the recommendation of the Mahalanobis Committee, viz., that the base period for calculating the rise in the cost of living since the outbreak of war should be not August 1939, but the period from September 1938 to August 1939, on the ground that the pre-war twelve-monthly average is the fairest base period to adopt, and all interests accept this method. Subject to the said modification being found practicable, Government has no objection to it. The replies received from the mills have

little to urge against the recommendation regarding dearness allowance except in matters of detail, such as the preparation of cost of living index numbers in outstation centres. The Committee is unquestionably correct in saying that the grant of a dearness allowance is fully justified. Government hopes that the recommendation, the reasonableness of which is not questioned in any quarter, will be given effect to by the mills at the rate, from the date and in the manner recommended by the Committee. Government on its part will take early steps to prepare cost of living index numbers at the centres recommended by the Committee and will in the meantime calculate the cost of living index numbers for centres outside Nagpur on the lines laid down by the Committee in its report, subject to such modifications as may appear necessary on a more detailed examination of the proposal. These index numbers will be published in the Gazette along with the Nagpur index numbers.

6. Having been struck by the frequency of strikes and lock-outs, often involving a large number of employees and causing loss all round to employees, employers and the public generally, the more so now when production at full capacity is of the highest importance, the Provincial Government asked the Committee to consider the circumstances of strikes at short intervals and make suggestions on the subject. The statement of strikes and lock-outs in the province since 1931 given in Appendix F of the report makes distressful reading. During 1940 and 1941, up to date, there have been no fewer than eleven strikes involving 17, 27, 325 work-days and loss of wages to the workers to the extent of roughly Rs. 13,32,403-8-0. The Committee after examining the causes of these stoppages of work recommends legislation to provide for (1) recognition of trade unions and (2) prohibition of strikes and lock-outs pending efforts at conciliation. The position has been examined by Government more than once in the past. Government agrees with the Committee that there is at present no suitable machinery for the effective settlement of industrial disputes. The Trade Disputes Act has generally not been invoked; when it has been, it has proved ineffective. The only method that has led to a settlement of disputes, or at least to the termination of a strike or a lock-out, has been an open enquiry followed by a report and a finding thereon by Government and advice to the parties to accept that finding. Generally, representatives of employers and workers are associated with such enquiries. The advice of Government is ordinarily accepted by the parties concerned, but there have also been exceptions to this on the part of both workers and employers. The present position is admittedly unsatisfactory and some means may have to be devised whereby strikes and lock-outs can be avoided and points of difference between the two interests in the industry can be adjusted with binding effect. Agreeing with the Committee, Government feels that recognition of trade unions will go a long way towards the promotion of industrial settlements and that as voluntary recognition on any appreciable scale seems to be too much to hope for, the alternative of providing for recognition by legislation must be considered. This matter is already under examination in the light of discussions at the last Conference of Labour Ministers and Advisers convened by the Government of India. The same

observations apply to the recommendation for legislation providing for the settlement of strikes and lock-outs and the maintenance of the *status quo*, both by the employers and the employees, during the period of conciliation.

7. The recommendation of the Committee suggesting establishment of provident fund schemes is, as remarked by the Committee itself, not directly within its terms of reference which are concerned with improvement in the wage level by the restoration of the wage cut and grant of dearness allowance. As the recommendation is outside the scope of enquiry of the Committee and as the implications of the scheme could not be examined by Government within the time at its disposal, Government refrains from making a pronouncement in regard to this recommendation.

8. The Committee has dealt with the question of absenteeism and substitute labour at some length in Chapter V of its report. The investigation of the Committee discloses that there is greater absenteeism in the industry in this province than in either Bombay or Ahmedabad, the average percentage of absenteeism in this province being 13 to 15 per cent, as compared with 9.5 per cent in Bombay City at present. The Committee has recommended a regularity bonus of Rs. 18 per year for regular attendance with twelve days' absence on leave, provided that the maximum absence in any one month does not exceed three days. The mill-owners have represented that absence for the purpose of this recommendation has not been defined and that the recommendation, if given effect to, is likely to cause confusion. On the other hand, it has been suggested on behalf of the workers that a monthly basis would be preferred to the annual basis for eligibility for regularity bonus. This recommendation is again not strictly within the Committee's terms of reference. Government is inclined to endorse the principle underlying this recommendation, as also the view of the Committee that considerable scope exists within the industry itself for improving both the wage level and the earnings of the workers by the general absorption of surplus labour and by enlarging the opportunity for more intensive employment and also for improving the efficiency of production by a gradual reduction of the labour force to minimum requirements. The difficulties urged by the mill-owners against the proposal are not, in the opinion of Government, incapable of adjustment and the good offices of the Labour Officer will always be made available to both the parties for overcoming them.

9. The recommendation of the Committee for the appointment of a Labour Commissioner in this province is bound up with the proposal for legislation for the prohibition of strikes and lock-outs pending conciliation. The suggestion that the Labour Office should be strengthened on the technical and statistical side is being examined by Government and suitable action will be taken as early as convenient.

10. In conclusion, the Provincial Government wishes to impress on all concerned that in the present international situation it is of the utmost importance that the textile industry, which is engaged in production of an important war material and an

article of essential civil supply, should continue to work without interruption and that disagreements between employers and workers should be settled without the stoppage of work involved in either a strike or a lock-out.

11. Government desires to place on record its appreciation of the labours of the President and members of the Committee. They have dealt with an intricate subject in a prompt and exhaustive manner and have presented an admirable report; their recommendations are such that they are found to be generally acceptable to both the interests, subject only to minor modifications.

By order of the Governor, C. P. & Berar,

C. C. DESAI,

Secy. to Govt., C. P. & Berar, C. & I. Dept

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Report of the Central Provinces and Berar Textile Labour Enquiry Committee, 1941

CHAPTER I

Appointment of Committee

The Central Provinces and Berar Textile Labour Enquiry Committee was appointed by the Government of the Central Provinces and Berar by Commerce and Industry Department Notification No. 2084-1329-VII, dated the 10th July 1941, which reads as follows :—

“The Provincial Government is pleased to appoint the following committee to be called the Central Provinces and Berar Textile Labour Enquiry Committee, 1941 :—

Chairman.

Mr. T. C. S. Jayaratnam, C.I.E., I.C.S.

Members.

- (1) Mr. R. W. Fulay, M.A., LL.B., Advocate, Nagpur.
- (2) Mr. C. B. Parakh, B.A., LL.B., Advocate, Nagpur.
- (3) Mr. K. D. Guha, M.Sc., Director of Industries, Central Provinces and Berar. He will also act as Secretary to the Committee.

The Committee will be advised on technical matters by the following Associate Members :—

- (1) Mr. S. H. Batliwala, Manager, Empress Mills, Nagpur.
- (2) Mr. Gopaldas Mohota, M.L.A., Akola.
- (3) Mr. R. S. Ruikar, M.A., LL.B., Advocate, Nagpur.
- (4) Mr. J. N. Mazumdar, Hinganghat.”

The terms of reference which the Committee was asked to consider are—

- (i) The Committee will make a fresh survey on the lines of the Textile Labour Enquiry Committee which was appointed in 1938 under the chairmanship of Mr. N. J. Roughton, C.I.E., I.C.S., in order to ascertain to what extent conditions in the textile industry in this province have changed during the past three years and will make recommendations whether there is justification for an improvement in the wage level either by further restoration of the wage cut or otherwise.
- (ii) The Committee will consider and make recommendations whether dearness allowance should be granted on the lines of the recommendations of the Nagpur Textile Enquiry Committee which was appointed in 1940 under the chairmanship of Professor P. C. Mahalanobis, I.E.S., to cotton operatives outside Nagpur.

(iii) The Committee will also consider the circumstances of strikes at short intervals and make suggestions on the subject.

The Committee was asked to submit its report to Government as soon as possible.

2. The events which led up to the appointment of the Committee may be briefly summarised here :

Early in March 1941 the Council of Representatives of the Nagpur Textile Union resolved that, as the mills were making large profits, the remaining wage cut effected in 1933 should be restored and that the workers should be granted adequate increase in the dearness allowance, and provision for provident fund at the rate of Re. 0-1-0 per rupee should be made by both the Nagpur mills. This was followed by 18 demands relating to various matters affecting the remuneration and conditions of employment of the workers. A strike was also threatened from the 15th May 1941.

The agitation continued throughout April and there were one or two sporadic strikes during the month. The union authorities after discussing the situation with the Director of Industries formulated the following specific demands :—

- (1) 25 per cent increase in wages of all workers,
- (2) restoration of the remaining wage cut,
- (3) 50 per cent bonus on war profits,
- (4) grant of dearness allowance to Model Mill workers on the recommendations of the Mahalanobis Committee, and
- (5) provision of Re. 0-1-0 provident fund to all workers at Nagpur.

The mills refused to accede to any of these demands, and the workers of both the Nagpur mills went on strike from the 1st May 1941 and the managements closed down the mills until a majority of the workers expressed their desire to resume duty. On the 21st and 22nd of May, the activities of the union spread over the whole province, when meetings of representatives of unions and workers were held and it was decided to have a complete *hartal* on the 30th May 1941 to popularise the demands of the workers and prepare them for a general strike. At this stage the union president received a letter from Government to the effect that "the Provincial Government feels that nothing will be gained by any action on its part at present in view of the attitude adopted by the Nagpur textile workers on the one hand and employers on the other". This was followed by the formation of the "Council of Action" from amongst the representatives of the various textile unions and the workers in centres where no unions exist, to act as a central workers' organisation. This body kept the agitation alive at all the textile centres in the province although the strikes were confined to the two Nagpur mills.

On the 15th of June, Government decided to appoint the Textile Labour Enquiry Committee on the terms of reference enumerated above. The workers in Nagpur then resumed work.

The Empress Mills started work on the 19th of June and the Model Mills on the 27th of June. Subsequent to the appointment of the Committee and while the inquiry was in progress, two strikes on the question of dearness allowance—a matter which had been referred to us—occurred in two of the mills in Berar. One of these strikes still continues. The "Council of Action" passed various resolutions, while our inquiry was in progress, reiterating its demands and threatening a strike unless its demands were supported by the Committee. We mention these activities, but do not wish to comment on them, as they are best left to speak for themselves.

3. The Chairman held an informal meeting of members present in Nagpur on the 17th July at which the general lines of work were discussed. Regular sittings of the Committee commenced on the 26th July, and the first three sittings were devoted to an examination of the terms of reference, and to the drafting of the questionnaire, consideration of procedure and allied matters. The questionnaire, of which a copy is printed as appendix A, was drafted in consultation with the Associate Members and their suggestions were incorporated wherever possible. The questionnaire was sent to—

- (1) all textile mills in the province,
- (2) all textile unions in the province,
- (3) all Professors of Economics in the province,
- (4) Deputy Commissioners of districts concerned,
- (5) Assembly members representing labour, and
- (6) associations and individuals interested in labour questions.

At centres where no textile unions exist, Deputy Commissioners were asked to circulate the printed questionnaire in Marathi to mill workers.

In view of the necessity for early completion of our task, replies were called for by the 23rd of August 1941. The replies from the more important mills and from the Council of Action of the textile union, which represented all the unions, and from certain individual unions were received by the 26th, and the Committee then held preliminary sittings to consider the replies received and to determine what witnesses to examine.

4. The examination of witnesses for the two Nagpur mills began on the 1st September 1941 and was completed on the 3rd September. Representatives of the Council of Action of the textile unions for the whole province, and members and office-bearers of the Nagpur Textile Union and a large body of workers were examined from the 6th to 9th September at Nagpur. The Committee then proceeded on tour and visited the following centres: Burhanpur, Akola, Amraoti, Badnera, Hinganghat and Pulgaon. A list of witnesses examined at these centres is given in appendix B. We are much indebted to mill managements for the very full replies to our questionnaire and for further information provided by them during the oral examination. The Badnera Mill Mazdoor Sabha and the Hinganghat Girni Mazdoor Sangh assisted us greatly by the care and trouble which they took in preparing replies to questions relating to the wages of

workers in their centres. The summary below shows the number of witnesses examined :—

Mill managements	Unions	Workers		Others
		Men	Women	
21	4	153	47	6

Only four replies were received from persons not directly connected with the industry.

5. Three of our associate members did not accompany us on tour—Mr. Batliwala, owing to pre-occupation with important business at Bombay, and Mr. Ruikar, on the ground that the associate members were not treated on an equal footing with the members of the Committee in the matter of allowances. This matter was settled, and Mr. Ruikar rejoined the Committee on the 22nd September. Textile unions at all centres, except Burhanpur, participated in the inquiry and tendered evidence, and we received all the assistance we required from our other associate labour representative, Dr. J. N. Mazumdar, and the textile unions at outstation centres. Seth Gopaldas Mohota attended our meetings when on tour only at Hinganghat.

6. The Committee reassembled at Nagpur on the 22nd of September to formulate its conclusions and to draft the report. It held in all 40 sittings. The report was ready for the press on the 11th October 1941 and was submitted to Government on the 17th October 1941.

7. In accordance with the instructions of Government regarding the duties and functions of Associate Members, the four associate members on our Committee have been consulted by us at every stage of our proceedings. They were supplied with copies of all papers and documents prepared for the Committee, and the drafts of the chapters of our report, including those dealing with our final recommendations, were discussed at meetings which they attended and were amended or modified until general agreement in regard to facts was mutually arrived at. We have given careful consideration to their views and opinions on the many matters which arose during our discussions and in formulating our final recommendations. We may fairly claim that we drew upon the knowledge and experience of our associate members to the fullest extent necessary in the consideration of our terms of reference and they, in turn, were afforded the fullest opportunity to press their points of view on every controversial point which arose in the course of our inquiry. Our final conclusions were communicated to them as draft chapters of the report and their written views received further consideration before we signed the report.

CHAPTER II

Survey of the Industry

8. Statistics in regard to the extent and progress of the textile industry in the province up to the year 1937 will be found in Chapter II of the report of the Roughton Committee. We have examined the relevant statistics for subsequent years up to 1941 and have, for greater convenience of comparison and description, grouped the mills in the province into four territorial groups:—

	No. of mills.
Nagpur	... 2 (6 units)
Berar	... 4
Wardha	... 3
Nimar	... 1
Total	... <u>10</u>

The mill at Pulgaon (Wardha group) which had been closed for four years recommenced operations in March 1938. The Raja Gokuldas Mill at Jubbulpore was dismantled in 1939. The total number of mills working now therefore remains at 10. The equipment of these mills—spindles and looms—has continued practically unchanged since 1937. The annual statistics published by the Bombay Millowners' Association show that the number of spindles and looms installed in the province has risen between the years 1937-38 and 1939-40 from 337,594 to 337,842 and from 6,043 to 6,113, respectively. There has been a slight drop in the number of spindles installed in the Berar and Wardha groups of mills and a rise in the Burhanpur mill. The number of looms has increased slightly in the Burhanpur and Berar mills. The equipment of the mills has thus undergone little change during the last three years. The Empress Mills in Nagpur installed a new printing plant in 1938.

9. The table below gives the percentage of spindles and looms worked to the number installed for the last three years (June-July). The figures have been compiled from statements published by the Millowners' Association, Bombay, and statistics supplied to us by the mills:—

Table (1)

	Spindles			Looms		
	1937-38	1939-40	1940-41	1937-38	1939-40	1940-41
Nagpur	.. 96.3	88.6	89.20	89.7	71.9	71.96
Wardha	.. 86.5	93.4	92.08	73.1	83.9	82.69
Nimar	... 94.5	87.7	91.80	95.3	82.3	68.80
Berar	.. 97.2	95.4	96.21	94.0	84.0	84.54

The Empress Mills in Nagpur worked the day shifts throughout this period, except for an interval of a few months in 1939-40, practically at full capacity. The Model Mills which was working about 775 out of its 950 looms in 1938-39 came down to 500 looms in 1939-40 and in 1940-41 gradually increased the number, and is now working the full number of looms. The mills at all the other centres worked practically at full capacity in their spinning departments during the last three years. In the weaving department, with the exception of the mill at Badnera where out of 368 looms only 189 have been worked on an average during the last two years, all the other outstation mills steadily progressed towards working their looms to full capacity. The Ellichpur Mills installed 50 additional looms during the last two years, and also experimented with three shifts for a brief period during the end of last year. The Pulgaon Mills, which recommenced operations in 1938, confined production to spinning during the first two years and worked on an average 88 looms out of its 233 looms in 1940-41. Recently all its 233 looms are being worked. Little or no machinery is therefore now idle during the day time at any of the mills in the province, except a number of old looms at the Badnera Mills.

10. In the table below we exhibit the position in regard to night shift working in each of the mills in the province during the last three years :—

Table (2)

NIGHT SHIFT

Name of Mills	Number installed		Number of spindles and looms worked during night shift in			
	Spindles	Looms	1938-39			1939-40	1940-41
Nagpur						
The Empress Mills	114,956	2,168	Spindles	83,505	77,570	75,973
			Looms	630	641	803
			Days worked	303	294	258
The Model Mills, Limited.	52,408	952	Spindles	21,100	..	34,142
			Looms	..	..	..
			Days worked	227	..	105
Hinganghat						
The R. B. Bansil Abirchand Spinning and Weaving Mills.	31,600	394	Spindles	..	..	..
			Looms	..	..	..
			Days worked	..	..	..
R. S. Reckchand Mohota Spinning and Weaving Mills.	22,114	413	Spindles	..	5,394	11,083
			Looms	..	..	119
			Days worked	..	76	182 (spinning) 130 (weaving)
Pulgaon						
Pulgaon Cotton Spinning and Weaving Mills, Limited.	20,780	233	Spindles	8,941	11,843	8,640
			Looms	..	..	..
			Days worked	99	312	312

Table (2)—cont.

Name of Mills	Number installed		Number of spindles and looms worked during night shift in			
	Spindles	Looms				
			1938-39	1939-40	1940-41	
Burhanpur						
The Burhanpur Tapti Spinning and Weaving Mills.	29,080	516	Spindles .. ..	..	..	7,441
			Looms .. ..	..	..	296
			Days worked .. ..	..	..	240
Akola						
The Savatram Ram-prasad Spinning and Weaving Mills.	23,096	292	Spindles ..	12,029	8,906	12,902
			Looms ..	181	142	..
			Days worked	306	306	65
				(spinning)		
				204		
				(weaving)		
R. S. Reckchand Gopal-das Mohota Mills.	22,476	466	Spindles ..	9,479	..	..
			Looms ..	101	..	..
			Days worked	234	..	..
			(spinning)			
			209			
			(weaving)			
Ellichpur						
The Vidarbha Mills Berar Limited.	12,092	316	Spindles ..	10,295	11,721	11,639
			Looms ..	..	75	73
			Days worked	302	181	305
				(spinning)	(spinning)	
				146	279	
				(weaving)	(weaving)	
Badnera						
Berar Manufac turing Company Limited.	21,384	369	Spindles ..	..	..	..
			Looms ..	..	..	..
			Days worked	..	..	..

Two mills in Berar and the Empress Mills at Nagpur worked spindles to fairly full capacity during night shifts throughout the whole of the year 1938-39. The Mohota Mills in Berar, the Model Mills and the mill at Pulgaon worked to about half capacity for about two-thirds of the year. The other four mills worked no night shifts during the year. The Empress Mills and two mills in Berar also worked night shifts in the weaving department, but only to about a quarter of the full capacity taking all three mills together. In the following year, 1939-40, there was an all round contraction in night shift working. The Model Mills and the Mohota Mills discontinued night shifts and the Empress Mills reduced the number of spindles worked by 8 per cent. The Pulgaon Mills, on the other hand, expanded its night shift production of yarn for the full year and the Mohota Mills at Hinganghat commenced night shift working for the first time. The Empress Mills maintained the same capacity of weaving during night shifts during the year and the mills at Ellichpur commenced night shift working in its weaving department for the first time. The year 1940-41 showed much more activity in night shift working and seven out of the ten mills worked night shifts in the spinning department for various periods during the

year—the Model Mills working three-fifths of its spindles and two mills in Berar nearly to full capacity. The Empress Mills expanded the number of looms working. The mill at Burhanpur commenced night shift working in both departments. We were informed by the mill managements that since about August this year further expansion has taken place in night shift working in all mills, except at Badnera, the Bansilal Abirchand Mills at Hinganghat, in which no lighting arrangements exist for night shift working, and the Reckchand GopalDas Mills at Akola which found night shift working wasteful. The Burhanpur Mills have increased the number of looms working to 450 and spindles to 13,000, the Pulgaon Mills have commenced working 90 looms at night. The Reckchand Mohota Mills at Hinganghat, which stopped night shift working in April 1941, recommenced in September, and is now working 200 out of its 413 looms, and practically all its ring frames. The Model Mills management informed us that addition to their electrical equipment is in progress to enable them to work night shifts in their weaving department. The period covered by our inquiry thus coincided with a spurt in the activities of most of the mills in expanding production either by extended night shift working or by the introduction of night shift working for the first time.

Mill-owners contend that night shift production is considerably affected by larger and spasmodic absenteeism. Labour representatives ascribe lower production at night to the extra fatigue and strain caused by night work, even though most of the mills have made special arrangements for free refreshments for night shift workers. We are of opinion that the level of production at night is lower than in the day.

11. The proportion of spindles to each loom in the mills has remained practically constant for the period under review. The figures below show the proportion for each centre for the year 1939-40 :—

Nagpur	...	53.6
Berar	...	47.9
Wardha	...	70.0
Nimar	...	56.4

The Wardha group of mills produced more yarn than cloth and the Berar group is producing proportionately more cloth than yarn, and this tendency continues to be maintained. We are not giving production figures of yarn and cloth, as these figures give no true indication of the relative capacity at which the different mills worked, without an analysis of the different counts of yarn included in the figures of production by weight. The figures of consumption of cotton for the last three years for which figures are available are given below :—

Bales of 400 lb. (in thousands).	
1937-38	... 146
1938-39	... 165
1939-40	... 143

The figures for 1940-41 are available only for the Empress and Model Mills. These figures merely supplement the information given in the preceding paragraphs regarding the capacity at

which the mills worked during each of the last three years. So far as the type of production is concerned there has been little or no development during the last three years. Eighty per cent of the yarn produced in the province is below 20s count and this proportion has continued unchanged for several years. Correspondingly, the quality and variety of cloth manufactured continues almost unaltered and no marked tendency is evident towards the manufacture of finer goods. This is readily explained by the fact that the mills in this province are dependent for raw cotton on the shorter stapled varieties grown in the province and the surrounding cotton tracts, and it is uneconomical for them to import more than a limited quantity of better qualities of cotton. In this respect, therefore, progress is limited by the location of the mills in tracts, which grow the coarser varieties of cotton, and by the distance of the mills from the sea-ports and outside places in respect of the cost of import of the finer varieties of cotton.

CHAPTER III

Wage Position, 1932—41

12. In view of our first term of reference, which requires us to consider "whether there is justification for an improvement in the wage level either by further restoration of the wage-cut or otherwise", we think it desirable to examine and set out, in such detail as is necessary for our purposes, the varying wage position in the industry during the periods covered by the "cuts" and the partial "restorations" which followed the recommendations of the Roughton Committee in 1938. Since numerous misunderstandings prevail in regard to the actual facts, it is necessary to cover the whole ground and we reproduce below some sample headings of the pay-sheets of a few mills which show at a glance how, at the end of a pay period, the earnings of a worker are calculated, and paid to him now (rule 5, Central Provinces Payment of Wages Rules, 1936).

THE SAVATRAM RAMPRASAD MILLS, AKOLA

No.		Name	Father's name	Caste or religion	Nature of work	Days of week	Wages with R. W. C.	Rate of W. A.	Amount of W. A.	Total wages with R. W. C. and W. A.	Less for	Fine amount
Serial	Ticket											
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
							Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.

R. W. C. = Restoration of wage cut. W. A. = War allowance (present war).

R. B. B. A. MILLS HINGANGHAT FOR THE MONTH OF

1941

NO.

Ticket No.	Names of employees	Occupation	Days	Rate	Wages	Allowance per rupee	Total amount	Increase		Grand total	Deductions made of			Total deductions	Net amount paid	Remarks
								Rate	Amount		Advance	House rent	Fine			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
					Rs.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs.	Rs. a. p.	Rs. a. p.	

NOTE.—Allowance (col. 7) = Dearness allowance (last war).

**THE MODEL MILLS,
PAY-SHEET OF WAGES FOR THE
(Rule 5 of the C. P. Payment**

No.	Names	Designation	No. of days	Overtime days	Total days of piece work	Rate					
						Basic rate	Amount earned	Allowance	Total	Less wage cut	Amount due
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
						Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.

Allowance—Col. (9) = Dearness allowance (last war).

NAGPUR, LIMITED

MONTH OF.....194

of Wages Rules, 1936)

12

				Deductions						Total deductions	Net amount payable	Remarks
Basic rate for days	Rate of increase	Amount of increase	Total amount due	Fine 7 (2) a	Rent 7 (2) d	Damages or loss 7 (2) e	Advance 7 (2) f	Miscellaneous	Section			
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
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.	

Increase—Col. (15) = Roughton Committee's award.

CENTRAL INDIA SPINNING, WEAVING
"THE EMPRESS MILLS",
Memo. of wages

Number	Names	Occupation	(4)	Net days	Rate of wages	Amount earned or due	Amount earned or due after deducting cut	Long service allowance	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
					Rs. a. p.	Rs. a.	Rs. a. p.	Rs. a.	Rs. a.

13

AND MANUFACTURING CO., LTD.
NAGPUR
 for.....194 .

Increase	Dearness allowance]	Total	Fine	Provident fund	Income-tax	Ad- vance	Instalment against loan advanced by the society	Total amount to be deducted	Net amount to be paid	Remarks
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a. p.	Rs. a.	Rs.	Rs. a.	Rs. a. p.	Rs. a. p.	

Increase--Column (11) = Roughton Committee's award.

13. It will be clear from the form of these pay-sheets that the earnings of a textile worker in this province are reckoned from some or all of the following elements in accordance with the system of wage payments in force in any particular mill:—

- (1) basic rates;
- (2) "dearness of food allowances" (last war);
- (3) "bonus";
- (4) "cuts" in earnings;
- (5) "restoration" of wage-cut;
- (6) "dearness of food allowance" (present war).

The "basic rates" are rates which are said to have come down from the days before the last war. There were certain standard rates (time or piece) which were being paid prior to the introduction from about the year 1917 of dearness of food allowances on account of the rise in the cost of living during the last war. Regularity and long service bonuses were also paid by some of the mills. The second, fourth and fifth items are the three items with which we are immediately concerned. It should be a simple matter, other things being equal, to ascertain the exact cut imposed on the wages of a worker had all the reductions imposed since about the year 1926 been separately accounted for under the head "cuts" in earnings. In actual fact, however, an element of the "cut" exists in the first three items as well. In some mills "cuts" were imposed only under item (2) and no two mills in the province followed the same system in effecting reductions in the earnings of their workers. The pre-1917 "basic rates" have not continued unchanged throughout. There have been extensive revisions of piece-rates as occasion arose, with changes in the type and quality of the articles manufactured. Time rates, which are usually monthly rates, have also undergone variations with changes in the composition and organization of the employees and the work in the different departments. New entrants on time rates of pay have, in some mills, been engaged on reduced rates, and in other cases grades of pay in different groups of occupations have been scaled down. These reductions in the rates of pay of fixed wage-earners are fairly evident in the case of the two mills at Nagpur, while in some of the mills at other centres time rates are said to have continued unchanged, and economies seem to have been effected by reducing the number of fixed wage-earners in the different departments. It has been represented to us that a disguised "cut in wages" of a continuous nature constantly takes place or can take place by re-adjustment of piece rates and the introduction of revised time rates for new employees. We shall refer to this point later, and we mention it here merely to illustrate how the primary elements in the real earnings of a worker may be subject to a multitude of variations irrespective of formal "wage-cuts".

14. The "dearness of food allowances" (item 2) had risen in most mills by the year 1926 to as high a figure as a 50 per cent addition to basic earnings in the case of operatives on time rates and 66½ per cent for piece workers. These percentage additions are still in force in the Model Mills in Nagpur and on a reduced scale in some of the mills at other centres. The Empress Mills, the Badnera Mill and the Burhanpur Mill, on the other hand, consolidated dearness allowances with the

basic rates at different times and there is therefore no column in their pay-sheets for the dearness allowances of the last war. The Empress Mills incorporated the loss from grain shops by adding 8 per cent to consolidated rates for piece workers and a higher percentage for time workers. A few mills abolished the old dearness allowance altogether by 1936 and the item has therefore disappeared from their pay-sheets. Regularity bonus was abolished in 1933 in the Nagpur and Berar groups of mills except in certain unimportant occupations in the Model Mills. The Empress Mills reduced their rates of long service bonus for old employees and abolished it for employees engaged after 1924. The Pulgaon and Savatram Mills have recently introduced regularity bonuses in order to encourage full attendance of their workers. The Empress Mills reduced their contribution to the provident fund of the employees from one anna to half an anna in the rupee from April 1934, and introduced a further measure of economy by admitting workers employed after 1933 only to one or the other of the two benefits of provident fund and pension, and not to both as in the case of the older employees. It is clear therefore that the term "wage cut" in the sense in which it is used by labour union representatives includes various elements which are not easily measurable. They were, in the main, reductions in the allowances granted during or after the last war which were consolidated with wage rates in some of the mills and not in others. The reductions were effected through the medium of total earnings, or consolidated rates, or only on the allowances in accordance with the system of fixation of wages adopted by each mill. There were other indirect reductions as well, all of which tended to reduce labour costs as a whole.

15. Coming now to the "cuts" in wages which appear as such in the pay-sheets of some of the mills, we find that these cuts were imposed by all the mills in the province in 1933 and by some in 1935 and 1936 again. The tabular statements at pages 216—219 and pages 16—19 of the Departmental Report, 1934, on wage cuts contains a summary of the action taken by the mills. Further reductions were also made by some of the mills in 1936 and 1937. Nagpur Group, for example, imposed a cut only in 1933 of Re. 0-2-0 in the rupee on earnings of time workers in receipt of Rs. 25 a month or less and Re. 0-2-3 on earnings of more than Rs. 25 a month. Earnings of less than Rs. 15 (for full monthly attendance) in the case of males and Rs. 10 per month in the case of females were exempt from the cut. The Model Mills which imposed a cut at the same time adopted the same scale, but exempted earnings of time workers of less than Rs. 13 and Rs. 9 per man and woman, respectively. An examination of the pay-sheets of these two mills shows, however, that, while the Empress Mills have incorporated the cuts with rates of pay of time workers and reductions therefore automatically appear in basic rates, the Model Mills continue to effect reductions under a separate column on the earnings of time rated workers as well. So far then as time rated workers are concerned—and these constitute roughly 50 per cent of the workers in each mill—the Empress Mills have reduced basic rates for the older employees and have fixed entirely new rates for new entrants, both of which incorporate "cuts" of different quantities on the pre-1933 rates. The Model Mills have also introduced revised rates for new entrants, but effected cuts on

the earnings of both old employees, on old rates, and new employees, on new rates, according to the scale introduced in 1933. All these are, of course, subject to the exemptions in regard to the lower limit of earnings mentioned above. Cuts, according to the scales, are made on the earnings of *all* piece workers in both the mills irrespective of any minimum limits of earnings. In other words, for example, a piece worker (male) earning less than Rs. 15 per mensem in the Empress Mills or Rs. 13 per mensem in the Model Mills is still subject to a cut of Re. 0-2-0 in the rupee on his monthly earnings.

16. The manner in which cuts in earnings have been incorporated in the pay-sheets in mills outside Nagpur are much simpler than in the two Nagpur mills. In the Badnera mill allowances and cuts were consolidated in 1937, and no item of "cut" now appears in the pay-sheets. Similar action was taken by the Burhanpur mills at about the same time. In the two Hinganghat mills and the Ellichpur mill, the reductions were in the old rates of dearness allowances. The Akola mills abolished the old dearness allowances altogether. In addition to these, there were alterations in time and piece rates in most of the mills.

17. The above summary gives a general idea of what is implied by the term "imposition of a wage cut" during the last decade in the textile industry of this province. The so-called "wage cut" was in some mills a reduction of certain allowances granted during the last war and continued during the boom years following the termination of the war, in others of flat percentage reductions in the total earnings of the workers, in still others of reduced consolidated rates of wages, and in almost all mills of further indirect reductions in total wages. It has been shown above that no two mills effected reductions in the same manner and the pay-sheet headings show how diverse are the methods in force, even now, for calculating the "cuts". It is unnecessary further to elaborate the point that the "wage cuts" imposed by the mills is not a simple quantity which can be readily isolated or identified. Its object was a readjustment of wages throughout the industry aimed steadily at reducing labour costs which had become burdensome with the onset of the depression in trade. It included within its scope the anomalous case of new piece rate employees with cuts on basic rates which they had never contracted for, and in some mills new time rate employees on rates which they had contracted for on employment and whose reduced earnings cannot therefore be described as due to a "cut" and various other classes of employees all of whom had suffered a reduction in their actual or theoretical sum of earnings. All these facts are of considerable relevance when the question of "restoration" is considered and we have attempted to clarify a most confused wage history as much as possible so that disagreements concerning the quantum of the "wage cuts" or "restorations" may be judged by the actual facts pertaining to the point in dispute.

18. We now proceed to discuss the item of "restoration" of wage cut which was introduced into the pay-sheets of the mills as a result of action taken on the recommendations of the

Roughton Committee, 1938. From the replies received to our questionnaire and the statements of witnesses we find that considerable differences of opinion exist as to the meaning to be attached to the phrase "further restoration of the wage cut" which occurs in our first term of reference. The Roughton Committee recommended that "60 per cent of the actual wage cut should be restored and that in addition where new rates have, since the cut of 1933, been adopted for new employees, 60 per cent of the difference between the new rates and the old rates should be added to the new rates". Government agreed with this view but considered "that the Bombay method which gives greater relief to the lower ranks is to be preferred" and directed in paragraph 4 of its resolution No. C-204-353-VII, dated the 16th June 1938, that the Department of Industries should work out schedules as suggested by the Committee. Reading the report of the Committee and the Government resolution together it appears to us that what was intended was that 60 per cent of the actual wage cut, by which was presumably intended 60 per cent of what was saved in the month after the "wage cut" was introduced in 1933 or subsequently, plus 60 per cent of the difference between the old rates and the new rates for new employees, should be calculated and the resultant sum distributed amongst the wage earners according to a schedule with the object of giving "greater relief to the lower ranks". In other words, the object seems to have been to "restore" a certain sum of money to the wages bill of each mill and to distribute it so that the lower ranks obtained the greater share. The individual and the "cut" on his earnings was ignored and it was apparently not intended that "60 per cent restoration of the wage cut" should operate so as to restore to each individual 60 per cent of the reductions on his earnings which was caused by the "cut". As we have shown above this "cut" itself is not measurable. It is here that we have been confronted with many difficulties and for a proper understanding of these it has been necessary to examine in some detail the effect of the partial "restoration" of 1938. In accordance with the directions of Government, and, in consultation with labour union representatives and mill-owners, the Department of Industries worked out "restoration" schedules for each mill. We have examined the original files in the Department of Industries and the pay-sheets of mills in order to ascertain exactly how the sum to be "restored" was arrived at and the effect on the earnings of individuals of the subsequent distribution of this sum according to the schedules. Taking the Empress Mills as an example, the calculation of the restoration sum in the departmental file is shown below:—

	Rs.
<i>"Empress Mills—</i>	
Wage cut	... 17,800
Total difference for new entrants	... 5,250
	<hr/>
Total	... 23,050
	<hr/>
60 per cent restoration of the above	... 13,830
=80 per cent of the wage cut"	

These figures were calculated from the pay-sheets of January 1938. The sum of Rs. 17,800 was arrived at by ascertaining the amount of the "cut" on each individual's earnings from the column "amount earned or due after deducting the cut". As we have pointed out above this column shows only deductions effected on *piece rate* workers because the Empress Mills incorporated the cuts on time rated workers with actual rates of pay and the "cut" therefore was automatically included in the figure in the column headed "amount earned or due". In order, therefore, to calculate both the cuts on time rated employees and the difference in earnings due to old and revised rates, we understand—the actual calculations are not available now—that the "rates of wages" of corresponding time rated employees in the pay roll of December 1932 were compared with the figure in the pay roll of January 1938. The difference was taken as representing both the element of the "cut" and the reduction due to the revised rate. For example, if the rate of pay of certain groups of siders in the spinning department was Rs. 20 per mensem in 1932 and Rs. 17-8-0 per mensem in 1938 the difference of Rs. 2-8-0 multiplied by the number of siders in that group was taken as the "cut" plus the difference due to revision of rates. This method, whatever its defects, was the only method by which an approximate estimate of the reduction caused in the wages of time rated workers could be calculated. The total sum of this figure for the Empress Mills came to Rs. 5,250. Adding the figures for piece rates and time rates a total of Rs. 23,050 was obtained and 60 per cent of this sum, Rs. 13,830, was reckoned as being available for "restoration". Thereafter by a method of trial and error the schedule given below was framed which distributed this amount amongst different groups of workers according to the recommendations of the Government:—

SCHEDULE

Empress Mills.

Category of earnings	Rate of increase	Remarks
Below Rs. 10	.. Two annas per rupee	Provided that nobody in this category receives more than Rs. 10-12-0 as a result of increase.
Rs. 10 and below Rs. 25	One and half annas per rupee.	Provided that nobody in this category receives more than Rs. 26-6-0 as a result of the increase.
Rs. 25 and below Rs. 50	One anna per rupee	Provided that nobody in this category receives more than Rs. 51-6-0 as a result of increase.
Rs. 50 and below Rs. 75	Half anna per rupee.	
Rs. 75 and over	.. Nil.	

Notes.—(i) The basis on which the increase will be calculated shall be the net earnings of each individual worker for a pay period of 26 working days.

(ii) The category of earnings for each individual worker will be decided by the net earnings he would have made in full 26 working days.

The statement below supplied to us by the Empress Mills shows how the schedule operated in practice:—

		May 1938		Restorstein
		Rs.		Rs.
Rs.		Rs.	Cut	Rs.
Up to 10	..	4,299	No cut.	537
15	..	36,523	Do.	3,461
16	..	3,672	200	344
17	..	7,205	720	675
25	..	51,033	7,281	4,784
50	..	56,792	9,245	3,549
75	..	1,359	221	43
		<u>1,61,283</u>	<u>17,667</u>	<u>13,393</u>

19. A similar method was generally followed in the other mills with variation necessitated by the form in which pay rolls are maintained and the manner in which cuts were given effect to. In order to illustrate these methods more fully we reproduce below the reply sent by the Model Mills to our question on the subject:—

“From our pay-sheets for January 1938 in which individual wage cut was shown the total wage cut was found to be Rs. 5,070 as shown hereunder—

	Rs.	a.	p.
Peons and watchmen	...	100	3 0
Miscellaneous	...	142	8 0
Bleach and dye house	...	201	14 3
Mixing to carding	...	190	5 9
Engineering	...	519	7 0
Women (mix to card)	...	2	6 0
Women (reeling)	...	365	1 0
Women (winding)	...	149	2 0
Women (weaving to folding)
Women (frames)	...	471	0 6
Weaving	...	417	8 6
Spinning	...	444	0 0
Looms	...	2,044	10 6
Miscellaneous	...	21	13 6
Total		5,070	0 0

To this sum was added the rate difference of Rs. 1,800 which was found out by the department (i.e., Government Labour Office) by comparing the rates of each individual worker as between January 1933 and January 1938. To illustrate the method adopted the following two examples may be found useful:—

- (1) Hessian Rags cleaner in 1933 (Ticket No. 24) was getting a basic rate of Rs. 10 plus scarcity allowance of Rs. 5, whereas the pay attached to the same occupation in 1938 was Rs. 9 plus Rs. 4-8-0, i.e., Rs. 13-8-0. In this case the difference in rate for new entrant was put down at Rs. 1-8-0.
- (2) In January 1933, there were 14 hands in the mixing department (2/13, 1/14, 1/12, 6/11 and 4/10) getting between them for a full working month Rs. 158 plus scarcity allowance of Rs. 79 which works out to an average of Rs. 16-11-2 per head.

As against this in January 1938, there were 15 hands (2/13, 1/12, 3/11, 5/9 and 4/10) whose average works to Rs. 14-14-11 being a difference of Rs. 1-12-3 per head. In this case the difference of rate for new entrants for the whole category of mixing hands has been taken at $15 \times \text{Rs. } 1-12-3 = \text{Rs. } 26-7-9$."

The calculations in the case of mills at centres outside Nagpur are even more difficult because the so-called "cuts" did not appear in the pay-sheets against the account of each individual worker. We think it unlikely that anything more than very rough approximations of the total amount of an undefined "wage cut" could have been arrived at since the reductions in piece rates for individual articles, the reductions which were effected in time rates in 1936 by some of the mills and the subsequent consolidation of rates by two of the mills, combined with the numerous other factors to which we have already referred, renders impossible any calculation of an accurate "wage cut" figure. Several of the mill managers were unable to explain to us how the figures were arrived at, although they informed us that they were worked out after a comparison of the pay-sheets of January 1933 and January 1938. We find, however, from the papers that at that time the managements of all the mills questioned the accuracy of the figures which were finally supplied to them.

We need not, however, enter into the various anomalies inherent in the methods of calculation which have been brought to our notice, but we have said sufficient to illustrate as clearly as is possible in the circumstances the manner in which the recommendations of the Committee of 1938 were given effect to. Labour union representatives seem to have accepted the departmental schedules since no protests from any—except the Badnera and Hinganghat unions—are traceable.

20. In the table below we give the final results for each mill according to the calculations made in 1938:—

Table (3)

Mill	Wage cut	Difference for new entrants	Total	60 per cent restoration	Balance
	Rs.	Rs.	Rs.	Rs.	Rs.
1. Empress, Nagpur ..	17,800	5,250	23,050	14,200	8,850
2. Model, Nagpur ..	5,070	1,800	6,870	4,000	2,870
3. Reckchand Mohota, Hinganghat.	1,935	563	2,498	1,500	998
Bansilal Abirchand Hinganghat.	3,030	1,157	4,187	2,512	1,675
5. Pulgaon, Pulgaon ..	Mill restarted enforced.	1938.	Increase of	Rs. 1,000	in wage bill
*6 Berar Manufacturing Co., Badnera.	4,249	1,031	5,280	3,168	2,112
7. Vidarbha, Ellichpur..	2,545	600	3,145	1,887	1,258
8. Gopaldas Mohota, Akola.	8,280	1,175	9,455	5,673	3,782
9. Savatram Ramprasad, Akola.	3,271	1,074	6,345	3,807	2,538
10. Burhanpur Tapti, Burhanpur.	6,665	1,304	7,969	4,782	3,187

*The Schedule applied was subsequently revised.

There was disagreement between the mills and the labour office as to the exact percentage restoration of the wage cut which will be effected by the application of the schedules worked out by the department. This disagreement was never resolved and was brought to the notice of the Mahalanobis Committee and again to us. The Mahalanobis Committee came to the conclusion (paragraph 48 of the report) that the "restoration amounts to 60 per cent as calculated and recommended by the Central Provinces Committee in 1938—not 80 or 75 per cent as claimed by the mills". The Committee did not, however, explain in its report how it itself arrived at the exact figure of 60 per cent, although it mentioned certain factors in support of the view that the percentage could not be as high as 80. In this connection we should like to draw attention to the distinction, which has been lost sight of, between the recommendations contained in the Interim Report of the Bombay Committee, 1938, and in the report of the Roughton Committee. The former Committee found that the percentage decrease in the weighted average daily earnings in ten selected occupations in July 1937 as compared with July 1926 was 25.4 per cent. They, therefore, recommended an increase in wages, according to a certain schedule, which they calculated will result in an increase of 11.9 per cent in *the 1937 wages bill* of the mills in Bombay City (paragraph 134, Bombay Interim Report, 1938). The Roughton Committee found that the wage reduction effected between December 1932 and December 1933 was 16 per cent in the Empress Mills and 14 per cent in the Model Mills (page 13, Roughton Committee's report) and varying percentage in other mills and recommended that "in view of the fact that in Bombay City the proposals will result in *restoration* of 11.9 per cent in wages as against a wage reduction of 25.4 . . . for this province 60 per cent of *the actual wage cut* should be restored. . . ." (paragraph 2, Chapter VII, page 39 of the report). The Committee also found that, for various reasons, the percentage fall in the weighted average daily earnings (1932-33) shown in table 5 "explains the fall in wages and not the extent of the actual cuts the percentages of which will be less than those shown in column 2" and later said that "in the Empress Mills this decrease in the pay bill caused by the cut is 10 per cent while the percentage of wage cut reduction is 16". The Mahalanobis Committee said that "the wage reduction of 16 per cent and 14 per cent respectively shown against the Empress and Model Mills in table 5 (Roughton Committee's report) on the other hand are *actual wage cuts* effected in 1933 as worked out between December 1932 and December 1933" (paragraph 46, page 30, Mahalanobis Committee's report). We have been unable to reconcile these various statements in our efforts to ascertain what "further percentage of the wage cut" remained to be dealt with. It is clear, however, that the Committee in Bombay did not concern itself with the question of any "restorations" of wage cuts. It found that the level of average daily earnings in certain occupations in 1937 was 25.4 per cent lower in the Bombay City as compared with 1926. It therefore recommended a sliding scale of increase in wages the result of which as calculated gave a 11.9 per cent increase in *the wages bill for 1937*. No attempt was made—as none was possible—to correlate the increases recommended with percentages of *wage*

cut reductions since 1926 even assuming that such percentages were ascertainable with any degree of accuracy, *vide* paragraphs 38 and 39, Chapter III, Bombay Interim Report, 1938. As we have pointed out above "wage cuts" cannot be isolated after the lapse of many years, since numerous other factors affect the weighted average daily earnings of workers in different occupations at different points of time. It is true, of course, that the wage increases recommended by the Bombay Committee and the so-called "restoration of 60 per cent of the wage cut" recommended by the Central Provinces Committee of 1938 still left a gap between the weighted average daily earnings of certain workers at two different points of time, but we are of opinion that any attempt to measure this gap as a percentage of a wage cut imposed some years ago is likely more to mislead than to help in a true appreciation of the course of wage levels. We may illustrate our point by a reference to the figures in the last column of table 5 of the Roughton Committee's report. It has been calculated, for instance, that in the Bombay City 13.5 per cent of the wage cut will "still remain unrestored after the increase". Apart from the considerations stated above, this figure is, in our opinion, incorrect since the mere arithmetical difference between 25.4 and 11.9 (columns 2 and 3) will not represent the percentage addition required to restore the wage level to the 1926 standard; 25.4 per cent was the percentage decrease on the 1926 wage in certain selected occupations and 11.9 was the percentage rise on the 1937 wage bill and the two percentages refer to different quantities. After increasing wages by 11.9 per cent of the 1937 wage bill the wage level would stand 16.5 per cent below the 1926 level and not 13.5 per cent. The gap to be filled is therefore much wider in all cases than is indicated in the table. We need not refer in detail to numerous other difficulties which were brought to our notice during our inquiry. The application of the 1938 schedules "restored" anything from 5 per cent to 150 per cent of the reduction in earnings of different groups of workers and the large group of workers in the two Nagpur mills who were completely exempted from any form of "wage cut" in 1933 obtained the largest benefit from the 1938 schedules which were deliberately designed to give "greater relief to the lower ranks". The effect of all these factors is that "wage cuts" followed by partial "restorations" have been so dispersed and intricate that it is impossible now to collect and tabulate the results so as to obtain quantities which can be operated on arithmetically. Earnings—time and piece—vary widely between different individuals in the same occupation in any mill. Grading of occupations into classes and the granting of new comers of rates different from those paid to those who have left tend to intensify the variations. It is therefore impracticable to correlate cuts and earnings even within a single occupation. Changes in earnings occur in many other ways within even a single occupation. Piece rate earnings vary according to skill, opportunity and energy. The hours of work were reduced from 10 to 9 a day in 1935 and a reduction in earnings must have ensued. In short, it is even possible in a textile mill for a complete change to occur, in the course of a few years, in the wage levels of different occupations without any corresponding change taking place in the rates or hours of work.

“Wage cut” reductions cannot, therefore, be correctly measured by percentages alone. We have, therefore, after careful examination of all the available material, and after consultation with representatives of employers and labour, decided to discard any attempt to arrive at conclusions regarding what percentage of the wage cuts remained to be “restored”. In fact, we consider it unfortunate that discussions and controversies in regard to wages in the textile industry of this province should have hinged round more or less vague demands for full or percentage “restoration” of wage cuts, when all that was aimed at was an improvement in the wage level so as to attain the standards reached before wage cuts were effected after 1930. The actual effect of the system of wage reductions adopted by mills in this province may be accurately summarised as follows. Some time in 1932 the mills found it necessary as a result of the economic depression to reduce labour costs. They, therefore, decided to impose reductions on the *earnings* of the workers. Some of the mills reduced the allowances, others effected reductions on consolidated basic rates and still others imposed different rates of cuts on total earnings. There were no general “cuts” on basic *rates* of wages, either time or piece, with a view to the re-fixation of rates throughout the industry. New labour engaged on *time rates* after the introduction of these reductions was paid different rates. Piece rates in some mills continued unchanged but the scale of reductions was applied to the earnings of new employees on piece rates as well. In some mills reductions were effected on the earnings of all time rated workers as well. The practical effect of this action is the imposition of reductions, on a pre-determined scale, on the *earnings* of every worker (excluding certain low paid employees in the Nagpur mills) at the end of *each pay period* (*i.e.*, every month in the mills in this province). While therefore we can ascertain from the pay rolls of those mills in whose pay-sheets reductions appear as a separate item, the total or individual reduction in earnings for *any month* and can with accuracy, assuming basic piece rates have remained constant, work on percentages of these, we cannot under any practicable method, in view of the constant flux of labour in every mill and numerous other factors, apply methods of percentage analysis to compare the effects of the reductions in two different months. The comparison becomes increasingly difficult the further apart the points of time become. A mill which continues to effect cuts on earnings now cannot, for example, by effecting no reductions in December 1940 claim to have restored this, that or the other percentage of the “wage cut” it imposed in December 1932, or it may justifiably, from its point of view, claim to have exceeded the “cut” it effected in 1932. Everything depends on the meaning attached to the term “wage cut”, and in practice this cannot be measured in concrete figures. Hence arise the controversies regarding the extent of restorations or reductions. The true position is that “restoration” can be effected only if the current cut is separately indicated in the pay-sheet but cannot be correlated with the amount of the cut imposed either on the individual or the total wages bill in 1933. Our conclusion is that the increases in wages paid by mills as a result of the Roughton Committee’s recommendations, though described as “60 per cent percentage restoration of the wage cut” can, in actual fact, have nothing more than a mechanical or arithmetical percentage connection with wage payments

in 1933. The suggestion, therefore, that 40 per cent of the 1932 wage cut is still in operation or that 75 per cent or 80 per cent has been restored is not merely fallacious but is misleading and can have no reference to the current earnings of individual workers. What, in actual fact, is in operation is the scale introduced in some mills in 1933 whereby certain reductions are made on every pay day from the earnings of certain classes of employees. In other mills the scales have been absorbed into rates or dearness allowances have merely been discontinued. New employees on time rates are being paid at lower basic rates of wages in certain mills. The scales of reductions where they still exist have been modified by a scale of increases as a result of the acceptance by mill-owners of the Roughton Committee's recommendations and this, as will be evident later, has improved the wage level which existed immediately before the increases were given. The "restorations" effected in 1938 were the restorations to the total wages bill of each mill of a certain portion of the reductions effected by the mills on the earnings of all workers in the pay roll of January 1938, plus certain calculated additions where basic rates had been altered. The distribution of this lump sum amongst individual workers was not designed to restore "cuts" evenly as between worker and worker and this, in our opinion, has given rise to some discontent amongst those skilled process operatives to whose earnings 60 per cent of the reductions have not been restored according to their expectations. Mill managements justify this result by the fact that the 1938 schedules had the approval of the workers. In fact, at the Hinganghat centre, flat rates of increases were given after a ballot with the result that disparities between the earnings of different groups of workers have been still further increased. Individual percentage restorations can be worked out from the pay rolls of some of the mills where reductions and restorations were based on fixed schedules, but apart from the difficulties of dealing with thousands of individual accounts of the wage earners, the percentages obtained will only have a superficial value since, as we have shown above, earnings themselves have been adversely affected by numerous factors other than "cuts".

21. The comparison of "Wage levels" in different years in order to judge whether comparative conditions in the industry justify an improvement in the existing level cannot, therefore, be settled by utilising the various percentage figures of "cuts" and "restorations" which have been cited before us. We have, therefore, directed our attention to the ascertainment and comparison of *actual wage levels* at different points of time from the wage statistics available to us. Complete wage statistics in the textile industry of this province are available for certain months in the following years: December 1932 and 1933 (Inquiry into Unemployment and Wage Cuts, 1934), July 1938 (unpublished statistics collected by the labour office), February and October 1939 and 1940 and February 1941 (collected by us). Statistics for certain selected occupations for 1936 and 1937 (Roughton Committee) and for 1927 for the Nagpur mills are also available. From this material we have had tables prepared showing the "average daily earnings" of labour in the different mills in the

province at different points of time for the following groups of occupations :—

- (a) all operatives,
- (b) groups of certain important occupations,
- (c) certain numerically important individual occupations.

22. Before discussing these statistical results it is necessary to explain how the figures of average daily earnings have been arrived at. Information in regard to wages was collected from the mills in the following form for particular months in different years :—

Day shift. Night shift. Month. Year.

Department and occupation	Time or piece	Total number of workers	Average number of days worked	Average monthly earnings	Average daily earnings
(1)	(2)	(3)	(4)	(5)	(6)

Columns 1 and 2 are self-explanatory. Column 3 in the case of one Nagpur mill included the permanent and what may be called the permanent "substitute" workers in all occupational groups. The other Nagpur mill has entered the average number of workers per day. The other mills maintain separate muster rolls for substitute workers and consequently the wage statistics supplied by them relate only to their permanent workers. This has not vitiated figures of average earnings for purposes of comparison between mill and mill, because the practice in the Nagpur mills is for substitute workers to obtain either automatically or by the system of compulsory leave ("playing off") an equal number of average days work in the month as a permanent worker. The figure in column 4 is obtained by dividing the sum of the number of days worked by each man in that occupation by the figure in column 3. The figure in column 5 is the wage bill for the month in the occupation concerned divided by the figure in column 3. We have made every effort to obtain comparable figures for all the mills, keeping in view the different systems of engagement of substitute workers in the different mills.

23. The figures in columns 4 and 5 bring out the effects of absenteeism, a subject which we will discuss in a subsequent chapter. We will also discuss separately the changes which have occurred in the "average monthly earnings" in different groups of occupations in order to compare the effects on standards of living of the different factors which affect a worker's monthly receipts. The table below exhibits the weighted average earnings of all operatives in each mill in the province for certain months in the years 1932, 1933, 1938, 1940 and 1941. The more

important wage reductions took place between the years 1932 and 1938. The statistics for 1938 incorporate the increases given after the recommendations of the Roughton Committee, 1938, had been given effect to. The figures for the years 1940 and 1941 illustrate subsequent trends in the course of wages in the different mills :—

Table (4)

Weighted average daily earnings of all operatives showing percentage variations compared to December 1932.

[Figures in brackets show number of workers.]

	1932 Dec- ember	1933 Dec- ember	1938 July	1940 Feb- ruary	1941 Feb- ruary (includ- ing M. A.)	1941 Feb- ruary (exclud- ing M. A.)
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Nagpur						
1. Empress Mills ..	0 12 9 (7,976)	0 10 3 (7,962)	0 10 7 (10,292)	0 11 9 (7,397)	0 12 10 (7,880)	0 11 7 ..
Percentage variation ..	100	80.30	83.06	92.15	100.65	90.85
2. Model Mills ..	0 12 4 (3,177)	0 10 7 (3,118)	0 11 4 (2,970)	0 10 11 (2,926)	0 12 1 (2,978)	0 11 7 ..
Percentage variation ..	100	85.81	91.89	87.97	97.97	93.92
Wardha						
3. Pulgaon Spinning and Weaving Mills, Pulgaon.	0 10 1 (1,040)	0 9 0 (1,009)	0 6 10 (685)	0 6 8 (1,092)	0 6 4 (990)	..
Percentage variation ..	100	89.26	67.76	86.11	63.22	..
4. R. S. Reckchand Mohota Mills, Hinganghat.	0 9 4 (1,244)	0 9 3 (1,215)	0 8 3 (2,088)	0 10 2 (1,424)	0 9 9 (1,475)	..
Percentage variation ..	100	99.11	88.39	108.96	104.46	..
5. R. B. Bansilal Abirchand Mills, Hinganghat.	0 13 0 (1,802)	0 11 5 (1,713)	0 8 9 (2,157)	0 10 10 (1,532)	0 10 8 (1,643)	..
Percentage variation ..	100	87.82	67.30	83.33	82.05	..
Berar						
6. R. S. Reckchand Gopaldas Mohota Mills, Akola.	0 14 11 (1,026)	0 12 0 (1,030)	0 10 3 (1,745)	0 11 5 (1,255)	0 11 3 (1,215)	..
Percentage variation ..	100	80.44	68.71	76.53	75.42	..
7. Savatram Ramprasad Mills, Akola.	0 12 10 (898)	0 11 6 (735)	0 13 3 (854)	0 13 5 *	0 12 9 (792)	0 11 4 ..
Percentage variation ..	100	89.61	103.24	104.54	99.35	88.31
8. Berar Manufacturing Co. Ltd., Badnera.	0 9 4 (1,256)	0 8 6 (994)	0 8 4 (1,089)	0 8 7 (1,157)	0 9 4 (1,105)	0 8 10 ..
Percentage variation ..	100	91.07	89.29	91.97	100	94.64
9. Vidarbha Mills, Ltd., Berar, Ellichpur.	0 12 10 (612)	0 11 2 (649)	0 9 8 (1,062)	0 11 5 (653)	0 9 5 (816)	..
Percentage variation ..	100	87.01	75.32	88.96	73.37	..
Nimar						
10. Burhanpur Tapti Mills, Ltd., Burhanpur.	0 13 0 (1,283)	0 11 6 (1,301)	0 12 9 (1,570)	..	0 12 3 (1,239)	0 11 9 ..
Percentage variation ..	100	88.46	89.07	..	94.10	90.39

*Figures not available.

M. A. = Dearness allowance (present war).

We have given the statistics for each mill separately as we found that, owing to large disparities in the rates of wages of individual mills in the same centre, combined wage figures for the different centres as a whole were of no value. Dearness of food allowances on account of the rise in the cost of living since September 1939 are now paid, at differing rates, by the following mills :—

Empress and Model Mills, Nagpur, Savatram Ramprasad Mills, Akola, Berar Manufacturing Co., Badnera, and the Burhanpur Tapti Mills, Burhanpur.

These allowances have not been incorporated in the daily average earnings shown in the last column of the above table. So far as the average for all operatives is concerned the 1932 level has been exceeded by the Reckchand Mohota Mills, Hinganghat, since the cuts in that mill were imposed in July 1932. The level at the Empress Mills is 9 per cent lower and at the Model Mills 6 per cent. The Pulgaon Mill and the Vidarbha Mill are still considerably below the level reached by them in 1932. These statistics give a general idea of the remuneration of labour as a whole throughout the industry. But a closer analysis reveals that, as an index of wage rates, they are not sufficiently informative. We may illustrate the position by a comparison of the figures for the Empress and Model Mills in Nagpur. It is a matter of common knowledge that the wage rates generally in the Empress Mills have always been maintained at a higher level than in the Model Mills, even excluding indirect additions to wages accruing from expenditure on welfare schemes, provident fund and similar amenities. The statistics, however, show that average daily earnings in the Model Mills in July 1938 were Re. 0-11-4 as against Re. 0-10-7 in the Empress Mills and in February 1941 the Model Mill was paying exactly the same rate as the Empress Mills. This result is due to a variety of reasons. The weighted average for all operatives is influenced largely by the earnings of individuals in the more numerous groups of occupations in a mill. A mill in which the earnings of weavers are high on account of the policy of the management in engaging more two loom weavers than one loom weavers will show a higher average for all operatives even though the earnings in all other occupations are identical. Conversely if a mill employs a large number of surplus women in the reeling department and distributes the wages in that department to a proportionately larger number of workers than another mill the average for all operatives will be decreased. Similar differences may exist in other departments in which remuneration is based on piece rates or in which time rates are adjusted according to the distribution of work. The Empress Mills, for example, employed 1,142 single loom weavers in February 1941 whose average daily earnings was Re. 0-11-5 as against 612 weavers in the Model Mills mostly engaged as two loom weavers whose average daily earnings came to Rs. 1-1-1. These figures give no information regarding the rates paid per unit of output of the looms and the figure of average daily earnings gives no indication of comparative wage rates in the weaving departments of the two

mills. A scrutiny of the wage statistics supplied by the different mills reveals numerous variations in daily earnings caused primarily by the system of organization of work prevalent in each mill. Apart from the difficulty of comparing rates of remuneration in the different mills for a given quantity of output in the same month, exactly identical factors preclude any true or precise comparison of the wage level in the same mill at two different points of time from the figures of average daily earnings of all the operatives employed by the mill on those dates. In other words, the average daily earnings for all operatives in a mill can only be compared usefully with the corresponding figure for another mill or for the same mill at another point of time if it is known that the conditions of employment, the distribution of work and the character of the production had identical influence on the wages earned. The figures are, however, not entirely without value, particularly with reference to variations which have occurred in the same mill from year to year. In view of the fact that most of the mills in the province produce yarn and cloth of coarser counts, it has not been possible for the management to rationalise the methods of production. In the Empress Mills, Mr. Batliwala claimed that his attempts at rationalisation failed because of the opposition of labour. Mr. Ruikar, on the other hand, stated before us that the managements made no sustained attempts to rationalise work in the mills at Nagpur. As a consequence the policy of most of the mills in the employment of labour has not altered radically during the last ten years and no attempt has been made to improve the wage level of individuals by reducing the number of operatives so as to give opportunities to the more efficient workers to increase their earnings.

24. Our general conclusions from the statistics of average daily earnings of all operatives in the different mills may be briefly stated here. In the two Nagpur Mills the level now is about 7.6 per cent below the 1932 level. In the Berar group of mills the level is 17.1 per cent below and at the Burhanpur Tapti Mills it is 9.6 per cent below. In the Wardha group of mills the Pulgaon Mills, which recommenced working in 1938 after about four years stoppage, is paying wages which are at a level about 37 per cent below that paid by the previous owners. The Reckchand Mohota Mills, who have not shown the 1932 July cut in wages and have not included substitutes getting less wages in calculating the average wage for February 1941, for reasons already stated, has exceeded the 1932 level and the other mill at Hinganghat is about 18 per cent below the pre-1933 level. We should repeat here that as between mill and mill the actual figures of daily earnings afford no basis for a true comparison of workers' remuneration in the different centres and that for the same mill the percentage figures of variations constitute only a rough guide to the real change in wage rates and cannot by themselves be utilised as an index for the re-adjustment of wages throughout the different occupations in a mill.

25. In the table below we have narrowed the field of inquiry so as to cover changes in wage rates in the eight principal

groups of employees for whom statistics were given in table 4, Chapter III of the Roughton Committee's report:—

Table (5)

Weighted average daily earnings of selected occupations showing percentage variations compared to December 1932.

[Figures in brackets show number of workers.]

	1932 Dec- ember	1933 Dec- ember	1936 Year	1937 Year
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Nagpur				
1. Empress Mills	0 12 10 (4,875)	0 10 2 (4,999)	0 9 5 (5,235)	0 9 11 (4,890)
Percentage variation	100	79.2	73.4	77.27
2. Model Mills	0 12 5 (2,219)	0 10 11 (1,980)	0 9 2 (2,219)	0 10 3 (1,744)
Percentage variation	100	87.91	73.82	82.55
Wardha				
3. Pulgaon Mills, Pulgaon	0 9 1 (829)	0 8 3 (809)	•	•
Percentage variation	100	90.82	•	•
4. R. S. Reckchand Mohota Mills, Hinganghat.	0 8 11 (820)	0 9 0 (820)	0 8 6 (632)	0 8 4 (683)
Percentage variation	100	100.93	95.92	93.45
5. R. B. Bansilal Abirchand Mills, Hinganghat.	0 13 1 (1,088)	0 11 0 (1,094)	0 10 1 (896)	0 8 1 (972)
Percentage variation	100	84.07	77.07	61.14
Berar				
6. R. S. Reckchand Gopaladas Mohota Mills, Akola.	0 15 2 (674)	0 11 5 (692)	0 12 7 (847)	0 9 2 (939)
Percentage variation	100	75.26	82.97	60.43
7. Sawatram Ramprasad Mills, Akola.	0 12 5 (491)	0 9 3 (423)	0 10 8 (547)	0 10 11 (479)
Percentage variation	100	73.8	84.6	87.9
8. Berar Manufacturing Co. Ltd., Badnera.	0 8 6 (713)	0 8 3 (534)	•	•
Percentage variation	100	97.1	•	•
9. Vidarbha Mills, Ellichpur	0 12 2 (437)	0 10 6 (454)	0 8 5 (366)	0 8 0 (379)
Percentage variation	100	86.30	69.17	65.8
Nimar				
0. Burhanpur Tapti Mills, Burhanpur.	0 13 9 (765)	0 11 8 (782)	0 9 10 (960)	0 9 5 (887)
Percentage variation	100	84.84	75.6	72.43

*Not supplied by Mills.

Table (5)—cont.

[Figures in brackets show number of workers.]

	1938 July	1941 February (including M. A.)	1941 February (excluding M. A.)
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Nagpur			
1. Empress Mills ..	0 10 6 (6,220)	0 12 2 (4,771)	0 10 11
Percentage variation ..	81.8	94.8	85.03
2. Model Mills ..	0 11 5 (1,866)	0 11 5 (1,920)	0 10 11
Percentage variation ..	91.94	91.94	87.92
Wardha			
3. Pulgaon Mills, Pulgaon ..	0 6 10 (469)	0 5 10 (765)	
Percentage variation ..	75.22	64.2	
4. R. S. Reckchand Mohota Mills, Hinganghat.	0 9 4 (780)	0 9 10 (748)	
Percentage variation ..	104.87	110.27	
5. R. B. Bansilal Abirchand Mills, Hinganghat.	0 10 6 (770)	0 10 10 (772)	
Percentage variation ..	80.24	82.82	
Berar			
6. R. S. Reckchand Gopaldas Mohota Mills, Akola.	0 10 5 (830)	0 10 10 (765)	
Percentage variation ..	69.22	71.42	
7. Savatram Ramprasad Mills, Akola ..	0 12 9 (533)	0 12 9 (399)	0 11
Percentage variation ..	102.68	102.68	91.28
8. Berar Manufacturing Co. Ltd., Badnera.	0 8 4 (432)	0 7 9 (548)	0 7
Percentage variation ..	98.03	91.17	85.3
9. Vidarbha Mills, Ellichpur ..	0 9 2 (573)	0 8 7 (583)	..
Percentage variation ..	75.34	72.05	
Nimar			
10. Burhanpur Tapti Mills, Burhanpur ..	0 11 6 (912)	0 11 7 (832)	0 11 1
Percentage variation ..	83.64	84.24	81.2

*Read November for Hinganghat and Pulgaon mills.

The number of operatives included in these eight groups cover roughly 59 per cent of the operatives in the mills. With the exception of doffers and siders (except in Savatram Ramprasad mills) the rest are all piece rated employees. We have been much struck by the almost complete absence of any uniformity in the relative variations in earnings which have occurred in the different groups of occupations since 1932. Workers themselves ascribe these variations to two causes (a) alterations in basic piece rates from time to time and (b) revised time rates for new employees. In support of the contention that piece rates have been radically changed, a considerable volume of evidence was led before us by the unions and the workers themselves. In reply to our question, on the subject, a newly constituted body called the "Council of Action" of the Textile Unions stated as follows:—

"In the case of piece workers it has been the complaint of all the piece workers in the whole province that there has been an indirect wage cut in their wages by the reduction in the piece rates and therefore in practically every mill in the whole province the percentage of wage cut has always been higher than the officially announced percentage of wage cut."

In reply to a further question asking for specific instances of these alterations the "Council" replied as follows:—

"Our Council is not in a position to give exact piece rates for the articles which are manufactured in large quantities in the mills before and just after the 1933 wage cut, but it is the constant and eternal complaint of all piece workers in this province and more especially of those in Nagpur that the piece rates have steadily gone down since 1922. The numbers of the cloths in the weaving department change more quickly than the passing clouds in the sky and, with every slight change in the character of the cloth, there is a change for the worse in the rates. How these basic rates for the piece workers and more especially for the weavers are fixed and changed from day to day is a mystery which no human mind howsoever clever and ingenious it may be can unravel; but the net result of all these constant variations in the character of the cloths and the rates is such that in substance and in effect it amounts to a reduction in rates of the piece workers and more especially of the weavers. In the case of daily and monthly wage earners, especially in the Empress Mills at Nagpur, the scale of the wages before 1933 has not been maintained afterwards and has appreciably fallen down."

26. The Badnera and Hinganghat unions, and workers tendered by these unions as witnesses, and also workers from Ellichpur produced before us a variety of samples of cloth and the rates paid for them at different times. We do not consider it necessary to go into the matter in any detail but give below, as a typical example of the evidence produced before us, a statement supplied by the Hinganghat Union showing the difference in daily earnings per loom in 1930 and 1941 for eight different

qualities of cloth ordinarily manufactured in one of the mills in that centre:—

1930

No. of Work- Looms ers	Cloth No.	Quality	Piece rate in 1930	Average of daily produc- tion in 1930	Dear- ness allow- ance in 1930	Total daily earn- ing per loom in 1930
			(4)	(5)	(6)	(7)
(1)	(2)	(3)	Rs. a. p.		Rs. a. p.	Rs. a. p.
1	2	927 Harak (shirting)	.. 0 4 0	2 pieces	0 10 0	0 13 0
		3333 Drill	.. 0 7 0	1 piece	Do.	1 4 6
1	2	1009-9 Dhoty	.. 0 2 4	4 pairs	Do.	0 14 11
		121 Dhoty	.. 0 1 9	5 pairs	Do.	0 14 2
1	2	1001-7 Dhoty	.. 0 2 2	4 pairs	Do.	0 14 1
		64×64 Chitau (shirting)	.. 0 8 0	1 piece	Do.	0 13 0
1	2	Bansilal dhoty	.. 0 2 4	4 pairs	Do.	0 14 6
		122-1 Bansilal dhoty	.. 0 2 0	4½ pairs	Do.	0 14 7

1941

No. of Work- Looms ers	Cloth No.	Quality	Piece rate in 1941	Average of daily produc- tion in 1941	Dear- ness allow- ance in 1941	Total daily earn- ing per loom in 1941	Total cut per loom per day
			(8)	(9)	(10)	(11)	(12)
(1)	(2)	(3)	Rs. a. p.		Rs. a. p.	Rs. a. p.	Rs. a. p.
1	2	927 Harak (shirting)	0 2 8	2 pieces	0 8 0	0 7 10	0 5 2
		3333 Drill	.. 0 5 3	1½ pieces	Do.	0 11 3	0 5 3
1	2	1009-9 Dhoty	.. 0 1 9	4 pairs	Do.	0 10 6	0 4 5
		121 Dhoty	.. 0 1 4	5 pairs	Do.	0 10 0	0 4 2
1	2	1001-7 Dhoty	.. 0 1 7	4 pairs	Do.	0 9 6	0 4 7
		64×64 Chitau (shirting)	0 5 9	1 piece	Do.	0 8 7	0 4 5
1	2	Bansilal dhoty	0 1 7	4 pairs	Do.	0 9 6	0 5 0
		122-1 Dhoty	.. 0 1 6	4½ pairs	Do.	0 10 1	0 4 6

In 1930 working hours were ten and in 1941 working hours are nine. Production is the same though one hour time less, because the speed pulley and wheel are changed.

No other unions or workers at other centres have supplied us with data which would support the workers' contention that piece rates have been frequently revised. The mills do not deny that alterations have taken place in rates, with alterations in the quality of the articles manufactured, but they contend that, except when percentage reductions in rates were deliberately made, there has been no reduction in piece rates which cannot be supported by the scheme in force in each mill by which the structure of piece rates is built up. In support of this the Empress Mills have given us the following figures of monthly earnings per loom for different periods from 1914 to 1938:—

	Rs.	a.	p.
1914	...	9	9 7
1923	...	11	5 7
1927	...	19	9 11
1932	...	19	6 0
1935	...	17	11 9
1937	...	19	1 0
1938	...	18	9 2

The matter is not one on which we can record a finding as obviously the fixation of piece rates in the textile industry is a highly technical process with which we have no acquaintance. We have to confine our examination of the subject to a comparative study of earnings of piece workers in different years and judge broadly whether the reductions which have occurred are due solely to "cuts" and other extraneous factors which have influenced wages in recent years or whether internal readjustments in rates within the mills have also had an effect on the earnings of workers.

27. In regard to revised time rates of fixed wage earners similar differences of view prevail. The unions mentioned above and workers alleged that concurrently with reductions in the old dearness allowances in some mills, time rates, were progressively reduced and that work was redistributed so as to effect reductions in the staff by increasing the task of the other workers. The mills do not deny that time rates have been scaled down and in the case of the two Nagpur mills the new rates of pay are clearly shown in the pay-sheets. In one of the Hinganghat mills, for example, doffers' rates were reduced from Rs. 6-8-0 to Rs. 6 a month and weavers' rates from Rs. 11-8-0 to Rs. 9, and several other similar adjustments were made. In the spinning department of the Badnera Mills three different rates of Rs. 13, Rs. 10 and Rs. 8 were introduced. We came across instances in almost all the mills of revised time rates of pay for different classes of operatives which were brought into force after 1932, but we do not think that any useful purpose will be served by a detailed analysis of changes which have occurred in time rates of wages in the different mills, since for our purposes such changes are reflected in the average earnings which are shown in the wage statistics supplied to us by the mills.

28. The table below compares the percentage variations, with December 1932 as the base, of the earnings in all occupations and in the principal process occupations in February 1941 :—

Table (6)

Comparison of wage levels in all occupations and in certain selected occupations.

	December 1932	February 1941	
		All occu- pations (Excluding M. A.)	Selected occu- pations
Nagpur			
Empress Mills	100	90.85	85.03
Model Mills	100	93.92	87.92
Wardha			
Pulgaon Mills	100	63.22	64.2
Reckchand Mohota Mills	100	104.46	110.27
Bansilal Abirchand Mills	100	82.05	82.82
Berar			
Reckchand Gopaldas Mills	100	75.42	71.42
Savatram Ramprasad Mills	100	88.31	91.28
Berar Manufacturing Co.	100	94.64	85.3
Vidarbha Mills	100	73.37	72.5
Nimar			
Burhanpur Tapti Mills	100	90.39	81.2

It is clear that, with the exception of the Reckchand Mohota Mills, Hinganghat, for reasons already stated, and the Savatram Ramprasad Mills, Akola, certain groups of process operatives taken as a whole are receiving relatively lower wages than all classes of operatives (including process operatives) taken together. The groups of process operatives included in these wage statistics are weavers, siders, reelers, winders, frame tenters and doffers. The inferences which may be drawn from these figures are as follows :—

- (i) The cuts and other indirect reductions in wages have affected the average reductions in earnings of certain groups of process operatives to a larger extent in most of the mills than the average reductions in earnings of all groups of operatives—the reductions are greater than are indicated by the percentage differences in the above table.
- (ii) In the two mills in which the average earnings in selected occupations are relatively higher than for all occupations, the scales of reductions in other groups of occupations were higher than in the process occupations selected for comparison.

These general conclusions are subject to many qualifications. The percentages are affected by the relative proportions of workers in different groups in the different mills and afford no basis of comparison as between mill and mill. Even within the selected occupations the variations as between earnings in

different occupations are not uniform and the average for all occupations does not therefore reflect truly the gains or losses of individuals in the different occupations between the years 1932 and 1941. We may illustrate our point by a reference to the statistics for the Burhanpur Tapti Mills. The average daily earnings of all operatives in February 1941 was 90.39 per cent of the figure in December 1932; whereas for the selected occupations the percentage was as low as 81.2. This result is due to the very large reduction in two loom weavers earnings from Rs. 1-5-9 a day in December 1932 to Rs. 1-0-8 in February 1941. On the other hand, the percentage figure for February 1941 for the Reckchand Mohota Mill at Hinganghat for the selected occupations is 110.27 in February 1941. The earnings of two loom weavers in this mill rose from Re. 0-15-3 a day in December 1932 to Rs. 1-0-5 in February 1941, whereas in the large group of reelers average earnings dropped from Re. 0-6-6 a day to Re. 0-5-6. It is unnecessary to explain in greater detail the variations in these percentages as it is sufficiently clear that a mere comparison of percentages without a complete analysis of the factors contributing to the variations will not present a true picture of the changes which have occurred in the wage levels within the different occupations in a particular mill. Averages, whether weighted or simple arithmetical figures, are only of assistance in enabling one to obtain a broad skeleton picture of the course of wages in a mill. As we have stated above the principal feature of the wage policy of mills in this province is the extreme diversification of methods. No opportunity seems to have been lost by any mill either to introduce or experiment with schemes of wage fixation which had no connection with the policy adopted by another mill in the same centre or at any other centre in the province. The Model Mills and the mill at Badnera which are under the same general management, for example, follow entirely different wage fixation policies. There is no ascertainable uniformity in the wage differentials between corresponding occupations in the two mills and this may be illustrated by a comparison of the wages in any two corresponding occupations in the two mills. The average earnings of a single side sider and of a weaver in the Badnera Mill in February 1941 was Re. 0-8-0 and Re. 0-9-0, respectively, whereas in the Model Mills the figures are Re. 0-10-3 and Rs. 1-1-1. The unequal difference in earnings between these two classes of operatives may be partly explained by differences in the qualities of the articles manufactured, but it is obvious that no attempt has ever been made to regulate the remuneration of different groups of operatives according to any fixed principles correlating earnings in the different occupations in a mill. These instances may be cited by the hundred for all the mills in the province and our primary difficulty in dealing with the problem of wage levels in the industry in this province has been the practical one of the impossibility of obtaining comparable figures with a common denominator which would enable us to draw reasonable conclusions as to the true course of wages either in the industry as a whole or even in a single mill. We have found that we have to deal with heterogeneous quantities whose pattern is neither uniform in a single mill or in mills at the same centre. In order, therefore, to arrive at

conclusions which will be readily intelligible, and in accordance with facts as they exist, we have been driven to the method of dealing separately with different important groups of occupations in the different mills. In the paragraphs below we set out as briefly as possible and in a summary manner the wage position in some of the more important occupations in the different mills in the province.

For the sake of simplicity we have omitted from the above table wage statistics for the intervening years between 1932 and 1941. We have shown above that no useful purpose will be served by any attempt to make comparisons of percentage variations in the wage levels at different points of time owing to a number of factors which have influenced such variations. The different cuts imposed and the distribution of the "restoration" sums in 1938 have all become so inextricably mixed up in the course of time that no information of any real value, for our immediate purposes, can be gained by a consideration of the wage levels in the different occupations in every year subsequent to 1932. We have therefore only compared levels in December 1932, before the cuts were imposed (except in one Hinganghat mill), and in February 1941, in five principal groups of occupations, namely, weavers, siders, reelers, winders and doffers. The percentage of workers in these five occupations to the total number of process operatives, *i.e.*, the total number of operatives employed in a mill excluding those in engineering, unskilled and miscellaneous occupations, in all the mills in the province comes to 64.75 in February 1941. These workers therefore constitute the bulk of the textile workers in the province who are also, in view of their range of earnings, primarily effected by wage increases or reductions. We believe, therefore, that an analysis of the wage levels in these principal occupations, in the light of our discussions in the foregoing paragraphs regarding the wage history in the industry, as a whole, would give concrete results on which conclusions may justifiably be based regarding the necessity or otherwise for an improvement in the wage level either in particular occupations or groups of occupations or even in the industry as a whole after an examination of the material collected by us in regard to the other side of the account, namely, the extent to which conditions in the industry have changed during the past three years and whether there has been any improvement in the capacity of the industry to bear increased labour costs. Apart from any question of improvement in wage levels, the complementary problems of whether a reasonable balance now exists as between the remuneration of labour and capital, in the particular conditions of the textile industry of this province in regard to profits, production, normal standards of living of the workers, the supply and demand of labour, and such other matters are all relevant considerations which we will discuss separately. For the present we are only concerned with the actual facts of the wage position and proceed, therefore, to state our conclusions on the situation as we found it during our inquiry.

The table above for individual occupations shows the following results :—

TABLE 7

Table (7)

Statement showing average daily earnings of cotton mill workers in Central Provinces and Berar in selected occupations.

Names of mills	Average daily earnings in	Siders	Doffers	Winders	Reelers	Weavers	
						One loom	Two looms
						(7)	(8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1. The Empress Mills, Nagpur	December 1932	0 11 0	0 7 9	0 6 7	0 9 5	0 13 6	1 5 3
	*February 1941	0 13 2	0 8 10	0 5 1	0 5 6	0 11 5	1 2 8
	Percentage variation	+11.26	+14.00	-22.79	-41.60	-15.44	-12.16
2. The Môdel Mills, Nagpur	December 1932	0 8 2	0 6 3	0 6 3	0 7 5	1 1 8	
	February 1941	0 10 3	0 7 7	0 7 4	0 5 0	1 1 1	
	Percentage variation	+25.51	+21.33	+17.33	-32.59	-3.30	
3. The Pulgaon Cotton Spinning and Weaving Mills, Pulgaon.	December 1932	0 12 6	0 6 3	0 5 9	0 5 6	0 10 3	1 3 0
	February 1941	0 10 3	0 5 5	Nil.	0 4 2	0 7 4	Nil.
	Percentage variation	-15.40	-13.33	Nil.	-24.30	-28.50	Nil.
4. R. S. Reckchand Mohota Mills, Hinganghat ..	December 1932	0 7 3	0 5 0	0 6 6	0 6 6	Nil.	0 15 3
	February 1941	0 9 4	0 6 10	0 5 10	0 5 6	Nil.	1 0 5
5. Percentage variation		+28.70	+36.66	-10.3	-15.4	Nil.	+7.6

5. R. B. Bansilal Abirchand Mills, Hinganghat ..	December 1932 ..	..	0 9 1	0 5 11	0 7 5	0 7 2	Nil.	1 7 5
	February 1941 ..	..	0 10 3	0 7 7	0 4 0	0 7 0	Nil.	1 0 5
	Percentage variation		+12.8	+28.17	-46.7	-2.4	Nil.	-29.9
6. Burhanpur Tapti Mills Co., Ltd., Burhanpur ..	December 1932 ..	..	0 12 1	0 7 9	0 6 10	0 9 2	0 11 3	1 5 9
	February 1941 ..	..	0 12 7	0 8 0	0 7 9	0 7 0	0 2 6	1 0 8
	Percentage variation		+4.25	+3.23	+13.46	-23.64	-24.45	-23.38
7. Savatram Ramprasad Mills Co., Ltd., Akola ...	December 1932 ..	..	0 9 5	0 6 5	0 6 6	0 6 1	Nil.	1 10 6
	February 1941 ..	..	0 9 9	0 7 0	0 7 2	0 6 7	Nil.	1 1 9
	Percentage variation		+3.53	+9.09	+14.66	+8.21	Nil.	-33.03
8. R. S. Reckchand Gopaldas Mohota Mills, Akola..	December 1932 ..	..	0 9 10	0 6 3	0 6 3	0 9 9	Nil.	1 11 8
	February 1941 ..	..	0 10 3	0 6 9	0 6 4	0 10 8	Nil.	1 0 1
	Percentage variation		+5.93	+8.00	+1.32	+9.40	Nil.	-41.87
9. Berar Manufacturing Co., Ltd. Badnera ..	December 1932 ..	..	0 9 7	0 8 0	0 7 4	0 6 3	0 8 2	0 8 9
	February 1941 ..	..	0 8 0	0 6 9	0 5 2	0 3 4	0 9 0	0 9 0
	Percentage variation		-16.82	-12.52	-29.55	-50.62	+2.85	+2.85
10. The Vidarbha Mills, Berar, Ltd., Ellichpur ..	December 1932 ..	..	0 11 4	0 7 1	0 5 7	0 3 11	0 13 0	1 10 5
	February 1941 ..	..	0 11 7	0 6 7	0 4 2	0 5 7	0 9 6	0 14 10
	Percentage variation		+2.20	-7.06	-25.4	+17.02	-26.92	-43.85

These figures are exclusive of M. A.

The most noticeable fall occurs in the earnings of weavers and reelers. Siders and doffers are on the whole better off now than they were in 1932. This result is due in part to the manner in which average daily earnings are reckoned on the basis of 26 working days, instead of 31, after the Payment of Wages Act, 1936, came into force. But that alone does not account for the present figure since those operatives gained the most by the 1938 schedules and consequently their 'cuts' were more than neutralised by the 1938 restorations. In some mills winders have improved their earnings and in others they are below the 1932 level. This result is in part due to the number of operatives amongst whom the available work is distributed from time to time as no attempt is made to engage only the minimum required.

We find therefore that the wage level in 1941 is as a whole below the 1931-32 level, and that this gap varies amongst the different groups of occupations in the mills. Some are in actual fact at or above the 1932 level and no question of 'restoration' remains in their case. Others are considerably below the 1932 level in spite of the improvement effected by the schedules in 1938. An over-all raising of the level will widen these disparities and the 'restoration' problem, cannot, therefore, in our opinion, be approached any longer in the aggregate. In concluding our survey of the wage position in the industry in this province we would venture to draw the particular attention of mill managements in this province to the necessity of arriving amongst themselves at some form of uniformity in reckoning the earnings of workers and in maintaining similar pay-sheets, so far as conditions permit, so as to obviate the disputes which arise with workers and their representatives regarding calculations of earnings. We see no reason, for example, why "dearness allowances" granted nearly twenty years ago should still continue to be reckoned separately in the pay-sheets of some mills, or why in other mills, theoretical rates should be shown for new employees with 'cuts' which could easily have been incorporated in the rates.

CHAPTER IV

Real Wages and Cost of Living, 1932—1941

29. The consideration of the question of the necessity for "an improvement in the wage level either by further restoration of the wage cut or otherwise" (our first term of reference) will not be complete without a comparison of the relative adequacy of earnings resulting from the money level of wages prevailing during the periods under comparison with reference to costs and standards of living at those times. We do not propose to go into this aspect of the problem in any great detail, partly because of the inadequacy of data in regard to cost of living at the different centres and partly because the matter has been examined as recently as last year, for the Nagpur centre, by the Nagpur Textile Enquiry Committee, 1940 (Mahalanobis Committee), which inquired into the question of a dearness allowance for workers in the two mills in that centre. That Committee came to the following general conclusion in regard to the position at Nagpur (paragraph 26, Chapter IV of the report) :—

"As compared with January 1927, real wages were roughly 35 per cent higher in December 1932, 18 per cent higher in December 1933, and 5 or 6 per cent higher in July 1938; and were practically at the same level as January 1927 in August 1939, just before the declaration of the war, and continued to be more or less normal during the first two months of the war. Real wages, however, began to fall in November, were appreciably below the 1927 level in December 1939; and have remained below normal since then."

Cost of living index numbers are not maintained for any textile centre in this province outside Nagpur and exact comparisons of the level of real wages at different periods for those centres is therefore not possible. In the preceding chapter we have examined the nature of the wage statistics available and have shown that it is unsafe to draw conclusions or comparisons from the mere figures of average quantities without many qualifications and reservations necessitated by the differing patterns of wage distribution within the industry. We think it, therefore, sufficient, for our purposes, to examine the manner in which monthly earnings have varied broadly both in quantity and in frequency distribution since *1932, when reductions in wages first took place. Appendix C attached to this report gives the proportion of workers in each mill grouped according to different units of earnings for certain months in the years 1932 and 1941. The figures in the statement are of interest since they show at a glance the range of earnings in each mill and enable one to judge whether between 1932 and 1941 there has been any marked drift towards lower or higher monthly earnings in the industry as a whole. We are aware that the degree of 'absenteeism' in different periods, in theory, affects monthly earnings, but as we have shown elsewhere the system of 'substitute' employment in force in the mills of this province tends to keep 'absenteeism' constant and the average monthly earnings of a large number of workers and their families is therefore scarcely affected.

*Except the two Hinganghat mills for which wage statistics prior to the cuts are not available.

30. From the frequency distribution of average earnings of groups of workers we have calculated the average monthly earnings, excluding dearness allowances, of all operatives with earnings between Rs. 5 and Rs. 35 a month, and give the results below :—

Mills	1932	1941*	Percentage variation
(1)	(2)	(3)	(4)
	Rs.	Rs.	
Empress Mills, Nagpur ..	17.9	15.1	—16
Model Mills, Nagpur ..	17.7	14.8	—16
†R. S. Rekchand Mohota Mills, Hinganghat	12.7	14.0	+10
R. B. Bansilal Abirchand Mills, Hinganghat	16.1	13.4	—18
Pulgaon Mills, Pulgaon ..	13.0	10.5	—19
Berar Manufacturing Company, Badnera ..	13.7	12.1	—12
‡Vidarbha Mills, Ellichpur ..	17.8	13.1	—26
‡R. S. Rekchand Gopaldas Mills, Akola ..	19.1	18.2	—5
‡Savatram Ramprasad Mills, Akola ..	16.2	14.0	—11
Burhanpur Tapti Mills, Burhanpur ..	18.2	15.3	—16

31. It is necessary to make it clear at this stage that our inquiry in connection with wages relates to two distinct matters, namely, (a) the comparative adequacy of the wage level judged by changes in the textile industry in this province during the last three years, and (b) dearness allowance to operatives outside Nagpur on account of economic conditions arising out of the present war. It is obvious that in discussions regarding what may be termed the "basic wage level" with reference to conditions in the industry and standards and cost of living of the workers, there is the danger of an overlap of considerations which should apply strictly to one or the other of the two matters mentioned above and not to both. It is, therefore, necessary to fix a dividing line in time so far as cost of living and real wages are concerned so as to allocate the quantum of money available for the improvement of the real wage level, if any, which the conditions in the industry may be held to justify, between the basic additions to wages and the temporary additions to earnings in the form of dearness allowances designed to meet conditions created by the war. We have selected the year September 1938—August 1939 as the base period for comparison of the level of real wages with the level before the cuts in wages were imposed for the first time in 1932 and 1933, so as to decide to what extent the conditions in the industry during the last three years justify an improvement of the level of real wages to the level attained before the cuts were effected, had economic conditions affecting the worker continued at the same level as in 1938-39. In other words, we consider that fluctuations in the cost of living after the war should not be a relevant factor in the determination of the adequacy of the basic wage level in the industry in this province, and we have therefore taken no account of that factor in our consideration of the first

*Figures for February 1941 have been multiplied by 26/24 to bring them in level with those of December 1932.

†1932 figures against the "cuts".

‡These are average monthly earnings for operatives earning between Rs. 5 and Rs. 40.

term of reference. The averages of the cost of living index numbers for Nagpur with 1927 as the base for the periods September—August 1931-32 and 1938-39 are as follows* :—

1931-32	...	62.1
1938-39	...	60.7

The monthly earnings of the typical worker in the two Nagpur mills have been adjusted in the table below by the cost of living index numbers in order to give a comparative idea of the real wage level—so far as the monthly earnings of the typical worker are concerned—before the wage cut and after the partial restoration of 'cuts' in 1938 but taking the money wages in February 1941 as the prevailing rate of wages :—

Table (8)

Mills	1931-32	1941	Percentage variation
(1)	(2)	(3)	(4)
	Rs.	Rs.	
Empress Mills	17.5	15.1	—13.7
Model Mills	17.4	14.8	—15.0

32. In regard to the mills at other centres, we have worked out certain index numbers in view of our second term of reference which requires us to consider whether "dearness allowance should be granted on the lines of the recommendations of the Nagpur Textile Enquiry Committee which was appointed in 1940 under the Chairmanship of Professor P. C. Mahalanobis, I.E.S., to cotton operatives outside Nagpur". We have endeavoured, with the scanty material available to us, to ascertain the changes in the cost of living which have occurred at the other centres between September 1939 and July 1941. We explain below the method adopted and exhibit the results of our calculations.

33. Reliable retail price statistics at different centres are published every month in the *Central Provinces and Berar Gazette* for the five articles—Wheat, rice, juar, tur-dal and fire-wood.

We have utilized these price statistics for the construction of certain index numbers for Nagpur and for the other textile centres in the province. From the data on which the official Nagpur index numbers are constructed we find that these five articles cover about 59 per cent of the total expenditure on which the Nagpur index number is constructed. In constructing cost of living index numbers we require in addition to prices, weights for all articles of consumption. The weights represent the proportional expenditure incurred on any article by an average family. For the other centres we have fixed certain weights for these articles on our knowledge of the staple food grain consumed by the workers in the different centres supplemented by the information which we gathered during our visits to those

*With 1938-39 as base (=100) these index numbers become 102 and 100, respectively.

centres. We have taken the Nagpur weights for Hinganghat and Pulgaon since the pattern of expenditure of an average working class family at that centre is not very different from that at Nagpur. For the Berar centres mean weights for Sholapur (Bombay Presidency) for which index numbers are published and for Akola for which an inquiry into 16 family budgets was carried out in 1930 for the Royal Commission on Labour have been used. For Burhanpur the direct Akola weights were taken, as consumption there appeared to us to be more on the pattern of the 1930 Akola budgets. We give below the weights adopted by us for the different centres for these five commodities :—

Table (9)

Commodities	Centres					
	Nagpur	Hingan- ghat and Pulgaon	Akola	Ellichpur	Badnera	Burhan- pur
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Wheat	.. 27	27	18	19	19	30
Rice	.. 47	49	16	10	17	20
Juar	.. 3	3	37	36	34	23
Tur-dal	.. 7	7	10	11	10	13
Firewood	.. 16	14	19	14	20	14
Total	.. 100	100	100	100	100	100

34. On the basis of these weights and prices we have constructed index numbers for the five articles for all centres. For Nagpur we found that the monthly variations in the index numbers of the total cost of living and the index numbers of the cost of the above five articles exhibit similar movements and follow the same general trend. We have, therefore, correlated them and estimated the former from the latter for all other centres by assuming the same correlation and trend there. The results are shown in the table below. It will be seen from the actual and the estimated index number for Nagpur in columns 4 and 5 that the margin of error of the estimated index numbers is very small and consequently the estimated index number for all articles for other centres is in our opinion a suitable index of changes in cost of living at those places.

Table (10)

Base period—September 1938 to August 1939=100.

Serial No.	Year and month	Cost of living index numbers			
		Nagpur			Discrepancy
		For all articles	For five articles	For all articles as estimated from column (4)	
(1)	(2)	(3)	(4)	(5)	(6)
	1939				
1	September	.. 105	109	108	3
2	October	.. 104	111	109	5
3	November	.. 110	118	113	3
4	December	.. 121	121	115	-6
	1940				
5	January	.. 117	113	110	-7
6	February	.. 110	109	108	-2
7	March	.. 110	112	110	..
8	April	.. 112	123	116	3
9	May	.. 117	128	118	1
10	June	.. 115	121	115	..
11	July	.. 114	123	116	2
12	August	.. 117	123	116	-1
13	September	.. 117	128	118	1
14	October	.. 133	134	121	-2
15	November	.. 120	125	117	-3
16	December	.. 118	126	118	..
	1941				
17	January	.. 117	120	114	-3
18	February	.. 115	122	115	..
19	March	.. 114	128	118	2
20	April	.. 118	131	120	2
21	May	.. 118	133	121	3
22	June	.. 121	135	122	1
23	July	.. 127	138	123	-4

NOTE.—Five articles referred to in this table are—wheat, rice, juar, tur-dal and fire-wood.

Table (11)

Base period—September 1938 to August 1939=100.

Serial No.	Year and month (1)	Cost of living index numbers					
		Other centres					
		For five articles					
		Hingan- ghat and Pulgaon (7)	Akola (8)	Amraoti (Badnera) (9)	Ellichpur (10)	Burhanpur (11)	
1939							
1	September	..	116	115	117	110	110
2	October	..	109	122	115	110	110
3	November	..	126	123	115	111	110
4	December	..	127	116	110	113	117
1940							
5	January	..	126	121	102	110	109
6	February	..	127	120	97	106	104
7	March	..	120	121	101	106	109
8	April	..	128	126	101	108	110
9	May	..	127	118	118	111	113
10	June	..	117	119	107	111	115
11	July	..	116	122	108	108	120
12	August	..	115	121	101	107	114
13	September	..	116	121	100	107	114
14	October	..	130	117	102	106	118
15	November	..	127	110	102	105	119
16	December	..	124	115	102	105	117
1941							
17	January	..	125	115	102	105	113
18	February	..	125	110	102	105	112
19	March	..	124	115	102	105	213
20	April	..	123	123	106	104	118
21	May	..	123	124	106	107	116
22	June	..	143	123	115	112	123
23	July	..	155	135	115	114	128

NOTE.—Five articles referred to in this table are—wheat, rice, juar, tur-dal and fire-wood.

Table (12)

Base period—September 1938 to August 1939=100.

Serial No.	Year and month	Cost of living index numbers					
		Other centres—cont.					
		For all articles as estimated from those for five articles					
		Hingan- ghat and Pulgaon	Akola	Amraoti (Badnera)	Ellichpur	Burhanpur	
	(1)	(12)	(13)	(14)	(15)	(16)	
1939							
1	September	..	112	111	112	109	109
2	October	..	108	115	111	109	109
3	November	..	117	116	111	109	109
4	December	..	118	112	109	110	112
1940							
5	January	..	117	115	104	109	108
6	February	..	118	114	101	106	105
7	March	..	114	115	103	106	108
8	April	..	118	117	103	107	109
9	May	..	118	113	113	110	110
10	June	..	112	114	107	110	111
11	July	..	112	115	107	107	114
12	August	..	111	115	103	106	111
13	September	..	112	115	103	106	111
14	October	..	119	112	104	106	113
15	November	..	118	109	104	106	114
16	December	..	116	111	104	106	112
1941							
17	January	..	117	111	104	106	110
18	February	..	117	109	104	106	110
19	March	..	116	111	104	106	110
20	April	..	116	116	106	105	113
21	May	..	116	116	106	106	112
22	June	..	125	116	111	110	116
23	July	..	131	122	111	111	118

NOTE.—Five articles referred to in this table are—wheat, rice, juar, tur-dal and fire-wood.

35. We will consider these index numbers in a subsequent chapter with reference to dearness allowance in centres outside Nagpur. For the present we have utilised the series for each centre to compare the corresponding real wage position in centres outside Nagpur (as we have done for Nagpur) from the figures of monthly earnings of the typical worker before the 'cuts' in 1932 and after the restoration in 1938. The results are shown below :—

Table (13)

Mills	1931-32	1941	Percentage variation
(1)	(2)	(3)	(4)
	Rs.	Rs.	Rs.
*1. R. S. Reckhchand Mohota Mills, Hinganghat.	12.5	14.0	12
2. R. B. Bansilal Abirchand Mills, Hinganghat.	15.8	13.4	—15
†3. Pulgaon Mills, Pulgaon ..	12.8	10.5	—18
4. Berar Manufacturing Company, Limited, Badnera.	13.6	12.1	—11
5. Vidarbha Mills, Ellichpur ..	17.7	13.1	—26
6. R. S. Reckhchand Gopaldas Mohota Mills, Akola.	18.9	18.2	—4
7. Savatram Ramprasad Mills, Akola ..	16.0	14.0	—13
8. Burhanpur Tapti Mills, Burhanpur ..	18.0	15.3	—15

36. So far as money wages are concerned we have found that conclusions based on all round average rates for all the operatives in a mill or even for selected occupations is apt to be inconclusive and in some circumstances misleading in view of the wage history in the industry in this province. We had, therefore, found it necessary to examine the course of wages in individual occupations. An analysis of real wages on similar lines will not merely be cumbersome but will fail to give a comparative picture of the economic welfare of workers in the industry as a whole as judged by the purchasing power of their monthly earnings. The statistical results which we have considered in this chapter lead us to the conclusion that at the outbreak of the war, on the money wage prevailing at present, the level of real wages in the industry as a whole was about 12 per cent below the level in 1931-32.

*The 1931-32 figure is after the wage cut which was imposed in July 1932. No wage statistics prior to the wage cut are available.

†Index numbers for Pulgaon are almost the same as for Hinganghat.

CHAPTER V

Absenteeism and Substitute Labour

37. The effect of "absenteeism" on the efficiency and earnings of labour employed in the mills of this province has been frequently referred to in discussions concerning wages and other matters connected with the textile industry of this province. Employers contend that the low level of efficiency of textile workers in this province is largely due to their indolence and frequent absence from work and that it is within the power of the workers themselves to raise the level of their earnings by increased application and punctuality. It has even been argued by some of the mill managers that increased rates of wages will tend more to increase "absenteeism" than improve the standard of living of the textile workers of this province which will probably remain unaffected. Comparative figures of "absenteeism" in Bombay, Ahmedabad and other centres were cited before us in support of the contention that labour here is inefficient as compared with workers in other centres. The Empress Mills in reply to our question regarding substitute labour gave the following comparative figures for absenteeism at some mills in different centres :—

Year	Bombay	Ahmedabad	Sholapur	Empress Mills			
				Without compulsory leave		With compulsory leave	
				Day shift	Night shift	Day shift	Night shift
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1940	.. 9.40	3.89	12.19	16.84	26.25	20.21	37.18
1941	.. 9.50	4.48	12.30	17.26	29.94	19.14	31.72

The figures of percentage absenteeism given by the other mills are all in the neighbourhood of 20 per cent. The Reckchand Gopaldas Mills at Akola had a percentage absenteeism of 20.25 in 1940-41, the Savatram Ramprasad Mills show a high degree of absenteeism for frame tenters, siders and doffers but only 9 to 10 per cent for weavers. The Hinganghat Mills have an average absenteeism of about 18 per cent. On the whole it may be said that the average percentage absenteeism in all the mills in this province is between 18 and 23 per cent.

On the question of efficiency the Associate Members representing the millowners contend that comparatively more absenteeism and inefficiency in the Central Provinces requires them to employ a considerable higher percentage of workers than in the mills in Bombay and Ahmedabad and the per head earnings are therefore no criterion to go upon as the total wage bill actually comes to a very high figure.

In this connection the Associate Members representing labour point out that, as observed by the Mahalanobis Committee, the question of relative efficiency of labour is to some extent bound up with the labour policy of the millowners.

38. Labour representatives dispute both the correctness of the comparisons with the figures of percentage absenteeism in centres outside this province and also the inferences regarding inefficiency which mill managements seek to draw from such comparisons. They contend that the figures of percentage absenteeism for this province are inflated, particularly in Nagpur, since they include absence forced on the worker by the labour policy of the employers. They argue further that so far as the quantity of work daily allotted to a worker by managements in the mills here is concerned efficiency is more or less on the same level as in the Bombay Presidency. In view of the intimate connection between absenteeism and the level of earnings of workers, we have endeavoured, in the brief time at our disposal, to investigate the subject in such detail as was possible. The system in force of employing substitute or "badli" labour in this province is not uniform at all centres. The Empress Mills maintain a muster roll of operatives which includes both the labour necessary from day to day and a reserve which by experience is fixed at a strength sufficient to replace the maximum number of probable absentees. No distinction is made between the reserve and the permanent force and every day all workers on the roll are free to turn up at the mills. If it happens that more workers are present than are required the excess number is sent away. This is termed "compulsory leave" and the mills have supplied us with figures of absenteeism with and without "compulsory leave". Steps are also taken to equalise opportunity for work as between worker and worker in the different departments. This is termed "playing off". The Model Mills have adopted a different system and supply different coloured cards to their reserve force. Permanent workers are said to have priority of work over the reserve or substitute workers. An examination of the pay-sheets of this mill shows that substitute workers secure on the average almost the same number of days' work in a month as the permanent workers. At the outstation mills the substitute force is more loosely organized. Some mills issue cards to applicants for "badli" work at the beginning of every month. Others issue cards to new applicants as necessity arises for replenishing the reserve. The Manager of the Ellichpur Mills informed us that substitutes are given merit numbers each month and the inefficient are weeded out. In some mills no "substitute" employment as such exists among women workers as there is no permanent strength maintained and the number required every day is taken from those presenting themselves for work. Mill managers at centres, other than Burhanpur and Hinganghat, informed us that the practice is to provide for substitutes an equal number of days' work as for permanent workers or as between themselves. Whether this is achieved by an adjustment over a long period of time of the strength of the reserve to the actual requirements of absent labour or by compulsory leave or by arrangement between the workers themselves was not very clear from the evidence of the workers and employers. At Burhanpur and Hinganghat there was clearly no attempt to equalise work as between substitutes and permanent employees. The Manager of the Burhanpur Mills informed us that a substitute receives work for about ten days in the month

and at Hinganghat we were informed that the supply of trained textile workers is very considerably in excess of the demand. It is evident, therefore, that, as in the matter of wages, so in the policy of labour reserves, there is a lack of uniformity in the mills of this province.

39. The Labour Commissioner, Bombay, to whom we made a reference regarding the policy of employing substitute labour by the mills in that province kindly supplied us with a note, the substance of which we reproduce below. A scheme of "badli control" was formulated some years ago by the Bombay Millowners' Association which has been adopted with considerable success by its member mills in Bombay City. One of the objects of the scheme is to bring about a gradual reduction in the amount of casual labour employed and to improve the efficiency of substitute labour. This has been achieved by the monthly issue of "badli" cards, as in some of the outstation mills in this province, based on maximum absenteeism. There is no compulsory leave and the "badli" labour force is therefore obviously a reserve of casual labour for all the mills in the city. The method adopted for calculating "percentage absenteeism" in Bombay is as follows:—

$$\text{Percentage absenteeism} = 100 \frac{\text{Total number of days actually worked by all the individual workers}}{\text{Total number of possible man days for all the individual workers}}$$

In this province the percentage is obtained each day from the ratio of the number of permanent workers absent on that particular day to the total number. In the Empress Mills the reserve is included amongst the permanent workers in making the calculations and in other mills compulsory leave is said to vitiate the figure as substitute labour is not really *casual* labour as in Bombay. Mr. Batliwalla, one of our associate members, obtained more detailed information for us from some of the Bombay and Ahmedabad mills. Ahmedabad, which shows a very low percentage of absenteeism, makes its calculations in a totally different manner. A regular worker is not considered as absent if a recognised substitute works for him. The percentages in Ahmedabad therefore refer to purely temporary casual labour. In the Bombay and Sholapur mills a worker is considered absent even if his place is filled by a substitute. The percentage of absenteeism in one of the Ahmedabad mills calculated on the Bombay system comes to 9½ per cent as against the average of 4.48 per cent in the published statistics. Mr. Ruikar, one of our associate members, is not entirely satisfied that the Bombay system of calculation of absenteeism altogether excludes all substitutes.

40. An examination of all this material makes it clear that the published percentage of absenteeism in different centres in the Bombay Presidency and in this province are not strictly comparable. Apart from the differences in the arithmetical methods of calculation of the percentages, the systems of employment of substitute labour in the two areas are not quite the same. Some of the outstation mills in this province follow, in theory, the Bombay method, but the similarity is only superficial. The

important difference in this province is that substitute labour is not really casual labour. It is a semi-permanent reserve of workers who are assured moderately regular employment in each individual mill. Absenteeism in this province has not shown any signs of improvement during the last 30 years and this may partly be due to the habits of the workers, the working conditions in certain mills, and partly also to the tendency of the mill managements to have a larger substitute labour force than is necessary. We have found no concerted attempt in this province either by labour or employers as a whole to reduce absenteeism or even to study the factors which contribute to it. We should however not be understood to agree with the view that the textile worker in this province has reached the same degree of discipline and regularity as the worker in the Bombay Presidency. Standards of living in this province are lower, the supply of labour is considerably in excess of the demand and the incentive to work is not as strong as in the more highly developed centres of the industry. Our view is that the worker in this province absents himself more often from his work than in the Bombay mills and to that extent the industry is at a disadvantage. The extent of the absenteeism is not comparable, but we believe that on a calculation of percentage absenteeism on the same basis and allowing for compulsory leave and factors not directly discouraging absenteeism the average percentage of absenteeism in this province is probably about 13 to 15 per cent as compared with 9.5 per cent in Bombay City at present.

41. As regards the effect of absenteeism and other factors on efficiency we need only repeat the finding of the Mahalanobis Committee that "the question of comparative efficiency of labour is difficult and complicated and cannot be settled without prolonged investigation of a higher technical nature". We also agree with that committee that the possibilities of improving the earnings of textile workers of this province by a more compact organisation of the labour force have not been fully explored. In the Empress Mills, for example, the number of one loom and two loom weavers employed in different months in the course of last two years is shown below :—

	February 1939	October 1939	February 1940	October 1940	February 1941
One loom ..	1,314	1,469	1,279	1,355	1,142
Two looms ..	450	165	273	295	497

This may be due to the fact that the Empress Mills weave a larger variety of complicated sorts. In contrast to this, the mills at Hinganghat, Akola and Burhanpur employ almost entirely two loom weavers. In the reeling department the surplus number of women employees in all the mills is, in our opinion, great and the number can be reduced, if so desired by either party, even though some of the surplus has been absorbed because of the extra work available in the day shifts as a result of night shift working.

42. We trust that the facts in regard to absenteeism which have been set out in the foregoing paragraphs will help to bring about a better understanding between employers and workers

in the matter, and that consistent action will be taken to minimise the evils resulting from irregular employment. Considerable scope exists within the industry itself to improve both the wage level and the earnings of the workers by the gradual absorption of surplus labour and by enlarging the opportunity for more intensive employment, and also the efficiency of production by a gradual reduction of the labour force to minimum requirements. We strongly urge that a way should be found by mill managements, workers and their leaders by mutual co-operation to bring about this improvement in the organisation of labour in the textile industry of this province, as we believe that one of the fundamental causes of recurring disputes and discontent in the industry is the existence of an unnecessarily large surplus labour force dependent for its livelihood on the industry, in one form or another. The growth of the surplus tends constantly to depress both the wage level and the earnings of the textile worker in this province. There is some truth in the argument that absenteeism—which in a sense is synonymous in this province with surplus labour—tends to keep the standard of living of the worker at a level from which he finds it difficult to extricate himself. A higher standard of living for the worker and greater general efficiency of the industry should, in our opinion, follow every reduction of the surplus labour force towards the minimum requirements of the industry.

CHAPTER VI

Trading Conditions, 1938—41

43. In the second chapter of the report we have examined the progress of the textile industry in this province since 1938 so far as the equipment in the mills, extension of production both in the quantity and quality of the articles manufactured and similar indices are concerned. We propose to consider in this chapter the factors affecting that side of the account of the industry, which concerns the prices of raw materials and manufactured goods, competitive trends, the economic condition of prospective consumers and similar matters which have stimulated or depressed activity in the trade in textiles during the last three years. The textile industry of this province, though important in itself according to our own provincial standards of industrial activities, forms but a small element of the industry in India as a whole as will be evident from the information in the table below. (Extracted from statement published by Millowners' Association, Bombay, for 1939-40) :—

Table (14)

Area	No. of mills	No. of spindles in thousands	Percentage of total	No. of looms in thousands	Percentage of total	No. of workers in thousands	Percentage of total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
India	.. 388	1,00,06	100	2,00	100	4,30	100
Central Provinces	.. 6	3,00	3	5	2.6	18	4.1
Berar	.. 4	69	.7	1.5	.7	4	1.0

The share of this province is 3.7 per cent of the spindles and 3.3 per cent of the looms and 5.1 per cent of the workers. The principal centre of the industry in India is the adjacent province of Bombay for which the corresponding percentages are 59 per cent spindles and 68.8 per cent looms. So far then as trading conditions are concerned, the industry in this province is dominated by factors of an all-India character which in turn are reflected by the ebb and flow of the industry in the Bombay Presidency. The mills in this province are also affected by the competition of mills in the neighbouring Indian States. There is no association of millowners in this province and we understand that both the Nagpur mills and the Burhanpur and Badnera mills and one each from Akola and Hinganghat of the outstation mills are members of the Bombay Millowners' Association. So far as control is concerned the direction of general policy in the industry seems to rest outside the province. The other provinces like Madras and the United Provinces have their own provincial associations of millowners and a similar association for this province will be a source of strength and stability for the industry in this province.

44. Since agriculture is the chief industry in India and agricultural prosperity has a direct bearing on the prosperity of the textile industry, a very brief review of agricultural conditions during the last decade will provide the necessary background for the more detailed study of conditions in the textile industry during the last three years. A disastrous slump in agricultural prices

commenced at the end of 1929. The upward trend started in 1932-33 but it was only by the middle of 1936 that there was any definite upward movement. It was during this period that the industry found it necessary to impose all round wage cuts and reduction of allowances. By about March 1937 primary commodity prices attained peak levels. Immediately afterwards there was a reversal which continued till the middle of 1938 when after a short period of stability, prices again resumed a downward trend. This may be illustrated by the prices of certain important primary commodities :—

Name	Average price		Percentage variation
	1937-38	1938-39	
(1)	(2)	(3)	(4)
	Rs. a. p.	Rs. a. p.	Rs.
Cotton ..	187 0 0	153 0 0	—18
Wheat ..	3 1 0	2 2 11	—29
Linseed ..	7 14 5½	7 1 3	—10
Rice ..	Prices steady owing to short crop.		

It was during this period of rising prices that the "wage cuts" of the depression period came under review. Unsettled political conditions in Europe during 1939-40 had a profound effect on economic trends during the year. During the first five months of the year there was a slight recovery of commodity prices which had reached their lowest level by about March 1939. Up to August 1939 prices, however, remained at the same general low level. The outbreak of the war completely altered the situation and there was a sudden rise in prices as a result of speculative activity apparently inspired by memories of profiteering during the last war. There was a boom during the last quarter of 1939 and in December 1939 prices reached a level which had not been reached for many years past. From January—April 1940 there was a sharp downward trend due to various control legislations and probably also because of the announcement regarding the Excess Profits Tax. The average price of cotton in 1939-40 was 36 per cent higher than in 1938-39, wheat 27 per cent, linseed 20 per cent and groundnuts 20 per cent. There was thus a general rise in prices in 1939-40 though it is doubtful whether any substantial portion of the gains accrued to the agriculturists themselves. The downward trend in commodity prices which had set in about the middle of January 1940 continued throughout the year 1940-41. After slight fluctuations the wholesale price index for Bombay (40 articles) dropped from 121 in April 1940 to 116 in February 1941. There was a steady recovery thereafter and the index for May 1941 was 123, June 127 and July 126. The year 1941-42 has therefore commenced with a steady upward trend in commodity prices as a whole.

45. Conditions in regard to different commodities vary considerably and in view of the alterations in the export situation of a commercial crop like cotton, which is of immediate relevance for our purposes, it is necessary to consider the course of prices of raw cotton. We give below the index numbers of the prices of

Oomra cotton which is the cotton largely used by the mills in this province :—

Table (15)

Base period—July 1914=100

Months	1938	1939	1940	1941
(1)	(2)	(3)	(4)	(5)
January	72	66	120	69
February	72	64	107	67
March	68	64	104	..
April	66	64	104	72
May	64	72	91	75
June	60	72	68	88
July	65	79	73	..
August	62	69	77	..
September	62	77	78	..
October	62	77	78	..
November	68	111	82	..
December	68	123	76	..

(Compiled from "Labour Gazette", Bombay.)

We have not given the general price index of cotton at Bombay for the five principal varieties together partly because they follow the same trend as the index numbers for Oomras and partly because the local mills made little or no purchase in Bombay. We also give below the actual prices per khandi of cotton at two of the principal markets in the province, namely, Akola and Nagpur :—

Table (16)

Months	Kapas rate for Oomra (Akola market)			Kapas rate for Central Provinces No. 1 (Nagpur market)		
	1938-39	1939-40	1940-41	1938-39	1939-40	1940-41
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
November	53	71	61	57	81	65
December	53	93	54	59	101	60
January	50	91	47	57	94	56
February	48	77	44	52	80	53
March	49	74	52	..	78	55
April	50	74	53	47	77	38
May	63	75	53	51	67	56

(Compiled from the "Central Provinces Gazette".)

The tables above show that the price of Oomras showed a slight downward trend in 1938, which continued till about May 1939. Thereafter it improved and prices ruled very high during the season 1939-40 from November 1939 to April 1941. There was then a downward trend although the general level was considerably higher than in 1938 and the first half of 1939. The year 1941 commenced with the average level of 1938 but continued steadily to improve and in June attained a level not reached during the previous twelve months. Since the end of July, however, the price of Oomras has collapsed owing to the freezing of Japanese assets throughout the British Empire. The exports to Japan in 1939-40 amounted to 1,056 thousand bales (400 lbs.) out of a total export of 2,948 thousand bales giving a percentage of 36. The pre-war percentages were even higher—1937-38, 49.8 per cent, 1938-39, 44.8 per cent. According to returns issued by the Indian Central Cotton Committee, Oomras comprise roughly between a third and a half of the cotton exported to Japan. With the discontinuance of exports to Japan it is evident that the price of Oomras will, other things being equal, decline during the next season.

46. The mills in the province consume very little foreign cotton. The table below shows the receipts and consumption of different varieties of cotton by the mills in this province:—

Table (17)

Receipts	Bales of 400 lbs.		
	1937-38	1938-39	1939-40
(1)	(2)	(3)	(4)
		(in thousands)	
Oomras (includes Central Provinces, Berar and Khandesh).	158	90	132
Verum 262 and Hyderabad Gaorani.	39	10	19
Rest (Indian and Foreign) ..	12	22	7
Total ..	209	122	158
Consumption ..	146	165	143

As the cost of raw cotton forms the most important item in the cost of manufacture of textiles, the seasons 1938-39 and 1940-41 were favourable to the mills from the point of view of local purchases of cotton which takes place between the months of December and April. During the season 1939-40 prices ruled high and local mills suffered by the subsequent collapse of the rates in Bombay. On the whole, however, the position of the

mills, in so far as the price of raw cotton is concerned, has not changed appreciably since the Roughton Committee reported, except for the losses sustained in the year 1939-40. Citing that year as an example, millowners have contended that the seasonal purchase of cotton places them at a disadvantage as compared to mills in centres where cotton can be bought throughout the year according to requirements. We consider, however, that the balance of advantage lies with local mills in the matter. The Indian Tariff Board (Cotton Textile Industry Inquiry), 1927, referred to this question and considered it more economical for mills to make local purchases of cotton, since interest and insurance charges on large stocks have to be paid in any case "as the cotton has to be stored somewhere and the burden of financing it has to be carried by someone until it is actually required". Our two associate members representing the mill industry consider that it is a great risk to store cotton but consider it inevitable. The risk of falling prices is counterbalanced in other years by rising prices as it actually happened in the years 1938-39 and 1940-41. We are therefore of opinion that in so far as the cost of raw material is concerned, the mills in the province were in a sound position in two out of the three years after the Roughton Committee reported. This position, so far as we are able to judge, seems likely to continue.

47. We turn now to a brief review of trading conditions in respect of manufactured textiles—yarn and cloth—during the last three years. The Roughton Committee after a review of conditions up to 1937 came to the conclusion that stocks of cloth and yarn had reached a very low level by the end of 1937 and all the mills had three months' advance bookings. They stated their conclusion in the following words "representatives of the mills however complained that the market was showing signs of deterioration and that demand for forward bookings was already less brisk. There is little reason to anticipate an immediate slump". The Bombay Interim Report, 1938, was equally optimistic. They came to the conclusion that "all the indices examined point uniformly to a considerable upward movement". The Chairman of the Bombay Millowners' Association in his speech at the annual general meeting of the Association in March 1938 observed that "the results of the year's (1937) working ought to be better than they had been for over a decade as far as Bombay is concerned". The year 1937-38 was one of general recovery for the mill industry as a whole. Production was more than double the figure attained in 1928-29. All the mills were working at full speed and many were working double shift. The prices of cotton manufacture were, however, generally at the same level as in the preceding two years. Although the price of raw cotton was at a very low level in 1937-38, there was no drop in the price of manufactures in view of the steady demand resulting from the general agricultural prosperity during the year. The weakening of foreign competition owing to the war in China also contributed to this result. In the following year (1938-39) the two factors of increased demand from the principal consumers in the home markets and the weakening of the Japanese competition were reversed, and prices of agricultural commodities, as we have seen, declined rapidly during the

year. Imports of Japanese piece goods increased from 306 million yards in 1937-38 to 425 million yards in 1938-39, and there was a re-entry of Japan as a competitor both in internal and overseas markets. The effects of the wage increases and labour troubles were also unfavourable factors. The competitive position of the mills in this province improved slightly, on the other hand, by the imposition of a 10-per cent property tax in Bombay and Ahmedabad. The new cotton import duty imposed in 1939-40 hardly affected the mills in this province. Production during the year showed no slackening and amounted to 4,269 million yards as against 4,084 in 1937-38. Prices of cotton manufactures dropped about 8 per cent between October 1937 and March 1939, and although production was maintained at a higher level, the improvement in demand which commenced in 1937-38 was not maintained during 1938-39.

48. The principal event of the following year (1939-40) was the outbreak of war. During the five months preceding the outbreak of the war the cotton mill industry was said to have been heading towards a major crisis. The over-production of the preceding two years, sagging prices, fall in the purchasing power of consumers, competition owing to the increased export from Japan and China, and the drop in exports from India due partly to a high protective tariff imposed by Egypt and wage increases, all contributed to this result. These all-India factors were not without their effect on the fortunes of the mill industry of this province which was dull and inactive during the year until the outbreak of the war. From September 1939 prices rose rapidly and clearances were quicker. The index number of wholesale prices of piece goods reached its peak at 117 in December 1939. Thereafter it steadily declined till April 1940. The outbreak of the war was also not without its adverse effects and labour discontent which led to strikes was more in evidence. There was also a rise in costs of production. The three phases of the industry during 1939-40 were depression up to August 1939, recovery from September to December 1939, and a period of adjustments from January to March 1940. The year 1940-41 showed again a marked revival of production. The production of cloth rose from 4,013 million yards to exactly the figure of 4,269 million yards attained in 1938-39. The imports into India dropped from 579 million yards in 1939-40 to 447 million yards in 1940-41. The exports increased from 221 million yards to 390 million yards. Production of yarn showed a similar rise although it was below the level of 1938-39. These all-India tendencies were reflected in the activity of the mills in this province. The increased activity of the year 1940-41 still continues and, as we have seen elsewhere, the mills in this province have worked at even higher pressure during the first quarter of the current year. Our conclusion therefore is that trading conditions during the period covered by the inquiry has on the whole been favourable. The set-back in 1938-39 and the early part of 1939-40 was quickly overcome by the conditions created by the war and the recovery was complete by the end of 1939-40. The year 1940-41 was one of further steady progress and in recent months the outlook has improved further. The position in regard to

stocks of yarn and cloth on the 31st December 1937 and 30th June 1941 for the different mills in the province is shown below :—

Table (18)

Mills	Bales			
	Yarn		Cloth	
	31st Decem- ber 1937	30th June 1941	31st Decem- ber 1937	30th June 1941
(1)	(2)	(3)	(4)	(5)
Empress Mills ..	309	401	3,329	1,190
Model Mills ..	19	•	1,261	•
Reckhchand Mohota, Hingan- ghat.	•	•	•	•
Bansilal Abirchand, Hinganghat	•	254	•	145
Pulgaon Cotton Mills, Ltd., Pulgaon	•	947	•	231
Reckhchand Gopaladas, Akola..	365	591	506	417
Savatram Ramprasad, Akola ..	4	385	860	1,526
Berar Manufacturing Company	4	•	315	•
Ellichpur Mill ..	205	92	640	662
Burhanpur Tapti ..	738	413	874	1,595

Large accumulation of stocks up to the middle of 1940 were all rapidly cleared during subsequent months and we were informed by managements that the mills are now all working to forward contracts.

49. We now turn to the course of prices of cloth and yarn. The mills supplied us with prices realised for yarn and cloth under different heads from January to June 1941. We have also collected figures of local rates of yarn in the Nagpur market for the last three years and have also obtained ex-Mill quotations for different counts of yarn published by the Millowners' Association, Bombay, and have also utilized the market quotations for yarn Nos. 10½ and 20 published weekly in the Indian Trade Journal. For cloth prices we have relied largely on the contract rates for different prices supplied to us by the mills, and on the market quotations published weekly in the Indian Trade Journal for certain standard varieties. From information supplied to us by the mills and from calculations made by us we find that from 50 to 60 per cent of the yarn manufactured by the mills in the province is reeled for sale. Yarn sales therefore form a considerable part of the business of the mills in this province. The approximate figure of yarn sales by the mills in the Bombay Presidency is only 15 per cent in Sholapur, 10 per cent in Bombay City and a negligible percentage in Ahmedabad.

50. We give below the composite weighted price index number with September 1938—August 1939 as base for three varieties of cloth, principally manufactured in this province, namely, dhoti, chadar and long cloth. The index number has been prepared on the basis followed by the Textile Labour Inquiry Committee, Bombay, 1938 (paragraph 103, Interim Report). Production figures for the province have been taken from the "Monthly Statistics of Cotton Spinning and Weaving in Indian Mills" and as prices of cloth for this province are not available in any publication, the Bombay quotations have been used. These quotations correctly indicate the trend of prices in

• Figures not supplied by the mills.

the province and are sufficient for our purpose. The percentage production of the three varieties of cloth taken to the total production of cloth in the province is shown in column 2 of the table and it will be seen that the proportion is sufficiently high to afford a rough guide to the course of cloth prices in general :—

Table (19)

(Base period—September 1938 to August 1939=100)

Month and year	Percentage to total		Index number
	$\frac{\text{Total cloth used}}{\text{Total cloth produced}} \times 100$		
1939			
September ..	71.17		96
October ..	68.95		99
November ..	71.40		100
December ..	76.49		116
1940			
January ..	64.42		118
February ..	72.81		116
March ..	70.98		114
April ..	71.78		114
May ..	73.55		113
June ..	76.18		108
July ..	70.25		103
August ..	71.73		101
September ..	66.78		98
October ..	71.42		102
November ..	66.75		100
December ..	67.49		105
1941			
January ..	60.40		106
February ..	59.50		111
March ..	51.95		117

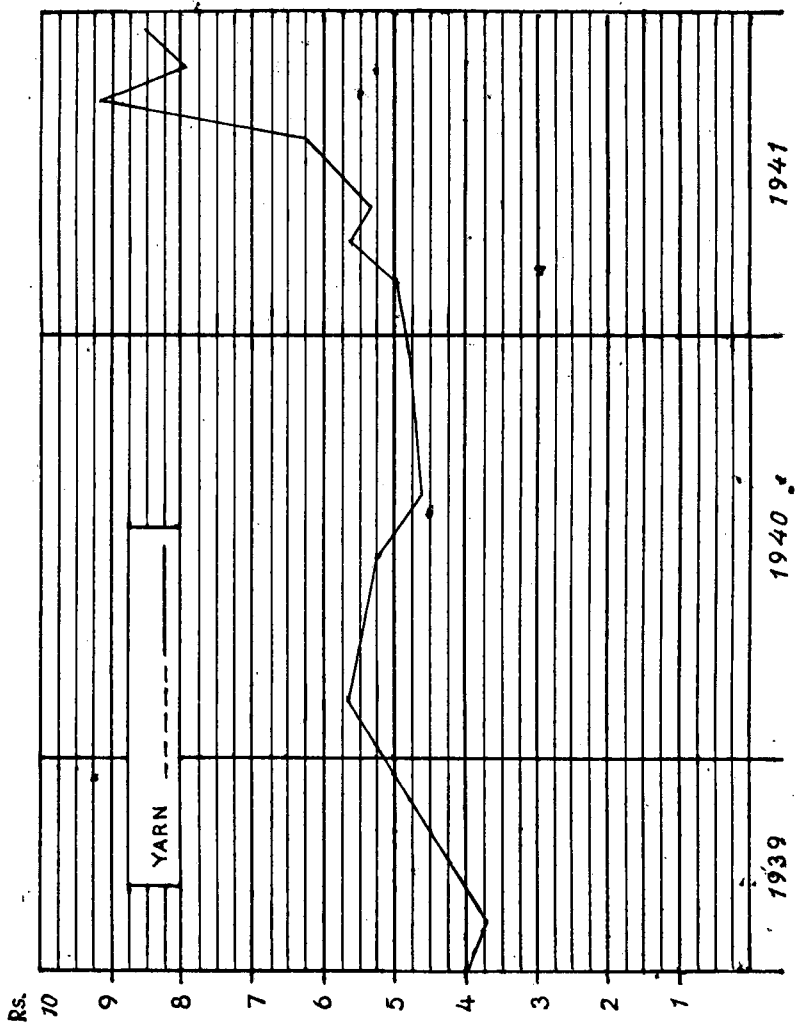
We give below a rough comparative statement of prices supplied by each mill for the first six months of the current year :—

Mills	Articles	Months		
		January	February	March
		(3)	(4)	(5)
		Rs. a. p.	Rs. a. p.	Rs. a. p.
Empress ..	Calcutta, Dhoti ..	..	1 11 6	1 12 6
				to
	No. 209313 Dhoti ..	..	2 0 0	1 13 6
Model ..	S. 1309 ..	4 15 6	5 8 0	5 11 0
Savatram Ramprasad ..	Dhosi 4010/1 ..	1 7 0	1 7 6	1 9 3
Reckhchand Gopaldas ..	Dhosi 24005 ..	1 10 6	1 10 6	1 10 0
Vidarbha Mills ..	21010 ..	..	..	1 14 0
Bansilal Abirchand ..	Grey Dhosi ..	..	0 11 3	..
Burhanpur Tapti ..	Average rates per lb. ..	0 10 4	0 10 2	0 10 8

Mills	Articles	Months		
		April	May	June
		(6)	(7)	(8)
		Rs. a. p.	Rs. a. p.	Rs. a. p.
Empress	.. Calcutta Dhoti.. No. 209313	2 5 6	..	2 5 0
	Dhoti.			..
Model	.. S. 1309 ..	6 0 0	..	6 4 0
Savatram Ramprasad	.. Dhoti 4010/1 ..	1 10 0	1 11 0	1 12 0
Reckchand Gopaldas	.. Dhoti 24005 ..	..	1 14 0	2 1 0
			to	
			2 0 0	2 3 0
Vidarbha Mills	.. 21010 ..	..	..	2 4 0
Bansilal Abirchand	.. Grey Dhoti ..	0 13 0	..	0 15 0
Burhanpur Tapti	.. Average rates per lb.	0 10 6	0 11 6	0 10 10

The index number shows that as compared to the average price for 1938-39 the price of cloth rose by 18 per cent in January 1940 and after a steady downward trend till September 1940 prices again showed an upward tendency and had practically reached the level of January 1940 by the end of March 1941. The mill prices for the first half of the current year showed a steeper upward trend after March. There was much activity in the piece goods market in the last two months and the prices of a number of standard varieties of cloth reached very high levels. On the average, cloth prices during the last two years were at least 10 per cent higher than in 1938-39, and in recent months this percentage has very considerably improved. Grey unbleached long cloth was quoted in Bombay at Re. 0-15-0 a lb. in July 1941 as against Re. 0-11-0 in March and corresponding quotations for dhoties (up to $\frac{1}{2}$ Nakhi border) were Re. 0-13-3 and Re. 0-10-6 giving an average increase of 32 per cent within a period of four months. It is unsafe however to assume that these sudden fluctuations in prices which were the immediate result of speculative activities arising from the cutting off of Japanese imports, will stabilise at the levels now prevailing. But there is little reason to doubt that the steady upward trend which has been in evidence since the outbreak of the war will not stabilise at levels anything between 15 to 25 per cent higher than the level of 1938-39 in spite of the very slight rise in the price of raw cotton.

51. Yarn prices are more difficult to summarise since we have no data regarding the distribution of the total yarn sold among the different counts. Fluctuations have also been greater than the prices of cloth. The graph on the next page shows the variations in the wholesale price of yarn ($20\frac{1}{2}$ s Empress Mills 10 lb.) in Nagpur between July 1939 and September 1941. The price of this count of yarn rose from Rs. 3-14-0 in July 1939 to Rs. 5-10-0 in February 1940 and declined thereafter to Rs. 4-15-0 in January 1941 and advanced steadily thereafter and jumped to Rs. 9-2-0 in July 1941. The price in the current month is Rs. 8-8-0. Similar variations have occurred throughout the whole range of counts marketed in Nagpur, and excluding the violent fluctuations of the last three months we find that since July 1939 yarn prices in Nagpur have risen between 30 and 40 per cent, the rise in the price of higher counts being greater.



The average ex-mill quotations of count 10½s per lb. in Bombay for the last three years is shown below (Indian Trade Journal) :—

20s		Rs. a. p.	Percentage variation
1938	..	0 5 2	..
1939	..	0 4 11	-4.9
1940	..	0 6 6	+25.8
1941 (January to July)	..	0 6 8	+29.3

Count No. 10½s approximates closest to the average count 12½s spun in this province and the percentage variations given above give a fairly approximate idea of the improvement in yarn realisations by the mills in this province. In order to check these results further we give below average ex-mill quotations for groups of counts published by the Bombay Millowners' Association :—

Count 12½s to 20s		Rs. a. p.	Percentage variation
1938	..	0 6 2	..
1939	..	0 6 6	+5.6
1940	..	0 7 11	+28.4
1941 (first quarter)	..	0 8 1	+31.0

It is clear from these comparisons that in 1939 there was some slight deterioration and in the following two years yarn prices of the counts generally sold by the mills in this province rose between 25 and 30 per cent. We have omitted from consideration the recent abnormal rise in yarn prices which was the result primarily of speculation following the stoppage of Japanese imports.

52. To sum up our conclusions regarding trading results during the last three years, we find that the competitive position of the mills in this province, so far as raw cotton is concerned, has not appreciably altered. In 1939-40, however, the mills suffered losses owing to high prices during the purchasing season. Cloth prices were on the average 10 per cent higher than in 1938-39 and are still rising. Yarn prices remained practically stationary during the first half of the period covered by our inquiry and thereafter rose more rapidly than cloth prices and for a period of about eighteen months attained an average level 25 to 30 per cent higher than in 1938-39. As against this there has been a rise in the costs of production to which we will refer in the following chapter.

CHAPTER VII

Financial Position of the Industry

53. Through the courtesy of the Accountant-General, Central Provinces and Berar, his office prepared for us, in accordance with our instructions, certain consolidated and other financial statements from the balance-sheets of the mills. The statements have been compiled generally on the lines of the statements contained in the report of the Special Tariff Board appointed in 1935 to examine the level of cotton textile duties in Bombay and Ahmedabad and those given in the Roughton Committee's report, 1938. The consolidated statements include the following mills:—

(1) Empress, (2) Model, (3) Burhanpur Tapti, (4) Berar Manufacturing, (5) Vidarbha and (6) Pulgaon. The (7) Bansilal Abirchand, (8) Reckchand Mohota and (9) Reckchand Gopaldas mills are proprietary concerns for which no balance-sheets are available. The balance-sheets of the (10) Savatram Ramprasad Mills could not be made use of as they are published in a Marathi form.

54. The consolidated financial position of the six mills mentioned above for the years 1933-34 to 1939-40 is exhibited in the statement below:—

Table (20)

Account	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Thousands of rupees.)							
1. Capital paid up	2,30,11	2,30,11	2,30,11	2,30,11	2,30,11	2,31,56	2,31,61
2. Reserve and other Funds ..	90,78	87,44	81,68	79,42	79,36	78,05	76,59
3. Loan Capital	1,24,23	1,20,33	1,44,71	1,31,04	1,14,77	1,24,61	1,78,45
4. Investments	55,48	49,21	49,73	50,15	49,22	48,97	49,36
5. Cash	3,16	1,79	2,05	1,81	2,19	2,71	3,65
6. Original cost of land, buildings and machinery (Block).	3,63,36	3,72,86	3,78,35	3,79,65	3,82,19	3,90,54	3,91,64
7. Depreciation fund	1,42,07	1,40,44	1,40,20	1,40,57	1,47,92	1,55,67	1,61,26
Net Block	2,21,29	2,32,42	2,38,15	2,39,08	2,34,27	2,34,87	2,30,38
8. Net result as per Profit and Loss Account, Profit (+) and Loss (—).	-2,15	+6,97	+2,51	+5,07	+13,34	+7,99	+5,99
9. After actually debiting—							
(a) Agents' commission ..	59	1,21	70	99	2,48	2,25	2,04
(b) Interest charges (Net) ..	3,45	4,41	5,44	5,56	5,42	4,97	5,90
(c) Depreciation	44	58	..	59	7,93	8,44	6,29
Total	4,48	6,20	6,14	7,14	15,83	15,66	14,23

Table (20)—cont.

Account	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Thousands of rupees.)							
10. Gross profit (+) or Gross Loss (-)	+2,33	+13,17	+8,65	+12,21	+29,17	+23,65	+20,22
11. Deduct chargeable—							
(a) Agents' commission ..	1,25	1,57	1,10	1,33	2,74	2,36	2,13
(b) Interest charges ..	3,45	4,41	5,44	5,56	5,42	4,97	5,90
(c) Depreciation ..	14,53	14,91	15,14	15,17	16,73	15,62	15,67
Total ..	19,23	20,89	21,68	22,06	24,89	22,95	23,70
12. Net Profit (+) or Loss (-) after provision for charges as above.	-16,90	-7,32	-13,03	-9,85	+4,28	+70	+4,54
13. Dividends paid ..	6,75	6,92	6,25	6,14	8,13	7,05	6,67
14. Percentage of Dividends to Capital (Items 13 to 1).	2.93	3.00	2.72	2.67	3.53	3.04	2.88

The figures relate to the Empress, Model, Burhanpur Tapti, Berar Manufacturing and Vidarbha Mills. The figures for 1938-39 and 1939-40 also include those relating to the Pulgaon Cotton Mills.

In Appendix D will be found corresponding statements for each of the mills individually. The amount of depreciation shown against item 7 of the statements is the total of the amounts actually charged in the profit and loss accounts and the amount appropriated out of the gross profits as indicated in the Directors' reports. The Managing Agents' allowances and commissions chargeable [item 11 (a)] have been entered on the basis of the actual amounts charged in the accounts and the amounts foregone by them as stated in the Directors' reports. Interest charges are met after allowing credit for interest realised on investments. The Directors' reports do not indicate that any portion of interest charges were foregone in any year. The item for depreciation [item 9 (c)] requires explanation. The items shown as written off include special appropriations as well as debits through the profit and loss accounts. The amount of depreciation due or chargeable [item 11 (c)] has been arrived at by calculating at an over-all rate of 4 per cent per annum on the original cost of land, buildings and machinery (block item 6). It appears from the remarks in paragraph 49 of the report of the Special Tariff Board, 1936, that on the basis of the actual allowances granted by the authorities the average debit for depreciation works out in Bombay City to 2.75 per cent of the fixed capital expenditure as against 4 per cent adopted for our statements. The provision for depreciation chargeable [item 11 (c)] in the consolidated statement above is therefore an over-estimate and a reduction of the "depreciation chargeable" debit by 1.25 per cent will make a substantial difference to the working results shown under items 12 and 13 in the consolidated statement. It will be readily seen from the statement above that after allowing maximum charges for depreciation (which has been allowed at a rate even higher than is essential), agents' allowances and commission and interest, the mill industry of this province as a whole has been showing financial improvement since 1937-38. Commencing with that year the industry yielded profits of

Rs. 4.28 lakhs, Rs. 7 lakh and Rs. 4.54 lakhs for the three years ending 1939-40. The balance-sheets for 1940-41 are not yet available, but we understand that in all mills the results are an improvement on the previous year. The cause of low profits in 1938-39 has already been dealt with elsewhere. The mills in this province, situated as they are in the cotton producing tracts, appear to have made heavy purchases of cotton in 1937-38 for fear of a rise in prices in the following year. The gains or losses suffered by some of the mills on account of transactions in raw cotton are liable in some years to disturb the true financial position resulting from the trading results in manufactured textiles alone.

55. The statement below shows the percentage of (1) depreciation funds, (2) paid up capital, (3) loan capital and (4) reserve and other funds to block and the percentage of loan capital to the paid up capital :—

Table (21)

Name of mill	Depreciation Fund to Block	Paid up Capital to Block	Loan Capital to Block	Reserve and other Funds to Block	Loan Capital to paid up Capital
(1)	(2)	(3)	(4)	(5)	(6)
1. Empress Mills	54	52	53	37	102
2. Model Mills	23	80	22	..	27
3. Burhanpur Tapti Mills ..	42	36	60	18	168
4. Berar Manufacturing Mills.	62	25	64	..	260
5. Vidarbha Mills	18	81	40	5	50
6. Pulgaon Cotton Mills ..	11	31	209	11	665

The paid up capital of the mills in the province represents about 60 per cent of the original block value which has been written down to the extent of 25 per cent of depreciation allowances. The total of paid up capital, reserves, investments and depreciation funds exceed the original block by Rs. 1,26 lakhs for all the mills as a whole. This satisfactory position is due largely to the dominating strength of the Empress Mills for which alone the figure is Rs. 1,28 lakhs. The proportion of paid up capital to block shows that three of the mills are largely financed by the managing agents and ratio of loan capital to paid up capital is as high as 665, 260 and 168 in three mills. The working capital seems to be wholly provided by borrowings and we are informed that the high proportion of loan capital to paid up capital is also due in part to the heavy stocks of raw cotton which the mills in this province have to carry.

56. We give below a statement showing the composition of the reserve and other funds of the different mills on the 31st March 1940 :—

Table (22)

Name of mill	Reserve Fund	Dividend Equalisation Fund	Insurance Fund	Employees' Benefit Funds	Investments Reserve	Bad Debts Reserve	Repairs and Renewals Reserve	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(Thousands of rupees.)								
1. Empress Mills ..	25,33	3,76	15,51	6,46	17,50	..	..	68,56
2. Model Mills ..	..	..	..	..	..	25	..	25
3. Burhanpur Tapti Mills.	3,97	..	..	55	..	76	73	6,01
4. Berar Manufacturing Mills.	8	..	..	..	..	3	..	11
5. Vidarbha Mills ..	46	..	..	..	..	68	..	1,14
6. Pulgaon Cotton Mills	50	..	..	2	..	..	..	52
Total ..	30,34	3,76	15,51	7,03	17,50	1,72	73	76,59

From the point of view of reserves all the mills, with the exception of the Empress Mills, are in a weak position.

57. The two statements below give the percentages of component costs and charges for the mills as a whole and for individual mills for the year 1939-40 :—

ALL MILLS

Costs and charges	Per cent
1. Cotton, yarn, waste, etc.	54
2. Stores	8
3. Power and Fuel	2
4. Manufacturing charges including Repairs and Depreciation and Dyeing and Bleaching.	6
5. Labour and Mill salaries	20
6. Establishment charges including office allowance and commission.	5
7. Interest	2
8. Profit (+) or Loss (—)	+3
Total ..	100

Table (23)
INDIVIDUAL MILLS

Account	(Per cent.)							
	Empress Mills, Nagpur	Model Mills, Nagpur	Burhanpur Tapti Mills, Burhanpur	Berar Manufacturing Mills, Badnera	Vidarbha Mills, Ellichpur	Pulgaon Cotton Mills, Pulgaon	R. B. Bansilal Abirchand Mills, Hinganghat	R. S. Reckchand Mohota Mills, Hinganghat
(1)	1939-40 (2)	1939-40 (3)	1939-40 (4)	1939-40 (5)	1939-40 (6)	1939-40 (7)	1939-40 (8)	1938-39 (9)
1. Cotton, yarn, waste, etc.	47	58	59	67	68	65	65	53
2. Stores	8	6	11	4	6	(b)11	(c) 8	11
3. Power and Fuel ..	2	2	5	5		(b)..	(c)..	2
4. Dyeing and Bleaching.	..	..	(a)..	..	1	..	..	..
5. Labour	21	16	25	15	10	14	17	18
6. Mill Salaries ..									1
7. Manufacturing charges including Repairs and Depreciation.	7	10	(a) 6	..	1	2	5	11
8. Establishment charges including office allowance and commission.	6	5	4	4	5	3	5	4
9. Interest	2	3	4	4	2	3	..	..
10 Profit (+) or Loss (-).	+7	..	-14	+1	+2	+2	..	..
Total ..	100	100	100	100	100	100	100	100

The figures in these statements may be compared with those in Table 12 of the Roughton Committee's report (page 29 of the report). While the component cost of raw cotton is normal in the Empress Mills, the percentage is very nearly 60 or over in most of the other mills. The figures for two mills are as high as 67 and 68.

58. In reply to our questions regarding the financial position of each mill, individual mills provided us with detailed information a discussion of much of which will take us outside our terms of reference. The Model Mills informed us that although they had succeeded in wiping out their capital debt of about Rs. 10 lakhs during the last four years, their depreciation and other reserves are so meagre that they have considerable leeway yet to make up to cover the losses of the depression years. The

*Figures for 1939-40 are not available.

(a) Includes T. Rs. 98 (5 per cent.) on account of dyeing and bleaching charges

(b) Power and Fuel is included under Stores.

(c) Power and Fuel is probably included under Stores.

Empress Mills point out that although on paper the prospects and position of the industry appear to be bright, numerous other factors have to be taken into account. They draw attention to higher manufacturing and replacement costs, higher taxation in the shape of excess profits tax of 66 2/3 per cent, increasing income-tax and super-tax, arrears of depreciation, the likelihood of the introduction of sickness insurance, old age pension, holidays with pay and other schemes which are under the consideration of Government and several other burdens which the industry will be called upon to bear in the conditions now existing. Outstation mills complained of the steady losses suffered by them between 1929 and 1937, their inability to replace old machinery, competition of mills in neighbouring Indian States, unequal railway freights and several other disabilities to which they are normally subject. As we have said above, an examination of all these matters will take us far outside our province, but we have throughout our inquiry kept in mind the effects of increased taxation, the inability of most of the mills in this province to replace old machinery, and all other factors which are relevant to a consideration of the question of the capacity of the industry to bear additional labour charges.

59. The inability of some of the mills to pay any dividends for some years is sometimes cited as an index of financial weakness. While we agree that this may be so in some cases, we should draw attention to the fact that the capacity to pay dividends depends also on the proportion which paid up capital bears to the loan capital invested in a mill. The return on the loan capital in the shape of interest is in the nature of a dividend and to that extent a portion of the capital invested in the industry has been profitably employed. We do not think it necessary to discuss the financial position of each mill separately as the financial statements in Appendix D examined in the light of our remarks for the industry as a whole will give one a compact idea of the progress made by each mill during the last decade.

CHAPTER VIII

First Term of Reference : Conclusions and Recommendations

60. Our first term of reference requires us to consider whether there is justification for an improvement in the wage level of textile workers of this province either by further "restoration of the wage cut or otherwise". In investigating the wage position in the industry during the last decade we have been forced to the conclusion that it would be impracticable to establish any relation between the existing 'level' of wages as a whole and 'percentages' of wage cuts effected after 1930 or 1932 and the subsequent 'restoration' in 1938. We have therefore worked out the average daily earnings in groups of occupations and in individual occupations at different points of time and have also evaluated the monthly earnings of the typical worker so as to arrive at the real wage position now as compared with the position before the wage cuts. Briefly, the results indicated by the statistics are that the real wage level now is about 12 per cent below the level for the industry as a whole without taking into account the rise in the cost of living which has occurred after the outbreak of the war. As we have said, we have disentangled this factor (which is covered by dearness allowance) in the consideration of our first term of reference. The money wage level, we have found, varies irregularly as between the different occupations within the industry and in some occupations the level prior to the cuts has been passed and in others it is considerably below the 1932 level in spite of the 1938 restoration. We have pointed out the reasons for these inequalities. As regards trading conditions and the financial position of the industry we have discussed in chapters VI and VII the improvements which have occurred. It is usual to arrive at an estimate of the 'widening of the profit margin' in order to obtain a quantitative idea of the 'betterment' which has taken place in the industry. We have carefully analysed the basis of these hypothetical calculations and are not satisfied that the results obtained are more than mere rough and ready estimates and that it would be sounder to rely on the financial statements which we have given in chapter VII and the trend of prices of raw materials and manufactured goods. The difficulties in the way of calculating profit margins are all the greater for the industry in the province which carries large stocks of cotton every year. The carry-over from year to year fluctuates widely. We refer in this connection to the remarks in paragraph 15 of the Award of the Industrial Court in the Ahmedabad dearness allowance dispute (1940) in which the matter is discussed in some detail. We have given below the results of the calculations regarding the profit margin in 1940-41, as compared with 1938-39. Raw cotton prices have not altered. Cloth and yarn prices have risen, on a very conservative estimate, by 20.8 per cent on the average. The proportion of cloth and yarn sold by the mills is 40 : 60 in this province. In regard to comparative prices of stores and other charges we have no data and even if we have the data the calculations of the exact percentage rise is extremely difficult. Stores, however, formed only 8 per cent of the component cost in 1939-40. Even if we assume

the average rise to be 100 per cent, which is considered to be on the safe side by the Associate Members representing mill-owners as against 30 per cent assumed by the Mahalanobis Committee in 1940 (paragraph 6, page 33 of the report) the rise in the cost of stores is 8 per cent. We are left with a widening of this margin of profit of 12.8 per cent. We have not taken into account in these calculations the rise which has occurred in the prices of cloth and yarn since March 1941. On the other hand, we have allowed for the drop in the prices of cloth and yarn during the last three quarters of 1940. Our estimate of the widening of the profit margin is therefore very conservative. The gross profits of the industry (including depreciation) was Rs. 8.30 lakhs in 1936-37 and Rs. 17.0 lakhs in 1939-40. In the latter year only the Burhanpur Tapti Mills out of the ten mills in the province revealed a loss of Rs. 2.67 lakhs which they ascribe to losses in their raw cotton purchase. Millowners have drawn our pointed attention to the additional burden which the industry has to bear in the shape of excess profits tax, compulsory war insurance, high transport charges, greater competition from mills in the adjoining Indian States which are free from the enhanced taxation in British India, the probability of legislation in regard to schemes like holidays with pay, sickness insurance and old age pension, and measures which may be taken by Government for the control of prices of manufactured textiles. None of these factors can be evaluated quantitatively but we realize that profits up to the levels reached during the boom period of the twenties are not likely to be attained during or after the present war. Excess profits tax is, however, only charged on net profits after the bill for wages is paid. The argument that the tax must regulate the level of the wages bill is not sound. On a liberal estimate of all these factors we conclude that the profit margin, calculated on the lines indicated above, has probably widened to the extent of about 8 per cent since 1938-39. The general trend of trading conditions in the industry points unmistakably to a substantial and progressive betterment which has been brought about by increased demand and more restricted external competition.

61. We have now to consider whether in these conditions a permanent improvement in the wage level, as opposed to a dearness allowance to meet a rise in the cost of living, would be justified. We have examined the problem from every angle in the light of all the material collected by us and those placed before us by the representatives of the two conflicting interests. The depression in the textile industry which led to the wage cut has ceased to exist and the margin of profits of the mills has widened. Some of the mill-owners had given an assurance at the time of the wage cuts in 1932-33 that the wage cuts would be restored when conditions improved. We have, therefore, come to the conclusion on a careful consideration of all these factors, including the fact that the hours of work were reduced from 10 to 9 in 1935, that there is full justification for restoring the 1931-32 wage level. We, therefore, recommend that the 1931-32 wage level should be restored from the 1st June 1941 and there should be no differential treatment between day-shift and night-shift workers who are on the rolls of the mills at present.

In the table at the end of chapter III we have shown wage levels in five of the principal occupations in December 1932 and February 1941. In the case of the Reckchand Mohota mills at Hinganghat the wage statistics for December 1932 relate to a month subsequent to the cut which was imposed in July 1932 and cannot, therefore, be utilized for ascertaining the wage level in 1931-32. The two Nagpur Mills show the basic rates for piece-workers in their pay-sheets and it would be a simple matter for them to revert to the basic rate by omitting the columns in their pay-sheets which show the wage cut and the 1938 restoration. In the two Nagpur Mills, certain fixed wage earners, referred to in paragraph 15 of the report, were not subject to any wage cuts but received the maximum benefit by the application of the schedules following the recommendations of the Roughton Committee. The Associate Members representing Labour agree that this class of workers is not entitled to any further benefit accruing from this recommendation.

Our recommendation contemplates, however, that other time workers who are below the 1931-32 level should be restored to that level.

In regard to centres outside Nagpur, we have examined various methods by which our recommendation can be given effect to in practice, and find that in view of the great diversity of practice in the various mills and the complications arising therefrom no cut and dried scheme can be recommended by us in the short time at our disposal. The details will have to be worked out for each department in every mill, and we recommend that this should be done by the Labour Office in consultation with the mill managements and representatives of the workers. We have however set out in table 5 the varying percentage reductions which have occurred in the different occupations which will serve as a guide as to the general lines on which restorations should be made. According to our estimate, the total annual increase in the wage bill, if this recommendation is carried out, is likely to be about 4 lakhs of rupees which the industry in its present condition can bear. The Associate Member representing the Berar Group of the mills has pointed out that weavers' wages in the Berar and Wardha group of mills were at an abnormally heavy level of 1931-32, owing to circumstances peculiar to that area at that time. We recognize the difficulty in restoring weavers' wages to the level of 1931-32 in this area, and, for these mills, the level of weavers' wages in the Empress Mills in 1931-32 may be regarded as a standard.

62. In our opinion the revision of the wage rates on the lines recommended by us will restore the wage level, throughout the industry, to the level prevailing before the cut, and no further question of "restoration" of any wage cut will exist hereafter. We do not consider that there is any justification for an improvement beyond the wage level to a pitch above that of 1931-32. The rise in the cost of living subsequent to the war will, if our recommendations for centres outside Nagpur are given effect to, be met by a sliding scale of dearness allowances, as in Nagpur. There is thus no likelihood at any time of the average worker's standard of living being pushed down below

the 1931-32 level, if his permanent wage is adjusted as recommended by us. Our recommendations are being made not at the peak of a boom period, but in the midst of the present war. The textile worker in this province is expected to contribute his quota to the successful prosecution of the war in the same way as his comrades in other parts of the Empire are doing. Workers in Britain and the U.S.S.R. are making sacrifices unprecedented in the history of their countries and we feel that this settlement of the wage disputes in the textile industry of the province will help to promote industrial peace in the province and serve the interests of the industry and workers in the province. We have aimed at restoring to the worker the standard of living which he had reached in 1931-32. It must be remembered that that standard was reached on account of fall in the cost of living which began in about 1929, and was maintained in subsequent years, although standards fell rapidly amongst the agricultural population of the province. The standard is therefore higher than that of the average agriculturist in this province.

Mr. Ruikar pressed on us the claims of the workers to a share of the extra profits made by the mills on account of the war and said that the Tata Iron and Steel Company gave three months' wages as war bonus in 1940-41. He also brought to our notice the claim which has been recently put forward by the Ahmedabad Textile Workers' Association before the Industrial Court for an increase in wages by 25 per cent over and above the dearness allowances.

We think that as the textile industry in this province has only recently revived and had a spell of comparatively unfavourable years, the consideration of further improvements must await stabilisation of profits in the industry.

63. There are two other matters which have been raised during our inquiry. One is in regard to provident funds and the other in regard to regularity bonuses. The Empress Mills is the only mill in the province which maintains a provident fund for its employees, and two mills now pay regularity bonuses. These matters are not entirely within our terms of reference, but as they affect the real wages of the operatives they are not without some relevance. Labour representatives attach considerable importance to them. The Empress Mills reduced its contribution to the provident fund in 1934 from one anna to half an anna per employee, and this led to a corresponding reduction in the workers' contribution. We understand that the workers resort to heavy borrowings with the result that the fund fails in its object. This could be rectified by the tightening up of the rules regarding borrowing, if necessary, with the restoration of the old rate of contribution which is possible in the existing state of the industry. We consider it highly desirable that similar funds should be established by the other mills. We suggest that the rules regulating provident fund for employees in Government service may serve as a model, subject to any changes necessitated by the conditions of employment of mill operatives.

64. As regardé the utility of regularity bonus many conflicting opinions prevail. Not all the mills in the Bombay Presidency grant this bonus. We consider that one of the methods of controlling absenteeism is by the grant of rewards for regular attendance to permanent workers. But we recognize that the mills stand to lose heavily if regularity is secured by this means only for some months in the year. During the other months the mill is liable to be seriously inconvenienced by increased absenteeism of its trained operatives. We suggest therefore the introduction of a regularity bonus payable at the end of the year for regular attendance throughout the twelve months of the year with say 12 days' absence on leave, provided that the maximum absence in any one month does not exceed three days. The bonus may be fixed at such rates so as to act as an incentive to regularity during all seasons of the year. We recommend that the old rate of Rs. 1-8-0 per month or Rs. 18 per year paid by the Empress Mills should be the amount of regularity bonus. The millowners represent that payment of bonus on the lines recommended by us will compel them to reduce their leave reserve since compulsory leave will be accounted as 'presence' for reckoning the eligibility of the worker for getting regularity bonus. This may be inevitable, but is exactly what the mills should achieve in the long run.

CHAPTER IX

Second Term of Reference: Conclusions and Recommendations

65. Dearness allowances to workers are granted by the following mills in this province at the rates shown against each:

<i>Nagpur</i>	Rates
Empress Mills, Nagpur	.. Scale recommended by Mahalanobis Committee, 1940, from January 1940.
Model Mills, Nagpur	.. Six pies per head per day from July 1940.
<i>Wardha</i>	<i>Nil.</i>
<i>Berar</i>	
Berar Manufacturing Co., Ltd., Badnera.	Six pies per head per day from January 1941.
Savatram Ramprasad Mill's Company, Ltd., Akola.	Varying percentages on earnings from 1st January 1940.
R. S. Reckchand Gopaldas Mills, Akola.	<i>Nil.</i>
Vidarbha Mills, Berar, Ltd., Ellichpur.	Six pies per head per day from September 1941.
<i>Nimar</i>	
Burhanpur Tapti Mills, Ltd., Burhanpur.	Six pies per head per day from March 1941.

The lack of uniformity in this respect, even in the same centre, is another example of divergent wage policies followed by the different mills in this province—a matter about which we had occasion to comment frequently in the report. One mill in Akola granted the allowance from January 1940 and while our inquiry was in progress practically doubled the allowance with the result that the workers in the other mill, which paid none at all, went on strike on the management refusing to follow suit although they put up a notice agreeing to accept our recommendations, when made.

66. We have already examined at some length the trading results of the mills at all centres during the last three years, the financial position of the industry as a whole and the existing condition of the industry in the province. We think it almost

self-evident that the grant of a dearness allowance to textile workers in this province is justified on account of the rise in the cost of living which has occurred in all the centres concurrently with the improved trading conditions obtaining in the industry at present. The Mahalanobis Committee, 1940, examined the subject in all its aspects in May 1940 for the Nagpur centre and came to the following conclusions:—

- “(a) that a dearness allowance should be granted to operatives in cotton mills in Nagpur receiving Rs. 100 per month or less,
- (b) that the allowance should be calculated on the basis of one pie (one-twelfth anna) per day per worker for each one per cent rise in the three monthly moving average of the cost of living index number with August 1939 as base (100).”

We have also consulted the reports of the Board of Conciliation in the Bombay dearness allowance dispute (1940) and the award of the Industrial Court in the Ahmedabad dearness allowance dispute (1940). Since these awards were made the Bombay mill-owners waived the three months' waiting period when the index number rose to 123 and announced an extended scale of allowance. Similarly, the Ahmedabad Millowners' Association and the Textile Labour Association entered into an agreement to raise the dearness allowance awarded by the Industrial Court in April 1940 by 45 per cent from July 1941. Relatively, the improvement in the condition of the industry in this province is no less than in Bombay or Ahmedabad and we have had no hesitation therefore in coming to the conclusion that the grant of a dearness allowance to workers in every mill in this province will be fully justified.

67. Our second term of reference requires us to consider..... whether dearness allowance should be granted *on the lines of the Nagpur Textile Inquiry Committee, 1940*,..... to cotton operatives outside Nagpur. That Committee recommended the automatic adjustment of the allowance in accordance with changes in the cost of living through the three monthly moving average of the cost of living index number for Nagpur with August 1939 as the base. We think it an advantage that the allowance in other centres should also be automatically adjusted. Uniformity of method minimises grievances. The principal objection to a flat rate payment is the probable necessity of revision of the rates at frequent intervals, should fluctuations in the cost of living be rapid or abnormal. We have therefore had index numbers prepared for all the textile centres of this province on the lines explained in paragraph 34 of this report. We have had these index numbers prepared with the assistance of the best expert advice available to us and we have checked these from the common sense point of view by the examination of workers in regard to costs of living at different centres. The Manager of the Vidarbha Mills of Ellichpur supplied us with certain index numbers for that centre prepared on orthodox lines on the basis of the budgets of a small number of families with prices for the different commodities taken from the records of their own canteen at which their workers bought their food grains. We had

these cross-checked with the general index numbers deduced for Ellichpur from the index numbers of the five articles for which official retail prices are regularly published, and found the agreement remarkably close. It is a well-known fact that the lower the standard of living the greater is the importance of the food group, and that the food group dominates the index number of cost of living as a whole. With the standards of living prevailing amongst the working classes of this province the food group index therefore provides a satisfactory guide to changes in the cost of living of the average textile worker. In Appendix E will be found a note which explains exactly how the index numbers have been constructed. We are satisfied that on the material available these index numbers of cost of living for the different centres are reliable and that they can be easily calculated by the Labour Office every month from the retail prices published regularly in the *Central Provinces and Berar Gazette*. We have had the evidence of Mr. P. Kodand Rao of the Servants of India Society, Nagpur, to the effect that the burden of dearness allowance ultimately falls on the unorganized and unrepresented consumer who forms the bulk of the population of the province. He states that the solution is price control and not dearness allowance. This is not a matter within the scope of our inquiry and we merely note that the principle of dearness allowance has been widely recognized.

68. Our recommendation for centres outside Nagpur is exactly on the same lines as that of the Mahalanobis Committee. That is to say, we consider that dearness allowance should be granted to all cotton operatives (including night-shift workers, and whether temporary or permanent) outside Nagpur receiving Rs. 100 per month or less at the rate of one pie (one-twelfth of an anna) per worker per day for a change of one per cent in the three monthly moving average in the index number of the cost of living for each centre calculated, in the manner we have indicated, with September 1938—August 1939 as the base (100). It will be observed that we have taken the average of the twelve months preceding the outbreak of the war and not August 1939 as the base. We have followed in this respect the view of the Railway Court of Inquiry, 1940 (Chapter II, paragraphs 17—19 of the report) as we agree that the pre-war twelve monthly average is the fairest base period to adopt and all interests accept this method. We also recommend that the dearness allowance should be paid from the month of June 1941. It has been represented to us that the Model Mills in Nagpur has not, as yet given full effect to the recommendations of the Mahalanobis Committee, 1940, which have been accepted and given effect to, *in toto*, by the Empress Mills. In view of the considerable improvement which has taken place in the financial position of the Model Mills—its shares are now quoted at figures very much higher than Rs. 49 which was the value when the Roughton Committee reported in 1938—we see no valid reason why it should not fall into line with the Empress Mills in this matter from June 1941 and recommend accordingly.

69. The method of calculation of the three monthly moving average is explained in paragraphs 16 and 17 at page 49 of

the Mahalanobis Committee's Report. The approximate cost to each mill of dearness allowances at the rates recommended by us for June 1941 will be as follows:—

Wardha

	Rs.
(1) R. S. Reckhchand Mohota Mills, Hinganghat.	4,697
(2) R. B. Bansilal Abirchand Mills, Hinganghat.	3,538
(3) Pulgaon Mills, Pulgaon ..	4,106

Berar

(4) R. S. Reckhchand Gopaldas Mohota Mills, Akola.	2,660
(5) Savatram Ramprasad Mills, Akola ..	1,980
(6) Vidarbha Mills, Ellichpur ..	1,124
(7) Berar Manufacturing Co., Ltd., Badnera	683

Nimar

(8) Burhanpur Tapti Mills, Burhanpur ..	2,353
-----------------------------------------	-------

The rates recommended by us will be higher than the 6 pies per head paid by the Vidarbha, Burhanpur Tapti and Berar Manufacturing Company mills so long as the three monthly moving average of the index number for each centre is higher than 106. From July onwards the rate will be higher than 6 pies for the two Berar mills while from June onwards the rate is over one anna for the Burhanpur Tapti mills. The Savatram Ramprasad mills pays the following rates now:—

Earnings

Rs.

1—10 .. 50 per cent.

10—20 .. 35 per cent.

20—40 .. 20 per cent.

40—100 .. 15 per cent.

Above 100 .. 10 per cent.

Spinners 35 per cent. Weavers 15 per cent.

We recommend that these rates should be continued whenever in any month the allowance under the scale exceeds the allowance calculated on the lines recommended by us. We consider these differential percentage rates of dearness allowance unsound in principle and liable to lead to difficulties in the long run but as the mills have already granted the allowances they should be continued until such time as they can be brought into line with our recommendations.

70. We have ascertained that there will be no difficulty in calculating the cost of living index numbers on the lines laid down by us by the staff which deals with the Nagpur cost of living index numbers. We recommend that the monthly index number for these centres should be published concurrently with the Nagpur index numbers. We further recommend that the question of preparing official cost of living index numbers for the following centres should receive the consideration of Government :—

Akola, Hinganghat, Burhanpur and Amraoti.

71. We discussed our provisional conclusions on the first two terms of reference at great length with our associate members and modified them where necessary in order to obtain the greatest possible measure of unanimity within the limits which we thought were available for the adjustment of the conflicting claims; our provisional conclusions were then modified in certain particulars which we explained, together with the reasons for our decisions, to our associate members and, after further consideration of their views, we formulated our final recommendations. The written statements embodying their views on our final recommendations will be forwarded to Government. The associate members representing labour gave us their final views on our recommendations in the following words "we are prepared to accept the recommendations of the committee—so far as they affect the improvement in wage levels and grant of dearness allowance—as a fair and distinct advance on the present conditions which benefit the textile workers as a whole in the province, though we feel that they do not fully satisfy the claims of the textile workers as explained by us in the joint note submitted by us to the Committee. If all the textile employers in this province are prepared to give effect to these recommendations *in toto*, we are prepared to advise the workers to accept these recommendations as a fair and reasonable compromise."

CHAPTER X

Strikes—Third Term of Reference

72. The strike—or the right of the workmen to cease work—is a legitimate weapon in the hands of the workers to secure redress for legitimate grievances, when all other methods have failed. It is from this stand-point that we have approached our third term of reference. In Appendix F to this report, we have summarised the history of strikes in this province during the last ten years. An analysis of the causes and our own investigation during the course of our inquiry show that the causes may be summarised under the following heads :—

- (1) Economic dissatisfaction.
- (2) Lack of contact between the worker and the employer.
- (3) Failure of the employer to recognise trade unions as a result of the lack of a progressive labour policy in the industry during the last two decades.
- (4) Ignorance of the workers.
- (5) The irresponsibility of some of the union leaders, and the existence of other influences in the furtherance and conduct of labour disputes.

So far as the remedies for economic grievances are concerned, we have been much struck by the lack of any machinery by which workers and employers can be brought into mutual contact to discuss these grievances before discontent amongst the workers threatens to take the form of direct action. The whole problem of contact between labour and employer hinges round the recognition of trade unions. In this province there are at present five textile unions one each in Nagpur, Hinganghat, Akola, Badnera (unregistered) and Burhanpur. None of these unions is recognised by the millowners at these centres. The Nagpur Textile Union was recognised up to 1935 when after a strike the millowners withdrew recognition. We understand that even registered letters sent by the unions to the millowners are returned back by post and letters delivered by messengers are not accepted. The result is that the only contact that exists between the two halves of the industry is the Labour Officer, who has to deal with a multitude of individual applications from workers and the unions.

73. We feel strongly that the remedy for this state of affairs is legislation for recognition of trade unions which comply with the following requirements :—

- (1) The union should be registered under the Indian Trade Unions Act, 1927, and should continue to fulfil the requirements of that Act.
- (2) The unions' accounts should be audited by the Government.
- (3) Membership of the union should not be restricted on communal, religious or political grounds.
- (4) Unions should submit the list of membership to Government periodically.

- (5) Two-thirds of the members on the executive should be actual workers and such executive should meet at least once in a quarter.
- (6) The union should have been in existence for at least six months before it is recognised.
- (7) The union should have on its list at least 15 per cent of the employees.

A majority of us consider that a subscription of Re. 0-2-0 per month per male and Re. 0-1-0 per month per female should be fixed as the minimum subscription, which members of a recognised trade union should be required to pay. Our object in making this suggestion is to prevent spurious unions springing up and also to instil a sense of responsibility both in the workers and the office-bearers by building up a sound financial position in every recognised union. One of our members, Mr. Fulay, considers that in the present state of the trade union movement in this province, the amount of minimum subscription should be left to the workers themselves to decide.

The unions constituted as above should be certified by the Registrar of Trade Unions as eligible for recognition by the employers. The law should provide a penalty for failure of employers to recognise such unions. Equally, provision should be made whereby a recognised union will give an undertaking that no direct action will be taken until an actual ballot is taken in the presence of an impartial person approved by the Registrar of Trade Unions, of all the employees in the establishment concerned, and that direct action would not be resorted to unless the ballot shows that the majority of the members are in favour of such a course. It should also be provided that notwithstanding compliance with all the above conditions, if the Registrar is satisfied that a trade union is sponsored either directly or indirectly by the employer or is subject to undue influence of the employer, the registration and recognition under the Act may be cancelled. The Registrar should also have the power to compel a trade union to conform to model rules prescribed by him for the working of trade unions.

74. Once labour is organised on the lines which we have indicated above, the next question which arises is the settlement of trade disputes, in which one party will be represented by a recognised union and the other by the employer. The only legislation which applies to this province in regard to this matter is the Indian Trade Disputes Act, 1929. This Act has only been used on one occasion in this province but without success. The decisions of Courts of Inquiry or Boards of Conciliation constituted under the Act have no legal sanction behind them, and we consider that in the conditions prevailing in this province the Act, as it is, is unlikely ever to be of any substantial benefit in the settlement of trade disputes. In order therefore to secure industrial peace and progress in the industry, particularly in view of the growing tension between labour and the employers in the textile industry, we recommend that legislation should be undertaken as early as possible for an effective settlement of the disputes which are likely to arise in future. It will be seen from the summary of strikes in this province during the last ten years

that on account of the strikes which have occurred in the textile industry, which is the principal industry of this province, the loss suffered by workers and millowners has been of great magnitude.

75. The enactment of legislation to deal with trade disputes must involve the appointment of a Labour Commissioner in this province whose functions should be specified in the Act dealing with trade disputes. We are of opinion that such an appointment with a suitable number of assistants should be made in advance of the passing of the Act itself, in order that the many labour problems which are likely to arise in the conditions prevailing both during and after the war might be effectively and quickly dealt with. In this connection we draw attention to the very inadequate Labour Office of this province, which, in our opinion, should be strengthened both on the technical and statistical side. The legislation which we have in view should prevent strikes and lock-outs without recourse to (1) conciliation, (2) arbitration and (3) an industrial court. Models in regard to legislation on these lines are available in the Bombay Trade Disputes Act, 1938 (subsequently amended) and the Mysore Labour Act recently passed by the House of Representatives. We do not propose to discuss the numerous provisions which exist in these two Acts, as many of the matters are open to controversy, and our members hold divergent views on some of them. We have therefore thought it more convenient to append supplementary notes both in regard to the detailed provisions of the legislation necessary and on other matters arising from this term of reference. The views of individual members can be ascertained from the notes which are printed in Appendix G.

76. Our general recommendations in regard to strikes in this province and the remedy for that state of affairs are—(a) early legislative action for the constitution and recognition of trade unions and (b) simultaneous legislation providing for the settlement of trade disputes in accordance with the general lines set out in the supplementary notes of two of our members.

Our Associate Members representing the millowners consider that the proposed legislation should be an Act of the Central legislature in order to secure uniformity in all the textile centres.

77. There is a small matter to which reference should be made here and that is the position of workers in "Safety Services" such as the "Fire Extinguishing Service" and similar services during a strike. We strongly advise trade unions not to involve workers in such services in strikes as the safety of the mill concerned is as important to the worker as to the employer. We would also strongly advise millowners not to interfere with the sanitary and other essential services provided by them for the workers during a strike or lock-out.

CHAPTER XI

Conclusions and Summary of Recommendations

78. Summary of Recommendations—*First term of reference.*—(1) There is full justification for restoring the 1931-32 wage level.

(2) The 1931-32 wage level should apply to every worker who is on the muster roll of the mills at present whether on day shift or night shift. This recommendation should be given effect to from 1st June 1941.

(3) (a) In the Nagpur Mills, basic rates shown in the pay-sheets of the piece workers should be restored and the column for the cut and 1938 restoration should be deleted from the 1st June 1941.

(b) The rates of wages of the time rated employees should also be raised to the 1931-32 level from the 1st June 1941 in different occupations.

(4) (a) In the other mills in the province the Labour Office in consultation with mill managements and representatives of workers should work out for the different occupations the wage restoration rates so as to secure that the 1931-32 wage level (average daily earnings) is attained by each class of workers. Chapter VIII of the report indicates the general lines on which the calculations may be made.

(b) The improvement should be effected in the wage rates of time and piece workers and should take effect from 1st June 1941, no differentiation being made between day and night shift workers.

(c) In certain mills in the Berar and Wardha groups, weavers' wages in 1931-32 were abnormally high. The wage rates of weavers at such centres should be raised to the level of the rates in the Empress Mills in 1931-32, which may be taken as the 'standard'.

(d) In the case of mills which do not possess accurate or reliable data of wage levels in any occupation or who imposed cuts prior to December 1932, the wage rates of corresponding occupations in the Empress Mills in 1931-32 should be taken as the standard.

(5) Certain classes of employees in the Nagpur mills and at other centres were exempted from the 1931-32 wage-cuts but received the maximum benefit by the application of the schedules following the recommendations of the Roughton Committee. These operatives have mostly reached the 1931-32 wage level already.

(6) No further question of "restoration of any wage cut" will exist hereafter if these recommendations are given effect to.

(7) There is no justification at present for any further improvement in the wage level to a pitch above that of 1931-32.

(8) The Empress Mills is advised to increase its rate of contribution to the Provident Fund of the workers to the former rate of one anna per head and the rate of contribution by the

workers being likewise increased to one anna per head. The rules about borrowing should be similarly amended.

(9) All mills are advised to institute Provident Fund schemes for their operatives.

(10) In order to control absenteeism, the mills should introduce schemes of payment of regularity bonus for regular attendance throughout the year to permanent workers—the bonus being payable at the end of the year on the conditions mentioned by us. The rate should be Rs. 1-8-0 a month or Rs. 18 a year as was paid by the Empress Mills previously. This recommendation will have to be reconsidered if legislation regarding holidays with pay comes into force.

79. *Second term of Reference—Dearness allowance.*—(1) The grant of “dearness allowance” to workers in every mill in the province is fully justified and should be paid from the 1st June 1941.

(2) The dearness allowance should be paid to all operatives (including night-shift-workers, whether temporary or permanent) receiving Rs. 100 per month or less at the rate of one pie (one twelfth of an anna) per worker per day for a change of one per cent in the three monthly moving average in the index number of the cost of living at each centre, calculated with September 1938—August 1939 as the base.

(3) The Model Mills should give full effect to the recommendations of the Mahalanobis Committee with effect from the 1st June 1941.

(4) The Labour Office should calculate the cost of living index numbers for centres outside Nagpur on the lines laid down by us in the Report. These index numbers should be published along with the Nagpur index numbers.

(5) The question of preparing official cost of living index numbers for Akola, Hinganghat, Burhanpur and Amraoti should receive the consideration of Government as early as possible.

80. *Strikes at short intervals.—Third term of Reference.*—

(1) Legislation regarding recognition of registered trade unions which conform to the requirements mentioned in Chapter X of our report, should be immediately undertaken by the Provincial Government.

(2) Immediate legislation should be undertaken for the settlement of trade disputes on the general lines indicated by us.

(3) A Labour Commissioner should be appointed for the province. The Labour Office should be considerably strengthened on the technical and statistical side.

GENERAL SUMMARY

81. (1) The equipment of the mills has undergone little change during the last three years (paragraph 8).

(2) Little or no machinery is idle during day time at any of the mills in the province (paragraph 9).

(3) The period under enquiry shows expanding production in night shift, working in almost all the mills (paragraph 10) though the level of production at night is lower than in the day.

(4) 80 per cent of the yarn produced in the province is below 20s. and this proportion has continued unchanged for several years (paragraph 11).

The quality and variety of cloth manufactured continues almost unaltered. Progress is limited by the location of the mills in tracts which grow the coarser varieties of cotton and by the distance of the mills from the sea-ports and other places in respect of the cost of import of the finer varieties of cotton.

(5) The 'basic rates' are rates which are said to have come down from the days before the last war. Basic rates have not continued unchanged throughout in all the mills. Time rates have also been changed—New entrants in this class have been engaged on reduced rates. The real earnings of a worker may be subject to a multitude of varieties irrespective of formal wage cuts (paragraph 13).

(6) Some mills reduced 'dearness of food allowance', abolished regularity bonus, reduced rates of long service bonus and even abolished it. Wage cut thus included various elements which are not easily measurable (paragraph 14).

(7) Wage cut in some mills is a reduction of certain allowances, in others flat percentage reduction in total earnings, in a few reduced consolidated rates of wages and includes further reductions (see paragraphs 14, 15, 16 and 17) in the total earnings. It is desirable for all mills to adopt a uniform system of pay-sheets and omit all columns about allowances or cuts shown by the individual mills.

(8) It is not possible to estimate what percentage of the wage cut remains to be restored, we have therefore aimed at an improvement in the wage level so as to attain standards reached before the 1931-32 wage cut (paragraphs 18—20).

(9) Table 4 gives a general idea of the remuneration of labour as a whole throughout the industry, but as index of wage-rate it is not sufficiently informative (paragraph 23).

The policy of most of the mills in the employment of labour has not altered radically during the last ten years, no attempt at rationalisation has been made.

(10) Mills have followed their own methods in effecting wage-reduction in different occupations. Piece-work rates have been changed (paragraphs 25 and 26) and time-rates have been revised (paragraph 27).

(11) General inference is that the cuts and other indirect reductions in wages have affected the average reductions in earnings of certain groups of process operatives to a larger extent in most of the mills than the average reductions in earnings of all groups of operatives; and this has led us to deal separately with different groups of occupations in the different mills.

Table 7 shows the average daily earnings of cotton mill workers in selected occupations. The wage level in 1941 is as a whole below the 1931-32 level; and the gap varies amongst the different occupations in the mills (paragraph 28).

(12) Cost of living index numbers are not maintained for any textile centre in this province outside Nagpur and the exact comparison of the level of real wages at different periods for these

centres is not possible (paragraph 29). In considering the problem of improvement of wage level we have excluded the rise in the cost of living after the war.

(13) We have constructed index numbers for the five principal items of expenditure for each textile centre (the cost of living at Pulgaon and Hinganghat being assumed to be identical) (see Tables 10, 11 and 12). Table 13 gives the percentage variation in the level of real wages.

(14) Millowners contend that there is greater absenteeism which affects the efficiency and earnings in their mills (paragraph 37).

(15) All mills have not a uniform system of engaging "substitute labour". The published percentage of absenteeism in different centres in Bombay Presidency and in this province is not strictly comparable. Absenteeism in this province has not shown any signs of improvement during the last 30 years nor has there been any concerted attempt by employers or workers to reduce absenteeism or even to study the factors which contribute to it. Absenteeism is probably about 13 to 15 per cent in this province (paragraph 40).

Consistent action should be taken to control and reduce absenteeism by reducing the surplus labour force to the minimum requirements of the industry (paragraph 42).

(16) The textile industry of this province though a principal organised industry forms but a small element of the industry of India. It is therefore dominated by factors of an all-India character and has to face competition of the mills in the neighbouring Indian States. It is suggested that if a Provincial Association of millowners of this province is formed, it will be a definite source of strength and stability for the industry (paragraph 43).

(17) Agricultural prosperity has a direct bearing on the prosperity of the textile industry. The year 1941-42 has commenced with a steady upward trend in commodity prices as a whole (paragraph 44).

(18) The price of "Oomra" cotton which is generally consumed by the local mills will probably show a tendency to decline during the next season. The position of the mills in so far as the price of raw cotton is concerned has not changed appreciably since 1937-38 and the mills in the province were in a sound position in two out of three years after the Roughton Committee reported. The position seems likely to continue (paragraph 46).

(19) Trading conditions, during the period concerned by the enquiry, are on the whole favourable; the large stocks have all been cleared and all the mills are now working to forward contracts (paragraph 48).

(20) Cloth and yarn prices show a continuous upward trend (paragraphs 50 and 51). There has also been a rise in the cost of production (paragraph 52).

(21) Table 20 gives the consolidated financial position of certain mills. The mill industry of this province as a whole has been showing financial improvement since 1937-38 (paragraph 54).

From the point of view of reserves however all the mills except the Empress Mills are not in a strong position (paragraph 56).

(22) The Committee has kept in view the increase in manufacturing costs, the extra taxation imposed on account of war in making its recommendations (paragraph 58).

(23) Cloth and yarn prices have risen on a very conservative estimate, by 20.8 per cent on the average. The general trend of trading conditions in the industry points unmistakably to a substantial and progressive betterment which has been brought about by increased demand and more restricted external competition. The depression in the textile industry has ceased to exist.

82. Acknowledgments.—The Committee is greatly indebted to its four Associate Members for the invaluable help rendered by them in all technical matters which arose during our inquiry. Without their assistance it would have been an impossible task to complete the report within the time allotted to us. We also acknowledge the readiness shown by them to explore ways and means of arriving at the greatest common measure of agreement. Dr. J. N. Mazumdar, one of our Associate Members, and President of the Hinganghat Mill Majdoor Sangh, spared no pains to place before us accurate and reliable data in regard to conditions at that centre. The Badnera Mill Majdoor Sangh was also of great assistance in this respect. The Nagpur case was, as usual, ably put up before us by Mr. Ruikar and his colleagues of the Nagpur Textile Union. At other centres we received all the assistance we needed to ascertain the exact grievances of the workers. We need hardly mention that we utilised the extensive knowledge of matters affecting the textile industry of Mr. S. H. Batliwala and the commercial experience of Seth Gopaldas Mohota, our other associate member representing the millowners.

The Labour Officer, Mr. V. R. Rege, has throughout been of the greatest assistance to us in compiling the statistics required by us and in generally supervising all our office arrangements in addition to his own heavy duties. He was ably assisted by Mr. N. S. Nayudu, B.Sc., who was kindly lent to us by the Model Mills when the report was under preparation. Mr. M. L. D'Souza of the Accountant-General's Office did valuable work for us in compiling the financial statements. In connection with the examination of the problem of dearness allowance, we had the assistance of Mr. Mathurprasad Shrivastava, M.Sc., Officer on Special Duty, for revision of the index numbers, who personally prepared the tables himself. His advice and knowledge helped us greatly in formulating our conclusions. Our Office Staff in spite of lack of experience in statistical work put in long hours of strenuous labour which we wish to acknowledge here.

T. C. S. JAYARATNAM,
Chairman.

R. W. FULAY,
Member.

C. B. PARAKH,
Member.

K. D. GUHA,
Member and Secretary.

NAGPUR :
The 17th October 1941.

APPENDIX A
QUESTIONNAIRE

Please give information on the following points about your mill:—

I

1. Number of spindles and looms worked each year for the years commencing from the 1st July 1938 to 30th June 1941 on day and night shifts.

2. (i) The average number of workers engaged daily each year for the years commencing from the 1st July 1938 to 30th June 1941 on day and night shifts separately—men, women, adolescents and children. Classify under the following departments:—

(a) Carding and blowing.

(b) Spinning.

(c) Weaving.

(d) Dyeing and bleaching.

(e) Power-house and miscellaneous.

(ii) Is there any reserve from which an absentee can be replaced daily. Give the average percentage of this reserve for the three years mentioned above.

(iii) Is there any difference between the rate of payment of regular workers and substitutes.

3. The total number of workers engaged in the occupations shown in column 1 of the form attached in the months of February and October of the years 1939 and 1940 and in the month of February of the year 1941 for day and night shifts separately.

Fill in the remaining columns in the form for the same months showing the average number of days worked, the average daily earnings in each occupation shown in column 1 of the form.

4. What is the increase or decrease in real wages per adult worker at your mill for each year during the last 25 years. Explain how your figures have been arrived at.

5. (a) What was the wage rate of each class of worker to which a wage cut was applied in 1933 or subsequently. Please give some examples from different departments to illustrate what exactly the wage cut implied.

(b) In what manner were wage cuts effected in your mill in 1933; or subsequently.

(c) How was the recommendation of the Roughton Committee, 1938, in the form approved by Government, given effect to in actual practice. Give some typical illustrations with reference to actual wages paid.

(d) Supply a list of piece rates for the articles listed in the attached schedule prevailing just before and just after the 1933 wage cut. Were the rates revised in any subsequent year. Supply the corresponding list after the Roughton Committee's

recommendations were given effect to. Please give similar information for workers engaged on daily and monthly wages for different wage groups. (Give the groups).

NOTE.—In the above question substitute the year '1932' for '1933' in the case of Hinganghat centre.

6. (a) Give the percentage of workers (exclusive of clerical) in the continuous employ of your mill between—

- 0 year and 1 year;
- 1 year and 5 years;
- 5 years and 10 years;
- and over 10 years.

(b) What was the absenteeism in your mill in recent years compared to other provinces and how does it affect the efficiency of work.

(c) Is it general practice in your mill to re-employ a worker at a reduced rate of wage after he ceased to be in the permanent employ of the mill for some time. Give a few illustrations.

7. Is bonus given in addition to wages to any workers. If so, give the total amount paid during each of the past three years and the number of persons benefited. Give the percentage of the average number of workers benefited in each of the five main departments referred to in question No. 2.

8. (i) What indirect addition to wages accrue to workers in your mill. Give your estimated cash value of such addition with reference to an average worker in different grades.

(ii) Is any extra payment made to night shift workers.

(iii) Give details of cost of welfare work and of other amenities and facilities provided for the workers at your mill.

9. How does mill labour in this province compare in efficiency with the labour in mills in other provinces, especially Bombay and other textile centres, and what effect has this on your wage position. Compare the wage level at each such centre with the wage level in your mill.

10. What is the value of turnover per head of workers and how does it compare with that of mills in other provinces and what according to your view are the reasons for this result.

II

11. Give the production figures of your mill of yarn and cloth for the years from the 1st July 1938 to the 30th June 1941.

12. Give a statement of profit and loss of your mill according to your books for each year from 1927 to 1941. Give reasons for losses sustained in any year.

13. (a) Fill up the profit and loss account in the form attached for each year from 1933 to 1941, separately.

(b) Is there any particular grievance as regards excessive payment of wages or any other allowance and how does this affect the competitive position of your mill.

14. Supply balance sheets of your mill for the years 1933 to 1940. Please give a brief account of how depreciation was provided for each year. Please state whether you are able to provide depreciation at a rate provided on the income-tax basis. Is there any particular factor justifying special depreciation in any year.

15. How is your working capital obtained every year. State the rate and amount of interest paid to banks or on deposits for each year from 1933 to 1941 separately.

16. Please state the amount paid to share-holders and to workers in each of the past 15 years. Have the dividends been paid from profit or from the equalisation fund.

17. State the amount of income-tax paid for each of the last 15 years.

18. Give the ruling figures of wholesale prices of yarn and cloth under different heads for each month from January to June 1941.

19. (a) What are your expectations regarding the future prospects of the textile industry with particular reference to the production and sales of your own mill and to increased taxation.

(b) Does the present condition of the textile industry justify restoration at your centre of the remaining wage cut referred to in paragraph 2, Chapter VII, of the Roughton Committee's Report.

(c) Does the Central Provinces and Berar textile industry suffer from any particular handicaps in the economic field as compared with other centres in India. Give reasons for your views.

20. What finished goods were in stock on 1st January 1938 and 1st July 1941. On what dates during the last three years did your mill hold (a) the largest stock of cotton, and (b) the largest stock of yarn and cloth. Give quantities as well as value.

21. Give the average component cost (as a percentage of the total cost) of production in your mill in the accompanying form for the years 1927, 1933 and 1940 and the first half of 1941.

22. What percentage of gross profit was paid as Managing Agent's commission for the last three years. Do you consider it sufficient remuneration for the services rendered from year to year. Explain on what basis 'gross profit' was calculated.

III

23. What are the factors which should be taken into consideration in deciding the wage level in the textile industry in this province at various centres, regard being had to local conditions.

24. What are the factors which should be taken into consideration in deciding whether any increase in the wage level is justified or not. Give particulars with reference to your own centre.

25. Would you justify a further increase being made in the wage level taking into consideration the above factors.

26. What particular means and methods would you suggest to increase the wage level at your centre. Give details of each method suggested by you.

IV

27. How far has rationalisation been introduced at your mill and to what extent has this been the means of raising the wage level.

28. Have you devised any scheme for standardising the wages and musters of time and piece workers in the various occupations in your mill. If so, supply a copy of the scheme.

29. Has the scheme been put into operation. If not, for what reason.

30. If no standardisation schemes have been devised, please give your opinion regarding the feasibility or benefit of any such schemes.

31. What conditions would you consider essential for the smooth working of a standardisation scheme.

32. Is automatic adjustment of wages practicable. If so, suggest methods of such adjustment.

33. Do you think it desirable that automatic wage adjustment should take place. Give reasons for your views.

34. Would a simple linking of wages with the working class cost of living index number suffice. Or would you suggest any other factors which should be considered.

35. Are you satisfied with the working class cost of living index numbers published for Nagpur. If not, what improvement would you suggest.

36. Do you think that wage disputes could be averted by a system of adjustment of wages to rates of profits or the capacity to pay of the mills.

37. If you are not in favour of automatic adjustment of wages, would you still devise some machinery for partial or occasional adjustment. Please explain in detail the arrangements you propose.

38. Give the names of the trade unions in your area.

39. Are they registered under the Indian Trade Unions Act. Have they been recognised by the mill authorities.

40. What is the percentage of workers of the mill concerned who are members of the union at present and at the date of the last return to the Registrar of Trade Unions.

V

41. Do you consider, regard being had to the recommendations of the Mahalanobis Committee, that a dearness allowance should be granted at textile centres outside Nagpur. Give reasons for your view.

42. What in your view has been the rise in the cost of living of textile workers since August 1939 at centres outside Nagpur.

43. If there are no reliable data for calculating the cost of living at your centre, do you consider that the method adopted by the Railway Court of Enquiry, 1941, should be adopted in ascertaining changes in the cost of living. If you do not consider this feasible, suggest any other method for ascertaining the change in the cost of living at your centre.

44. Is there any circumstance peculiar to your centre which has affected the rise in the cost of living in a manner different from that at Nagpur. If so, give particulars of the special circumstances.

45. Has any dearness allowance been granted at your centre. If so, give full particulars with information as to whether it is granted to all grades of workers.

VI

46. Give particulars of strikes at your centre or in your factory for all years beginning with 1929. Give the number of working days lost and the workers involved in each case and the loss caused to industry and to the workers.

Give full details of the circumstances which led to each strike.

47. (a) What measures, remedial or legislative, do you propose to prevent the recurrence of strikes at short intervals, if there be any.

(b) Would you favour the establishment of (i) Joint Industrial Councils, (ii) Works Councils and (iii) Wage Fixation Boards. If so, give details.

48. Do you consider that the recognition of a well organised trade union by the Mill Management at your centre or any other method will minimise the chances of strikes at short intervals.

49. Has the method of conciliation or arbitration been adopted at your centre for preventing or settling a strike and if so what has been the attitude either of the employers or of the employees to these methods of preventing and settling the strike.

50. Are you of opinion that disparity in wages for work of the same nature in various concerns in the same centre leads to labour discontent. If so, please suggest how the position can be remedied.

51. What are your views on the establishment by millowners of "cost grain shops" for mill workers.

52. Give a brief account of the prevailing practice by which a mill worker provides himself with the necessaries of life in exchange for his cash earnings.

Are credit sales of grain and provisions by retailers in vogue in your centre.

53. Is there reason to believe that the mal-practices of adulteration, short weight and measure of foodstuffs are prevalent in your area. How is the evil being dealt with.

54. Give details of the use made by your concern of the services of the provincial Labour Officer in the settlement of trade disputes in recent years.

55. Do you consider that a Labour Commissioner of the status of similar officers in Bombay and other provinces should be appointed with similar powers in this province.

56. Do you consider that there should be legislation in this province on the lines of the Bombay Trade Disputes Act, 1938, as amended by Act X of 1941, or on any other lines.

57. Do you consider that during the war the Provincial Government should have power to declare strikes and lock-outs illegal if it is apprehended—

(a) that a serious outbreak of disorder or breach of the peace is likely;

(b) that there is a likelihood of serious or prolonged hardship to a large section or sections of the community; and

(c) that the industry concerned is likely to be seriously affected particularly in reference to production in furtherance of the war effort.

[QUESTION No. 13]

PROFIT AND LOSS SCHEDULE

Profit and Loss Account for the year ended.

	Rs. a. p.	
By realisation of Yarn, Cloth and Wastes		
By other Receipts		
Total		Percentage to Total
1. To Cotton, Yarn, etc., consumed .		
2. To Power		
3. To Mill Stores		
4. To Machinery and Buildings Repairs.		
5. To Mill Salaries		
6. To Mill Wages		
7. To Office Expenses		
Less: Office Allowance given up by Managing Agents.		
8. To Interest (including interest on debentures).		
Less: Given up by Managing Agents.		
9. To Insurance		
10. To Rents, Rates and Taxes		
11. To Directors' and Auditors' Fees		
12. To All other General Expenses (Printing, Stationery, Telegrams, etc.).		
13. To Agents' Commission		
Less: Given up by Managing Agents.		
Total		
Profit		
— as per Profit and Loss Account		
Loss		
Profit as per Profit and Loss Account as above.		
Allocated to Depreciation Fund		
Profit		
— before charging Depreciation		
Loss		
Less: Depreciation to be provided as per Income-tax Rules.		
Balance Profit/Loss for the year		

[QUESTION No. 21]

COMPARATIVE STATEMENT OF THE AVERAGE COMPONENT COST AS PERCENTAGE OF THE TOTAL COST OF PRODUCTION

Name of Mill.....Locality.....

Heads	1927	1933	1940	1941 (for six months)
1. Cotton, yarn, waste, etc.				
2. Stores ..				
3. Dyeing and bleaching charges.				
4. Labour wages ..				
5. Mill salaries ..				
6. Manufacturing charges including repairs and depreciation.				
7. Establishment charges including office allowance and commission.				
8. Interest ..				
9. Power and fuel ..				
10. Profit or loss ..				

APPENDIX B

List of witnesses examined by the Central Provinces and Berar
Textile Enquiry Committee (different mill centres)*Mill representatives*

- (1) Empress Mills, Nagpur—Mr. S. H. Batliwala and Mr. D. K. Kamdin.
- (2) Model Mills, Nagpur—Mr. N. S. Nayudu, Mr. K. D. Divecha and Mr. J. P. Dordi.
- (3) Burhanpur Tapti Mills, Burhanpur—Mr. Aria assisted by his two assistants and the Superintendent.
- (4) Savatram Ramprasad Mills, Akola—Mr. Gadgil and Mr. Kisonlal.
- (5) R. S. Rekhchand Gopaldas Mohota Mills, Akola—Mr. Pitre and the Mill Munim.
- (6) Vidarbha Mills, Ellichpur—Mr. N. V. Deshmukh and Mr. R. V. Deshmukh.
- (7) Berar Manufacturing Company Ltd., Badnera—Mr. Devetri and Mr. C. S. Desai, assisted by Mr. N. S. Nayudu.
- (8) R. B. Bansilal Abirchand Mills, Hinganghat—Mr. Kisanlal Agrawal.
- (9) R. S. Reckchand Mohota Mills, Hinganghat—Mr. Williamson.
- (10) Pulgaon Mills, Pulgaon—Mr. G. S. Nevatia and Mr. J. A. Shroff.

Union representatives.

- (1) The Nagpur Textile Union, Nagpur—Mr. R. S. Ruikar, Mr. V. G. Balwaik and Mr. Lambade.
- (2) The Badnera Mills Majdoor Sangh, Badnera—Dr. B. K. Diwanji assisted by Mr. Brahma.
- (3) Textile Workers Union, Akola—Mr. Meshram and Mr. Paranjpe.
- (4) Hinganghat Girni Majdoor Sangh, Hinganghat—Dr. J. N. Mazumdar and Mr. Jagannath Rao Kapkar.

Number of workers examined

	Males	Females
(1) Empress Mills, Nagpur ..	37	14
(2) Model Mills, Nagpur ..	21	9
(3) Burhanpur Tapti Mills, Burhanpur ..	4	1
(4) Vidarbha Mills, Ellichpur ..	10	3
(5) Berar Manufacturing Co., Ltd., Badnera.	12	4
(6) Savatram Ramprasad Mills, Akola ..	9	..
(7) R. S. Rekhchand Gopaldas Mohota Mills, Akola.	7	4
(8) R. B. Bansilal Abirchand Mills, Hinganghat.	16	4
(9) R. S. Rekhchand Mohota Mills, Hinganghat.	21	4
10) Pulgaon Mills, Pulgaon ..	16	4
Total number of workers ..	153	47

Individual Witnesses.

- (1) Mr. P. Kodand Rao.
- (2) Professor B. H. Munje.
- (3) Mr. P. D. Marathe.
- (4) Shambhu Khandare (Akola).
- (5) Punjaji Payoo (Akola).
- (6) Bajirao (Akola).

APPENDIX C

Statement showing the percentage of workers whose average monthly earnings were within the limits shown in columns below.

Name of the Mill	Year	Average monthly earnings							
		Below Rs. 5	Ra. 5 and below Rs. 10	Ra. 10 and below Rs. 15	Ra. 15- and below Rs. 20	Ra. 20 and below Rs. 25	Ra. 25 and below Rs. 30	Ra. 30 and below Rs. 35	Ra. 35 and below Rs. 40
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
The Empress Mills, Nagpur ..	1932	0.3	3.5	27.7	36.5	16.4	6.6	4.5	1.1
	1941	..	2.4	22.9	37.5	21.4	12.0	1.2	0.7
The Model Mills, Limited, Nagpur.	1932	..	7.4	21.0	51.8	4.0	1.1	11.3	1.1
	1941	..	32.6	26.3	12.7	23.8	1.9	0.9	0.8
The Pulgaon Cotton Mills, Limited, Pulgaon.	1932	1.2	31.4	33.4	22.6	0.7	7.0	0.4	0.9
	1941	43.3	32.1	21.9	2.1	0.2	..	0.1	0.1
R. S. Reckchand Mohota Spin- ning and Weaving Mills, Hinganghat.	1932	..	38.6	26.3	27.1	2.2	2.1	0.7	0.2
	1941	..	37.9	35.5	5.8	15.9	2.3	0.2	0.6
R. B. Bansil Abirchand Spin- ning and Weaving Mills, Hinganghat.	1932	0.4	21.0	26.0	17.3	24.4	4.3	2.4	1.0
	1941	0.7	36.1	33.4	23.7	1.8	1.4	0.4	1.0
The Burhanpur Tapti Spinning and Weaving Mills, Burhan- pur.	1932	..	13.0	27.0	27.0	7.1	3.0	17.2	1.3
	1941	..	26.7	24.9	21.6	21.4	0.9	0.7	1.0
The Savatram Ramprasad Mill, Akola.	1932	0.4	34.2	24.4	13.8	5.6	1.5	1.4	14.0
	1941	..	20.6	46.5	4.8	20.2	2.4	2.9	1.4
R. S. Reckchand Gopaldas Mohota Spinning and Weaving Mills, Akola.	1932	..	17.4	33.7	15.4	3.5	4.9	0.7	20.8
	1941	1.7	21.8	49.7	18.8	2.9	1.4	2.2	1.2
The Berar Manufacturing Com- pany, Limited, Badnera.	1932	..	15.5	50.6	24.9	4.2	0.6	0.7	0.5
	1941	11.7	30.1	50.0	1.9	2.1	1.1	2.3	0.5
The Vidarbha Mills, Berar, Limited, Ellichpur.	1932	0.2	17.6	19.7	39.0	5.4	1.3	2.0	11.9
	1941	7.4	30.9	48.0	9.1	1.1	1.1	0.9	1.2

shown in columns below—cont.

Average monthly earnings

Name of the Mill	Year	Rs. 40 and below Rs. 45	Rs. 45 and below Rs. 50	Rs. 50 and below Rs. 55	Rs. 55 and below Rs. 60	Rs. 60 and below Rs. 65	Rs. 65 and below Rs. 70	Rs. 70 and below Rs. 75	Rs. 75 and above
(1)	(2)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
The Empress Mills, Nagpur ..	1932	0.9	0.8	0.5	0.4	0.5	..	0.1	0.2
	1941	0.5	0.3	..	1.1	..	..	..	..
The Model Mills, Limited, Nagpur.	1932	0.6	0.3	0.2	..	0.2	0.2	..	0.9
	1941	0.1	..	0.8	..	..	..	..	0.1
The Pulgaon Cotton Mills, Limited, Pulgaon.	1932	1.3	0.1	..	..	..	0.1	..	0.9
	1941	..	..	..	0.2	..	..	..	..
R. S. Reckchand Mohota Spin- ning and Weaving Mills, Hinganghat.	1932	0.3	0.4	1.0	0.2	..	..	..	0.2
	1941	..	..	..	0.1	1.5	..	..	0.2
R. B. Bansilal Abirchand Spin- ning and Weaving Mills, Hinganghat.	1932	0.8	0.6	0.4	0.1	0.2	..	0.5	0.2
	1941	0.3	0.7	0.2	0.1	..	0.1	0.1	0.2
The Burhanpur Tapti Spinning and Weaving Mills, Burhan- pur.	1932	1.2	0.2	0.3	0.2	1.2	..	0.1	0.7
	1941	0.7	0.6	1.1	..	..	..	..	0.4
The Savatram Ramprasad Mills, Akola.	1932	1.6	1.0	0.7	..	0.3	0.1	0.1	0.9
	1941	0.1	0.9	..	..	0.1	0.1	..	..
R. S. Reckchand Gopaldas Mohota Spinning and Weaving Mills, Akola.	1932	1.2	0.4	..	0.3	0.2	0.1	1.2	0.2
	1941	0.1	0.1	..	..	..	..	..	0.1
The Berar Manufacturing Com- pany, Limited, Badnera.	1932	1.0	0.5	0.6	0.6	0.1	0.1	..	0.1
	1941	..	0.2	0.2	..	..	..	..	..
The Vidarbha Mills, Berar, Limited, Ellichpur.	1932	..	1.1	0.3	..	..	..	0.1	1.5
	1941	..	..	0.2	..	..	..	..	..

APPENDIX D
FINANCIAL STATEMENTS
EMPRESS MILLS, NAGPUR

1933-34 1934-35 1935-36 1936-37 1937-38 1938-39 1939-40

[Thousands of rupees.]

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1. Capital paid up ..	96,88	96,88	96,88	96,88	96,88	96,88	96,88
2. Reserve and other funds ..	78,49	74,32	70,66	69,24	70,06	69,41	68,56
3. Loan capital ..	48,88	41,59	69,64	67,11	56,38	61,17	98,71
4. Investments ..	53,65	47,38	47,90	47,97	47,80	47,83	48,31
5. Cash ..	1,41	88	1,03	1,13	1,32	1,57	2,54
6. Original cost of land, buildings and machinery (Block).	1,69,32	1,77,73	1,82,43	1,83,38	1,85,07	1,87,14	1,87,21
7. Depreciation fund ..	91,14	89,34	89,10	89,48	94,21	97,78	1,01,16
Net block ..	<u>78,18</u>	<u>88,39</u>	<u>93,33</u>	<u>93,90</u>	<u>90,86</u>	<u>89,36</u>	<u>86,05</u>
8. Net result as per profit and loss account, profit (+), loss (-).	+56	+6,13	+3,95	+5,84	+10,46	+7,04	+7,96
9. After actually debiting—							
(a) Agents' commission ..	6	68	44	70	1,76	1,23	1,27
(b) Interest charges (Net) ..	42	93	1,80	2,33	2,20	2,05	2,77
(c) Depreciation ..	..	..	..	50	5,40	4,00	3,50
	<u>48</u>	<u>1,61</u>	<u>2,24</u>	<u>3,53</u>	<u>9,36</u>	<u>7,28</u>	<u>7,54</u>
10. Gross profit (+) or gross loss (-).	+1,04	+7,74	+6,19	+9,37	+19,82	+14,32	+15,50
11. Deduct chargeable—							
(a) Agents' commission ..	50	68	50	70	1,76	1,23	1,27
(b) Interest charges ..	42	93	1,80	2,33	2,20	2,05	2,77
(c) Depreciation ..	6,77	7,11	7,30	7,33	7,40	7,49	7,49
	<u>7,69</u>	<u>8,72</u>	<u>9,60</u>	<u>10,36</u>	<u>11,36</u>	<u>10,77</u>	<u>11,53</u>
12. Net profit (+) or loss (-) after provision for charges as above.	-6,65	-98	-3,41	-99	+8,46	+3,55	+3,97
13. Dividends paid ..	6,25	6,25	6,25	5,78	7,66	6,25	6,25
14. Do. ..	6,45	6,45	6,45	5,96	7,90	6,45	6,45

APPENDIX D—cont.
MODEL MILLS, NAGPUR

	1933-34	1934-35	1935-36	1936-37	1937-38	*1938-39	1939-40
	[Thousands of rupees.]						
Capital paid up ..	9 ⁰ ,03	99,03	99,03	99,03	99,03	99,03	99,03
Reserve and other funds ..	9	22	16	24	9	24	25
Loan capital ..	56,32	51,64	43,79	35,07	30,29	24,31	26,95
Investments ..	..	..	..	..	51	25	25
Cash ..	77	30	35	18	23	24	..
Original cost of land, buildings and machinery (Block).	1,22,30	1,22,06	1,22,36	1,22,56	1,22,68	1,23,20	1,23,22
Depreciation fund ..	19,32	19,16	19,16	19,15	21,60	25,60	28,00
Net Block ..	1,02,98	1,02,90	1,03,20	1,03,41	1,01,08	97,60	95,22
Net result as per profit and loss account, profit (+), loss (—).	—1,90	+85	+13	—18	+2,65	+4	+3
After actually debiting—							
(a) Agents' commission ..	26	26	26	26	47	39	26
(b) Interest charges (Net) ..	2,31	2,26	2,11	1,66	1,68	1,12	99
(c) Depreciation ..	..	..	..	..	2,45	4,00	2,50
	2,57	2,52	2,37	1,92	4,60	5,51	3,75
Gross profit (+) or gross loss (—).	+67	+3,37	+2,50	+1,74	+7,25	+5,55	+3,78
Deduct chargeable—							
(a) Agents' commission ..	30	30	30	30	54	46	30
(b) Interest charges ..	2,31	2,26	2,11	1,66	1,68	1,12	99
(c) Depreciation ..	4,89	4,88	4,89	4,90	6,13	4,93	4,93
	7,50	7,44	7,30	6,86	8,35	6,51	6,22
Net Profit (+) or Loss (—) after provision for charges as above.	—6,83	—3,67	—4,80	—5,12	—1,10	—96	—2,44
Dividends paid ..	..	..	..	..	..	..	..
Do. ..	..	..	..	..	..	..	..

* For 15 months.

APPENDIX D—cont.

BURHANPUR TAPTI MILLS, BURHANPUR

	1934	1935	1936	1937	1938	1939	1940
	[Thousands of rupees.]						
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1. Capital paid up	.. 12,00	12,00	12,00	12,00	12,00	12,00	12,00
2. Reserve and other funds	.. 9,58	9,51	9,27	8,70	7,89	6,84	6,01
3. Loan capital	.. 3,68	5,90	9,52	8,79	11,63	16,09	20,15
4. Investments	.. ..	..	..	..	..	..	..
5. Cash	.. 71	37	46	16	34	41	26
6. Original cost of land, buildings and machinery (Block).	30,96	31,60	31,68	31,83	32,30	32,59	33,43
7. Depreciation Fund	.. 13,89	14,33	14,33	14,33	14,42	14,42	13,94
Net Block	.. 17,07	17,27	17,35	17,50	17,88	18,17	19,49
8. Net result as per profit and loss account, profit (+), loss (—).	+40	—23	—51	+1	—63	+5	—2,67
9. After actually debiting—							
(a) Agents' commission	.. *15	..	..	..	..	..	..
(b) Interest charges (Net)	.. 33	41	42	38	52	55	80
(c) Depreciation	.. 44	..	..	9	..	19	..
Total	.. 92	41	42	47	52	74	80
10. Gross profit (+) or gross loss (—).	+1,32	+18	—9	+48	—11	+79	—1,87
11. Deduct chargeable—							
(a) Agents' commission	.. *15	15	..	..	..	..	..
(b) Interest charges	.. 33	41	42	38	52	55	80
(c) Depreciation	.. 1,24	1,26	1,27	1,27	1,29	1,30	1,34
Total	.. 1,72	1,82	1,69	1,65	1,81	1,85	2,14
12. Net profit (+) or loss (—) after provision for charges as above.	—40	—1,64	—1,78	—1,17	—1,92	—1,06	+4,01
13. Dividends paid	.. 36	..	..	36	..	36	..
14. Do.	.. 3,00	..	..	3,00	..	3,00	..

*Taken from Roughton Committee report.

APPENDIX D—cont.

BERAR MANUFACTURING MILL, BADNERA

1933-34 1934-35 1935-36 1936-37 1937-38 1938-39 1939-40

(1)	[Thousands of rupees.]							(8)
	(2)	(3)	(4)	(5)	(6)	(7)		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1. Capital paid up ..	5.50	5.50	5.50	5.50	5.50	5.50	5.50	
2. Reserve and other funds ..	2.07	2.25	48	8	9	11	11	
3. Loan capital ..	8.50	12.04	12.02	11.70	9.45	8.50	14.28	
4. Investments ..	..	..	..	..	..	..	..
5. Cash ..	24	13	15	14	13	9	13	
6. Original cost of land, buildings and machinery (Block).	21.47	21.94	22.20	22.12	22.19	22.27	22.27	
7. Depreciation fund ..	13.90	13.90	13.90	13.90	13.90	13.90	13.90	
Net Block ..	7.57	8.04	8.30	8.22	8.29	8.37	8.37	
8. Net result as per profit and loss account, profit (+) and loss (-).	-1.15	=51	-71	-90	+42	+35	+19	
9. After actually debiting—								
(i) Agents' commission ..	12	13	..	..	19	26	26
(ii) Interest charges (Net) ..	39	48	60	62	61	45	51	
(iii) Depreciation ..	..	..	..	..	..	..	..
Total ..	51	61	60	62	80	71	77	
10. Gross profit (+) or gross loss (-).	-64	+10	-11	-28	+1.22	+1.06	+96	
11. Deduct chargeable—								
(i) Agents' commission ..	30	30	30	30	38	30	30	
(ii) Interest charges ..	39	48	60	62	61	45	51	
(iii) Depreciation ..	86	88	89	88	1.11	89	89	
Total ..	1.55	1.66	1.79	1.80	2.10	1.64	1.70	
12. Net profit (+) or loss (-) after provision for charges as above.	-2.19	-1.56	-1.90	-2.08	-88	-58	-74	
13. Dividends paid ..	14	..	..	..	14	..	..
14. Do. ..	2.50	..	..	..	2.50	..	..

* For 15 months.

APPENDIX D—cont.

VIDARBHA MILLS, ELLICHPUR

	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40
	[Thousands of rupees.]						
1. Capital paid up ..	16,70	16,70	16,70	16,70	16,70	16,70	16,70
2. Reserve and other funds ..	55	(a)1,14	1,11	1,16	1,23	1,14	1,14
3. Loan capital ..	6,85	9,16	9,74	8,37	7,02	7,79	8,38
4. Investments ..	1,83	1,83	1,83	2,18	91	89	80
5. Cash ..	3	11	6	20	17	21	24
6. Original cost of land, buildings and machinery (Block).	19,31	19,53	19,68	19,76	19,95	20,62	20,73
7. Depreciation fund ..	3,82	(b)3,71	3,71	3,71	3,79	3,72	3,76
Net Block ..	<u>15,49</u>	<u>15,82</u>	<u>15,97</u>	<u>16,05</u>	<u>16,16</u>	<u>16,90</u>	<u>16,97</u>
8. Net result as per profit and loss account, profit (+), loss (-).	-6	+73	-35	+30	+44	+40	+34
9. After actually debiting—							
(i) Agents' commission ..	..	14	..	3	6	5	4
(ii) Interest charges (Net) ..	..	35	51	57	41	38	40
(iii) Depreciation ..	..	58	..	..	8	..	4
Total ..	..	<u>1,05</u>	<u>51</u>	<u>60</u>	<u>55</u>	<u>43</u>	<u>48</u>
10. Gross profit (+) or gross loss (-).	-6	+1,78	+16	+90	+99	+83	+82
11. Deduct chargeable—							
(i) Agents' commission ..	..	14	..	3	6	5	5
(ii) Interest charges ..	..	33	51	57	41	38	40
(iii) Depreciation ..	..	77	78	79	80	82	83
Total ..	..	<u>77</u>	<u>1,25</u>	<u>1,30</u>	<u>1,27</u>	<u>1,25</u>	<u>1,28</u>
12. Net profit (+) or loss (-) after provision for charges as above.	-83	+53	-1,14	-49	-28	-43	-46
13. Dividends paid ..	..	67	..	..	33	33	33
14. Do. ..	..	4,00	..	..	2,00	2,00	2,00

(a) The total of balances at close of 1934-35 is more by T. Rs. 59 as compared with balance at end of 1933-34.

(b) Depreciation fund balance at end of 1934-35 is less by T. Rs. 68 as compared with balance at end of 1933-34.

APPENDIX D—cont.

PULGAON COTTON MILLS, PULGAON

	1938-39	1939-40
	[Thousands of rupees.]	
1. Capital paid up	.. 1,45	1,50
2. Reserve and other funds	.. 31	52
3. Loan capital	.. 6,75	9,98
4. Investments	.. ..	..
5. Cash	.. 19	12
6. Original cost of land, buildings and machinery (block)	.. 4,72	4,78
7. Depreciation fund	.. 25	50
	Net Block .. 4,47	4,28
8. Net result as per profit and loss account, profit (+), loss (-)	.. +11	+14
9. After actually debiting—		
(a) Agents' office allowance and commission	.. 32	21
(b) Interest charges (Net)	.. 42	43
(c) Depreciation	.. 25	25
	Total .. 99	89
10. Gross profit (+) or gross loss (-)	.. +1,10	+1,03
11. Deduct chargeable—		
(a) Agents' office allowance and commission	.. 32	21
(b) Interest charges	.. 42	43
(c) Depreciation	.. 19	19
	Total .. 93	83
12. Net profit (+) or loss (-) after provision for charges as above	.. +27	+20
13. Dividends paid	.. 11	9
14. Do.	.. 7,50	6,25

APPENDIX E

Note on the construction of index numbers of cost of living at textile centres other than Nagpur.

As mentioned in the text (chapter IV, paragraph 34), monthly variations in the index numbers of cost of living and the index numbers of the cost of the five commodities, wheat, rice, juar, tur-dal and firewood, have similar movements and follow the same general trend. These two series of index numbers, denoted by Y and Z respectively, are therefore highly correlated. The connecting relation is found to be of the form*

$$Y = A Z^B, \quad (1)$$

$$\text{or } \log Y = \log A + B \log Z, \quad (2)$$

logarithms being referred to the common Napierian base.

Both Y and Z series are authentically known for Nagpur. Using, therefore, the 23 pairs of war period figures (September 1939 to July 1941) for this place, the optimum values of A and B have been found out. Relation (2) is then given by

$$\log Y = 0.893 + 0.56 \log Z, \quad (3)$$

We know that the general trend of the cost of living at other textile centres with which we are concerned is the same as that at Nagpur. We, therefore, presume that the Y and the Z series for them are also connected by the relation (3), so that knowing Z, Y can be found out. This value of Y will be an estimate of the actual cost of living index numbers.

The successive steps for arithmetical calculations are simple. Table attached shows the quantitative consumption, and the base year prices and expenditure for the above five articles for Hinganghat, Akola, Amraoti, Ellichpur and Burhanpur. Knowing therefore the prices for a particular month, the Z series, i.e., the index numbers for the cost of these articles, can be calculated in the usual manner. The rest of the calculations can be easily made in a tabular form as illustrated for January 1941. The Table is self explanatory, the value of $\log Z$ from Z and the value of Y from $\log Y$, being found from logarithmic tables.

Tabular form for the Index Numbers of cost of living for the month of January 1941.

Serial No.	Name of centre	Index No. for cost of five articles	Log Z	$0.56 \times \log Z$	$\log Y = 0.893 + 0.56 \log Z$	Y
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Hinganghat	125	2.097	1.174	2.067	117
2	Akola	115	2.061	1.154	2.047	111
3	Amraoti	102	2.009	1.125	2.018	104
4	Ellichpur	105	2.021	1.132	2.025	106
5	Burhanpur	113	2.053	1.150	2.043	110

*The linear ($y = a + bz$) and parabolic ($y = a + bz + cz^2$) forms were also tried.

Quantitative consumption, prices and expenditure for an average family for one year for the five commodities used at different centres.

Name of centre	Commodity	Quantity in seers	Rates in seers per rupee	Expenditure quantity rate (Rupees).
(1)	(2)	(3)	(4)	(5)
Hinganghat	Wheat	267	11.99	22.26
	Rice	488	11.90	41.00
	Juar	39	14.59	2.67
	Tur dal	65	10.45	6.22
	Firewood	1,280	107.00	11.96
		Total expenditure		84.11
Akola	Wheat	178	12.09	14.72
	Rice	168	12.59	13.34
	Juar	427	13.79	30.96
	Tur dal	86	10.11	8.50
	Firewood	1,280	82.00	15.60
		Total expenditure		83.12
Amraoti	Wheat	178	10.35	17.19
	Rice	168	11.19	15.01
	Juar	427	13.96	30.65
	Tur dal	86	9.50	9.05
	Firewood	1,280	70.18	18.23
		Total expenditure		90.13
Ellichpur	Wheat	178	11.15	15.96
	Rice	168	9.95	16.88
	Juar	427	13.88	30.76
	Tur dal	86	9.10	9.45
	Firewood	1,280	106.81	11.98
		Total expenditure		85.03
Burhanpur	Wheat	280	11.64	34.05
	Rice	168	10.20	16.47
	Juar	265	13.70	19.34
	Tur dal	86	8.56	10.46
	Firewood	1,280	116.25	11.01
		Total expenditure		81.33

APPENDIX F

HISTORY OF STRIKES AND LOCK-OUTS IN THE
CENTRAL PROVINCES AND BERAR SINCE 1931

Year of strike—1931

(1) *The Vidarbha Mills, Berar, Ltd.**Duration.*—25th December 1931 to 29th December 1931.*Workers involved*—1,317.*Reasons.*—Grievances about hours of work, rates, fines, and the Mills' discipline.*Terms of settlement.*—(a) Wages be given at the rates prevailing in June 1931, and would be disbursed from 15th to 20th.

(b) Female workers be allowed entrance up to 7-15 a.m. during winter.

(c) A worker would not be punished if he remained absent for two days in a month.

(d) A worker absent for 15 days would be liable to be discharged.

(e) Rates of workers will be posted in the departments.

(f) A worker be informed of the penalty imposed.

(g) If workers must complain to the Manager.

(h) The Manager will have authority to award punishment.

(i) Mill management will consider the complaints of the Union.

(j) No worker to be victimised because he is a member of the Union.

(2) *The Pulgaon Cotton Spinning and Weaving Co., Ltd.**Duration.*—Commenced from June 1931 and lasted for over two months.*Workers involved*—900 out of 1,200.*Reasons.*—Protest against the reduction in wages and dearness allowance.*Result.*—Labourers accepted the reduced wages and resumed work on the Mill authorities agreeing to remedy some petty grievances and to reinstate all strikers within five weeks.

Year of strike—1932

(1) *Pulgaon Cotton Spinning and Weaving Co., Ltd.**Duration.*—Lock-out from 27th January to 1st June 1932.*Workers involved*—1,200.*Reasons.*—Workers' complaint was that they were not being dealt with fairly. Immediate cause of the dispute was the protest entered by female operatives against transfer of a weighing clerk.*Result.*—Surrender and lock-out was discontinued.

(2) Vidarbha Mills,

Duration.—5th to 15th January 1932.

Workers involved—1,300.

Reasons.—(a) The demands of workers, dated 28th December 1931, must be given effect to at once.

(b) The Mill-owners should recognise the Union recently established.

(c) The Officer of the Mills insulting the Officer of the Union should be punished.

(d) The Company should punish those who threaten female workers.

(e) Dearness allowance at Re. 0-8-0 per rupee to be given.

(f) An advance should be given.

(g) The piece rate should be Re. 0-3-0 per pair instead of 26 pice.

(h) No worker who makes a complaint shall be victimised.

(i) It should not be compulsory to take a ticket for worker going out for drinking water.

(j) The Mill whistle should not be sounded earlier.

(k) Female workers to get 2 pice per-rahah.

(l) Whistle to be blown at 7 a.m.

(m) The Sidars must get Rs. 17 per month, Lepwala Rs. 18, Pattiwala Rs. 20, and Oilmen Rs. 20.

(n) Yarn Nos. 10, 8½, 2½, 14½ must be paid at the rate of 19½ pice.

(o) There should be no fine for trifling damages.

Terms of settlement as notified.—(a) The Committee of the workers of the Vidharba Mills will be recognised and there will be no victimization of any worker connected with it.

(b) Workers disabled by injury in the Mill will be paid at their average rates during the period of disablement and their claims will be promptly forwarded to the Insurance Company.

(c) The management will consider any legitimate grievances of the workers and is willing to co-operate with the Workmen's Committee in removing such grievances.

(d) Pay tickets will be handed over in the morning on pay day. Arrangement will be made to disburse the amount of advance and wages on the 5th and 20th respectively every month.

(e) Jobbers' list of wages will be handed over to the jobbers on the 15th of every month.

Strikers assaulted loyal workers, and Mr. Jaywant was arrested with others.

(3) *Model Mills, Ltd.*

Duration.—27th August to 16th September 1932.

Workers involved—3,000.

Reasons.—(i) Management's refusal to pay regularity bonus to workers from 4th July on which date workers observed a (political) hartal.

(ii) Revision of the system of paying advances.

(iii) Discharge of services of two workers.

Terms of settlement.—The workers resumed work unconditionally and 200 strikers were victimised. Union not recognised. Application made under the Trade Disputes Act rejected.

Year of strike—1933

(1) *Empress Mills.*

An unauthorised strike.

Duration.—11th September to 13th September 1933.

Workers involved—6,000.

Reasons.—The Mills notified in July a uniform wage cut of 14 per cent and abolition of regularity bonus as from 1st September 1933.

Terms of settlement.—Returned unconditionally.

(2) *Model Mills.*

Duration.—From 1st June to 10th September 1933.

Workers involved—3,500.

Reasons for the Lock-out.—The management proposed a cut of 20 per cent. The workers declined to accept it. On 21st April, the Mills notified the closure of the Mills from the 1st June 1933 on grounds of Japanese competition and accumulation of stocks.

Terms of settlement.—(1) Application of 14 per cent and 12½ per cent cuts on gross earnings above Rs. 25 and of Rs. 25 or less per month respectively.

(2) Discontinuance of regularity bonus.

(3) Promise to exempt low gross earnings from cut, and

(4) Promise to restore wages in prosperous times.

Cuts were modified as follows :—

Fixed wage workers earning Rs. 13 and below—No cut.

All workers earning between Rs. 13 and Rs. 25—12½ per cent cut.

All workers earning over Rs. 25—14 per cent cut.

(3) *Vidarbha Mills, Ltd., Ellichpur.*

Workers involved—800.

Duration.—For 91 days commencing from 4th August.

Reasons.—Rate of famine allowance was reduced by about 66 per cent by the management from 4th August 1933.

(4) *The Pulgaon Cotton Spinning and Weaving Mills, Ltd.*

Workers involved—1,200.

Duration.—Lasted for 30 days.

Reasons.—Dearness allowance was abolished and fixed wages were reduced by 25 per cent.

Workers returned unconditionally,

(5) *Savatram Ramprasad Mills, Akola.*

Workers involved—800.

Duration.—For 42 days commencing from 3rd May 1933.

Reasons.—The Mills proposed to reduce the dearness allowance by 50 per cent.

Terms of settlement.—The workers accepted 45 per cent cut in dearness allowance and the Mills restarted working.

(6) *Reckchand Mohota Mills, Akola.*

Workers.—1,300.

Duration.—For sixty-one days.

Reasons.—The Mills proposed to reduce the allowance by 50 per cent.

Terms of settlement.—Restarted working after affecting a cut of 45 per cent in dearness allowance granted to workers.

(7) *The Berar Manufacturing Co., Ltd., Badnera.*

Workers involved.—1,400.

Duration.—27th June to 21st October 1933.

Reasons.—On 1st February 1933 dearness allowance granted to workers was reduced from Re. 0-7-9 to Re. 0-7-0 per rupee and from Re. 0-4-9 to Re. 0-4-0 per rupee.

Terms of settlement.—On 22nd October, the cut in the dearness allowance was restored and a cut in the following scale was made—

Wages.—Rs. 15 or less per month—Cut of Re. 0-2-0 per rupee.

Wages.—Rs. 15 or above per month—Cut of Re. 0-2-3 per rupee.

Regular attendance bonus was discontinued.

Year of strike—1934

(1) *Empress Mills.*

Workers involved.—6,000.

Duration.—5th May to 24th July 1934.

Reasons.—Restoration of wage cut effected in 1933 and old rates of contribution to the Provident Fund, namely, one anna per rupee.

Terms of settlement.—(a) All operatives on strike who returned to work before the 31st July 1934 would be taken back.

(b) That the long service bonus would be restored in full for all those who were receiving it at the time when the strike was declared.

(c) That no Committee work would be allowed in future within the Mills' gates.

The recognition of union was withdrawn.

(2) *R. B. Bansilal Abirchand Spinning and Weaving Mills.*

Workers involved.—202.

Duration.—2nd December 1934.

Reasons.—A cut was made in the fixed wages which was to come in force from 1st January 1935.

The workers returned to work unconditionally.

Year of strike—1935

(1) *Empress Mills.*

Involvement only the sidlers. Not authorized by the union.

Duration.—1st June to 13th June 1935.

Reasons.—Protest against introduction of rationalisation.

Terms of settlement.—Workers returned unconditionally.

(2) *R. S. Reckchand Mohota Mills, Hinganghat.*

Workers involved.—1,300.

Duration.—From 31st October to 3rd December 1935.

Reasons.—The main grievances were—

- (1) No rates of wages were written on their tickets.
- (2) Reduction in the dearness allowance from Re. 0-10-0 to Re. 0-8-0, and from Re. 0-8-0 to Re. 0-6-0.
- (3) Want of sufficient number of taps for drinking water.
- (4) Longer hours of work than allowed by law.
- (5) Ill-treatment of labourers by Mill officials.

Terms of settlement.—The proprietor of the Mills undertook to redress all grievances except that reduction in dearness allowance which remained as it was.

(3) *The Burhanpur Tapti Mills, Ltd.*

Workers involved.—1,600 to 1,700.

Duration.—2nd to 12th December 1935.

Reasons.—A wage cut of about 12 per cent was introduced in 1933. A further reduction of 15 per cent in wages with effect from 1st January 1936 was notified by the management.

Terms of settlement.—The proposed cut was reduced from 15 to 10 per cent. Workers returned to work.

Year of strike—1935-36

The Burhanpur Tapti Mills, Ltd.

Workers—1,600.

Duration.—19th December 1935 to 17th February 1936.

Reasons.—Local Congressmen continued agitation for removal of 10 per cent wage cut and other grievances. Some arrests were made for causing physical obstruction and also under sections 279 and 447, Indian Penal Code.

Terms of settlement.—The workers returned unconditionally to work and accepted the 10 per cent cut.

Year of strike—1936

Savatram Ramprasad Mills, Akola.

Workers involved.—836.

Duration.—10th September 1936 to 2nd December 1936.

Reasons.—In the Roving department each operative was asked to mind two frames instead of one. The workers protested. Girni Kamgar Union protested against closure of Mills, wage cuts and economy schemes.

Terms of settlement—(i) Dearness allowance to be wiped out.

(ii) A general reduction of 3 per cent in wages except in the spinning, weaving and frame departments in which it varied.

Year of lockout—1936

(1) *R. S. Reckchand Mohota Mills, Hinganghat.*

Workers involved.—1,200.

Duration.—10th October to 1st December 1936.

Reasons.—(i) Trade depression.

(ii) Necessity of cleaning the main water tank.

Terms of settlement.—The workers returned unconditionally.

(2) *Model Mills.*

Workers involved.—500.

Duration.—3rd October to 5th October 1936.

Reasons.—(a) Weavers demanded increase in the number of looms worked to enable them to earn more.

(b) Dissatisfied with the conduct of two or three weaving jobbers.

Terms of settlement.—On 6th October they returned to work unconditionally.

Year of strike—1937

(1) *Model Mills.*

Workers involved.—2,600.

Duration.—7th January to 7th March 1937.

Reasons.—(a) Weavers demanded increase in the number of looms worked to enable them to earn more.

(b) Dissatisfied with the conduct of two or three weaving jobbers.

Terms of settlement.—Workers resumed unconditionally on 8th March 1937.

(2) *The Berar Manufacturing Company, Ltd., Badnera.*

Workers involved.—1,247.

Duration.—7th May to 10th May 1937, and 9th June to 18th July 1937.

Reasons.—As a result of discussion between Sir M. B. Dadabhoy and representatives of workers it was settled that cuts imposed in October 1933 should be doubled to keep the mill working.

Notice of new rate was put up.

Reelers wanted a living wage.

Terms of settlement:—Workers surrendered.

Year of strike—1938

(1) *Empress Mills.*

Workers involved.—9,000.

Duration.—On 21st February 1938 and on 1st July 1938.

Reasons.—(a) Ministry should give a public assurance in a public meeting of textile workers and see that workers are paid their wages for February 1938.

(b) System of issuing chits to workers should be stopped and instead ready cash to be paid by way of advances.

(c) Workers should be allotted to manage two looms as before in weaving department.

(d) That in Spinning department on 380 spindle looms instead of one man on one loom there should be three men on two looms.

(e) All assaults on workers by Mill officers should be stopped.

Terms of settlement.—Hon'ble Prime Minister's assurance as follows :—

"That it will be the endeavour of the Central Provinces Congress cabinet to fall in line with the policy of Bombay Government regarding recommendations of the Bombay Labour Inquiry Committee both as regards extent of wage cut and the period from which it will take effect subject to such variations as local conditions necessitate.

The grievances regarding the two loom system and chit system will be inquired into and endeavour made to bring about a settlement."

(2) *R. B. Bansilal Abirchand Spinning and Weaving Mills.*

Workers involved.—1,694.

Duration.—13th to 15th January 1938, 30th June to 28th September 1938 and 30th November 1938.

Reasons.—Restoration of the wage cut enforced in 1932 and on being informed that the question of wages was under examination of Government they asked for the appointment of a board of arbitration to go into the grievances of the Hinganghat workers separately from the general inquiry.

Terms of settlement.—The Director of Industries explained that the demands rested on a provincial basis and were under examination of Government. The Mill restored 60 per cent of the cut in compliance with the Government resolution No. C-204-352-VII, dated the 6th June 1938, on the Report of the Roughton Committee. It paid the amount of restoration by way of flat rate of Rs. 1-11-0 per head for 26 working days as desired by workers.

(3) *R. S. Reckchand Mohota Mills, Hinganghat.*

Workers involved.—1,500.

Duration.—From 11th January to 16th January 1938, 25th January to 4th February 1938, 12th May 1938, 30th June to 28th September 1938.

Reasons.—Removal of the weaving master. Restoration of wages prevailing in 1932. Withdrawal of prosecution of persons who had assaulted others and victimisation. Departmental grievances in regard to wages of doffers.

Terms of settlement.—(1) The weaving master of the Mills who was alleged to have assaulted a woman worker a day previous to the strike would not be removed.

(2) The prosecution against those responsible for rioting to be withdrawn.

(3) All strikers including rioters to be reinstated.

(4) Workers who were prosecuted and the weaving master should tender apology.

The settlement regarding the wages of doffers was brought about by the Manager of the Mill.

(4) *Pulgaon Cotton Mills purchased by Mr. Hardayal Nevatia and others.*

Workers involved.—200.

Duration.—21st to 22nd July 1938.

Reasons.—Workers of Ring Frame department of the Mills demanded wages which they were getting four years back, namely, Rs. 9-4-0 as against Rs. 7 per mensem. There was also a complaint against dishonesty on the part of the time-keeper.

Terms of settlement.—The workers returned to work on the promise given by the Manager that their grievances both as regards wages and as against time-keeper would be considered.

(5) *Model Mills.*

Night shift only.

Workers involved.—561 reelers only.

Duration.—10th October to 13th October 1938.

Reasons.—(1) Low wages and (2) no provision of free tea.

Terms of settlement.—Labour officer investigated the questions and found piece wages to be the same for the night and day shift reelers.

Provision of free tea was taken up with the Mills and subsequently granted.

Strikers resumed work on 14th October 1938.

Year of strike—1939

Empress Mills:

Workers involved.—10,616.

Duration.—On 15th March workers staged a stay-in-strike. On 16th of March work was resumed.

1st May 1939 to 3rd May 1939.

Reasons.—(1) Recognition of the Union by the Mills.

(2) Stoppage of grain chit system and introduction of cash advance system.

(3) Provision of minimum living wage for the workers both male and female.

- (4) One month leave with pay in a year.
- (5) Introduction of two loom system.
- (6) Grant of two months wages as bonus for the centenary celebrations of the late Mr. J. N. Tata.
- (7) Grant of proper advance to workers in Mill No. 3.
- (8) Workers to attend one side in Spinning department.
- (9) Increase in the rates of weavers.
- (10) Removal of difficulties of night shift workers.
- (11) Adequate payment in case of compulsory leave.
- (12) Reinstatement of persons recently dismissed.

Terms of settlement.—A deputation of the Union waited on the Ministry on the 8th May. The result of the discussion together with those of the inquiry into departmental grievances were communicated to the Union by the Secretary to the Government of Central Provinces and Berar, Commerce and Industry Department, *vide* his memorandum No. 3860-1408-VII, dated the 28th August 1939.

The workers resumed work on the promise of Government to examine their case.

Year of strike—1940

(1) *Empress and Model Mills.*

Workers involved.—Empress Mills, 14,000. Model Mills, 3,221.

Duration.—Workers of Empress Mills went on strike on 8th April and those of Model Mills on 15th April. Strike called off in both Mills on 25th April. Again workers of both Mills went on strike on 3rd July and resumed work on 15th July.

Reasons.—(1) Restoration for remaining wage cut.

(2) Increase in wages to the extent of 35 per cent over the pre-war earnings to meet rise in the cost of living.

(3) Redress of departmental grievances.

(4) Stay-in-strike from 8th April 1940 as a protest against the findings of the Clarke Committee to the effect that no dearness allowance was necessary.

(5) Stay-in-strike from 3rd July 1940 as workers rejected the recommendations of the Mahalanobis Committee in respect of dearness allowance.

Terms of settlement.—On 25th April 1940 the men resumed work on the Government announcing their decision to appoint another Committee.

On 4th July 1940 His Excellency the Governor made fresh efforts for settlement of a dispute and a settlement was reached according to which the workers were to join work on the blowing of the whistle on 5th July 1940. A threat was given that, if by

8th July 1940 the question of dearness allowance to Model Mill workers was not settled, the workers would go on strike, but the management issued a notice clarifying the situation and giving workers an opportunity to resume work and they did resume work on 15th July 1940.

(2) *Savatram Ramprasad Mills, Akola.*

Workers involved.—805.

Duration.—19th and 20th November 1940. 18th and 19th December 1940.

Reasons.—(i) Sentence passed on Brijlal Biyani.

(ii) Sentence passed on one operative Vithalchand Ganulal under Defence of India Act.

The strike was political.

(3) *Pulgaon Cotton Mills purchased by Mr. Hardayal Nevatia.*

Workers involved.—197.

Duration.—3rd January to 11th January 1940.

Reasons.—Weavers demanded old rates of wages prevailing during the time of the old management. Weavers demanded introduction of piece rates instead of time rates which then prevailed.

Terms of settlement.—Workers joined duty on promise of opening cheap grain shops and assurance of no victimization.

Year of strike—1941

(1) *Nagpur (Empress and Model Mills).*

Workers involved.—20,000.

Duration.—1st May 1941 to 18th June 1941 in the case of Empress Mills and till 27th June 1941 in the case of the Model Mills.

Reasons.—Stopping machines sporadically in various departments, demand for restoration of the wage-cut, etc.

The stay-in-strike was declared illegal by the Provincial Government. The Management tried to open up the Mills on 3rd of May but very few operatives presented themselves for duty. It is alleged that there was intensive picketing in labour *bastis* and intimidation and even assaults which prevented time-keepers and clerks from attending mills. Numerous cases of assaults on loyal employees were reported, but the police were unable to take any action. The Provincial Government announced in June 1941 that a Committee of Enquiry will be appointed. On 19th June 1941 the workers turned up at Mill No. 5. After some hesitation they resumed work. It is alleged that in these strikes there was an organized attempt to put out of action the fire extinguishing services and operatives attending to this section were specially intimidated.

In the case of the Model Mills the number of workers affected directly was 3,265 and the strike lasted for one month and 27 days. The Mill management complained that in the 1940 strike many persons from the staff were assaulted. Violent *satyagraha* was resorted to at the residence of the Managers and Sir Maneckji Dadabhoy.

(2) *R. S. Reckhchand Gopaldas Mohota Mills, Akola.*

Workers involved.—1,600.

Reason.—Consequent on the grant of dearness allowance by the Management of the Savatram Ramprasad Mills, the workers in the R. S. Reckhchand Gopaldas Mohota Mills went on strike on the 26th August.

It is stated that at the instance of the Deputy Commissioner a compromise was arrived at whereby the Mill management had assured to take back all the workers and give effect to the recommendations of the Jayaratnam Committee but due to the obstinacy of labour leaders the strikers did not resume work and demanded an immediate increase in dearness allowance. Later the demand was made by the Council of Action from Nagpur that at least 2 pice per day should be granted. The Management withdrew their previous assurance and is alleged to have cut off the water-supply of the labour *bastis*. The strike is still continuing and involves about 1,600 people. No untoward incident has so far occurred.

(3) *Vidarbha Mills, Ellichpur.*

Workers involved.—About 900.

In the Vidarbha Mills a one-day strike occurred due to the failure of the Management to close the mills on the eclipse day. Later Mr. Ruikar went to Ellichpur and a settlement was arrived at with the mill management. They agreed to give two pice per day as temporary dearness allowance. The strike was thus settled.

A partial cessation of work by the weavers had taken place at Burhanpur on 10th October 1941 regarding wages.

APPENDIX G

*Supplementary note on settlement of trade disputes by
Mr. R. W. Fulay.*

It is undoubtedly true that in this province strikes have been taking place almost every year but it must not be supposed that in all cases they are not justified. "Lacking leadership and organisation, not deeply imbued with a passive outlook on life, the vast majority of industrial workers regard the return to village as the only alternative to the endurance of hard conditions in industry." In some of the strikes in this province causes unconnected with the industry such as existence of outside agitators has played a small part. But it is much smaller than what Mr. Parakh thinks. It is significant that there were strikes for political reasons only on two occasions.

2. I consider that a strike properly understood is perfectly lawful. The right to strike is the right of workmen in combination by pre-arrangement to give due notice to their employers to terminate their agreement and to withhold their labour when these notices have expired. That is what the right to strike is and in our zeal to prevent strikes at frequent intervals we must not do anything that will weaken the only weapon in the hands of the unorganised workers to demand more wages or humane standards of living.

"Strikes have been and continue to be frequent most of them short and sporadic, but some bitter and prolonged. The prevalence of labour conflicts has been marked taking into consideration the relatively small number of industrial workers. The remedy for this state of affairs cannot be found wholly or mainly in legislation. It is the product of day-to-day dealings between the management and workers and it is by these that the flow of production is mainly determined. The origin of all the troubles of Indian industry is frequently ascribed to political agitation or to communist propaganda. No doubt both have played a part but these stoppages would hardly have occurred if no ground for economic dissatisfaction had been felt." In most establishments there is little attempt on the part of the management to get into touch with an individual worker. The subordinate staff exploit the workers in multifarious ways and their influence is extremely difficult to eradicate. Labour management has now become an important element in the successful administration of an industrial enterprise as technical, financial or commercial managements. The establishment of the human touch between employers and workers seems all the more necessary when the latter are illiterate. In some centres past neglect seems to have created a state of tension which makes the work of the agitator easy and which will take much trouble and patience to remove. Of all the textile unions in the province not one has been recognised by the employers and employers are apt to demand that no outsider should have any part in the union. It is true that in this province the rank and file cannot produce men capable of continuing the administration and finances of a properly organised trade union.

This brings us to the question of recognition of trade unions for which we are agreed, legislation is necessary. Mr. Parakh suggests the adoption of the Bombay Trade Disputes Act in this province. It has evoked considerable criticism, some of which is undoubtedly true. Mr. Jamnadas Mehta, the then President of the Trade Union Congress, sums up his opposition as follows: (1) Workers and the employers are not on the same level of economic strength. The employer has nothing to lose and the Act will weaken the power of the worker, (2) that the Act has too much of regimentation and (3) that the Act is one-sided and will increase the strength of what he calls predatory capitalism. The other reason on which the labour representatives in this province oppose, is the ground that it is not necessary in proceedings under that Act to associate actually the representatives of labour with decisions on negotiation proceedings.

I am of opinion that the Statistics Act should be applied to all the concerns employing more than 25 persons on any one day in the year.

A Labour Commissioner should be a man with definite experience of dealing with industrial disputes. He may not necessarily come from the ranks of the service. Trade Union leaders have been advocating that a Labour Commissioner should generally be a man with previous experience of the working of trade unions and should command the confidence of the workers in the province. The Labour Officer in this province has been doing splendid work in settling grievances but he is understaffed and not equipped with all the information about industrial matters. He has no statutory powers and hence many times his advice goes unheeded.

I have tried to examine the conciliation and arbitration machinery in the various Western countries as well as in India and I do not consider that the Bombay Trade Disputes Act should be followed with the exception of the Schedules (1) and (2) attached to that Act which might form part of the legislation that may be provided in a Bill form in this province. These schedules relate to standing orders and working conditions and they are very useful and exhaustive. For every district the Provincial Government should have the right to appoint an industrial court which shall consist of three persons, the Deputy Commissioner or the District Judge as the Provincial Government may determine, shall be *ex officio* chairman of the district industrial court. When the necessity arises the Provincial Government should have the right to nominate one person representing either the employers or consumers and one person representing workers on such industrial court. The members of this court should have all the powers, privileges and liabilities of public servants and the jurisdiction of the industrial court should relate only to disputes arising out of the individual contract of employment or disputes which are essentially local. The industrial court will take cognizance of an industrial dispute on an application in writing either by a trade union if such a one exists or by the employer or by not less than 50 workers in any industry. It may also take cognizance of the trade dispute on an application made by the

Prosecutor. The Industrial Court must come to a decision on the matter in dispute within one month and submit its report to the Provincial Government. It will have the right to examine witnesses, call for and inspect documents, enter upon any premises or factory, in short, it will have the powers and privileges of a Court. The decision of the industrial court will be communicated to the Provincial Government, who may modify, cancel or annul the decision of the industrial court after hearing, if necessary, the parties to the dispute. It may make the decision of the industrial court as approved or revised by it binding on the parties, in which case the employers or the workers will have no right to disobey it for a period of at least six months from the date of such notification. If any employer or an outsider in a trade union commits breach of the terms of the notification he will be liable to a penalty of either a fine which may be anything up to Rs. 2,000 and imprisonment up to two years or both. In the case of an illegal strike by the workers in any industry each worker will be liable to a fine of Re. 1 to Rs. 5 a day or simple imprisonment for one to five days, as the case may be. This provision does not make the decision of the industrial court automatically binding. It has been my experience in this province that all industrial disputes have ultimately been settled with the intervention or at the instance of the Deputy Commissioner. In relation to matters which affect the industry of more than one district or where the agitation relates to workers from more than one centre I would suggest a setting up of a Provincial Industrial Court composed as follows: It shall consist of a chairman and four members, two members nominated by the Provincial Government, who shall be unconnected with the industry and having a status and position in society and who will be of use in bringing about a settlement in the industry as a whole. The two other members shall be one representing the workers and the other representing employers. The method followed by the Government of India in the selection of delegates to the International Labour Conference may be usefully adopted in selecting representatives in this case. The members of this court shall have all the powers, privileges and liabilities of public servants while they are sitting as a court. The said court will have power to examine witnesses, call for documents, inspect records or enter upon any premises or a factory for purposes of inspection. It will take cognizance of such disputes in the same manner as the district industrial court except that the Advocate-General shall also have a right to make an application or to get an emergency order if he finds that a certain trade dispute tends to threaten a serious outbreak of disorder or breach of the peace, or there is a likelihood of serious and prolonged hardship to a large section or sections of the community.

The decision of the industrial court shall ordinarily be arrived at within one month but the Provincial Government may extend the time by further one month if the dispute is of a complicated nature or requires investigation into complicated financial matters. The industrial court's decision shall be conveyed to the Provincial Government who will have, after hearing

the parties if necessary, the right to confirm, modify, annul or revise such decision. The Provincial Government may further notify that the said decision shall be binding on the parties in which case it shall be binding and not liable to be reopened except by an application signed by a majority of the trade unions operating in the province and who are recognised. Every worker in an organised factory should be required to give 15 days' notice of strike including seven days under the Payment of Wages Act. As soon as such a notice is given, the Labour Commissioner should endeavour to find if he can bring about an amicable settlement and if he considers that he cannot bring the parties to an amicable settlement, he will have the right to move for the establishment of an industrial court in which case the parties to the dispute will not be entitled to a strike or lock-out until the Provincial Government's notification is published. This legislation will sufficiently guard the claims of the industry as well as the claims of the workers for a right to strike. There is no meaning in having a conciliation or an arbitration machinery, for, in actual practice, even in U. S. S. R. it has been found that during the periods 1924—1928, 72 per cent of the disputes had to be decided by the compulsory arbitration courts. Legislation should also include the prevention of violence in the conduct of trade disputes and in a case of violence with a conviction following thereon such action should automatically disqualify a union from recognition for a period of one year and a worker shall also be criminally liable for such an act. The employers on the other hand should also be prevented by legislation from resorting to the methods they adopt, *viz.*, cutting of water-supply or forcing millhands to leave their lands in case of a strike and this should also be guaranteed by penal provisions. As soon as this legislation comes into force every employer employing more than 25 persons a day must submit to the Commissioner of Labour, who shall also be *ex officio* Chief Conciliator and Registrar of Trade Unions, a statement in duplicate a copy of which shall be forwarded by the Labour Commissioner to the organisation of workers if such an organisation exists or the Labour Commissioner may ascertain the views of the workers generally if there is no trade union functioning as to the existence of working conditions as reported and if he finds the said statement correct, record the existing condition accurately and if there is no protest he shall get such working conditions registered. These conditions shall not be alterable by an employer or by a worker except in the manner provided by the Act. That is to say he must apply in writing either to the Labour Commissioner for the setting up of an industrial court or obtain the sanction of the Labour Commissioner in emergent cases for orders. The Labour Commissioner should therefore be empowered to pass an emergent order either against the trade union or workers or employers, should safety of the State or the community be endangered in any manner. No worker should be victimised by the employer for trade union activities and every such dispute relating to victimisation shall be enquired into by the Labour Commissioner or by his Assistant and his decision shall be final. The Labour Commissioner's decision on any matter in his charge may be revised by the Provincial Government for any just and good reasons. It shall be the duty

of the Provincial Labour Commissioner to publish at fixed intervals accurate information regarding all industrial problems in the province. The industrial court may utilise the services of the statistician attached to the Labour Office in coming to a decision on labour disputes. The notification of the Provincial Government in the matter of decision of the industrial courts shall be executed as decisions of the public servants with penalties as provided in the Indian Penal Code for wilful disobedience of such orders. The decisions of the Provincial Industrial Court when notified as binding on the parties by the Provincial Government shall remain in force for a period of not less than one year. The Chairman of the Provincial Industrial Court shall be a person who possesses the qualification of a High Court Judge or the senior-most I.C.S. officer the Provincial Government may consider fit. An application for the setting up of an industrial court may be made by not less than 50 workers if there is no organised trade union. Appearance of a counsel in industrial courts should not ordinarily be permitted except with the express sanction of the court. But in no case shall the fees for such a counsel be payable by any party. The court-fees ought to be nominal and the process fees negligible in such proceedings.

R. W. FULAY.

**Supplementary note on third term of reference—strikes,
by Mr. C. B. Parakh**

The reason for this supplementary note is that the third term of reference specifically calls on the Committee to report on "the circumstances of recurrence of strikes at short intervals", "and make suggestions thereanent", and it is necessary that the report should be outspoken in finding out the causes of strikes and suggesting remedies for avoiding them. The employers, workmen, and labour leaders, should know exactly what influence their trade disputes have on the mind of the general public, and may be that these lines which are written not with the intention to hurt but to heal, may have some beneficial effect upon those concerned in the dispute, and would lay before the Government the evidence which we have received and the conclusions I have arrived at—

Causes of strikes

The causes of strikes are—

- (i) Economic dissatisfaction,
- (ii) Ignorance of the operatives,
- (iii) Irresponsibility of Union leaders, and
- (iv) Studied absence of contact by the employers with labour Unions.

These form a vicious circle, and it would be difficult to extricate one cause from another in determining the causes of the majority of strikes.

There is no doubt that the root cause of the strikes is economic dissatisfaction, with this difference that some times it is genuine, at other times it is flimsy and petty, and more often than not it is imaginary and fanned by irresponsible leadership. For example when the workmen demanded a dearness allowance on account of the soaring prices in the cost of living following the War, or an improvement of their wage by asking the Mill-owners to keep their promise given in 1931-32 at the time of wage cut, that it would be restored as soon as conditions improve, the grievances were sound and it was short sighted policy to have overlooked them, for what is given by grace and good will would have a healthy psychological effect on the mind of the workers, but the employers preferred to maintain a sullen obstinacy. A glance at the Appendix F which gives a picture of strikes would reveal a number of instances when the grievance could have been easily settled, and a strike certainly seems to be a drastic remedy for a simple malady. The demand for two months' wages and bonus on the occasion of the centenary celebrations of the late Mr. J. N. Tata, is an instance of imaginary grievance, which the workman, simple as he is, would never have raised and is entirely due to the irresponsibility of the labour leaders who staged a one day's strike, forgetting that those that seek a gift could not afford to be choosers, and overlooking the fact that it was their duty to advise the workmen that this was not an occasion for strife but of jubilation for one whose industry and enterprise gave the city of Nagpur, an otherwise glorified village, the place and position of an important City in the Country, and provided work for thousands of workmen. If on the one hand the labour Unions had shown and exercised wise leadership and guidance, and the employers, understanding and tolerance of Unions, a good deal of sacrifice and loss would have been saved on both sides.

It would be interesting to note the manner in which a large number of strikes have come about. The Union leader, annoyed by the fact that the employer makes a studied effort to ignore him and in fact takes no notice of him, exploits these economic factors, by magnifying petty departmental grievances which could have been easily settled had there been a reasonable contact between the employer and the Union leaders, misleads the worker whose ignorance and inability to understand helps the leader in his exploitation, prepares a list of grievances most of which are imaginary or trifling, and dins these grievances into the workers' mind. The management on the other hand rightly rejects most of the grievances, and very unwisely refuses or pretends to overlook the genuine grievances on the ground that it does not recognise the Union. These contrary attitude of the Union and management complete the background saturated with electric atmosphere and ready for a strike. Only a spark is needed and this is supplied by a mass meeting, which in its nature is not conducive of peaceful results. Inflammatory speeches are made by the Union leaders, most of whom are not likely to suffer from the failure of the strike, and lastly a vote in favour of strike by show of hands, which does not give the ignorant workman time to think or vote, and the conflagration is on, until the workers are tired and exhausted and return to work with little or no advantage gained.

The above is a picture of one set of reasons for strikes. There is yet another reason why strikes do occur. There are cases in which the workmen have genuine grievances. It may be that the genuine ones are mixed up with petty or imaginary grievances. But the employer knows very well where the shoe pinches his employees. As the employer does not recognise the Union, the grievances remain unheard and unattended to. Even where the employer tries to meet the grievances, the workmen remain unsatisfied for their case was not heard. It is a cardinal principle of justice that, whatever the decision, the aggrieved party must be heard. The mutual and counter accusation that the Unions are irresponsible, or that the employers are callous and want to keep labour under their thumb, lead to a vicious circle, with the result that the employers have succeeded in making labour an armed camp looking at the employers not with a feeling of gratitude but one of hostility.

In the history of strikes in our province since 1934 there is no official record of the number of hours and the amount of money lost by strikes, and particularly by unnecessary and unsuccessful strikes. They might be in millions of hours and hundreds of thousands of rupees. It is not suggested that a strike, because it fails, is an unjust strike, but it is impossible to overlook the fact that a large number of the strikes are entirely unjustifiable and could have been avoided if there was contact between the workmen and their employers.

The means to avoid strikes

The above facts would indicate that one of the important means for avoiding strikes is legislative machinery for regulating the Unions and compelling the employers to recognise them. It would be obviously unfair to the employers to be called upon to recognise the Unions which neither represent the workmen nor correctly guide and lead them. There is evidence that when strikes fail to impress the employers, the strikers have resorted to most objectionable methods with a view to exert unjustifiable influence over their employers. There is evidence that the offices of the Managing Director and Chairman of the Board of Directors were picketed and having failed to achieve any result by this action the workmen picketed their houses and made it difficult for their family members to live in their houses or to go out of the houses. Unscrupulous men, some of them who had no connection with the Unions or the Textile Mills, were employed for this purpose. There is no evidence whether these actions were encouraged or instigated by the Union leaders except Newspaper reports and speeches made by some leaders, but there is certainly this evidence that neither during our deliberations nor at the time when evidence was tendered a serious effort was made to indicate that the Union leaders had dissociated themselves from these ugly scenes or that they were enacted without their knowledge or consent. It is therefore fair to presume that these rowdy and ugly scenes were enacted with the connivance if not with the consent of the Union leaders.

The Empress Mills complained, and very rightly "that the "most sinister feature in many of these strikes is the organised "attempt to put out of action our fire extinguishing service".

and operatives attending to this service were intimidated. There was not even an attempt to controvert this evidence. In all civilised countries, organised labour has recognised the need for attending to safety services, without which the employers' property and workmens' livelihood would be in danger of being lost.

Against this there is evidence that one employer, in order to put pressure on the strikers, resorted to the dangerous practice of cutting off water-supply and conservancy service to the workmen's quarters.

The Committee has reported that the Provincial Government should introduce legislation to regulate the Unions, and to compel the recognition of registered Unions, but it seems to me that this would not be enough and the legislation should further penalise the malpractices referred to above.

I am of opinion that the Committee's recommendation regarding the nature of the proposed legislation ought to have been more specific. I have carefully studied the Bombay Trades Disputes Act (No. XXV of 1938) and the Mysore Labour Act of 1941. I have had only a copy of the Mysore Bill, but the newspaper report, which is all I have at present, state that the Bill has been converted into an Act with very slight changes. The Mysore Act is only an abridgement of the Bombay Act. I recommend unhesitatingly that the Provincial Government should introduce a legislation on the lines of the Bombay Trades Disputes Act (XXV of 1938) which is one of the latest legislative measures of its type in India, and its structure shows that it has been enacted after a very careful consideration not only of the interests of the parties to the trade disputes but also of the community as a whole. Its main features are—

(1) Registration of Unions and also cancellation of such registration under certain circumstances or registration of new Unions in place of existing registered Unions.

(2) The Unions are divided in two classes—

(a) Qualified Unions with a membership of not less than 5 per cent of the total number of employees employed in the industry or occupation in the particular area, and

(b) Representative Unions with a membership of not less than 25 per cent of the total number of employees.

(3) The Provincial Government is authorised to constitute—

(a) a Board of Conciliation in the event of an industrial arising for promoting a settlement of such disputes, and

(b) a Court of Industrial Arbitration for determining industrial disputes and for dealing with other matters under the provisions of the Act.

(4) Schedule I to the Act provides industrial matters or questions which arise between the employers and the employees, *e.g.*, classification of employees, manner of notification regarding disputes in hours of work, shift working, attendance of late coming, leave, holidays, temporary stoppage of work and the rights and liabilities of the employers and the employees arising therefrom,

termination of employment, suspension or dismissal for misconduct and means of redress for the employees, and the Act provides that every employer should prepare and submit to the Commissioner of Labour for approval the Standing Orders regulating the relations referred to in Schedule I.

(5) Schedule II contains a list of the relations between the employers and the employees, e.g., demand for permanent increase, dismissal of an employee, introduction of rationalization or other efficiency schemes, alteration of shifts, withdrawal or granting of recognition to Union, withdrawal of any customary concession or privilege or change in usage, introduction of new rules of discipline, and wages and total weekly hours of work.

(6) The Act provides that should the employers, or the representatives of labour, desire a change in the Standing Orders regarding Schedule I, or in the relationship of master and servant as provided in Schedule II, either party should give a notice of the proposed change to the other party, after which it is hoped that the employers and employees would reach an agreed settlement within a specified period, and in such case the settlement would be registered and acted upon.

(7) If no settlement is arrived at, and either party insists upon the alterations, it is required to apply on a prescribed form within a specified period to the Registrar, the Conciliator, and the Chief Conciliator of the local area, for the settlement of the disputes. On this the conciliation proceedings commence. The Conciliator is authorised to bring about a reasonable and an agreed settlement between the parties. If there is a settlement it would be duly recorded and if there is no settlement the Conciliator would refer the matter to the Chief Conciliator.

(8) If no settlement is reached the Conciliator or the Chief Conciliator would send a report to the Provincial Government explaining the reasons why no settlement was arrived at. The Provincial Government where both parties agree refers the dispute to the Board of Conciliation. On the conclusion of the proceedings the Board shall submit a report to the Provincial Government whether or not a settlement is arrived at and this report would be published. This would conclude all attempts at conciliation.

(9) The next stage is the arbitration. Any employer and a registered Union may by a written agreement (known as "submission") submit any present or future industrial dispute to the arbitration of any person, in accordance with the provisions of Schedule II of the Code of Civil Procedure. Such submission may provide that the dispute shall be referred to the arbitration of the Industrial Court. A submission may be revokable or irrevokable according to the agreement. The Arbitrator or the Industrial Court shall give notice of the Award which shall come into operation from such date as may be stated in the Award. The Arbitrator or Industrial Court has the power to decide whether any strike or lock-out or change is illegal or legal. The order of the Arbitrator or Industrial Court shall be binding on all parties to the dispute whether they are present in Court or not and it shall be final without right of appeal or review.

(10) The Act then proceeds to declare what are illegal strikes and lock-outs. A strike or lock-out is illegal if it is declared, commenced or continued—

- (i) relating to matters referred to in Schedule I before the Standing Orders are settled by the Commissioner of Labour or the Industrial Court, or the expiry of a fixed period from the date on which the Standing Orders came into operation.
- (ii) Without any notice as provided in section 28.
- (iii) Only for the reason that the employer or an employee has not carried out the provisions of any Standing Order or has made an illegal change.
- (iv) Where a notice of change is given but no agreement is arrived at.
- (v) Before the Conciliation proceedings in regard to the investigation of the dispute have been completed, or where a submission is not lawfully revoked.
- (vi) In contravention of the terms of the registered agreement, settlement or award.
- (vii) In cases where the conciliation proceedings in regard to any industrial disputes have been completed a strike or lock-out relating to such disputes if it is commenced any time after the expiry of two months after the conclusion of such proceedings.

(11) The Act then proceeds to provide penalties—

- (i) It is provided that there shall be no victimisation except of a person who has gone on an illegal strike and the penalty for victimisation is Rs. 1,000.
- (ii) The penalty for declaring an illegal lock-out is Rs. 2,500.
- (iii) The penalty for declaring and commencing an illegal strike by the workman is Rs. 25.
- (iv) The penalty for instigating illegal strikes or lock-outs is three months' imprisonment.

(12) In the Miscellaneous Chapter it is provided where any thing is required to be done by any Union, the person authorised in this behalf by the executive of the Union, or otherwise every member of the executive of the Union, shall be personally liable if a default is made in doing of any such thing.

(13) During our investigation it was found that besides the main grievances of wage and dearness allowance, the workers and Unions complained of two other things, viz., (i) victimisation, and (ii) reduction of piece rates to counteract the 60 per cent restoration of wage cut granted following the recommendation of the Roughton Committee. There is considerable measure of truth in both these charges, and the Bombay Act of 1938 is the only legislation that provides security to the workmen against either of these measures. I was therefore not a little surprised to find organised labour opposed to this legislation. The reason seems to be that the Unions desire to keep

into hands unimpaired the right of strikes, including lightening strikes. Now it is obvious that the labour cannot be allowed to eat the cake and have it too. The employers are also opposed to the Bombay Act. The reason is not far to seek. The employers could ordinarily keep, by manipulation of rates, the total wage bill at the point it suits them, but the Bombay Act effectively prevents that. The fact that both employers and Unions do not approve of the Bombay Act without specifying definite or good reasons leads me to believe that the Act holds the balance evenly between the two.

I am therefore definitely of opinion that the Bombay Act, with extra provisions as suggested in this note, should form the basis of a legislation in this Province.

C. B. PARAKH.

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR
LOCAL SELF-GOVERNMENT DEPARTMENT



REPORT

OF THE

**Committee appointed to examine the Wages
and Conditions of Work of Sweepers in
Municipal and Notified Area Committees in
the Central Provinces and Berar**



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1939

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REPORT OF THE COMMITTEE APPOINTED TO EXAMINE THE WAGES, ETC., OF SWEEPERS IN MUNICIPAL AND NOTIFIED AREAS IN THE CENTRAL PROVINCES AND BERAR.

CHAPTER I—INTRODUCTION

Constitution of the Committee.—The Government of the Central Provinces and Berar in accordance with the declared policy of Harijan Uplift appointed a Committee whose personnel and terms of reference were specified under Local Self-Government Department Notification No. 6341-500-M-XIII, dated the 12th September 1938—

Personnel—

Mr. A. V. Thakkar, L.C.E., General Secretary, Harijan Sevak Sangh, Delhi.—*Chairman.*

Members.

Mr. N. K. Kelkar, Balaghat.

Mr. Chandra Gopal Mishra, B.A., LL.B., Advocate, Harda.

Mr. P. D. Jatar, B.A., LL.B., M.L.A., Advocate, Seoni.

Mr. Dinkar Shastri Kanade, Buldana.

Mr. C. B. Parakh, B.A., LL.B., Advocate, Nagpur.

Khan Bahadur Syed Hifazat Ali, B.A., LL.B., M.L.A., Advocate, Khandwa.

Mr. P. K. Sen, B.Sc. (Edin.), Inspector of Factories, Central Provinces and Berar, Nagpur—*Secretary.*

The terms of reference were—

(1) to examine the wages paid to sweepers, male and female, and to report on—

(a) their adequacy or inadequacy ;

(b) the desirability and feasibility of introducing—

(i) a system of minimum wages, and

(ii) a system of holidays with pay ;

(2) to examine and report on their conditions of work and living with particular reference to housing and sanitation, and to make recommendations in regard to the measures necessary for bringing about an improvement.

2. The Committee was of the opinion that the terms of reference were liberal enough to include programme, indebtedness, sanitation, corruption, etc. These matters were included in the questionnaire (Appendix I) which was drafted accordingly and was despatched to all municipal and notified area committees, Sweepers' Unions, Harijan Sevak Sanghs and to other bodies and individuals who in the opinion of the Committee, would be able to give useful information on the points raised in the questionnaire.

3. We are glad to mention that the response to our questionnaire was satisfactory, the number of replies received being 100 in all. We are obliged to all those who have helped us with information.

We began oral examination of witnesses at Nagpur on the 12th November 1938, and ended it on the 15th November. We re-commenced the oral examination on the 21st December 1938 and continued it at Jubbulpore, Khandwa, Shegaon, Yeotmal, Gondia and Raipur and ended it on the 5th January 1939 at Raipur. At these centres, we examined local witnesses, also other witnesses from near by places, and the list of witnesses examined is given in Appendix V. In all these places we also inspected the localities inhabited by the sweepers, public latrines, etc. The itinerary is given in Appendix IV.

4. **Procedure.**—At all the centres visited several selected witnesses out of those who had forwarded replies to the questionnaire were invited to appear before the Committee for oral examination. It enabled the members of the Committee to examine representatives of municipalities and notified area committees, nearly all the associations of sweepers employed by municipalities or notified area committees or the leaders of sweepers, all the leading Harijan Sevak Sanghas and a large number of individual witnesses interested in the social uplift of sweepers. The Committee also inspected the sweeper mohallas or the localities inhabited by the sweepers in these centres and investigated into the housing and living conditions of sweepers' families at each centre visited. In addition, in some centres some members of the Committee met the sweepers in social assemblies and addressed their meetings. A few injured sweepers were also visited in hospitals or their homes to elicit information of the nature and cause of their injuries. The Committee was thus able to secure in some cases evidence of a character which could not have been obtained in a formal way.

CHAPTER II.—CONDITION OF SERVICE

5. The Appendix II which gives a list of municipal and notified area committees also shows the population under the care of each Committee. Seventy municipal committees ministering to the civic needs of a population of 1,362,835 souls, and 15 notified area committees doing similar duty in respect of a population of 92,255 souls, employ nearly 6,500 sweepers. We have noticed a peculiar incidence of their social structure, regarding the largeness of the sweeper families. Early marriages and early consummation, which are incidentally responsible for the size of the families, keep the population multiplied at a considerable rate. In most cases more than one member, or one pair of sweepers, work in a municipal committee from each family, which makes it difficult for one to know the average size of the family. But it would not be over-estimate to state that on an average each of the 6,500 sweepers have a family of 2.5 children, which means that the lives of about 22,750 persons are affected by the good or bad condition of service in the municipal committees.

6. The bulk of the municipal sweepers are employed in cleaning public and private latrines, sweeping roads and cleaning drains, while a small number is engaged in driving night-soil and

refuse carts, in trenching night-soil, or dumping and levelling refuse. In a few municipalities a limited number of sweepers are employed in special gangs for anti-malaria work, and cleaning weekly market places or ganjs.

7. Appointment as jamadars and conservancy peons.—

Out of 450 conservancy peons and jamadars and havaldars in 70 committees, only 80, or a little over one-sixth, belong to the sweepers' class. It is only in exceptional cases that these posts are given to sweepers, or held by sweepers promoted from the ranks. In a few municipalities like Nagpur and Amraoti a healthy departure has been recently made by appointing 42 per cent of jamadars from the sweeper rank. It is apparent that the sweepers ordinarily do not get sufficient chances for the posts of conservancy peons and jamadars or havaldars. Where such appointments are made, the result appears to be satisfactory, though there were complaints of slack supervision on the part of sweeper jamadars and conservancy peons, and also a tendency amongst the rank and file to treat them with indifference. The evidence before the Committee was of a conflicting nature. One set of witnesses urged against the appointment of sweepers as jamadars or conservancy peons, on the ground that the sweepers lack executive capacity, that they were somewhat partial to their caste people, and that they were disposed not to take strong attitude against their own people even when they had erred. The other set of witnesses assert that the experience of the municipalities that have given the sweepers a fair trial has proved that these defects were on the decrease. The sense of executive responsibility which may be lacking at first is soon developed under proper guidance. Indeed some of the Secretaries and Health Officers of the Committees that have given the sweepers an opportunity, are of opinion that the efficiency of sweeper peons and jamadars is at least equal to that of others, and that they are better able to manage their own caste men, and supervise their work, than others.

8. Another contention is that the members of the public who come in contact with jamadar and conservancy peons, object to sweepers being appointed to these posts. No Committee would or should accept such objection as valid. In public offices no distinction can be made on the ground of caste prejudices. The evidence before the Committee has been that the distinction between the sweeper and other children reading in primary municipal schools is now completely eliminated, and the two sit side by side without any discrimination or objection, and the Committee is definitely of opinion that this ground is entirely untenable.

9. The Committee, after a very careful examination of the evidence before it, came to the conclusion that there is no inherent lack of executive and supervising capacity amongst the sweepers as a class, though their lack of education, inferior social status, and in some cases inferiority complex, are undoubted difficulties before them. The Committee after the examination of all *pros* and *cons*

was clearly of opinion that whenever a vacancy arose for the appointment of a jamadar or conservancy peon, and a sweeper with requisite experience and qualification was available, he should be given preference over candidates who do not come from sweeper class. The municipal committees must recognise the services rendered by the sweepers working under them by promoting them to such posts hereafter.

10. As a general rule a Committee should not overlook the claims of sweepers, who have gathered experience and have requisite qualification, to these and other appointments on the mere ground that they were sweepers. The rules for appeal against the decision of a Committee should be suitably modified to enable a sweeper, who has a clean record of good work, to appeal to the Deputy Commissioner, in case his claims are overlooked and an outsider appointed in the post of a jamadar or conservancy peons.

11. **Hours of work.**—The hours of work for the sweepers are mostly 8 to 10 hours per day, but variations as high as 11 hours per day, and as low as 4 hours per day, were also noted. An analysis of 80 municipalities and notified areas show the following hours of work for sweepers :—

Hours of work per day		Number of municipalities
11	..	1
10	..	15
9	..	10
8	..	25
7½	..	5
7	..	8
6	..	7
5	..	6
4	..	3

But it has been maintained by the majority of witnesses that they do not work the full period, and that the afternoon work is very light. The evidence before the Committee shows that in addition to the regular work entrusted to the sweepers considerable extra work also is regularly taken by employing them in special batches known as "dalel". Occasionally they are also employed on "begar" or for special work, with the result that the Sunday afternoon, which in many places is supposed to be their weekly half-holiday, is sometimes taken away from them, even though the nature of the work done may be very light.

12. On an average a sweeper cleans about 50 to 60 private latrines or sweeps five to six furlongs of road per day. Instances were, however, quoted during evidence of a number of sweepers

who had to clean 75 to 100 latrines or six to eight furlongs of road mileage per head. The evidence before the Committee clearly shows that though the sweepers are not ordinarily overworked, there are some cases of excessive work or inequitable distribution of work, as a result of which so much pressure of work is placed on some, that they have to carry it out with the help of their children and family members with no payment to them. The increasing pressure of work due to town development, increase of population in case of big towns, better ideas of sanitation, encroach on their leisure hours, if the staff of sweepers be not increased. Moreover, considering the nature of their work with its attendant difficulties, it places an extra burden on the sweeper staff whenever some of them remain absent either on leave with or without pay or otherwise.

13. The Committee's findings on this subject are as follows :—

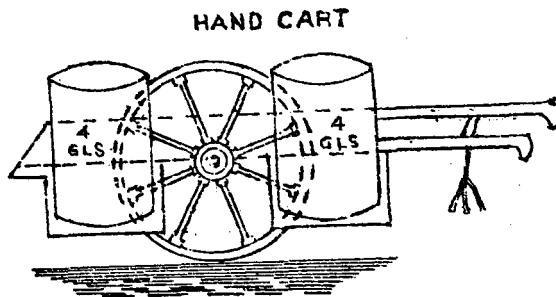
- (1) The actual hours of work in the morning and afternoon are fair, but should be regularized so as not to exceed five to six hours in the morning and three to two hours in the afternoon, or eight hours in the whole day. The byelaws which at present prescribe 10 or 11 hours of duty are not suitable nor in conformity with the practice and should be amended accordingly.
- (2) The work allocated to the sweepers officially is as a rule fair and reasonable, but the Health Officer or Secretary should see that the scheduled work is carried out fairly strictly and extra work or work of absentees should not be concentrated on a few sweepers.
- (3). In all municipalities, and particularly in the major municipalities, provision should be made for leave vacancies by the appointment of at least 5 per cent of the staff as reserve for absentees or those on leave including maternity leave.
- (4) All Sunday afternoons or bazar day afternoons, all festivals afternoons should be treated as official holidays, and under no circumstances should sweepers be called to work on these afternoons, except in cases of grave emergencies and then also as few as possible, rotating the men so-called up in a strict order so that the entire staff contributes equally and fairly in the discharge of such duty.

14. **Condition of latrines.**—In most of the municipalities, the latrine holes were found to be not well constructed, with the result that they cause insanitation to the locality concerned and a great hardship to the sweepers who clean them. In some municipalities byelaws have been adopted in order to build, what are known as first class or paved latrines, but the Committee found by ocular examination that even in these municipalities there are a large number of so-called kachha latrines, and that the byelaw for providing well paved latrines are only partially observed. This increases the work

of the sweeper. The Committee recommends that the byelaw should be strictly enforced, and that Government should issue distinct orders for their enforcement.

15. In the majority of municipalities bamboo baskets are used in the latrines as receptacles for night-soil to drop in, though a considerable number of important municipalities prescribe iron pans or drums or buckets. Even in such municipalities in many latrines iron receptacles though first provided, are often substituted by bamboo baskets or are found missing altogether. In a few municipalities no receptacles are used on account of dry-earth system which allow the night-soil to drop on the dry-earth or ash spread over the bottom of the latrine hole. Night-soil after removed from the latrine is carried mostly in bamboo baskets by sweepers on their heads. In a few municipalities iron drums with air-tight covers or galvanized iron buckets are substituted. The Committee recommends that all municipalities should be advised to amend the byelaws so as to compel all owners of private latrines to provide tarred iron receptacles, and that municipal executive should periodically inspect that these and no others were used.

16. The night-soil removed from latrines is invariably carried on head up to the nearest night-soil cart or even to the far-off trenching ground. This is admittedly an inhuman practice, as excreta sometimes trickles through or overflows the basket or drum carried on the head. The use of hand cart with two removable drums closed by air-tight lids, placed in it as shown in the sketch below is recommended for carrying night-soil. As an alternative such drums may be carried by a Kavad (कावड) on the shoulder with one drum in each side. Even where latrine holes are paved and are washable by sweepers there is no provision for separate receptacles or channels for solid and liquid excreta ; as a result the night-soil and urine and ablution water form a solution which is very difficult to be removed. This defect can be remedied by providing separate channel for carrying ablution water and urine and making a byelaw to that effect to be strictly enforced by sanitary staff :—



17. Brooms, Baskets and Panjas.—The evidence before us shows that very few municipalities provide all the requisites—brooms, baskets and panjas (scrapers)—that are required by the sweepers for their work. Baskets are generally supplied by the municipal and notified area committees, but the brooms are generally provided by the sweepers at their own cost. In a few municipalities sweepers are required to provide their own brooms and baskets at their own cost. This is a burden which costs the sweepers about Rs. 2 per year per head. It is recommended that the sweepers either be supplied with necessary appliances for doing their work or should be paid the full cost of the same.

18. Recruitment.—Sweepers employed in most of the municipalities are local or recruited from adjoining districts. But in places like Nagpur, Wardha, Hinganghat and Berar towns, a large proportion was originally recruited from the United Provinces, Kathiawar, Alwar and Mewar. In Berar there are very few indigenous sweepers and besides those recruited from Mewar, a number of them are brought from Banda, Fatepur, Mathura and other districts of the United Provinces. Recruitment from distant places becomes essential at the time of strike. The appointment of sweepers and scavengers is made by the Secretary or President on the recommendation of Sanitary Inspectors or jamadars. No waiting list is maintained. The appointing authority is generally the power to discharge sweepers or take disciplinary action against them. Punishment is meted out on the report of Sanitary Inspectors or jamadars or other petty officials. In some municipalities there are Standing Committees to hear appeals regarding dismissal, fine or other disciplinary action taken against the sweepers. In other cases the President himself or the Vice-President or the member in charge exercises the same authority.

19. Distribution of wages.—Generally the disbursing authority for the payment of wages is the Secretary, Health Officer or the President himself. The payment is actually done by a Sanitary Inspector or the Cashier in the presence of the disbursing authority, but in many cases the money is actually handed over and passed to the sweepers by the jamadar or havaldar of the gang. Any short payment due to absence, or fine, is explained on the spot or next morning. The pay clerk is not authorised to make any deduction from the wages for moneylenders' dues. It is, however, a common practice that the moneylenders are present and recover their dues immediately from their debtors. The Committees as a rule do not allow moneylenders to foregather inside their premises. The wages are paid generally in the first or second week of the month and rarely payment is deferred beyond the 15th. Even in case of financial difficulties the sweepers are paid prior to all other municipal servants. We came across only one case in which the municipal committee could not pay its sweepers' wages for two months,

20. The Committee without any intention of criticising the municipal administration or casting any reflection on the integrity of the subordinate staff recommends that—

- (a) jamadars and havaldars should not be allowed to make cash payments to the sweepers. Cashier or pay clerk should make all such payments in the immediate presence and direct control of a responsible officer like the Secretary or the Health Officer or the Municipal Chairman or member. If there be no such clerk or Cashier of sufficient standing, the Secretary or the Sanitary Inspector or any member of the Committee should make payments ;
- (b) pay-slip system should be introduced in all big municipalities or wherever possible and the entries on the slip should be written in Hindusthani showing the salary and deductions for the month, if any ;
- (c) the presence of moneylenders in the vicinity of municipal premises at the time of payment of wages should be prevented by the use of the Central Provinces Protection of Debtors Act, 1937 ;
- (d) we approve of the present practice obtaining in some municipal committees, of making repayments to co-operative credit societies from the sweeper members' wages on behalf of those who have borrowed money from such societies. We recommend to other municipal committees to organize such co-operative societies with the help of the co-operative bank or department, and encourage the sweepers to borrow money from them instead of moneylenders, and to make repayments on behalf of sweeper members of the societies from the pay direct. We further recommend that this practice should under no circumstances be extended to any other creditor. This procedure is economically very beneficial to sweepers.

21. **Permanence of Service.**—The greatest drawback in the condition of service of sweepers and scavengers is that they are not permanent servants of the committee and their service throughout their life continues to be temporary. The evidence before us is that a very large majority of the municipalities are in favour of considering their services as permanent like all other employees of the committee but at the same time object on the ground of administrative difficulties that may arise on account of numerous enquiries that will have to be made for taking disciplinary action against sweepers due to their frequent absence without leave. Some of the bigger municipalities which are in favour of continuing the sweepers in temporary service as at present, contend that sweepers getting more than Rs. 10 per month will (if they be made permanent) have the right of appeal to the Deputy Commissioner which they consider is not desirable from the administrative point of view and that it is

essential to remove arrogant and mischievous sweepers summarily. The provision for appeal in their opinion would curtail their power of taking disciplinary action and add to administrative difficulties. It has, however, been admitted by the Health Officer, Nagpur, who controls as many as 825 sweepers, that if rules are altered to provide for summary enquiry in case of sweepers and if the question of their appointment, dismissal or inflicting of punishments be left in the hands of the Head of the Department, he would have no objection to make the service of the sweepers permanent.

22. Curiously enough some committees are labouring under the impression that the services of sweepers are practically permanent. But in no case have we found that they get all the advantages of permanent service. Bulk of the evidence supports the suggestion that the services of the sweepers should be made permanent. There are stronger reasons why of all services that of sweepers should be made permanent. The interests of sanitation and public health would be much better served if the sweepers are given the benefit of permanent service. Those who oppose this suggestion do so mainly on two grounds ; first, that administrative inconvenience or difficulties may arise if disciplinary action against sweepers were delayed by the dilatory enquiries that are required to be made before taking such action. In our opinion, this difficulty is not so serious as to justify our brushing aside the overwhelming evidence that is in favour of the sweepers' service being made permanent. The difficulty pointed out by the opponents could be removed by making suitable byelaws under the provisions of the Municipal Act, for disposal of cases involving disciplinary action against the sweepers. The second objection put forward is that if the sweepers' services were made permanent, they would claim the privileges of leave, gratuity, provident fund or pension, etc. In the opinion of the Committee the sweepers' services are very essential for public purposes. Section 25 of the Central Provinces Municipalities Act, specially sub-sections (2) and (4) thereof, empowers the committees to provide for these matters by means of making suitable byelaws. We are sorry to have to remark that so far most of the committees have not attended to these statutory responsibilities with regard to their sweeper servants. It is, therefore, strongly recommended that the services of sweepers should be made permanent after a probationary period which should not exceed three years. As regards granting them leave with pay, gratuity, or provident fund, the sweepers should be placed exactly on the same footing as other permanent servants under municipal or notified area committees.

23. In this connection the recent notification issued by the Bombay Government will be of interest and is given below :—

GOVERNMENT OF BOMBAY
GENERAL DEPARTMENT

Circular No. 2862-33, dated the 30th November 1938.

An examination of the position of Harijan employees of municipalities shows that many municipalities do not admit these employees,

as well as some other classes of inferior servants, to the benefits of leave, gratuity, provident fund, etc., to which other classes of employees are admitted. Government considers that there is little justification for such discrimination. The criterion to be followed should be whether the posts in which such appointments are made are required permanently or not. If they are, then the appointments should be in a substantive capacity with the benefits allowed to the permanent employees and the expedient of making temporary appointments in such posts to avoid legitimate expenditure should not be resorted to. The Commissioners are requested to advise all municipalities in their divisions to treat all classes of their inferior servants employed in such posts (including Harijans) as permanent servants and to give them all the benefits allowed to permanent employees.

2. Government is examining the position of similar inferior servants in its employ.

3. The Commissioners are requested to report, by the 30th November 1939, what action is taken in the matter by municipalities in their divisions.

By order of the Governor of Bombay,

V. S. BHIDE,

Secretary to Government.

24. Leave and holidays.—One of the privileges of permanent service is the enjoyment of a stipulated number of holidays and leave with pay. Sweepers in municipal service do not at present get any such leave or holidays. Most of the committees grant half-holidays on Sundays or bazar days. In addition to this, half-holidays varying from 10 to 30 festivals are given by some committees. Casual leave with pay is unknown to the sweepers. Whenever they want such leave, they are required to give substitutes at their own cost. Maternity leave varying from two to six weeks is given to women by many of the committees as a result of Government Circulars issued from time to time; the model byelaws recommending six weeks, two weeks before, and four weeks after the confinement. But even then 25 per cent of the municipalities follow the recommendation of six weeks and some important municipalities have not prescribed any maternity leave as yet. No privilege leave is granted to sweepers and very few municipalities were found to be in favour of giving privilege leave in addition to casual leave.

25. Our recommendations as regards leave with pay are :—

- (a) The grant of leave is discretionary with the committee, but ordinarily each sweeper should be allowed at least a half-holiday every week. This may either be a Sunday or a bazar day. On the occasion of all important festivals, sweepers should be allowed half day off.

- (b) In the course of a year, a sweeper be allowed casual leave not less than seven days.
- (c) Sick leave on medical certificate from a qualified doctor be granted for a period of one month in the course of a year ; half of this period on full pay and the remaining half on half pay.
- (d) Maternity leave be granted for a period of six weeks, two of which may be before delivery and four weeks after.

26. Complaints of bribery.—There is evidence that in some places the sweepers have to give bribes in order to get petty concessions from those above them and failing which they do not get them and to add to the loss, are subject to harassment. In some other places, the sweepers have to give occasional bribe, and have made specific allegations of regular monthly payment of bribe, to the jamadars or conservancy peons. There were also complaints at some places about the maltreatment of sweepers. But we did not make a regular enquiry into the allegations for want of authority. The evidence of some Sweepers' Unions and Harijan Sevak Sanghs also included general allegations of bribery and corruption and assault on sweeper women ; but we cannot accept this evidence as final, because it was indirect and heresay. We therefore do not consider ourselves justified in formulating a definite finding on these allegations. But we cannot, at the same time, avoid our moral impression that such practices do exist in some cases. We therefore urge on the Government that the matter is of special importance to merit a *quasi-judicial* enquiry, where the allegations are pronounced and open as in two cases which are referred to by our Chairman to the Government in a letter, dated 27th January 1939.

CHAPTER III.—WAGES AND ECONOMIC CONDITION OF SWEEPERS

27. Prevailing rates of wages for sweepers.—In our terms of reference we are directed to examine the wages paid to sweepers, male and female, and to report on their adequacy or inadequacy, which necessarily include the consideration of the prevailing rates of wages in the various municipalities and notified areas in the province. The following table shows the prevailing rates of wages in the several municipalities of different sizes in different parts of the province :—

Table

	Population in 1931	Pay of	
		Pay of males per mensem	females per mensem
		Rs.	Rs.
Nagpur ..	215,165	15	11
Chanda ..	28,138	15	11
Yeotmal ...	20,967	13	12
Wardha ..	19,571	12 to 14	10

	Population in 1931	Pay of males	Pay of
		per mensem	females per mensem
		Rs.	Rs.
Dhamangaon (Dattapur)	2,194	10	8
Amraoti ..	46,832	14	11
Khandwa ..	34,622	13	11
Jubbulpore ..	104,317	12	10
Betul Bazar ..	5,378	9	9
Mandla ..	7,997	8	6
Mowar ...	5,206	{ 6 to	{ 6 to
		{ 9	{ 9
Gondia ..	14,957	{ 10 to	{ 8 to
		{ 13-8	{ 11-8
Raipur ..	45,390	{ 10 to	{ 8 to
		{ 12	{ 10
Bilaspur ..	25,735	{ 8 to	{ 7 to
		{ 14	{ 13

The table provides a representative picture of wage-level of sweepers employed in the municipalities of the Central Provinces and Berar. Subsequent enquiries have revealed that about 60 sweepers in Raipur and about 20 sweepers in Gondia are employed on drain cleaning and other work on monthly wages varying from Rs. 4 to Rs. 8. Compared to the wages paid to the industrial workers, it is found that the wage-level is generally above that of the unskilled labour, but is below the wage-level of semi-skilled labour in organized industries in the province (*vide* Chapter XII, pages 103 and 104 of the Labour Commission Report). To ascertain the adequacy or inadequacy of these wages, it is necessary to consider the minimum living wages. We have no evidence before us about what the fair living wage for a sweeper and his family is, but after examination of the present cost of living we are of the opinion that four annas per day per head would constitute the minimum living wage.

28. Consideration for minimum wage.—In the opinion of this Committee, it is desirable to lay down the minimum wage for sweepers, but in our opinion it is not feasible to fix a minimum for the sweepers for the whole of the province or for sweepers working under groups of municipal committees. The policy of law governing the municipalities considers every Committee as an autonomous body with regard to its own affairs. In order to conform with this policy the municipal committees should have the power to initiate a system of minimum and maximum wages by means of byelaws with due regard to their respective local conditions. In case the committees fail to make byelaws or if the byelaws made by the committees do not prescribe reasonable minimum wage to sweepers, the Government may be armed with the statutory power to make byelaws or rules for such committees.

29. Our decision for not recommending a minimum wage was arrived at after a very careful thinking and considerable reluctance. There is no other service for which minimum wage has yet been prescribed and apart from the practical difficulties for fixing the minimum wage the legal difficulty has to be considered. We are not unmindful of the fact that a little extra money—it may be even a few annas—would be of some help to sweepers, but we cannot overlook the fact that there is a real danger of this extra money going for extravagant ceremonies, to the gambling den or the moneylenders. On a consideration of all facts, we believe that if any advantage has to be given to the sweeper, it should be so arranged that his whole family should share it. This will necessarily mean that the advantage should not be in the shape of money. We are making recommendations to provide facility for housing and leave on full and half pay and provident fund by which the whole sweeper families would be benefited and which will place a fairly heavy burden on the Committees—a point of view which should not be overlooked in our recommendations. The annual administration reports reveal the existence of an acute financial position in most local authorities. It is not our business to say that in most of the cases it is avoidable, we only take note of the fact that the financial distress does exist in the local authorities. This distress would increase considerably if we make dual recommendation of fixing minimum and maximum wages and providing housing facilities for the sweepers. We are, therefore, content with making a substantial recommendation of providing housing for municipal sweepers and make no recommendation for fixing a minimum wage.

30. **Graded increments in wages.**—The drawback in most cases is the absence of a system of graded increments in the wages of sweepers. In course of our investigations, we came across numerous sweepers who had grown grey in municipal service putting over 30 years of continuous service in its employment, drawing the same pay as that on which they started or their children started. There can be no excuse for the continuance of this state of things and a properly chosen time-scale should be introduced without any loss of time. The consensus of opinion, both official and non-official, is in favour of adopting such time-scale for sweepers at the earliest opportunity, but in many cases the idea is linked with the proposal of reducing existing wages or of making the reduction applicable to new entrants only. It would hardly be administratively possible to reduce wage rates merely to introduce the time-scale of pay, but in case of new entrants it would be feasible to start them on lower scale, if the average of the lowest and the highest wage is maintained at the same level as the present uniform rate of wages.

31. **Standard of Living.**—For a correct appreciation of the economic conditions of sweepers in municipal employment, it was found desirable to have a comprehensive idea of their cost of living, which would also show the adequacy or inadequacy of their income. With this end in view, a schedule was attached to the questionnaire.

circulated, asking for details of average monthly income and expenditure of an average sweeper's family, along with the total number of persons in the family and the wage-rates of those that were in employment. To our misfortune, most of the persons that filled up the schedule supplied incorrect information, with the result that the bulk of the information so collected could not be relied upon, and hence no conclusions could be drawn therefrom. The following table, however, shows four family budgets of sweepers, which appeared to us, on examination, more representative and reliable than others. A glance over the table would give a graphic conception of the standard of living of these sweeper families :—

Table—1

Number of Budgets Number of persons in the family (average)	Number I* Nagpur		Number II Jubbulpore		Number III Akola		Number IV Bilaspur	
	Men ..	1.4	Men ..	1	Men ...	1	Men ..	1
	Women	1.3	Women	1	Women	1	Women	1
	Children	1.9	Children	2	Children	2	Children	3 (one earning).
	Total	4.6		4		4		5
		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.
Income—								
Wages	..	23 0 0	23 0 0	24 0 0	24 0 0	26 0 0		
Additional earnings	..	0 10 6	1 0 0	..	..	6 0 0		
Total family income	..	23 10 6	24 0 0	24 0 0	24 0 0	32 0 0		
Expenditure—								
Food	..	9 0 0	8 0 0	11 0 0	11 0 0	10 8 0		
Fuel and lighting	..	2 10 10	3 0 0	2 0 0	2 0 0	1 8 0		
Municipal and nazul ground rent		0 11 2	0 8 0	..	..	1 0 0		
Clothing and shoes	..	..	1 8 0	2 0 0	2 0 0	2 0 0		
Bedding and household effects		1 3 7	1 0 0	1 0 0	1 0 0	1 8 0		
Miscellaneous—								
Medical expenses	..	0 4 0	..	1 0 0	1 0 0	1 0 0		
Amusements and hotel charges		1 10 7	1 0 0	0 8 0	0 8 0	0 8 0		
Liquor, tobacco, ganja and charas, etc.		1 9 9	3 0 0	1 8 0	1 8 0	8 0 0		
Repayment of debts, etc.	..	11 6 2	3 0 0	5 0 0	5 0 0	6 0 0		
Total	..	28 8 1	21 0 0	24 0 0	24 0 0	32 0 0		

*N. B.—This figure is based on actual enquiry from 62 families consisting of 88 males, 83 females and 122 children.

32. Absence of any surplus in all these budgets clearly indicates that the sweepers, as a class, are living on the brink of indebtedness, with no margin for financial adjustment. So whenever any additional expenditure has to be incurred, it has to be met by fresh borrowings after payment of regular instalments on previous debt. Such debts are generally contracted for social ceremonies connected with marriage, birth, death, moondan and katha or on account of illness, unemployment, or bribery to secure a job, and no allowance for these accidents of life, has been made in the budgets. Budget I shows deficit, which indicates that the income is not even sufficient to meet the bare necessities of life and leads the family to ruinous debts incurred to cover such deficits as well as additional unforeseen expenditure. All the budgets show a good amount spent on repayment of debts which indicates that the regular monthly instalment is from Rs. 3 to Rs. 10 per family, and as this is supposed to represent the interest only, the magnitude of debt on high rate of interest is overwhelming and eats into their slender means of subsistence. During discussions on the adequacy of wages or otherwise with the responsible officials of several municipalities, we found that they had assumed that the sweeper has a fixed standard of life, which was achieved under the existing circumstances, and any increase in wages, if given, will not be utilized in raising the standard of living, but will only increase the liquor bill or lead to extravagant expenditure on social functions. The family budgets given above do not bear out this contention, on the contrary the picture produces a sense of insecurity in life which is detrimental to the moral well-being of the people. Our investigations have convinced us that no such fixed standard of living for sweepers exists anywhere and the standard of living of the sweepers is low which is more due to their heavy burden of indebtedness and the usurious interest charged by their moneylenders than to their drink bill. Many, indeed, are born in debt and it evokes both admiration and regret to find how commonly a son assumes responsibility for his deceased father's debt, an obligation which rests on moral and social, but seldom on legal sanctions. The same arguments regarding fixed standard of living used to be employed against industrial workers which have been definitely and authoritatively negated (*vide* page 209 of the Report of the Royal Commission on Labour).

33. Additional earnings.—Uninformed people have exaggerated notions of the additional earning obtained by sweepers by rearing of pigs, poultry farming and making of baskets. The pigs are generally reared for their own consumption during feasts and special functions and sometimes for sale to military cantonments. Poultry farming is not so widely undertaken as pig-rearing, and adds a little to the income of the family through sale of eggs and chicken. Basket work is undertaken by some sub-castes of sweepers only, and they prepare their own brooms and baskets used for the municipal work. Additional income from private latrine cleaning and house cleaning accrues to a fortunate few, who are employed in the rich mohollas or bungalow areas of the town. Most of the

others receive only remnants of food (juthan) or occasionally old clothings from the householders for any special service rendered. Moreover, most of the municipalities prohibit, though without success, any private work to be undertaken by the municipal sweepers and it is, therefore, very difficult to evaluate all these additional earnings from different sources. Even at the most liberal computation the average would hardly come to Rs. 2 per month per family. There are hardly any part-time sweepers employed by the municipalities and children too are employed by a few municipalities only.

34. Fines and deductions from wages.—The discussion of factors affecting the sweepers' income leads us to the question of fines and deductions from their wages. In all municipalities visited, the sweepers complained of the fines inflicted and deductions made from their wages by marking them absent from duty as punishment. Ordinarily such fines or deductions do not amount to much, but few instances were brought to our notice where fines exceeding Re. 1 or more for a single offence were inflicted. To mark a man absent (though present) for unpunctuality or for a slight neglect of duty is unpardonable as it causes the sweeper to lose his daily wage in spite of his having worked for the bulk of the period. It is reasonable to expect that his delinquencies should be reported and then reasonable punishment may be meted out, but it is unjust for the jamadar to take the law into his hand and have the sweepers' wages deducted for the alleged misdemeanour or negligence in duty. In the industrial field the Government has legislated for regulating the extent to which fines and other deductions from wages may be made by employers. In the absence of a law like the Payment of Wages Act applicable to municipalities and local bodies, all fines or deductions imposed for disciplinary measure should at least be spent for the welfare of the sweepers themselves. Nobody should be marked absent, even though present on duty, for disciplinary reasons and no supervisor or petty official should be allowed to mark any sweeper absent unless he is actually absent from duty for the specified period of his work. As regards infliction of fines, it must be admitted that though it is open to abuse, it is necessary for the maintenance of efficiency and discipline. To ensure a check on its abuses the legitimate purposes of fining should be well defined by municipal authorities and sweepers should be allowed to put their cases in appeal before higher authorities.

35. Conditions of Living.—In considering the standard of living of these persons, it was found necessary to take into account their living condition and the social disabilities attached thereto. The sweepers are generally found living on the outskirts of inhabited areas in the city, like social lepers. Practically no house-owner would let them rooms or houses on rent, and only a few landlords allow them land to build their huts on. So, they are found living on low lands or over rubbish heaps, near drains, dumping grounds or near public latrines. In one large town they were found living in old disused public latrines converted into sweepers' quarters. In most

of the sweeper *busties* the huts are all small, kachha, without any plinth, damp and in every way unfit for human habitation, and the same sort of accommodation is provided for themselves as for the pigs they rear. In some sweeper localities, on the contrary, specially in Nagpur Civil Station and Raipur, good commodious pucca buildings were found to have been built and inhabited by sweepers. Their way of living shows that given the opportunity they make the best use of it and can live like any decent being. They are, however, compelled to live in crowded *busties*, that become quagmires inside and pools outside during rains. Even during winter the surroundings are none too clean and are unsuitable for walking over, but has to be skipped over from place to place. In Nagpur itself the members of the Committee had to walk over unnameable filth or wade through the open sewers of the town to visit some of the sweeper *busties*.

Almost all the *busties* complain bitterly about the scarcity of water. Even where the water pipes are laid they are at the tail-end of the mains, as the *busties* are generally in the neglected parts of the city or on its outskirts. Taps are few and far between and do not supply a sufficient quantity of water. Municipal wells and taps are supposed to be open to all without distinction but despite this rule, the high castes have established in some localities a practical monopoly in the use of these wells or taps. In practice the sweepers are allowed the use of these wells or taps on sufferance, if at all, after the demands of the higher castes in the vicinity have been satisfied. None of the sweepers' localities has proper drainage arrangement, and the lanes are extremely narrow, tortuous, kachha and muddy, and are seldom swept. Filth in heaps is the usual sight all round. Their public latrines are extremely dirty without light and water. The whole atmosphere of these localities is foul and there are hardly any arrangements for sanitation and the eye meets with disgusting and loathsome sights all over. Children growing up in such environment in the vicinity of the public latrine or having the dumping ground as their playground can hardly aspire to improve their standard of living in later life; sweepers' families are compelled to live a paralysed existence in the midst of all this filth and dirt; "living in a world of smells and sights day and night, the sweeper himself becomes a human waste-heap, a part and parcel of the same smells and sights." The tyranny of society thus sitting tight upon him, he has little initiative or independence left in him. In spite of these drawbacks, we were glad to notice that he does not lack the sense of personal hygiene which has been conserved through custom. So often the inside of their rooms can be seen to be whitewashed and clean pots well arranged on shelves, and the floor kept tidy, if well paved.

36. No uniform, similar to that supplied to railway sweepers, is supplied to municipal sweepers for their work, and though they try to keep special clothes for scavenging work, it is not always possible for them to keep them absolutely separate and clean. If our town sweepers be supplied with some uniform, at some expenditure to the

city, they will not appear so shabby and unclean as they now do. One of the chief social disabilities to which they are subjected is the refusal of barbers and washermen to serve them, and for which they have to pay double or more, otherwise they have to go unshaven and unclean. In fact, even when they are off duty, the sweepers can be distinguished from some distance by their unclean dress and face.

37. The view of the Royal Commission on Labour that the undoing of the labourers is their credit, is applicable to the sweepers with greater force. The moneylender always finds a profitable field for investment in them and is eager to lend them money at an usurious rate of interest which alone they are unable to pay, let alone the capital borrowed. It is the large debts which are incurred, not from any economic necessity, but on account of social custom and pressure that must enslave the sweepers for life-time. The chief occasion for incurring such large debts are the social functions necessary in connection with marriage, birth, death, moonadan, etc. The unwillingness of the employer (that is, the municipal committee) to provide him with cheap credit or the social worker to teach him to provide his social needs within his own limited means has brought about the economic ruin of this class through indebtedness, with very heavy interest charges.

38. **Provident fund and other provisions for old age.**— In surveying the economic condition of the sweepers, the provision for old age, which is lacking amongst most of them, must be taken into consideration. All the sweepers employed by the municipal or notified area committees being on temporary service, are not entitled to any pension or provident fund. It has been urged by the municipalities, as a counter-argument against, that their pay being usually lower than Rs. 15 per month, it is optional for them to join the provident fund and as they are not in a position to contribute their quota to the fund, they have to be exempted from the benefits of the fund. On enquiry from the sweepers, we found that most of them were willing to contribute half-anna or one anna per rupee and so far they had been ignorant of the existence of the provident fund system. Even the few who got Rs. 15 or more as wages were never asked to join the provident fund and no compulsory deductions were made from their wages.

39. In Cantonment areas, like Jubbulpore, gratuity along with a pension of Rs. 2 per month depending on the length of approved service is paid to inferior servants including sweepers, whose services are less than 30 years; those that have completed 30 years get a pension of Rs. 4 per month instead of the gratuity. Similarly, in railway employment gratuity or provident fund is granted to sweepers according to his circumstances and duration of service. We are unable to see why the systems of provident fund or gratuity should not be made applicable to the sweepers in municipal employment. It is this low-paid staff that needs such help most to fall back

upon in their old age or disablement. Overwhelming evidence before the Committee was in favour of compulsory application of provident fund scheme for sweepers. We therefore think that the rules in this connection should be made applicable to the sweepers also, and compulsory provident fund for sweepers, irrespective of their wages, on the basis of equal contribution is recommended, as in the case of other servants.

40. The controversy of Provident Fund *v.* Pension has raged too long and has been thrashed out threadbare in connection with other services. Opinions are divided as to which scheme is more useful and profitable to the sweepers. It has been urged against the provident fund scheme that the sweepers are too poor to make any contribution from their meagre pay, that they would be continually using up the provident fund by taking loans therefrom and nothing will be left for their old age, and the lump sum received from the provident fund on retirement will be spent soon either in extravagance or snatched away by the moneylenders in settlement of old debts. On the contrary, it has been suggested that provident fund would encourage thrift and effect a compulsory saving, would keep down indebtedness (as they can draw upon the fund) and save them from predatory moneylenders in times of distress, and teach them thrift by the habit of monthly contribution. As a matter of fact it would form a social habit which would quickly improve their economic condition. One of the reasons why we are not in favour of the pension system is that the sweeper being a menial will not be entitled to pension before he reaches the age of 60, which would seriously curtail the period in which he would enjoy pension. Under the existing rules, if a sweeper leaves service without leave, which is generally done, there would be a break in service, which would disentitle him from earning pension for the period he put in before the break. Whereas very few of them would really qualify themselves for pension and earn a dubious provision against old age, which they may enjoy for a short period, and it would not prove of much social value to the sweepers as a class and would not be of any economic benefit to his heirs or dependents.

41. On a consideration of the evidence before us, we have come to the conclusion that it would be just and suitable to grant the privileges of provident fund only. Contributions to the provident fund by the sweepers should be equivalent to that made by the committees. Sweepers will learn the habit of saving. In addition, gratuity may be given particularly in cases where due to an accident, during service, a sweeper has been disabled permanently or for a long time, from earning his livelihood. We also propose the following restrictions for the use of the provident fund :—

- (1) The provident fund should be invested in an approved Bank and should not on any account be utilised by the municipality for its own purpose, as was found to have been done in a few cases.

- (2) The contributions by the municipality should be used to purchase annuity in favour of each beneficiary or his heirs for a period of ten years and no advance from this amount should be granted to the sweeper concerned.
- (3) Loans to individual sweepers may be advanced from his own contributions, and the amount should be recovered by easy instalments from his wages.
- (4) The part of the provident fund which consists of the sweepers' contribution and the interest thereon should be handed over on retirement or death to the sweeper or his heirs or assignees.

42. Cases have come to our notice in which sweepers became disabled from work while on duty but no compensation was paid to them even in case of total permanent disablement. In Amraoti we came across a case in which the sweeper had gone blind in municipal service and was knocked down in a road accident while on duty. We would urge that in consideration of such cases the Workmen's Compensation Act should be made applicable to sweepers in municipal or local bodies' employ.

CHAPTER IV.—INDEBTEDNESS.

43. It has been already stated that one of the chief causes responsible for the low standard of living of the sweepers is their indebtedness. Here, as elsewhere, we are confronted with the absence of reliable statistics. No detailed enquiries have been made, nor any reliable statistics collected by the municipal committees or by any social workers, of their indebtedness and of the rates of interest they have to pay. On an average the debts amount to about Rs. 100 to Rs. 200 per family while the general extent of indebtedness varies from Rs. 50 to Rs. 500 in the majority of sweeper families, but in few exceptional cases in big towns, like Nagpur or Amraoti, debts amounting to Rs. 1,000 or more have also come to our notice. Some reliable information has been obtained in the following centres, either through the Co-operative Banks or through enquiries made and statistics obtained by the Harijan Sevak Sangh or other social workers :—

Table—III

Centre	Number of persons indebted	Extent of indebtedness Rs.	Rate of interest per cent per annum		Repayment of settlement of debts
			On pledged ornaments Rs.	On credit Rs.	
Nagpur	..	200 to 1,000	18 to 37	74 and above	No society for sweepers. None of the organisations have centred their attention on this.
Jubbulpore	.. 150 families.	100 to 200	37	110	Co-operative society is trying to remove indebtedness to a greater extent.

TABLE III—concl'd.

Centre	Number of persons indebted	Extent of indebtedness Rs.	Rate of interest per cent per annum		Repayment of settlement of debts
			On pledged ornaments Rs.	On credit Rs.	
Betul .. ..	..	50 to 200	34 to 150	150 and above.	Debts are being reduced by the intervention of co-operative society organised for the purpose.
Bilaspur ..	60 families.	100 to 500	18 to 37	37 to 70	Harijan Co-operative Society, Bilaspur, is looking into the matter.
Wardha ..	108	100 to 200	12 to 37	74 to 150	Loans have been advanced by an unregistered society to wipe off the old debts.
Hinganghat ..	100	100 to 200	37	37	Loans have been advanced to wipe off the old debts by an unregistered society.
Amraoti ..	12	100 to 500	..	74 to 150	Loans have been advanced by a fund formed by their own community to wipe off the old debts.
Narsinghpur	20	20 to 100	18	..	Co-operative society is taking interest in the matter. It has relieved the sweepers much from their old debts.
Hoshangabad	80	100	10	..	Co-operative society is doing much to wipe off the old debt of the sweepers.
Akola .. ..	..	200 to 500	25	30 to 200	No society is in existence and nothing has been done by any individual or organisation to remove indebtedness among the sweeper class.

In smaller municipalities the incidence of indebtedness is, as a rule, much lower than in the larger municipalities. The minimum rate of interest for unsecured debts is usually not less than "one anna per rupee per month", *i.e.*, 75 per cent per annum, but on pledged securities the interest is charged at half-anna per rupee per month or $37\frac{1}{2}$ per cent and sometimes even at 25 per cent per annum. Even on pledged gold ornaments the rate is as high as one pice per rupee per month or $18\frac{3}{4}$ per cent. Kabulies and others charge much higher rates of interest and interest at two to four annas per rupee per month or 150 to 300 per cent is not uncommon. There is also a practice among these moneylenders to make out a bond of much higher value, practically double the amount advanced as loan, and so the real rate of interest works out much higher than the nominal one, which itself is an exorbitant one. A sweeper once in the clutches of a moneylender, be he a Kabuli or a Marwari or even

his own caste man, can hardly expect to get rid of him, and with his limited earnings he gets deeper and deeper into the mire and ultimately the tyranny of the moneylender degrades him completely, ruins the family altogether, and in many cases makes him run away and settle in some distant place.

44. Causes of indebtedness.—Indebtedness among sweepers, as shown by the evidence before the Committee, is mainly due to their social habits, extravagance on ceremonial or festive occasions, and in some cases to intemperance, which have already been referred to in the previous chapters. It is seldom realised that the real causes lie deeper than the outer manifestations of their social life. It was borne on us by the evidence of the sweepers themselves that a lot of their indebtedness is hereditary or contracted for some family reasons, such as marriage, sickness or death, or settlement at a new place, and in spite of all repayments made throughout their life, the debt goes on increasing in course of time. The social disabilities attached to their profession, the insecurity of their service, the lack of education and of social contact with other classes of the society, the rigidity of social customs imposed by a self-centred caste panchayat, organized though in self-protection against the total disregard and exclusion by the parent society, and the high cost of religious or social ceremonies to be performed by their own Pandits, contribute to the heavy indebtedness of sweepers. In the words of a sweeper union that gave evidence before us, the sweeper is living on the brink of a precipice and the slightest further pressure would roll him down to destruction and economic ruin. The insecurity of service tempts him to bribe his jamadars off and on and induces him to incur debts to get an appointment or to keep it. His lack of education and social contact with others are exploited by his moneylender, trader, or anybody that carries on financial transactions with him or ministers to his social and spiritual needs. The abject misery and boredom of his daily life compel him to seek solace in drink. The rigidity of his social customs enjoin him to be extravagant on occasions on the pain of his being ostracised by his *biradari* (community). Once in the grip of the moneylender he becomes his bond-slave. The debtor is so often in arrears and these facts are recorded against him as so many defaults that go to increase his liability. So the borrowing of a trifling sum or an inherited debt, grows into a permanent heavy load of debt in a few years. As an instance a sweeper in Khandwa borrowing Rs. 50 on the death of his mother said, it increased to Rs. 350 in ten years time in spite of his paying Rs. 300 to the moneylender during this period towards repayment and interest.

45. Organization of co-operative credit.—The obvious remedy for all these troubles of the sweepers due to the indebtedness is to diminish his power of obtaining credit as proposed by the Royal Commission on Labour and reduce his attractiveness as a field for investment by the professional moneylender and to be substituted by organized co-operative credit which would meet with his needs and tide over emergencies. Conciliation of old debts should also

be undertaken through the agency of co-operative credit societies. In contradistinction to the industrial workers, the sweepers are a settled labour force in regular employment under the local authorities, pre-eminently suitable for the supply of co-operative credit. Slight modifications in the general methods of the co-operative movement may be desirable for giving substantial benefit to the sweepers. Approved loans should be advanced on the security of requisite sureties by other members of sufficient character. Fixed instalments are to be realised from the pay every month and the co-operative society has to be organized like a mutual benefit fund. To attain greater success the municipal administration should help and assume a considerable measure of control in the working of the societies. In case of the railway administration the remarkable success of their co-operative credit societies is due to the collection of instalments of loans through pay-bills and the delegation of the executive work to a special officer of the railway. The same procedure may be copied by the municipal administration. The efforts of one sanitary inspector only and the interest taken by him have made a society at Wardha, though unregistered, very successful. The best solution is for the local bodies themselves to start co-operative credit societies with the help of the Co-operative Department. Failing this, the organization of such societies may be undertaken by outside agencies like Harijan Sevak Sangh or other agencies interested in welfare of sweepers, the local bodies rendering them all necessary help. The Co-operative Central or District Bank may also be approached to take up the matter and organize co-operative credit of the sweepers, as has been done in Jubbulpore and Betul.

46. The working of the Co-operative Societies among sweepers.—The following societies of sweepers are already working in the municipalities named against them. The rules and procedures of the Bilaspur Society are included in Appendix VI :—

Name of Society and Committee.

- (1) The Mehtar Mulazim Society—Jubbulpore.
- (2) Itarsi Municipal Sweepers' Society—Itarsi.
- (3) Gadarwara Municipal Sweepers' Society—Gadarwara.
- (4) Pandherkawda Municipal Sweepers' Co-operative House Building Society—Pandherkawda.
- (5) Betul Harijan Society (for Municipal sweepers)—Betul.
- (6) Balaghat Sweeper—Balaghat.
- (7) The Harijan Municipal Employees Co-operative Society, Limited—Bilaspur.
- (8) The Hoshangabad Municipal Mehtar Primary Co-operative Society—Hoshangabad.
- (9) The Harijan Primary Co-operative Society (Municipal sweepers)—Drug.

- (10) The Piparia Notified Area Sweepers' Co-operative Society—Piparia.
- (11) Seoni Sweepers' Co-operative Society—Seoni.
- (12) Banosa Municipal Sweepers' Co-operative Society—Banosa.
- (13) The Chhindwara Sweepers' Co-operative Society—Chhindwara.

The oldest of them is "Balaghat Sweeper" unlimited which is in existence for 10 years and has a membership of 12 only with the result that the average incidence of debt among the sweepers has been reduced to Rs. 40 only. But from the evidence before us the largest and the best of them appears to be the Bilaspur Harijan Municipal Employees' Co-operative Society, Limited, which has liquidated and conciliated debts amounting to nearly Rs. 3,500 in two years and has a membership of 60 sweepers. The special feature of this society is that it is a limited liability society and also constitutes a savings bank for the members who are required to make a compulsory deposit of Re. 1 or more per month continuously and purchase shares with the same. So, the financial position of the society is very solvent and interest at the rate of $9\frac{1}{2}$ per cent per annum only is charged on the loans advanced. A profit of Rs. 102 has been earned by the society in the last two years.

47. From the evidence before us we find that it is essential for the success of such co-operative credit arrangements to have the loan instalments deducted by the Committee directly from the pay of the sweepers and credited to the respective society or bank. Membership of the society need not be restricted to the sweepers only. It is very desirable, even necessary, for making the co-operative society self-sufficient, and to promote thrift among the sweepers to insist on a compulsory monthly deposit (of at least eight annas per month), which in case of a limited liability society may be converted into share certificates in favour of the member concerned and in case of unlimited liability society earn suitable interest from the society. Admission to membership must be controlled by the management of the society and an initial payment of a small entrance fee of purchase of a share may be prescribed. It is necessary to ensure that all debts of foundation members are disclosed before the society is formed, and of later members before admission to membership and that the debtor is prevented from using the improvement in his credit to secure further loans from external sources. The main purpose of these societies is to clear off the old debts of the sweepers and advance loans to them in cases of necessity. Cheap credit should not be made available to them for any and every purpose, when the money is likely to be squandered away, either in drink or costly social functions.

48. **Debt Legislation.**—The observations made on the danger of easy credit to workers, specially in poorer circumstances by the Royal Commission on Labour, as given on pages 229 and 231 of their Report, lay stress on the necessity of reducing their credit to borrow

and their proposals " are mainly directed towards making it unprofitable for the moneylender to advance to workers, amounts which are beyond their power to repay". Accordingly some new legislations have been more or less given effect to in this Province by the Central Provinces Adjustment and Liquidation of Industrial Workers' Debt Act, the Central Provinces Debt Conciliation Act, and the Central Provinces Protection of Debtors Act. The remarks apply with greater force to the sweeper with whom, like the worker, his credit is his undoing. The first two Acts named above should be made applicable to sweepers. As a matter of fact all the debt relief measures in force in this province should be extended so as to include municipal sweepers.

49. Some of us are of opinion that the Government should be asked to examine the feasibility of introducing legislation to make it impossible for any private moneylender, who advances money to sweepers on loan, to get decrees on basis of such loans in a Court of Law. This would, in the opinion of the members, encourage co-operative credit movement among sweepers and minimize their credit with ordinary moneylenders, which is the object we are aiming at.

50. No apology is needed to quote the concluding part from the Report of the Royal Commission on Labour which applies to sweepers as well :—

" In concluding our discussions of indebtedness we would again stress the importance of the question, and the gains which can be secured by even partially successful attacks on this problem. In dealing with the matters of this kind there seems to us to be a tendency to reject the imperfect weapon and to wait in the hope that at some future date the perfect one will be available. Indebtedness is a formidable question, but its magnitude enhances the importance of attacking it and increases the results to be secured by successful efforts. Some of the methods we have advocated for application to industrial workers may be capable of wide extension, and there is no need to dwell on the great advantages to Indian industry that would immediately accrue from even a small increase in the purchasing power of the masses."

CHAPTER V.—HOUSING

51. **Provision of housing for sweepers by the municipalities.**—In accordance with the terms of reference we are asked to examine and report on the living conditions of sweepers, with particular reference to housing and sanitation and make recommendations for their improvement. After a survey of the conditions of the sweepers employed by the municipal and notified area committees of the whole province, we are definitely of opinion that the most pressing need for their betterment is the improvement of their housing conditions. The sweeper *busties* have been correctly described by all leading social workers as veritable plague-spots in every town.

A general description of some of them has already been given in connection with the living conditions of sweepers in previous chapters and in some places the pig-sties used for human habitation is beyond description. Barring a small number of quarters provided for their sweepers' army by some of the most important municipalities in the province like Jubbulpore, Nagpur, Khandwa, Burhanpur, Amraoti and Raipur, no municipalities have provided any quarters for the sweepers employed by them. Most of them have not even thought of a scheme for their housing. In most cases the sweepers live in mud huts or hovels built by themselves on nazul or municipal land or sometimes on private land, in what are known as sweepers' *busties*. A large majority of the committees in this province have never discussed this question, much less appreciated its importance. Speaking generally, the committees in this province seem to have laboured under the impression that it is not their duty or responsibility to provide suitable residential quarters for the sweepers. This may be due to the fact of their ignorance of what is being done in other provinces in this respect by enlightened local bodies. The following table will show the nature of housing provided by the important municipalities, compared to their requirements:—

TABLE IV.—Table showing the housing accommodation provided by some of the municipalities in Central Provinces and Berar.

Name	Number and description of the quarters	Number of families accommodated	Number of sweepers employed	Total requirements
Jubbulpore ..	12 pucca quarters with sufficient space and ventilation. 93 old quarters—bad and insanitary.	105	650	400
Nagpur ..	50 rooms, old godown converted into sweepers' quarters with back to back room and no verandah. Very unsatisfactory.	50	825	500
Raipur ..	40 rooms, old earthshed converted into quarters. Not satisfactory.	35	258	80
Amraoti ..	20 new quarters, quite good, satisfactory room of 12' × 10' × 8' with verandah. 6 good huts not so satisfactory.	28	289	127
Burhanpur ..	A chawl of 12 rooms of 12' × 10' each. 15 huts near public latrines for sweepers attached to them.	27	216	100
Saugor ..	20 quarters for sweepers attached to cattle, public latrines and conservancy shed. Room and verandah of 200 sq. ft. of covered area per unit.	20	295	100
Kamptee ..	14 quarters with average room 10' × 10' together with verandah of 10' × 6'.	14	139	75
Bhandara ..	12 houses, rooms 10' × 10' each	12	77	25
Khandwa ..	Nine good pucca quarters, airy, average size of room 14' × 9' with verandah attached.	9	100	70

52. Most of the municipalities need housing arrangements for their sweepers and their requirements vary from 10 units or so in the smallest municipality to 500 units in a town like Nagpur. It is essential to provide better housing for these sweepers, without which the insanitary condition of their living cannot be improved. Their nature of work and their present surroundings produce an apathy towards better living and promote unclean habits, and which make better housing arrangement and ample washing facilities all the more necessary. The municipalities have a special responsibility in this matter towards their employees as they are in charge of the sanitation of the town and their sanitary departments, and while making numerous requisitions on private house owners, can ill-afford to keep their own employees in very insanitary surroundings. If only financial considerations, as has been urged in most cases, come in the way of discharging this responsibility, local authorities would not find much difficulty in borrowing money for the purpose from the Provincial Government and repay by easy instalments, spread over, say, 30 to 50 years.

53. **Existing Housing—Nagpur**—In Nagpur, the Committee visited the sweeper *busties* at Imambada, Lenditalao, Bhankheda, Pachpaoli, Indora and Gaddigudam. There are 50 quarters provided by the municipality at Imambada and they were found very unsatisfactory with back to back rooms for different families and very few windows. In fact these are some godowns converted into quarters by partitioning them into a number of rooms. Consequently lighting and ventilation are very bad, specially as temporary bamboo constructions have been permitted in the front to increase the available accommodation. There is no plinth and the floor is quite *kuccha*. Parts of the blocks are in a dilapidated condition with roof falling down. The rooms are kept clean and their floors well-plastered with mud by the sweepers. A concrete reservoir has been built for the supply of water for 24 hours.

In Lenditalao, most of the huts or houses constructed or rented by the sweepers are low, dark, damp and insanitary. The *busti* is built on the bank and sloping bed of the nullah which is practically an open sewer of the town. The lanes with drains in the middle cross each other so as to make the whole locality very insanitary. In rainy season the whole area is water-logged and the overflow from the nullah gets into the huts, while the house drains overflow into the lanes and bye-lanes. Roads pass through the nullah and are in very bad state and the lighting arrangement is inadequate. There is a good deal of scarcity of water, as a concrete reservoir built for the supply of water to the sweeper *busti* has been taken possession of by the caste Hindus, who drive away these poor sweepers and they are now provided only with a cast iron cistern which gets very hot in the summer.

In Bhankheda, the sweeper *busti* is situated very close to the public latrines of old pattern and a pail depôt all of which stink very badly. The nazul land rents varying from Re. 0-8-0 to Rs. 2-8-0

per year are paid by the sweepers themselves. Water-supply for drinking and bathing is satisfactory, but the bathing place is open on all sides and there is no privacy even for females. In Pachpaoli *busti*, the greatest drawback is insufficiency of water available on taps. The supply in the water pipe is very poor, open for a very short time, and even during supply hours water trickles through the pipe on account of low pressure. The huts are low and ill-ventilated, but well-kept and not so insanitary as in Lenditalao. There is a block of public latrines in the *busti*, which lacked receptacles under the seats.

54. Jubbulpore—In Jubbulpore the sweeper mohollas in Phutatal, Galgala, Toria, Belbag, Bhantalaiya, Premsagar and Bhadpura, were visited by the Committee. The old quarters provided by the municipality in Belbag, Galgala, Bhantalaiya and other mohollas are pucca and roofed with tiles but literally unfit for human habitation. A room 10' × 8' to 10' × 10' with hardly any verandah is provided for each family by partitioning off long barracks, with no plinths, no windows and practically no arrangement for light and air. Some of these are old disused public latrines converted into sweepers' residential quarters and the partitioning in many cases have been carried out by the sweepers themselves. For want of accommodation they have made additions and extensions in a cramped space with improvised structures with low roof and small doors, which have made the quarters dark, dreary and damp, resulting in congestion and overcrowding. In the centre of the *busti* are public latrines with quarters built round them, some of them hardly 12 feet away from the latrines. There is practically no arrangement for sanitation, and anything better can hardly be expected in the vicinity of such dirty public latrines. Inadequacy of water-supply is generally felt, as it is not available when it is most needed, *i.e.*, after sweepers return from their work. There is no reservoir provided to ensure 24 hours' supply.

Though the municipal authorities of Jubbulpore have provided a large number of quarters free to their sweepers, they appear to be the worst we have come across. Unlike these, twelve quarters built near Bhadpura in 1933-34 at an approximate cost of Rs. 5,000 are quite good and satisfactory. A room of 10' × 12' with a verandah in the front is provided for each family. The rooms are built, on a high plinth, provided with windows, well-lighted and ventilated and are situated in much better surroundings than elsewhere. Corrugated sheets purchased for plague huts have been freely distributed to sweepers for putting on the roofs of their huts in the *busties*. Budget provisions were made for Rs. 5,000 each year in 1933-34, 1934-35 and 1936-37 for building new quarters for sweepers, but unfortunately the money was not utilized for the purpose on the last two occasions. The President assures us that he has taken up the matter in earnest and plans have already been prepared for sweepers' quarters and he is providing Rs. 5,000 for the purpose in the next budget, *i.e.*, for 1939-40. He is prepared to take loan from the Government to undertake the housing of sweepers.

The sweeper *busties* in which the huts or houses are constructed by the sweepers themselves are veritable slums of low, dark and dingy, mean dwellings of mud walls with roofs of corrugated sheets, country tiles or old kerosene tins. The doors are so small that the inmates have to crawl in and out and windows are generally lacking. The size of the rooms is very small, less than 100 square feet in area with the average height less than eight feet. In Toria a colony was found on a hillock, much better situated than others, with better-built houses in healthy surroundings, but suffering from lack of water-supply, paved streets and lights. In these *busties* even public latrines are not properly lighted and the approach road with broken steps was found so dangerous in one case as to call for immediate attention. We found some newly engaged sweepers settled in huts constructed with six corrugated sheets supplied to each by the municipality fixed in the shape of inverted V, with no covering for the open sides, the shelter hardly enclosing a space of 8' × 4'. Others have utilized the sheets to better advantage by constructing small huts of 8' × 10' × 7' high. In some cases pig-sties adjoin the sweepers' living rooms. Most of these *busties* are segregated on the hillocks, or in neglected parts of the town where water-supply does not reach, and the sweepers are put to great trouble for securing water for their daily needs. In one locality only, near Phutatal, adequate water-supply is available, and good bath rooms with enclosures and good privacy for women have been provided. The land is generally provided free by the municipality, but where the houses are built on private lands, ground rent varying from four annas to eight annas per month has to be paid by each family. As a result of paucity of suitable quarters, we came across a couple of families compelled to live in rented dwellings on the roadside adjacent to a sweeper *busti*, paying as high rent as Rs. 4 per month for a good size room, with kitchen and verandah. The dormitory provided by the municipality for the night shift gang of carters is also unsatisfactory. The floor is *kuccha* and always damp, while in rainy season underground springs burst forth and form into rivulets passing across the floor of the room.

55. **Khandwa.**—In Khandwa, the Committee visited the sweeper quarters at Bara Bamb, Rameswar Road, Garikhana, Ghaspura and Dudhtalai. It was observed that the old sweeper settlement at Bara Bamb consists of very good houses compared to other places and even the poor sweepers of that locality possessed decent well-built houses, though old-fashioned and somewhat lacking in ventilation. Out of 30 houses in the locality, only three are in a very bad condition with low grass-thatched roof, dark, and without ventilation. The roads here are good and there is one public water standard, but no arrangement for storage of water for use during non-supply hours.

Apart from the nine quarters built for the sweepers (one each) attached to the nine public latrines, no housing accommodation is

provided by the municipality for its sweepers. But the above nine are good *pucca* quarters well-built and airy with an average-sized room of 14' × 9' and verandah. They are not built too close to the public latrine and face away from the latrines.

The houses in Ghaspura (Methwari) are not so good as those of Bara Bamb but are better than what is generally seen in sweeper mohollas. In this locality 15 sweeper families are living in rented quarters consisting of a decent room varying from, 16' × 12' × 10' to 12' × 10' × 10', with a courtyard attached to some, the rent varying from Rs. 1-8-0 to Rs. 2-8-0 per month. But the worst housing arrangements are in Garikhana where 35 to 40 sweeper families are at present huddled together. The huts are very bad, made of old kerosene tins and bamboos, or mud walls 6' to 8' in height, topped with tin sheet roofing. The rooms are about 8' × 10', partitioned off in some cases, with bad roofing and no verandah. As the refuse carts and bullocks are stabled here, it was proposed to build here 24 quarters for the refuse cartmen at a cost of Rs. 7,200 to the municipality, but the proposal has been given up. There is one water standard in the *busti* and another near the cattle shed, a few yards away and water-supply is maintained for 24 hours. There are two street lights and the approach road is good. The *busti* is proposed to be shifted to Dudhtalai, where the site for building new quarters has been selected. For over five years correspondence is going on between the municipal committee and Deputy Commissioner for the provision of land, and as no land has been provided by the Government, the municipal committee has not formulated any scheme for building sweepers' quarters, nor provided any money. The sweepers strongly objected to being ejected on payment of a nominal compensation for their present huts and being shifted to Dudhtalai.

56. Shegaon.—In Shegaon, the Bhangipura both at Domori (two culverts) and Charmori (four culverts) were visited. There are about 18 houses in the first locality and 18 in the second. Both *busties* are built by the sweepers and are situated on the bank of a nullah which is like an open sewer of the town. The houses constructed of mud walls and tin sheet roofing are comparatively good; and the rooms are capacious with small windows fitted with wire netting. The land being given free by the municipality, no nazul rent has to be paid. The approach road to both the *bustiises* very bad and unpassable during rains on account of the nullah being flooded. In both *busties* water scarcity was very much complained of. In the first, the tap provided is open only between 7 and 8 in the morning and 6 and 7 in the evening, while in the other *busti*, supply is available for 12 hours but water merely trickles from the tap after 10 a.m. So an adequate supply of water at 11 or 12 noon, when the sweepers return from morning duty is practically impossible and the tap being in the bed of the nullah in the second *busti* about two furlongs away from it, the difficulty of getting water in the

rains is very great. There is no well in this *busti* and the public latrine with no pans under half the number of seats is too close to the dwelling houses.

57. *Amraoti*.—In *Amraoti*, the sweeper moholla of Belpura inhabited by 95 families, Aurangpura inhabited by 12 families, and Masanganj inhabited by about 25 families were visited and the usual slum conditions were noticed. Belpura is very much congested and the *busti* being on the bank of a nullah the approach road passes through it and the surroundings are dirty with garbage and refuse dumped in the low-lying places. There are two water-standards, which are not sufficient for the *busti* and the supply is augmented from the well in the bed of the nullah, but the water thereof is said to be brackish. The houses which are mostly huts constructed by the sweepers themselves have sufficient accommodation and are built all over the place without any plan or lay-out. Mud walls and old kerosene tins or corrugated sheets largely enter into the construction, but a few well-built houses of brick and mud, roofed with country tiles, are also noticed. Rooms are of decent size and kept neat and clean, but due to lack of windows and roof being low, they are mostly ill-ventilated and sometimes dark. In order to improve the layout and relieve congestion it has been proposed to remove 25 families from this locality to another site selected for the purpose, but those 25 sweepers are not willing to shift. Some of us visited the proposed site and found it to be a low-lying place on the side of a similar nullah which has to be diverted, and the unsuitability of the site prompts the sweepers to object to their removal, while they are willing to shift to the Masanganj colony. The Nazul Department is prepared to give the land free of ground rent, on condition that free quarters are provided to the sweepers, but the municipal committee has not yet decided the question, nor provided the funds for building quarters.

Aurangpura is a much smaller *busti*, also on the bank of a nullah, with similar conditions of housing as at Belpura, if not worse. The water pipe line comes through the municipal drain and is placed very close to it. Sweepers' temple belonging to the Valmik Samaj is situated here, which has a well in its compound now dry and out of repairs. The municipal quarters provided free to 22 families are in Masanganj colony, which is the best of the lot. These were built in two blocks at a total cost of Rs. 9,900 in 1919 and 1923 each block consisting of ten rooms of 10' × 12' with a verandah 8' wide. The rooms are well-lighted, well-ventilated and provided with windows, but the verandah in some cases has been covered up and converted into kitchen. Two more families are provided in huts built by sweepers and later on acquired by the municipality. Three more families are living in a block of huts constructed by themselves. The standard of housing in Masanganj is better than in the other two places and the houses are built round an open square. The surroundings too are clean and sanitary, while the public latrine is quite far off. The only difficulty is about water, as there is no

arrangement for tap water in the *busti* and the public water standard is nearly a quarter of a mile away, while the well provided for them is being monopolised by caste Hindus.

58. **Ner.**—On our way to Yeotmal we visited Ner (Sanitation Committee), and found only two or three families of sweepers employed by the local body who are housed in their own low mud huts with grass thatch and none of the conveniences of water-supply, approach road or sanitary conditions.

59. **Yeotmal.**—In Yeotmal, the Bhangipura on the Kalamb road was visited and about 100 families of sweepers were found to be living there. No quarters are provided by the municipality and the houses are mostly built by the sweepers. Nazul land is given to them free of rent for the purpose. A few of the houses are very well built in brick and mud with corrugated sheet or country tile roof, and provided with a cowshed in front and courtyard at the back. But most of the houses are small huts, constructed of timber, bamboo and mud with roof of old kerosene tin sheets. The height of these huts is usually 7' to 8', while of a few it is 8' to 10'. The rooms are of good size, but with poor ventilation and surrounded with piggeries and cow-sheds that make the locality less sanitary than it would otherwise be. There being no public water-supply, and the well water in the moholla being brackish, a good deal of difficulty is experienced. The fresh well water used by sweepers is at a distance of more than quarter of a mile. The housing scheme proposed by the municipal committee is to provide plots, free of ground rent, on a laid out plan and advance loans to the extent of Rs. 100 per family to the sweepers for building their own houses. It does not sound to be a satisfactory proposition at all, as the huts constructed from the amount advanced would be hardly any better than the present ones and the same insanitary conditions as now existing are likely to be perpetuated.

60. **Gondia.**—In Gondia, the Bhangipura was visited and well-built huts of good mud walls and tiled roofs were found with courtyards attached. These are well-kept and clean, but in many cases piggeries adjoin the living rooms, making the place insanitary. The surroundings are dirty and too many refuse pits are in evidence all round. There is one *pucca* road in the middle of the *busti* which is well kept and provided with two lights, one more being needed. There are no drains except a *kuchcha* roadside drain. The land is given by the municipality free of rent to the sweepers and two good wells are provided. A school has been provided by the Harijan Sevak Sangh in the vicinity, and the municipality gives it a good grant-in-aid.

61. **Raipur.**—In Raipur, the sweepers are mostly concentrated in *bustis* in Modhapara (35 families), Baijnathpara (45 families), Bahmanpara (60 families) and Nawapara (25 families), while in other mohollas they live in scattered groups of two or three families.

At Baijnathpara the municipal committee has provided quarters to 35 families free. These were formerly sheds for refuse carts, which have been converted into two lines of quarters in 1920 or thereabout. The size of each room is about 8' × 10', big families occupy two rooms each. No verandah is provided, but temporary verandahs have been erected on both sides thereby leaving a passage 18' only between the two lines. The quarters have tiled roofs and no plinth. The surroundings are very dirty and the middle passage is apparently never swept. The passage becomes very muddy during rains and the children have to play in this dirt and filth. Water laid in pipes is available for 24 hours at both the taps and no water scarcity is experienced. The public latrine (20 seats) nearby has been condemned by the Director of Public Health as very bad and has to be demolished. There being no cesspool connected with it, the liquid excreta passes in the *kuccha* drain. Even proper receptacles are not provided under the seats.

The houses in other mohollas are all built by the sweepers themselves and are far superior to that provided by the municipal authorities. Generally, these are constructed of mud walls with tiled roofs and consists of a living room of about 12' × 10', a verandah of 6' wide, a separate kitchen of about 8' × 6' and a courtyard attached. The only drawback is the lack of windows. But a few of them have three or four small rooms with windows, cemented flooring and *pucca* courtyard. A few of the houses are even double storeyed. The ground rent on nazul lands comes to Re. 1 or Rs. 2 per year, while on malguzari land it is Rs. 2 per year or more. At Modhapara two taps and one well with hand pump are provided for the water-supply, which is found adequate. The great need is for a public bath, and one has been improvised by the sweepers for the use of their women folk. There is one lamp on the public road and the drains are partly *pucca* and partly *kuccha*. At Bahmanpara, the approach road is the main throughfare and the feeder lanes are satisfactory. There are about three public water-standards in the vicinity and no water difficulty is experienced. Street lights are provided on the main road.

We understand that a housing scheme for sweepers is under consideration but the site selected for the purpose has been disapproved by the authorities concerned. The Deputy Commissioner was approached for the transfer of the old police quarters, now vacant, to the municipality for the purpose of housing the sweepers, as it was decided to put them up for public auction. The application, however, was rejected on the ground that it would not be in the interest of the State to give away such valuable Government property for the purpose free of charge. A new site has been proposed on the right side of Dhamtari Road opposite the police lines.

62. Responsibility of the municipal authorities.—It is clear from the above survey of a few towns in the province that *the conditions of housing of sweepers* employed by the local bodies

are far from satisfactory, and substantial improvements are urgently needed. It can hardly be urged with any degree of justification that the conditions are practically the same as in villages, but are much worse in many cases. The congestion in the *busties*, the overcrowding in the limited space of one-room dwellings, the filth and squalor existing in the areas allotted to them in the towns, the proximity of public latrines, sewage bearing nullahs, or refuse dumping grounds of cities, to their habitations, and the insanitary conditions of the most neglected or water-logged part of the town assigned to them for dwelling, these are living conditions not fit for human beings, much less for a useful class of public servants, merely because they have been kept degraded and ignorant. As a matter of fact, hardly any sweeper witness denied the necessity of better housing for themselves and in their persistent demand for better housing arrangements, they have been strongly supported by almost all the municipal authorities. A heavy responsibility devolves on the municipal committee, both as employer and as corporate body responsible for the health and sanitation of the citizens. Moreover it is recognized by all the important municipalities and railways too that the condition of service of these sweepers entitles them to be provided with suitable housing by the employers. For big cities like Nagpur and Jubbulpore where housing conditions are extremely bad, and Amraoti and Raipur where it is less so, the failure to provide necessary quarters must be looked upon as a dereliction of duty on the part of authorities concerned. In all these towns the question has been taken in the past and sporadic attempts have been made to carry out the responsibility, but due to lack of interest, tenacity of purpose and the so-called financial stringency, modest beginnings, where made, were not followed up by well-prepared definite schemes. No systematic effort has been made by any municipality to solve the housing problem for its sweepers. We regretfully observe that except making stray attempts, no municipality, large or small, has given this important question the serious consideration it deserves, much less has it provided the necessary housing.

63. The responsibility for housing sweepers must be realized by the municipal and notified area committees, and the obvious thing for them is to set about it immediately, and devise suitable housing schemes according to the requirements and resources of each municipality or notified area committee which can be carried into effect within a reasonable number of years. The work of planning should be started immediately, and the scheme completed within, say, five years or ten at the most, for large municipalities.

The greatest obstacle to any such scheme is the attendant financial difficulties. But, with a little sympathy from the public and the good will and the determination of the municipal authorities, backed by the Provincial Government, funds can always be made available. Bigger municipalities like Bombay, Karachi, Cawnpore, etc., have taken upon themselves the duty to carry out large housing schemes of their own. In this province, we believe that the big

municipalities of Nagpur, Jubbulpore, Akola, Amraoti and Raipur can obtain funds by borrowing money, either from the Government or the public with the approval of the Government at an interest of 4 to 5 per cent per annum. Smaller municipalities may provide requisite funds per year for this purpose in the budget and build only 5 to 10 quarters per year. It is our considered opinion that the smaller municipalities and notified area committees, that are unable to finance housing schemes for sweepers, should organize and initiate co-operative building societies for sweepers on the same lines as the one functioning in Pandharkawada, and should give them, free of cost, suitable building sites properly laid out, and provided with sanitary conveniences and water-supplies, for allowing the sweepers to erect their own houses according to approved designs under the joint supervision of the society and the municipal officer detailed for the purpose. The Pandharkawada scheme is given in Appendix VI. Strict supervision regarding capacity, dimensions and materials is essential to avoid the prevailing bad conditions being perpetuated. The co-operative society will advance money for house building to sweepers under the rules and conditions of the society and realise reasonable instalments of the loan by monthly deductions from their pay. The best results are likely to be secured by joint action where the expenses are also shared by the municipality and the sweepers, while the right of ejection is vested in the society that undertakes the financing of the scheme. Government contribution to the solution of the problem would be to provide suitable land, free of all charges, to the municipal authorities concerned, who should be responsible for the proper development and lay-out of the housing scheme and to take the responsibility of arranging for necessary financial aid to carry out the scheme. In order to encourage their activities in this direction and to relieve them of at least a part of the burden, we consider that the Provincial Government should announce their willingness to subsidise in this or in other ways housing schemes advanced by municipal authorities and approved by the Government.

64. Feasibility of Housing Scheme for Sweepers.—After due consideration of all the evidence placed before the Committee, we are convinced that it is a practical proposition to execute, within the next 5 to 10 years, a scheme for building cheap houses of better types in healthy surroundings, with necessary sanitary requirements and water-supply provided. Some designs and plans of such cheap houses as built for the workers of Burn and Co., Jubbulpore, Central Provinces Manganese Ore Co. in Bhandara district, and the Empress Mills, Nagpur, are shown in Appendix VII. The cheapest are those of Central Provinces Manganese Ore Co., Ltd., the cost per one quarter consisting of a room (10' × 10') and a covered verandah (10 × 6') being Rs. 260, increasing to Rs. 360 when cement asbestos sheets or reinforced brick in cement are respectively used for roofing. The average cost for a quarter of one room (13') and a kitchen verandah (13' × 4') as built by Burn and Co. in Jubbulpore comes to Rs. 350. Two-roomed houses of suitable size, with adequate light and ventilation

as constructed by the Empress Mills in Nagpur, cost Rs. 350 per unit. The average cost of decent dwellings for sweepers can, therefore, be taken as Rs. 300 per family. It must be remembered that public baths, with water-supply throughout the day, are very necessary for the sweepers. To take advantage of the cheap money market and the cheaper cost of building materials, the housing scheme may be undertaken without delay ; but so long as this is not done, the existing quarters if and wherever provided by the municipalities should be kept in good repairs and improvements in sanitation, lighting and water-supply must be carried out. In all fairness such sweepers as are paying house rent or ground rent for their houses must be paid the amount, on production of necessary receipts. Such an amount is not likely to be large in any case, and if it happens to be so, it is all the more reason to expedite the housing scheme for sweepers. We do not claim to have prescribed for all the evils associated with bad housing, but we believe that, by some combination of the methods we have discussed, many of the worst features now in existence could be greatly improved and even eliminated.

65. After a very careful consideration of all the evidence before us and after what we have experienced during the inspection of the sweeper *busties* in various towns of the Central Provinces and Berar, we make the following recommendations :—

- (1) The provision of houses for sweepers must be made obligatory for all municipal and notified area committees, and necessary alteration should be made in the existing law for making this provision an obligatory duty of the committees.
- (2) The Government should provide nazul land, wherever available, free of premium and rent, for building sweepers' houses. Where nazul land is not available, it should be the duty of the committee to acquire land either under the Land Acquisition Act or through private negotiations.
- (3) The Government should direct that every municipal and notified area committee should prepare a housing scheme for the residence of all sweepers in its service and prepare financial statements showing how and in what period the committee is prepared to carry out that scheme—
 - (a) a period of 5 to 15 years should be given to a committee for completion of the scheme, in accordance with its financial resources ;
 - (b) where a committee is unable to provide money from its own revenue, Government should give it money on loan.
- (4) That along with the compulsion to be enforced by Government on municipal committees, it should be the duty of the State to help them with reasonable grants, and

that it should also be made obligatory by Statute on the Government to provide suitable grants. Therefore, we recommend that, as in the case of Compulsory Education Act, the Government should provide grants to the extent of 50 per cent of the total expenditure on housing scheme, including the cost of land, if nazul land is not available.

- (5) That Government must arm itself with powers to make rules to see that the municipal committees carry out this obligatory duty, within a specified period.

CHAPTER VI.—MODE OF LIFE

66. Health.—We have been impressed by the evidence of all persons including Health Officers who have testified that in spite of their filthy work, the sweepers are neither in physique nor in general health, inferior to or different from the general population of the town concerned. They do not suffer from any occupational diseases as such. We found from our personal observation of their daily life that their general physique is good, and though child mortality may be high amongst them, there is no proneness to diseases, on account of their care about personal hygiene. It has been suggested sometimes that living under such filthy and insanitary environments and being engaged in the removal of night-soil sewage and garbage of the town, they have developed a general immunity protecting them from infection. No vital statistics of sweeper class are separately available, but the effect of their environments, work, and living conditions have adverse effect on longevity and the rate of mortality of their children. Low average longevity of sweepers has been urged as a reason against pension scheme, as contrasted to provident fund, and the high mortality rate of their children has been admitted by many social workers. This seems to be due to the absence of women folk on work from early morning, leaving the children uncared for, coupled with the common practice of administering opium to keep them quiet during the women's absence from home.

67. Education.—It is apparent from the evidence received from all quarters that the education of sweepers' children is as a rule neglected both by the parents and by their employers. It has not only been so in the past, but even under present advanced times, it is being neglected through lack of enthusiasm on the part of the sweepers themselves and lack of interest on the part of the authorities concerned. As a result, the spread of education has made little headway in the sweeper class. Even in towns or areas where primary education is compulsory, the number of sweeper boys and girls attending schools is much less as compared to their actual strength. So often sweepers or their mohollas are exempted from the operation of the municipal byelaws enforcing compulsory primary education, through a mistaken sense of compassion. It is difficult to say whether

such mistaken compassion is tinged with a subconscious feeling of avoiding untouchables in any locality. We are, therefore, of the opinion that the sweepers should never be excluded from the operation of compulsion in the matter of primary education, and wherever possible, schools should be opened near sweeper mohollas to facilitate their attendance. In places where primary education is voluntary, it is usually the case that the officers concerned do not use sufficient persuasion to get the school-age sweeper boys and girls admitted in the municipal or aided schools and, even when such schools are situated near the sweeper mohollas, the attendance of sweeper boys is found to be poor, as was seen in Yeotmal and Gondia. It has been admitted by most of the municipalities that no direct or indirect pressure is exerted on the sweepers to send their children to school. They are admitted in all municipal and aided schools and allowed to sit with other boys without distinction, and teachers too have no prejudice against physical contact, but due to lack of persuasion or pressure on the sweepers employed by the committee, there is no enthusiasm in sending their children to school. We therefore suggest that even where primary education is voluntary, education officers must use special persuasion and even coercion in their case and provide all facilities for their admission to schools.

68. No municipality ever undertook to promote adult education among sweepers or made any arrangements for conducting night classes to remove the illiteracy of elderly people. We propose adult education may be introduced by opening night schools in sweeper mohollas by the help of voluntary teachers, who must be rewarded on the basis of average efficiency attained by his class. If any Welfare Officer, paid or honorary, is appointed it would be his special duty to encourage education amongst sweepers by all possible means. The majority of the municipalites have provision for supply of free books and school requisites, to poor boys, but it is doubtful if the sweeper boys get any benefit out of it. There was no evidence forthcoming to show by figure how much of this amount is spent on sweeper boys. We are, therefore, of opinion that books and school requisites should be provided free to all sweeper boys and girls and the necessary amount should be specially earmarked by the municipal and notified area committees.

69. Drink.—We believe that the drink evil, the caste dinners and the bride price are the curse of the social life of sweepers and have been complained of by everybody. Consumption of opium, ganja or any other narcotic drug is much less than of liquor. From the evidence it appears that more than 50 per cent of men are addicted to drink, while less than 10 per cent take narcotics. It has, however, been brought to our notice that barely 10 per cent are hard drunkards, while most of them only take it moderately as a stimulant on special occasions, specially on the pay day. Heavy drinking generally accompanies some social functions or religious ceremonies like marriage or festivals. So, it is more of a custom than habit and can be

eradicated by social uplift. The monthly expenditure generally shown on this head varies from Re. 1 to Rs. 10 per month per family and the average expenditure on liquor and narcotics would not exceed Rs. 2-8-0 per month per family. If drink can be abolished from the community, there will be much improvement in the standard of living and the expenditure incurred on social functions and religious ceremonies will be much reduced. It would also have a salutary effect on their morals and outlook on life, and the sweepers would be economically benefitted to the extent of Rs. 5 or so per month per family. The argument that drink is necessary for their work and health has been refuted by the Health Officers and deputations of sweepers in their evidence. As a matter of fact we were impressed by the keenness of the latter to have the evil stopped even by prohibition legislation. Reformers in their own *bivadari* (society) and some of their caste panchayats are enforcing temperance and administering public oaths enjoining complete abstinence. As a result many have given up drink and taken vows not to touch it. The need of legislation to eradicate the drink evil is, therefore, keenly felt by the sweepers, as the method of persuasion or temperance has reached the limit of its usefulness in the community. With the policy of prohibition pursued by the Government, for several years past, if persisted in all the districts of the province, it is expected that the evil will be eradicated and the life of the sweeper class will improve in the very near future.

70. Welfare.—Gambling as a vice is also prevalent to some extent in the sweeper class. Not much propaganda has been carried on to stop this growing evil. There is already a cry against caste dinners, but the social habits and the tyranny of social customs are still too strong to be broken without the help of legislation. In Indore and Baroda States, laws have been passed to prevent extravagance on caste dinners at the time of funerals and marriages. The evil of administering small doses of opium to babies to keep them quiet, while the mother is away on work, is fairly prevalent. The only remedy in a community where the women folk is on work in the mornings and afternoons is to have their babies nursed in creches. We suggest that properly run creches, as prescribed under the Factories Act should be provided and maintained by the municipalities in all sweeper mohallas at least in important towns, and specially in the morning hours.

71. During rains the sweepers on removal of night-soil duty work under great discomfort and expose themselves to rain and inclement weather. It has been suggested that they should be provided with some sort of waterproof cap, umbrella or rain-coat to protect themselves from rain. We consider that cheap waterproof or country-made blankets (*kambals*) should be supplied to the sweepers for protection from rain.

72. Social Activities.—Apart from the six registered trade unions of sweepers, they have organized a few socio-religious associations among themselves which have for their aims social reform

and-unity in the community, and their activities centre round some temple or *akhara* (gymnasium) of theirs. Two such organizations in Amraoti have collected sufficient funds to lend money to their brethren on easy terms, so as to clear off their old debts or save them from further indebtedness. Lack of education and organizing capacity are hampering the growth of such associations, but these clearly indicate that they are becoming conscious of their social evils and deficiencies and trying to remedy them. In spite of all the handicaps and social disabilities that are imposed on it, the gradual but sure awakening of the sweeper class is easily perceived. It is, therefore, the most opportune moment for the local bodies to help them in their awakening, and offer all facilities for self-improvement by enlisting their sympathy and co-operation instead of conceding some facilities at the end of strikes and struggles that usually embitter mutual relations, and cause temporary discomforts and insanitation.

73. Strikes.—So far strikes have not been common in this province, and since 1930 there have been only 10 strikes in the municipalities of Umrer, Raipur, Bilaspur, Jubbulpore, Ellichpur, Khamgaon Balaghat and Chhindwara. All these were of short duration and the bulk of the sweepers felt that the provisions of section 26 (3) of the Municipalities Act were unfair and one-sided. Sweepers are under the section liable to imprisonment for attempting collective bargaining, while the permanence of service including benefits of leave, promotion and provident fund is denied to them in their employment. They have a just grievance that while the law enjoins them to give one month's notice, they are treated by their employer as temporary daily-wage servants and can be dismissed at a moment's notice. We consider that the principles of reciprocity should have been acceded to, and persons in such public utility services should have been deemed as permanent servants, entitled to one month's notice for termination of service. Moreover, to avoid trade disputes in such public utility services, we consider it advisable that formation of unions should be encouraged by the municipal and notified area committees, and well-organized unions should be encouraged and recognized by them.

74. Recreation.—We have already mentioned that some of these associations of sweepers are already fighting the double demon of drink and indebtedness without outside help, but the best remedy they have adopted is the organization of *akhara* in many important sweeper *busties*, and which provides healthy recreation to them and combines physical culture with club life. The provision of such a cheap and healthy means of recreation is the best way to bring the drink evil under control, until full-fledged prohibition is introduced and is an effective weapon against other social evils.

75. Prohibition.—The effect of prohibition is seen in the sweepers of Hinganghat and Katni (Murwara), two towns, where prohibition was introduced last year, and in Damoh where it has been in existence for some years. In his evidence the Municipal Secretary

of Hinganghat deposed that drinking among sweepers had been reduced by 60 per cent, but that no appreciable change in saving of money was noticed by him, while the Municipal President of Katni (Murwara) stated that drinking had been practically given up by sweepers which resulted in saving of money and improvement of their character. Considering the success of the prohibition among sweepers and their own organizations for eradicating these evils, we suggest that prohibition by law must be introduced in all towns at the earliest opportunity, as it would stop the waste of money on drink, opium, etc., and result in moral and material benefit to the sweepers, an important and indispensable class of public servants.

76. Appointment of Welfare Officer.—It cannot be denied that the sweepers as a class constitute the most neglected section of the population and have been compelled to live a most degraded life on account of their occupation. The ordinary tax-payer hardly realizes the important functions that the sweeper carries out in the life of the town and the social service he renders to the community in general, until he strikes from work. The municipal or notified area committee generally forgets that on account of his occupation usually considered degrading, he is so useful to the employer, and keeps him in perpetual degradation by not improving his present conditions of work and living, oblivious of his human requirements and general welfare. On account of this general carelessness on the part of the employer, it seems to us necessary to provide a special agency, an officer to work for their welfare and to devise means for their uplift and to make them better and more effective servants of the public. Under the present conditions they are unable to look after themselves, and, just as the Royal Commission on Labour advocated the appointment of a Labour Officer in individual factories or in a group of factories, the President of the Mahakoshal Harijan Sevak Sangh suggested the appointment of a special officer for promoting the welfare of sweepers in individual municipalities or groups of municipalities. From a consideration of all the evidence, we are convinced that the appointment of a competent Welfare Officer under, or better independent of, the Health Officer, who should be in charge of their welfare work, is very necessary in bigger municipalities with large sweeper staff. His duties may cover the following fields of activities, *viz.* :—

- (i) to improve the existing condition of sweepers in general and obtain a greater security of service for them ;
- (ii) to improve the standard of living and suggest better housing conditions with necessary sanitary arrangements ;
- (iii) to take all available steps to reduce indebtedness among them and specially organize co-operative credit societies among them and render all possible help to such societies necessary in their work as well as to prevent them from using the cheap credit in any way detrimental to their interest ;

- (iv) to eradicate the drink habit and other social evils prevalent among them ;
- (v) to encourage spread of education among their children and adults ;
- (vi) to provide suitable medical aid, maternity and child welfare facilities ;
- (vii) to arrange for their healthy recreation and to join as a friend in their sports.

It is immaterial whether the officer is a paid servant of the municipality or not, so long as he is specially appointed for the purpose by the municipality concerned, and is vested with necessary powers and authority for the proper discharge of his duties and possesses wide sympathy, integrity of character, energy, personality and missionary zeal for the welfare of sweepers. It would be necessarily a whole-time job in big municipalities, like Nagpur and Jubbulpore, and would ordinarily require to be a well-paid servant of the municipality with necessary experience and qualifications. We, therefore, advocate the appointment of a qualified Welfare Officer in Nagpur and Jubbulpore, and such other places where the finances of the municipality permits ; but in other municipalities where such appointments may not be feasible the necessary welfare work should be entrusted to honorary workers detailed for the purpose, and who may be provided with some allowance for conveyance, etc.

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†C. B. PARAKH,
Member.

C. G. MISRA,
Member.

SYED HIFAZAT ALI,
Member.

The 15th June 1939.

* Subject to certain observations. † Subject to a minute of dissent.

MINUTE OF DISSENT

[To be read with paragraph 65 of the Committee's report]

In order to make this note clear it is necessary to take a brief retrospection of one of the Committees' major recommendations, *viz.*, regarding minimum wages in paragraphs 28 and 29 of the report. I was struck by the lowness of wages in some places, and was not alone in feeling that one of the ways in which this defect could be rectified was to fix a minimum wage. This at once confronted us with the facts that the difference in standard and income of different local authorities was so great and varied that it would be impossible to achieve this object without introducing a complicated machinery for determining the standard of each authority and the minimum wage to be enforced therein, or introducing a minimum wage, or wages, which in some cases would not be unfair to the authorities, and in others, to the sweepers. I therefore agreed, with considerable reluctance, to the proposal that each authority should fix a minimum wage, with the aid of byelaws and previous consent of the Provincial Government. While agreeing to this proposal, I had borne in mind that if the sweeper were to be benefited, it should be so arranged that the benefit was shared by the whole family and not by the working member only. Under the present conditions of life, the additional wage, or at least a substantial part thereof, would or might go towards such personal habits as drinking, smoking, gambling, or even wearing fancy clothes, so common amongst sweepers. I therefore thought that the best way of giving the sweeper a little additional money would be to compel the local authorities to provide housing for them, which would enable the sweepers to save one or two rupees which they now spend towards house rent according to the place where they are working.

I was, therefore, very much disappointed when the Committee framed its recommendation for housing [sub-clause (4) of paragraph 65 of the report] in a manner which might make it a dead letter. I am in entire agreement with the Committee's recommendations that it should be obligatory for all local authorities to provide free houses for all sweepers to be erected within a specified time, and that the Provincial Government should provide nazul land free of all charges. I am unable to agree with the Committee's recommendation that Government should bear one-half of this expenditure for idealogical and practical reasons. By giving land free of all charges, the Government would be contributing, more or less, one-third of the housing scheme. By asking for more, we are shifting the responsibility of the local authorities to the Government, which is unsound in principle. The tendency of local authorities to look to the Government for help for all reforms, without making an honest effort or taking the right steps to find out money, is largely responsible for the lacuna in their administration. I feel it my duty to counteract and discourage this tendency which has prevented and would prevent our local authorities from putting their house in order without which no real progress is possible. The practical reasons for opposing

the Committee's recommendations are these. For a major portion of the last 10 years, the Government of the Central Provinces (and Berar since 1937) had to content with deficit budgets. The Government has on its hands schemes which would increase its expenditure and reduce the revenue. It is not within the province of this Committee to criticise the causes or reasons for continuous deficit budgets, or to discuss the merits of the schemes in its hands. The Committee can and should take cognizance of the fact that for a long time to come it would be impossible for the Government to add to the present monetary grants made to the local authorities. Indeed it would be no small mercy if such grants are not curtailed or abolished. Under these circumstances, it is unwise to ask the Government to make monetary grants for the fulfilment of the specially created legal duty of the local authorities. The wording of sub-clause (4) of paragraph 65 of the Committee's report lends itself to an interpretation that if the Government were not prepared to accept its recommendation to contribute one-half of the expenditure of the compulsory housing scheme, the whole scheme should be considered as dropped. From this recommendation I dissent. I am of opinion that compulsory housing accommodation must be the duty of all local authorities, whose financial difficulties should be overcome by spreading over this duty to a number of years, and that the liability of the Government should not exceed the grant of nazul land free of all charges. It would be open to Government, as it always is, to examine individual cases of great hardship and grant monetary assistance in such cases, but the local authorities should not be encouraged to refuse to examine and explore the avenues from which money is available but seldom secured. The danger of the Committee's recommendation in sub-clause (4) of paragraph 65 of its report is that Government, feeling unable to bear the heavy financial burden thrown upon it, may not like any steps at all for amending the Central Provinces Municipalities and the Local Self-Government Acts with a view to make the provision of housing for sweepers a compulsory duty of all local authorities, which would mean that the only recommendation of the Committee which gave a real though indirect monetary assistance to the sweepers would become a dead letter on account of an overstatement of Government responsibility.

EXTRACT FROM MR. KELKAR'S LETTER, DATED
THE 26TH APRIL 1939

I sign the report subject to the following observations. No reasonable person can dispute the proposition that every person must get a living wage. Living wage is a question of fact and must be determined with due regard to local conditions and the financial position of the employers. It is improper to make comparisons with others who make huge profits out of industries or whose resources are unlimited and who, even in these days, dare to defy even elementary principles of democracy and impose any taxes. The

scales of wages fixed by them cannot be said to be free from extravagance or are necessarily reasonable worth imitation. We must not, therefore, advise local bodies to imitate them blindly.

I deprecate the idea that prevails in certain quarters that services under the local bodies should be as remunerative, lucrative or liberal as those under Industrial concerns, or Government honorary service, or comparatively cheaper service is the merit of Local Self-Government. The autonomy of local bodies depends largely upon these two merits. If the working of the local bodies is to be got rid of these two essential merits, then it is no use to have Local Self-Government at all. The only alternative is to expect Government to cater to the civic needs of the people.

I am entirely opposed to remunerating any class of public servants by annual increments. In my opinion it is a most unscientific system. It has been largely responsible for the insolvency of the Provincial Government and has almost killed all incentive to work as a labour of love and honour. It is very doubtful if it has improved efficiency.

I don't agree with the suggestion contained in paragraph 13 of the report that the byelaw which prescribes 10 to 11 hours' actual work should be deleted and in its place actual work may be limited to 8 hours a day.

We have overwhelming evidence to show that no committee has abused this byelaw or harassed any sweeper under its authority. As a rule, sweepers don't work for more than 6 hours a day. This can not be said to be hard work. Very rarely they may have worked for longer hours. It is to meet only unforeseen contingencies that the byelaw is made more comprehensive and I would like to retain it without any modification.

It is rightly suggested that sweepers are their own enemies. No department under which they serve would be able to bring about their uplift. To be effective, the uplift work must be undertaken by those non-official bodies or individuals who profess to be their friends. These friends must bear in mind that uplift work does not mean instigation to the sweepers to claim higher wages or to go on strike.

SUMMARY OF IMPORTANT RECOMMENDATIONS

1. The actual hours of work in the morning and afternoon are fair, but should be regularized so as not to exceed five to six hours in the morning and three to two hours in the afternoon, or eight hours in the whole day. The byelaws which at present prescribe 10 or 11 hours of duty are not suitable nor in conformity with the practice and should be amended accordingly (paragraph 13).

2. The work allocated to the sweepers officially is as a rule fair and reasonable, but the Health Officer or Secretary should see that the scheduled work is carried out fairly strictly and extra work or work of absentees should not be concentrated on a few sweepers (paragraph 13)

3. In all municipalities, and particularly in the major municipalities, provision should be made for leave vacancies by the appointment of at least 5 per cent of the staff as reserve for absentees or those on leave including maternity leave (paragraph 13).

4. All Sunday afternoons or bazar day afternoons, all festival afternoons, should be treated as official holidays, and under no circumstances should sweepers be called to work on these afternoons, except in cases of grave emergencies and then also as few as possible, rotating the men so called up in a strict order so that the entire staff contributes equally and fairly in the discharge of such duty (paragraph 13).

5. (a) Byelaws regarding construction of latrines should be strictly enforced. Municipalities should be advised to amend byelaws so as to compel all owners of private latrines to have a paved bottom to the latrines and provide tarred iron receptacles (paragraphs 14 and 15).

(b) The use of hand-cart as per sketch is recommended for carrying night-soil (paragraph 16).

(c) Provision of separate channel for carrying ablution water and urine in latrines and making a byelaw to that effect which should be strictly enforced by the sanitary staff (paragraph 16).

6. (a) It is recommended that the sweepers should either be supplied with all necessary appliances for doing their work or should be paid the full cost of the same (paragraph 17).

(b) It is recommended that in case of vacancy for the appointment of jamadar or conservancy peons, a sweeper with requisite experience and qualification should be given preference over other communities (paragraph 9).

7. The Committee without any intention of criticizing the municipal administration or casting any reflection on the integrity of the subordinate staff recommends that—

(a) Jamadars and havaldars should not be allowed to make cash payments to the sweepers. Cashier or pay clerk should make all such payments in the immediate presence and direct control of a responsible officer, like the Secretary or the Health Officer or the Municipal Chairman or member. If there be no such clerk or Cashier of sufficient standing, the Secretary or the Sanitary Inspector or any member of the Committee should make payment.

(b) Pay-slip system should be introduced in all big municipalities or wherever possible and the entries on the slip should be written in Hindustani showing the salary and deductions for the month, if any.

- (c) The presence of moneylenders in the vicinity of municipal premises at the time of payment of wages should be prevented by the use of the Central Provinces Protection of Debtors Act, 1937.
- (d) The Committee approves of the present practice, obtaining in some municipal committees, of making repayments to co-operative credit societies from the sweeper members' wages on behalf of those who have borrowed money from such societies. The Committee recommends to other municipal committees to organise such co-operative societies with the help of the co-operative bank or department, and encourage the sweepers to borrow money from them instead of from moneylenders, and to make repayments on behalf of sweeper members of the societies from the pay direct. The Committee further recommends that this practice should under no circumstances be extended to any other creditor. This procedure is economically very beneficial to sweepers (paragraph 20).

8. It is strongly recommended that the services of sweepers should be made permanent after a probationary period which should not exceed three years. As regards granting them leave with pay, gratuity, or provident fund, the sweepers should be placed exactly on the same footing as other permanent servants under municipal or notified area committees (paragraph 22).

9. The Committees' recommendations as regards leave with pay are—

- (a) The grant of leave is discretionary with the municipal committee, but ordinarily each sweeper should be allowed at least a half-holiday every week. This may either be a Sunday or a bazar day. On the occasion of all important festivals, sweepers should be allowed half-day's off.
- (b) In the course of a year, a sweeper be allowed casual leave for not less than seven days.
- (c) Sick leave on medical certificate from a qualified doctor be granted for a period of one month in the course of a year; half of this period on full pay and the remaining half on half-pay.
- (d) Maternity leave be granted for a period of six weeks, two of which may be before delivery and four weeks after (paragraph 25).

10. The Committee has no evidence before it about what the fair living wage for a sweeper and his family is, but after examination of the present cost of living, the Committee is of opinion that four annas per day per head would constitute the minimum living wage (paragraph 27).

11. In the opinion of this Committee, it is desirable to lay down the minimum wage for sweepers, but in the Committee's opinion it is not feasible to fix a minimum for the sweepers for the whole of the province or for sweepers working under groups of municipal committees, but a properly chosen time-scale should be introduced without any loss of time (paragraphs 28 and 30).

12. As regards infliction of fines, it must be admitted that though it is open to abuse, it is necessary for the maintenance of efficiency and discipline. To ensure a check on its abuses, the legitimate purposes of fining should be well-defined by municipal authorities and sweepers should be allowed to put their cases in appeal before higher authorities (paragraph 34).

13. On a consideration of the evidence before it, the Committee has come to the conclusion that it should be just and suitable to grant the privileges of provident fund only. Contribution to the provident fund by the sweepers should be equivalent to that made by the municipal committees. Sweepers will thereby learn the habit of saving. In addition, gratuity may be given particularly in cases where due to an accident during service, a sweeper has been disabled permanently or for a long time, from earning his livelihood. The Committee also proposes the following restrictions for the use of the provident fund :—

- (a) The provident fund should be invested in an approved Bank and should not on any account be utilized by the municipality for its own purpose, as was found to have been done in a few cases.
- (b) The contributions by the municipality should be used to purchase annuity in favour of each beneficiary or his heirs for a period of ten years and no advance from this amount should be granted to the sweeper concerned.
- (c) Loans of individual sweepers may be advanced from his own contributions, and the amount should be recovered by easy instalments from his wages.
- (d) The part of the provident fund which consists of the sweeper's contribution and the interest thereon should be handed over on retirement or death to the sweeper or his heirs or assignees (paragraph 41).

14. After a very careful consideration of all the evidence before it and after what was experienced during the inspection of the sweeper *bustis* in various towns of the Central Provinces and Berar, the Committee makes the following recommendations :—

- (a) The provision of houses for sweepers must be made obligatory for all municipal and notified area committees, and necessary alteration should be made in the existing law for making this provision an obligatory duty of the committees.

- (b) The Government should provide nazul land, wherever available, free of premium and rent, for building sweepers' houses. Where nazul land is not available, it should be the duty of the Committee to acquire land either under the Land Acquisition Act or through private negotiations.
- (c) The Government should direct that every municipal and notified area committee should prepare a housing scheme for the residence of all sweepers in its service and prepare a programme and estimate showing how and in what period the committee is prepared to carry out that scheme—
 - (i) a period of 5 to 15 years should be given to a committee for completion of the scheme, in accordance with its financial resources ;
 - (ii) where a committee is unable to provide money from its own revenue, Government should give it money on loan.
- (d) That along with the compulsion to be enforced by Government on municipal committees, it should be the duty of the State to help them with reasonable grants, and that it should also be made obligatory by statute on the Government to provide suitable grants. Therefore, the Committee recommends that, as in the case of Compulsory Education Act, the Government should provide grants to the extent of 50 per cent of the total expenditure on housing scheme, including the cost of land, if nazul land is not available.
- (e) That Government must arm itself with powers to make rules to see that the municipal committees carry out this obligatory duty, within a specified period (paragraph 65).

15. From a consideration of all the evidence the Committee is convinced that the appointment of a competent welfare officer under, or better independent of, the Health Officer, who should be in charge of their welfare work is very necessary in bigger municipalities with large sweeper staff. His duties may cover the following fields of activities, *viz.* :—

- (i) to improve the existing condition of sweepers in general and obtain a greater security of service for them ;
- (ii) to improve the standard of living and suggest better housing conditions with necessary sanitary arrangements ;
- (iii) to take all available steps to reduce indebtedness among them and specially organize co-operative credit societies as well as debt conciliation among them and render all possible help to such societies necessary in their work as well as to prevent them from using the cheap credit in any way detrimental to their interest ;

- (iv) to eradicate the drink habit and other social evils prevalent among them ;
- (v) to encourage spread of education among their children and also adults ;
- (vi) to provide suitable medical aid, maternity and child welfare facilities ;
- (vii) to arrange for their healthy recreation and to join as friend in their sports.

It is immaterial whether the officer is a paid servant of the municipality or not so long as he is specially appointed for the purpose by the municipality concerned and is vested with necessary powers and authority for the proper discharge of his duties and possesses wide sympathy, integrity of character, energy, personality and missionary zeal for the welfare of sweepers.

APPENDIX—I

**Questionnaire for the Central Provinces and Berar Municipal
Sweepers' Enquiry Committee for sweepers of Municipal
and Notified Area Committees**

(1) *Statistics of sweepers*

1. What is the total strength of sweepers and scavengers engaged for the municipal work? How many men and women are engaged for the road sweeping work, how many for cleaning of public latrines, how many for cleaning private latrines, how many for driving refuse-carts, how many for driving night-soil carts, how many engaged in digging trenches and how many engaged for special work, *e.g.*, malaria gangs, etc.?

2. How many conservancy peons, mates or jamadars are engaged in all by the committee? To which castes do they belong? How many of them come from the sweepers' caste? In case there is none from the sweeper caste, do you not think that they should be engaged from experienced sweepers whenever vacancies occur?

(2) *Recruitment of sweepers*

1. Who is the officer who does the actual engagement of sweepers and scavengers when vacancies occur? Is there any list of waiting persons kept?

2. From which districts the present sweepers and scavengers are drawn? In case of further recruitment from which district would you draw them? How many are drawn from your district?

3. Who is authorised to discharge sweepers and to take disciplinary action against the defaulters in work?

4. Who is authorised to hear their appeals against dismissals, fines, reduction of pay, etc.?

(3) *Distribution of wages.*

1. Who is the person authorised to actually pass the pay money to sweepers according to pay-sheet?

2. In presence of which officer or officer-bearer of the committee is the monthly payment made?

3. In case of short payment due to absence for some days in the month, or to fines inflicted, is the complaint made on the spot to the officer and the matter explained to the sweeper?

4. Is any reduction for moneylenders' dues made from the pay by the pay-clerk, and if so, or whom?

5. Do any moneylenders remain present in the office or just outside at the time of the monthly payment or recovery of their dues from sweepers' pay? Are they Pathans or Kabulis or local money-lenders?

(4) *Wages*

1. What is the monthly wage per male sweeper, female sweeper and per working child, in different categories of workers?

2. What is the maximum number of persons engaged from one and the same family and what is the total strength of the family? What is the average number of persons at work in the committee from a single family?

3. Are all the workers full-timers or some of them part-timers and, if so, how many of the latter type? What is the pay of part-timers, male, female and child?

4. What is the minimum wage you would recommend for new entrants, male, female and working child, for sweeping work and scavenging and other work? What is the minimum wage of other menial staff in the committee?

5. Is there any scale of promotions for continuous service? If so, what increment is given and after how many years? If not, would you recommend a time-scale for sweepers? Do other menial servants of the committee get time-scale increment?

6. Approximately on what date is the pay distributed every month? Does the date vary from month to month or is it approximately the same date in all months?

7. Have the male sweepers or female sweepers any other source of income from house-holders, and, if so, for what work? How much is the monthly or annual income from such source and how many sweepers in all earn extra in this way?

8. In case private latrines are not cleaned by and through the committee, what is the charge made by sweepers to house-owners per latrine seat?

9. Are the sweepers engaged on monthly wages by the committee allowed to do private work for house-owners?

10. Please state the average cost of living of an average sweeper family, giving details as per schedule attached and say whether the wage rates in your opinion are adequate or inadequate as compared to the above cost of living.

(5) *Holidays or leave with pay*

1. Is any day in a week observed as a whole or a half-holiday, and, if so which is that day?

2. If no such whole or half-holiday is given every week, would you recommend a half-holiday on every Sunday afternoon, or market day afternoon, if there is a market day, without any inconvenience ?

3. Is any leave given to sweepers on festive occasions, or on public holidays, and, if so, for which and how many days in a year ?

4. Is any casual leave given, and, if so, how many days in a year, as a matter of right ? If none is given, how many days in a year would you recommend ?

5. Is it customary to give sick leave with doctor's certificate on full or half-pay and, if so, for how many days in a year ? If not given at present, how many days in a year would you recommend ?

6. Is maternity leave given to women, and, if so, how many days before, and how many days after, the confinement ? If not given, how many days would you recommend before and after the confinement ?

7. Is any privilege leave given to sweepers now ? If not, how many days in a year would you recommend ?

(6) *Housing and sanitation.*

1. How many houses will be necessary for the committee to construct for accommodation of all the sweepers employed by the committee ?

2. Are there any municipal quarters or huts built for sweepers, and, if so, for how many families ? What is the superficial area, *i.e.*, of the room and the verandah, occupied by each family ?

3. What is the rent charged for municipal quarters, if they exist ?

4. If there are no municipal quarters for them, has the committee any scheme in contemplation or execution for providing quarters ?

5. If the sweepers have their own houses or huts, on whose land are they built ? Have they to pay any rent for the ground ?

6. What is the present arrangement for the supply of water for drinking and washing in the locality or localities of the sweepers ? Are there taps or sweet water wells or tanks in the localities ?

7. Has the committee provided any lights in the locality, and, if so, how many of kerosene, gas, electricity, or any other type ?

8. Are the streets of the sweepers' locality metalled, or brick-paved, or stone-paved, or merely made of earth ? If merely made of earth, is there any scheme for paving the streets or lanes of the locality ?

9. Is there at present any drainage in the locality either for rain water or sewage water ?

10. Is any sweeper engaged for daily sweeping the streets of the locality? If not, does the committee intend to have it regularly swept daily?

11. Are any public latrines or private latrines situated close to the sweepers' locality, say, within a distance of hundred feet?

(7) *Condition of work.*

1. What are the hours of work for sweepers and their spread over every day?

2. How often and at what hours is the muster taken of all the sweepers?

3. What are the receptacles, whether iron pans, bamboo baskets or kerosene tins used for night-soil to drop in, in the case of private latrines and public latrines? Are these receptacles carried on head by sweepers? Do you consider this inhuman? If so, what other methods would you suggest?

4. Are there any byelaws for the construction of private latrines? If so, please supply eight copies?

4-A. Does the municipality supply the sweepers with brooms and baskets for municipal work, and, if so, at what intervals? If not, do the sweepers supply themselves these things of their own make? What do you think is the value of brooms and baskets required in a whole year by one man or woman?

5. Is the bottom of latrine-hole paved with stones or with bricks generally, and is it washable by the sweeper?

6. If private latrines are cleaned by committee, what is the number assigned to one scavenger to be cleaned daily? According to the conditions of your town is the number sufficient or insufficient in your opinion? Is the cleaning done once or twice a day?

7. Are there any complaints of "rishwat" or bribe being taken by supervisors of sweepers, either for first recruitment, or every month, or when they are given leave with pay or without pay?

8. Do sweepers offer any bribes when they wish to shirk the work assigned to them, and, if so, to whom?

(8) *Indebtedness.*

1. What is the extent of indebtedness of sweepers per family? Have statistics been ever taken and verified? What are the chief causes of indebtedness of the sweepers?

2. Who are the creditors, Pathans or Kabulis, municipal employees or their friends or relatives, Baniyas, Bohras or sweepers or any others?

3. What is the rate of interest charged by these moneylenders—
 (a) on money given on credit, and
 (b) on money given on pledged ornaments or pledge of movables?

4. Does a co-operative society exist either for municipal sweepers or for all municipal employees? If so, how many sweepers are members thereof? How many have received loans for wiping off their old debts? If none exists, would you recommend the co-operation of the committee in the formation and running such a society.

5. If a co-operative society be organised hereafter, will the committee be prepared to deduct loan instalments from the sweepers' pay directly every month? If not, what are your objections to the said procedure?

6. Have you ever asked the Co-operative Department to organise such a society for your sweepers, or to do propaganda for the same.

7. Do your sweepers practise any thrift or compulsory deposit in any way?

8. Name three or four public spirited gentlemen of your town who will help in organising and successfully running such a society, of course, in co-operation with the committee.

(9) *Provident fund and gratuity.*

1. Is the provident fund scheme introduced for committee employees of a permanent class? If so, how much is deducted from the salary, and how much contributed by the committee?

2. Is the scheme introduced for sweepers also? If not, would you advocate the introduction for them? If it is, have they taken advantage of it? If not, why not? Are you in favour of the pension or the provident fund scheme?

3. Is any gratuity given at the time of retirement, if so, after how many years' service? If not given, would you recommend it now and, if so, on what scale?

4. Is any compensation given to sweepers in case of accident in course of employment, causing disablement or death? If so, on what scale?

(10) *Permanence of service.*

1. Do you think sweepers should be made permanent servants of the committee or continued to be temporary as at present? If temporary, why so?

2. If they should be made permanent, after what period of service?

3. Should there be a system of apprenticeship or period of probation and, if so, for what period?

(11) *Education.*

1. Is the primary education in your town voluntary or compulsory for boys and girls? If voluntary, do the sweepers send their children to municipal schools? If compulsory, is it enforceable for sweepers? If voluntary, what is the total number of boys and girls, separately, who attend primary schools?

2. Are they freely admitted in municipal and aided schools, and made to sit along with all other boys without any distinction? Do the teachers touch them physically?

3. Are there any mission schools which they resort to, and, if so, how many boys and girls attend such schools? What is the distance of the mission schools from their locality?

4. Is any indirect pressure or persuasion used on sweepers to send their children to schools?

5. Is any money earmarked by the committee for the supply of books or dress and school requisites to children of sweepers? If not, would your committee recommend the same being done?

6. Are there any evening or night classes where adult sweepers can be asked to go? If not, would you recommend the starting of any?

(12) *Sweepers' union.*

1. Is there a union of sweepers in your town? If so, how many have joined it?

2. Who are the office-bearers of the union, and are they from the sweepers or outsiders? Please give their names?

3. What is the monthly fee charged to the members of the union?

4. Is the union recognised by the committee? Has the union ever sent complaints about individual cases or of sweepers in general? If so, with what results?

(13) *Strikes.*

1. Was there any strike or strikes among the sweepers since the year 1931 or in previous years?

2. What were the demands of the strikers in each case, and how were they met?

3. What was the result of those strikes in general and their impression on the public mind, or inconvenience to the public of your town?

4. In case of a strike in future, where would you get your substitutes from and at what cost?

(14) *Drink and drug.*

1. What is your impression about the drink habit among sweepers, male and female, of your town ?

2. Is there any habit of taking opium, ganja or any other drug among them ? If so, how many people are addicted to it ?

3. How many families are, in your estimate, addicted to drink ? What is the monthly expenditure on this item amongst those—

(a) who drink heavily,

(b) who drink moderately ?

4. Is any charitable man or association working to dissuade them from drink and drug habit ?

5. If the drink be abolished, either by persuasion or by legislation, will the sweepers be benefitted, and if so, to what extent ? Will they be better municipal workers by leaving off this habit ?

6. If prohibition is in full force in your town, what effect has it produced on the morale and the mode of living of the sweepers ?

NOTES.—(1) Eight copies of replies should be sent.

(2) The reply should be sent to the Secretary to the Committee by the 31st October 1938 at the latest. Special efforts must be made by all to submit the replies punctually, to support the information by facts and figures, and to set out the information in a simple and intelligible manner.

(3) Those interested in the condition of sweepers may send in replies to the Secretary on all or any of the questions in the questionnaire. They may add any other remark or evidence which may be of interest to the Committee.

(4) The Committee will summon witnesses from among those who have tendered written evidence.

P. K. SEN,

Secretary, Municipal Sweepers' Enquiry Committee,
Central Provinces and Berar.

SCHEDULE

1. Average number of persons in the family with age—
 (a) Men.....(b) Women.....(c) Children under 12.....
2. Average monthly earnings of the family—

Earning members	Occupation	Wage	Overtime or extra pay	Additional earnings (if any) with source	Total income
		Rs.	Rs.	Rs.	Rs.
<i>(a) Men—</i>					
(1)	..				
(2)	..				
<i>(b) Women—</i>					
(1)	..				
(2)	..				
<i>(c) Children—</i>					
(1)	..				
(2)	..				
Total family income	..	_____	_____	_____	_____

3. Expenditure on—		Rs. a. p.
Food		..
Fuel and lighting		..
House rent		..
Clothings and shoes		..
Bedding and household effects		..
Miscellaneous—		
Medical expenses		..
Amusements		..
Liquor, tobacco		..
Repayment of debt, etc.		..
Total	..	_____

APPENDIX II

Names of Municipal Committees in the Central Provinces and Berar.

		Population		
<i>Nagpur District.</i>				
1.	Nagpur	.. 215,165		
2.	Kamptee	.. 20,787		
3.	Ramtek	.. 8,939		
4.	Khapa	.. 8,115		
5.	Kalmeshwar	.. 4,665		
6.	Umrer	.. 17,913		
7.	Mowar	.. 5,206		
8.	Saoner	.. 7,969		
9.	Katol	.. 10,900		
<i>Chanda District.</i>				
1.	Chanda	.. 28,138		
2.	Warora	.. 9,811		
<i>Wardha District.</i>				
1.	Wardha	.. 19,571		
2.	Arvi	.. 16,293		
3.	Deoli	.. 6,209		
4.	Hinganghat	.. 22,601		
5.	Pulgaon	.. 7,845		
<i>Chhindwara District.</i>				
1.	Chhindwara	.. 17,080		
2.	Pandhurna	.. 11,570		
3.	Sausar	.. 5,919		
4.	Seoni	.. 16,081		
<i>Betul District.</i>				
1.	Betul	.. 9,614		
<i>Jubbulpore District.</i>				
1.	Jubbulpore	.. 104,317		
2.	Sehora	.. 5,764		
3.	Murwara	.. 21,959		
<i>Saugor District.</i>				
1.	Saugor	.. 39,822		
2.	Deori	.. 5,638		
3.	Etawah	.. 7,430		
4.	Khurai	.. 6,951		
5.	Damoh	.. 20,728		
<i>Mandla District.</i>				
1.	Mandla	.. 7,957		
<i>Hoshangabad District.</i>				
1.	Hoshangabad	.. 12,332		
2.	Harda	.. 16,031		
3.	Seoni-Malwa	.. 6,410		
4.	Pachmarhi	.. 1,437		
5.	Sohagpur	.. 8,141		
6.	Itarsi	.. 11,787		
7.	Narsinghpur	.. 11,077		
8.	Gaderwara	.. 9,077		
9.	Chhota Chhindwara	.. 3,671		
<i>Nimar District.</i>				
1.	Khandwa	.. 34,622		
2.	Burhanpur	.. 44,066		
<i>Raipur District.</i>				
1.	Raipur	.. 45,390		
2.	Dhamtari	.. 11,505		
<i>Drug District.</i>				
1.	Drug	.. 13,172		
<i>Bilaspur District.</i>				
1.	Bilaspur	.. 25,735		
<i>Bhandara District.</i>				
1.	Bhandara	.. 16,738		
2.	Tumsar	.. 10,061		
3.	Pauni	.. 12,525		
4.	Gondia	.. 14,957		
<i>Balaghat District.</i>				
1.	Balaghat	.. 9,605		
<i>Amraoti District.</i>				
1.	Amraoti town	.. 46,832		
2.	Amraoti Camp	.. 10,268		
3.	Ellichpur City	.. 28,592		
4.	Ellichpur Civil Station	.. 9,799		
5.	Anjangaon Surji	.. 11,597		
6.	Morsi	.. 9,988		
7.	Warud	.. 10,038		
8.	Badnera	.. 15,000		
9.	Daryapur	.. 11,619		
<i>Akola District.</i>				
1.	Akola	.. 47,632		
2.	Akot	.. 18,693		
3.	Karanja	.. 16,615		
4.	Basim	.. 14,409		
5.	Murtizapur	.. 11,541		
6.	Balapur	.. 11,245		
<i>Buldana District.</i>				
1.	Buldana	.. 7,504		
2.	Khamgaon	.. 23,462		
3.	Shegaon	.. 14,699		
4.	Malkapur	.. 17,565		
5.	Jalgaon	.. 10,463		
6.	Mehkar	.. 7,009		
7.	Chikhli	.. 7,041		
8.	Nandura	.. 11,212		
<i>Yeotmal District.</i>				
1.	Yeotmal	.. 20,867		
2.	Wu	.. 12,567		
3.	Digras	.. 9,398		
4.	Darwah	.. 9,661		
5.	Pandherkawda	.. 7,577		
6.	Pusad	.. 9,862		

List of Notified area committees in the Central Provinces and Berar.

			Population	
1. Ballarpur	..	Chanda	.. 5,737	
2. Sindi	..	Wardha	.. 6,883	
3. Betul Bazar	..	Betul	.. 5,378	
4. Multai	..	Do.	.. 5,513	
5. Bamora	..	Saugor	.. 1,829	
6. Pohar Pipria	..	} Hoshangabad	.. { 3,968	
7. Kareli Ganj { 2,316
8. Bhatapara	..	Raipur	.. 7,974	
9. Champa	..	} Bilaspur	.. { 1,358	
10. Kota { 3,915
11. Mungeli { 6,665
12. Wara Seoni	..	Balaghat	.. 5,449	
13. Chandur Railway	..	} Amraoti	.. { 7,094	
14. Chandur Bazar { 5,804
15. Shendurjana-Malakpur	..	} Do.	.. { 8,946	
16. Dhamangaon Dattapur { 9,813
17. Telhara	..	Akola	.. 6,136	
18. Deulgaon Raja	..	Buldana	.. 5,837	
19. Umarkhed	..	} Yeotmal	.. { 7,957	
20. Ghatanji { 3,858

APPENDIX III

*List of Trade Unions and Harijan Sevak Sanghs.***Trade Unions**

1. The Central Provinces and Berar Municipal Employees' Association, Nagpur.
2. The Khamgaon Municipal Employees' Union, Khamgaon.
3. The Raipur Municipal Employees' Association, Raipur.
4. The Sudarshan Sanitary Workers' Union, Nagpur.
5. The Federation of Local Bodies' Employees' Union in the Central Provinces and Berar, Khamgaon.

6. The Amraoti Town Municipal Employees' Union, Amraoti.
7. The Mehkar Municipal Employees' Union, Mehkar.
8. The Municipal Workers' Union, Jubbulpore.
9. The Anjangaon Municipal Employees' Union, Anjangaon.
10. The Shegaon Municipal Employees' Union, Shegaon.
11. The Mahakoshal Local Bodies' Employees' Association, Central Provinces, Jubbulpore.
12. The Bhandara Municipal Employees' Association, Bhandara.

Harijan Sevak Sanghs.

1. The Secretary, Harijan Sevak Sangh, Saugor.
2. The President, Harijan Sevak Sangh, Jubbulpore.
3. The President, Harijan Sevak Sangh, Mandla.
4. The Secretary, Harijan Sevak Sangh, Harda.
5. The Secretary, Harijan Sevak Sangh, Narsinghpur.
6. The Secretary, Harijan Sevak Sangh, Betul.
7. The Secretary, Harijan Sevak Sangh, Balaghat.
8. The Secretary, Harijan Sevak Sangh, Chhindwara.
9. The Secretary, Harijan Sevak Sangh, Bilaspur.
10. The Secretary, Harijan Sevak Sangh, Raipur.
11. The Secretary, Harijan Sevak Sangh, Khandwa.
12. The Secretary, Harijan Sevak Sangh, Gondia.
13. The Secretary, Harijan Sevak Sangh, Chanda.
14. The Secretary, Harijan Sevak Sangh, Buldana.
15. The Secretary, Harijan Sevak Sangh, Akola.
16. The Secretary, Harijan Sevak Sangh, Yeotmal.
17. The President, Harijan Sevak Sangh, Drug.
18. The President, Harijan Sevak Sangh, Nagpur.
19. The President, Harijan Sevak Sangh, Wardha.
20. The President, Harijan Sevak Sangh, Amraoti.

APPENDIX IV

*Tour programme of the Municipal Sweepers' Enquiry Committee,
Central Provinces and Berar, for the months of December 1938,
and January 1939.*

20th December 1938 ..		Arrive Jubbulpore.	
21st December 1938 ..	}	Halts.	Inspections of latrines and localities of sweepers and examining witnesses.
23rd December 1938 ..			
24th December 1938 ..	16-21 p.m.	} Leave Jubbulpore	Do.
25th December 1938 ..	8.31 a.m.			} Arrive Khandwa.
25th December 1938 ..	}	Halts.	.. Do.
26th December 1938 ..			
27th December 1938 ..	{	8.38 a.m. Leave Khandwa	Do.
		13.58 p.m. Arrive Shegaon.	
28th December 1938 ..	{	8.56 a.m. Leave Shegaon.	Do.
		12.2 p.m. Arrive Amraoti.	
28th December 1938 ..	}	Halts	.. Do.
29th December 1938 ..			
30th December 1938 ..		{ Leave Amraoti by motor	Do.
		} Arrive Yeotmal by motor.	
31st December 1938 ..	}	Halts	.. Do.
1st January 1939 ..			
2nd January 1939 ..		{ Leave Yeotmal by motor	Do.
		} Arrive Dhamangaon.	
2nd January 1939 ..	{	6.30 a.m. Leave Dhamangaon.	Do.
		11.42 a.m. Arrive Gondia.	
3rd January 1939 ..		Halt.	Do.
3rd January 1939 ..	0.47 a.m.	Leave Gondia	.. Do.
4th January 1939 ..	4.54 a.m.	Arrive Raipur	.. Do.
4th January 1939 ..	}	Halts	.. Do.
5th January 1939 ..			
5th January 1939 ..		Leave Raipur	.. Do.

APPENDIX V

*Witnesses examined by the Committee.***Nagpur**

1. Dr. Tuli, Health Officer, Municipal Committee, Nagpur.
2. Messrs. Page and P. D. Marathe.
3. Jodhalal, Ramcharandas, Hiralal and Jwala Prasad. (Sweepers representatives.)
4. Secretary, Municipal Committee, Umrer.
5. Secretary, Municipal Committee, Wardha.
6. Secretary, Municipal Committee, Chanda.
7. Mr. Valunekar of Wardha.
8. Secretary, Municipal Committee, Hinganghat.
9. Secretary, Municipal Committee, Chanda.
10. Mr. Bhikulal Chandak.
11. Laxman, Sweeper of Chanda.
12. Mr. Phadake, Secretary, Harijan Sevak Sangh, Chanda.
13. Officer in charge Municipal Committee, Mowad.
14. Secretary, Municipal Committee, Nagpur.
15. Secretary, Civil Station Sub-Committee, Nagpur.

Jubbulpore

16. Secretary, Municipal Committee, Saugor.
17. Health Officer, Municipal Committee, Jubbulpore.
18. Mr. S. K. Deshpande, Katni Workers' Union, with three sweepers.
19. Secretary, Municipal Committee, Katni.
20. Secretary, Mahakoshal Local Bodies' Employees' Union, Jubbulpore.
21. Rajendra Prasad Singh and Mr. Pagore.
22. President, Municipal Committee, Jubbulpore.
23. Secretary, Harijan Sevak Sangh, Saugor.
24. Joint Secretary, Katni Workers' Union, Katni.
25. Mr. Nitraj Singh, Secretary, Harijan Sevak Sangh, Narsinghpur.
26. Secretary, Municipal Committee, Seoni.

Khandwa

27. Mr. T. P. Rawat, Secretary, Municipal Committee, Hoshangabad.
28. Secretary, Harijan Sevak Sangh, Betul.
29. Kashiram Jamadar of Betul.
30. Secretary, Municipal Committee, Khandwa.
31. Sanitary Inspector, Municipal Committee, Khandwa.
32. Secretary, Harijan Sevak Sangh, Khandwa.
33. Khandwa sweepers (Partu, Bema, Sheodin, Husen and others).
34. Mr. Janardan, Secretary, Municipal Committee, Burhanpur.
35. Mr. G. P. Verma, Secretary, Municipal Committee, Harda.

Shegaon

36. Mr. U. P. Mudliar, Secretary, Municipal Committee, Shegaon.
37. Mr. Yadorao Mudliar, President, Municipal Committee, Shegaon.
38. Sadashiva Gopa.
39. Mr. Chande, President, Trade Union, Khamgaon.
40. Secretary, Municipal Committee, Khamgaon.
41. Sweepers of Buldana. (Two in number.)
42. Gulam Husen, Nursu and one more.

Amraoti

43. Secretary, Municipal Committee, Amraoti.
44. Mr. R. P. Dube, Secretary, Amraoti Sweepers' Union.
45. Secretary, Notified Area Committee, Shendurjana.
46. Secretary, Municipal Committee, Ellichpur City.
47. Secretary, Municipal Committee, Ellichpur Camp.
48. Secretary, Municipal Committee, Akola.
49. Mrs. Patwardhan, Secretary, Harijan Sevak Sangh, Amraoti.
50. Municipal Committee's School Inspector, Amraoti.
51. President, Municipal Committee, Amraoti.
52. Secretary, Harijan Sevak Sangh, Akola.
53. Secretary, Anjangaon Municipal Employees' Union.

Yeotmal

54. Mr. B. L. Navlekar of Pandharkawada.
55. Secretary, Harijan Sevak Sangh, Yeotmal.
56. Secretary, Municipal Committee, Yeotmal.
57. President, Municipal Committee, Yeotmal.
58. Sweepers of Yeotmal.
59. Secretary, Municipal Committee, Pandharkawada.

Gondia

60. Secretary, Municipal Committee, Balaghat.
61. Secretary, Harijan Sevak Sangh, Balaghat.
62. President, Municipal Committee, Gondia.
63. Sweepers of Gondia (Ramprasad and Ghatain).
64. Raghunath Mehtar, Bhandara.
65. Sakharam Palsudkar of Gondia (Sweepers' representative).

Raipur

66. Health Officer, Municipal Committee, Raipur.
67. Mr. Murlidhar, Secretary, Municipal Committee, Raipur.
68. W. N. Sharma, Secretary, Municipal Committee, Drug.
69. Mr. Pyarelal Singh, President, Municipal Committee, Raipur.
70. Secretary, Municipal Committee, Bilaspur.
71. Secretary, Harijan Sevak Sangh, Bilaspur (Mr. Bhawe).
72. Sweepers of Raipur (Padam, Danla, Jagam Billi.)

APPENDIX VI

Byelaws of the Bilaspur Harijan Municipal Employees' Co-operative Society, Ltd.

I.—PRELIMINARY

The name of the society is Bilaspur Harijan Municipal Employees' Co-operative Society, Limited, and its registered office is at Bilaspur.

2. The objects of the society are to encourage thrift by enabling the borrowing members to save part of their income in a safe and convenient way with the prospect of a fair profit and to redeem old debts and to prevent indebtedness by making loans available on reasonable terms and to improve the material and moral condition of the borrowing members.

II.—FUNDS

3. Funds may be raised—

- (1) By subscriptions and shares.
- (2) By loans and deposits.
- (3) By donations and entrance fees.

4. The amount of capital to be raised by the sale of shares shall not exceed Rs. 3,000 for the present. The nominal value of such share shall be Rs. 10. Out of the authorised capital not more than half the capital shall be held by non-borrowing members hereinafter described.

5. (a) Deposits and loans may be received for fixed periods at such rates and to such an amount as may be determined by the managing committee provided that the total of loans and deposits shall never exceed three times the paid-up share capital plus the reserve fund.

(b) The Society shall not accept loans or deposits except with the previous sanction of the Registrar.

6. The funds of the society when not utilized shall be invested or deposited as required by section 32 (1) (a), (b) or (d) of the Co-operative Societies Act.

III.—MEMBERSHIP

7. (a) The membership shall be divided into two classes—

- (1) Borrowing members.
- (2) Non-borrowing members.

(b) (i) The borrowing membership shall be open to municipal employees of the Bilaspur municipal committee, who shall empower

the municipal committee to make deductions on account of the instalments of loans, monthly subscriptions and other dues for payment to the society.

(ii) Non-borrowing membership shall be open to the persons interested in the promotion of the welfare of these menials in the co-operative manner.

8. No person shall be a member unless—

- (i) His written application for membership has been approved by the two-thirds of total members of managing committee subject to the confirmation of the general meeting.
- (ii) He has paid an entrance fee of rupee one.
- (iii) He has either purchased at least one share or paid his first monthly subscription under byelaw 13.

Members who signed the original application for registration are exempt from byelaw 8 (1).

9. Every duly elected member shall sign his name in the byelaws of the society, and to accept the rights, obligations and responsibilities of membership as defined in these byelaws.

10. Any member may withdraw from society at any time after giving two months' notice to the Managing Committee, provided that he is not in debt to the Society (or surety for another member who is in debt to it).

11. A member of the society may be expelled by vote of General Meeting :—

- (1) If he is a persistent defaulter.
- (2) If he wilfully deceives the society by a false statement.
- (3) If he is a bankrupt or legally disabled.
- (4) If he is criminally convicted.
- (5) If he intentionally does any act likely to injure the credit of the society.
- (6) If he fails for three successive months to pay his monthly subscription.

Expulsion may involve the forfeiture of all shares held by him.

12. A person ceases to be a member—

- (1) On death.
- (2) On acceptance of his resignation by the Managing Committee.
- (3) On expulsion.
- (4) On the transfer or forfeiture of all the shares held by him.
- (5) In case of borrowing members when he ceases to be in the employment of the Bilaspur municipal committee.

IV.—SHARES AND SUBSCRIPTIONS

13. Every borrowing member shall be required to pay to the society a monthly subscription at the following rates according to his pay excluding allowance, if any, payable to him by the municipal committee :—

Pay	Subscription
	Rs.
Rs. 1 to 12 ..	1
Rs. 13 to 22 ..	2
Rs. 23 to 30 ..	3
Rs. 31 to 40 ..	4
Rs. 41 to 50 ..	5

In exchange for each subscription paid, he will receive a receipt ticket. As soon as he has acquired tickets worth Rs. 10 he may produce them before the Secretary who will cancel them and issue to him a share certificate for one Rs. 10 share. The certificate will be dated and will rank for dividend.

14. In addition to the shares purchased from the monthly subscriptions any member is at liberty to apply to the Managing Committee for further shares and to pay for them in a single cash payment provided that no non-borrowing member shall individually hold more than 10 shares.

15. The liability of a member is limited to the nominal value of the shares held by him.

16. A member may transfer his share or shares after holding them for one year to another member with the approval of the Managing Committee. The transfer is not complete until the name of the transferee has been entered in the Share Transfer Register, and such fee as the Managing Committee may prescribe for effecting the transfer has been paid.

17. A share certificate bearing a distinctive number shall be issued for each share subscribed.

18. In the event of membership ceasing under byelaw 10 or 12 the part value of the shares held by a member after deducting any amount due by him to the society shall be paid to him within six months from the date of the cessation of membership.

19. Any member of the society may by a writing under his hand deposited with the society nominate any person (other than a servant or officer of the society) to whom the whole or any part of his interest in the society should be transferred in the event of his death. A fee of two annas per share will be charged for recording such nominations and any subsequent revocation or variation.

20. On the death of a member the amount standing to his credit by way of shares or dividends or subscription shall subject to deductions on account of his liabilities, be paid to his heir nominated by him, or in the absence of such nominee, to such person as may appear to the Committee to be entitled to receive the amount as heir or legal representative of the deceased member on his executing a deed of indemnity to the society. The deposits of the deceased may be withdrawn by such heir only if the period of deposits has expired.

V.—GENERAL MEETINGS

21. The annual general meeting shall be held during the month of December after the annual audit.

22. The functions of the Annual General Meeting are—

- (1) To elect a President for the ensuing year, whose duty shall be to preside at General Meetings, to supervise the administration of the society generally and to summon through the Secretary, General Meeting, whenever necessary.
- (2) To appoint persons to audit the accounts of the society during the ensuing year and to fix their remuneration.
- (3) To elect four members of the Managing Committee for the ensuing year and to appoint a Secretary and Joint Secretary if necessary and to fix their remuneration.
- (4) To receive from the Managing Committee the balance sheet of the last year and to sanction the distribution of the profits.
- (5) To consider any communication or audit memorandum that may have been received from the Registrar or any other business duly brought forward.
- (6) To sanction admission of members.
- (7) To consider appeals against the orders of the Managing Committee in matters in which the power of receiving appeals has been specifically reserved by the General Meeting, and generally to exercise supreme authority in any matter relating to the work of the society.

23. A special General Meeting can be summoned by the President or by a majority of the Managing Committee, whenever he or they think fair and must be summoned on a requisition from the Registrar, or from 25 ordinary members.

24. In the case of an Annual General Meeting 14 days' notice and in the case of a special General Meeting seven days' notice, shall be given. The notice shall specify the date, hour and place of the meeting and business to be transacted.

25. With the permission of two-thirds of the members present at a General Meeting, any member may bring forward a proposal not mentioned in the notice convening the meeting, provided that such proposal does not relate to the expulsion of a member or the alternation of a byelaw.

26. The President shall have a casting vote in addition to his ordinary vote.

27. Each member shall have one vote: Voting by proxy shall not be allowed.

28. In order to constitute a quorum for the General Meeting at least two-thirds of the borrowing members shall be present. For adjourned meetings no quorum shall be necessary.

VI.—MANAGING COMMITTEE

29. (1) The management of the society shall be carried on by a Managing Committee, consisting of three members holding office *ex officio*, namely—

- (1) President,
- (2) Secretary,
- (3) Joint Secretary, and
- (4) Members elected at the Annual General Meeting.

The Chairman of the Committee shall be the President elected under byelaw 22.

(2) The committee may elect its own Vice-Chairman. Each member shall have one vote.

30. Subject to the byelaws and the resolution passed at a General Meeting, the Managing Committee shall have full authority to carry on the business of the Society. It shall meet for the transaction of the business not less often than once a month. Four members shall form quorum.

31. Vacancies among the elected members of the Managing Committee from death or any other cause shall be filled up by the Managing Committee.

32. A committee minute book shall be maintained by the Secretary, in which the names of members present and the proceedings at such meeting shall be recorded. It shall be open to the inspection of all members.

33. No member shall be present or vote on any matter in which he has personal interest.

34. The powers of the Managing Committee shall be—

- (1) To admit new members.

- (2) To appoint, suspend, fine or dismiss all salaried servants of the society, subject to an appeal to the General meeting.
- (3) To appoint treasurer with the approval of Registrar.
- (4) To hear and deal with complaints.
- (5) To deal with applications for loans.
- (6) To supervise and check the accounts.
- (7) To enquire into and take action in cases of default.
- (8) To prepare annual balance sheets.
- (9) To raise loans and deposits on such terms as may be decided upon.
- (10) To institute, defend or compromise legal proceedings.
- (11) Generally to conduct the business of the Society.

35. It shall be the duty of the auditors appointed under byelaw 22 (2) to audit the accounts and documents of the Society quarterly and of the Managing Committee to produce all the requisite books for their inspection. This audit shall be in addition to the audit made by the regular staff of the Registrar.

36. The services of all the members of the Committee shall be gratuitous.

37. The Managing Committee shall control the Secretary whose duties shall be—

- (1) to carry on the correspondence of the Society and to maintain all the books, accounts and registers ;
- (2) to receive applications for loans, withdrawals of deposits, etc., and to lay them before the Managing Committee, and to prepare receipts and vouchers ;
- (3) to receive and disburse money on behalf of the society under orders of the Managing Committee ; and
- (4) to attend to all other business entrusted to him by the Managing Committee.

VII.—LOANS.

38. Any qualified borrowing member wishing to obtain a loan shall forward to the Secretary an application, stating the amount required, the purpose, surety or security offered and the period of repayment desired.

39. A loan may be granted at the discretion of the Managing Committee to any member up to the amount of his and his joint members salaries for three months, subject to a maximum limit of Rs. 200. For each loan two sureties from amongst the members shall be produced.

39-A. It shall be at the discretion of the Managing Committee to lend once only, irrespective of the limit contained in this byelaw, a sum which in the opinion of the Committee will suffice to pay off any existing debt contracted prior to admission into the society.

40. Loans shall ordinarily be repayable in not more than 12 monthly instalments. But the Committee may if it thinks fit (for reasons to be recorded) extend it to a longer period not exceeding 18 months. The usual monthly subscriptions shall be payable in addition to the instalments.

41. Loans may be granted on a mortgage of unencumbered immovable property or on an assignment of an insurance policy, the surrender value of which covers loan.

42. Interest on loans shall be $12\frac{1}{2}$ annas per cent per month (equivalent to $1\frac{1}{2}$ pies per rupee) and to Rs. 9-6-0 per annum.

On loans taken before the 16th of a month interest for the full month shall be charged and those taken on or after the 16th, interest for half of that month shall be charged.

43. On overdue loans interest shall be charged at 18 per cent per annum from the date of default.

44. When a member takes a loan from the Society or becomes surety under byelaw 41 he shall undertake not to resign service in the municipal department until his liability is discharged.

45. It is the duty of the Managing Committee to take prompt action for the recovery of overdue loans. The Committee shall be liable jointly and severally for any loss befalling the society on account of any loan or instalment which has been overdue for more than six months *without its permission*, unless in that period a suit has been filed or the case referred to arbitration.

VIII.—DEPOSITS

46. Deposits may be received at any time for fixed period on such conditions as the General Meeting may decide.

IX.—DISTRIBUTION OF PROFITS

47. The distribution of profits shall be decided on at the Annual General Meeting. The balance remaining after carrying 25 per cent to reserve and paying a bonus, if any, to paid servants, shall be available for paying a dividend on shares; dividends will be added to members' subscriptions unless any member applies to have his dividend paid to him.

48. The dividend shall in no case exceed 12 per cent.

X.—RESERVE FUND

49. In addition to the sum prescribed under section 33 of the Act, receipts on account of forfeited shares, fines and donations, unless they have been given for specific purpose shall be carried to reserve.

50. Not less than half the reserve fund shall be invested as the Registrar may direct.

51. Any loss on the year's working may, with the previous sanction of the Registrar, be made good from the reserve fund.

XI.—ACCOUNTS AND RECORDS

52. Accounts and records shall be maintained in the forms prescribed by the Registrar, with such additions as the Managing Committee think necessary. The Chairman and the Secretary shall have power jointly to execute documents, grant receipts and sign share certificates on behalf of the society.

53. Any member of the Society may inspect any of the registers or records during office hours so far as they relate to his own business transactions with the previous sanction of the President in writing.

XII.—AMENDMENT OF BYELAWS

54. Subject to the rules framed by the Local Government, byelaws can be amended, by a resolution of a General Meeting carried by a two-thirds majority of the voters present after sanction of the Registrar, Co-operative Societies, Central Provinces and Berar.

Memorandum of Association of the Pandharkawada Municipal Sweepers' Co-operative House Building Society, Ltd.

We, the undersigned employees of the municipal committee, Pandharkawada, and residents of the same place, beg to apply for the registration of the "Pandharkawada Municipal Sweepers' Co-operative House Building Society, Ltd." and request you to register the proposal in the name of "the Pandharkawada Municipal Sweepers' Co-operative House Building Society, Limited", Pandharkawada.

2. The registered office of the society shall be at Pandharkawada and its area of operation will be limited to the Pandharkawada municipal limits.

3. *Objects.*—The objects of the society are as under :—

- (1) To help members by securing them loans for erecting or acquiring houses, for repairing houses or making suitable modifications or accretions thereto as may be necessary or convenient.

- (2) To build suitable building for personal use for letting them out to members.
- (3) To establish and carry on business of manufacturing or purchasing bricks or other building materials and selling them to members for their own use.
- (4) To encourage thrift, self-help and co-operation amongst the members of the society and to promote their economic interests in accordance with co-operative principles.
- (5) To establish and conduct social, recreative and educational work or institution.

4. *Liability of members.*—The liability of the members of the society shall be limited to three times the face value of the shares held by them.

5. *The Capital.*—The Capital of the Society shall be raised by—

- (1) issue of shares,
- (2) raising loans,
- (3) acceptance of deposits,
- (4) creation of any other fund out of profits.

We have read and understood the byelaws of the society and we agree to abide by them. We further agree to purchase the number of shares specified against our names.

Name of member	Age	Residence and occupation	Number of shares to be purchased	Signature
Dhoundu Isri	.. 42	Pandharka w d a Munici p a l S e r v i c e (sweeper).	1	(sd.) Dhoundu Isri.
Budhu Maiku	.. 45	Do. ..	1	(sd.) Budhu Maiku.
Hira Isri	.. 38	Do. ..	1	(sd.) Hira Isri.
Nau Kawana	.. 30	Do. ..	1	(sd.) Nau Kawana.
Pardesia	.. 30	Do. ..	1	(sd.) Pardesia.
Kalla Chatu	.. 35	Do. ..	1	(sd.) Kalla Chatu.
Ganeshia Maiku	.. 35	Do. ..	1	(sd.) Ganeshia Maiku.
Bilasia Chothu	.. 30	Do. ..	1	(sd.) Bilasia Chothu.
Sakroo Bajrang	.. 28	Do. ..	1	(sd.) Sakroo Bajrang.
Sitaram	.. 25	Do. ..	1	(sd.) Sitaram.

To

The PRESIDENT,
Municipal Committee,
Pandharkawada.

Sir,

We, the undersigned municipal sweepers, beg to bring to your kind notice that with a view to construct sweepers' quarters for our own use, we have agreed to form a co-operative society and propose to borrow the necessary amount from the Central Co-operative Bank, Yeotmal. We learn that a plot has been allotted by Government for this purpose and by constructing buildings on that plot we would be better housed and we would have a right to use decent buildings. The buildings would continue to be our property and in case of our death or resignation or dismissal the property would be transferable to some one who is a member of the society or in his absence to a municipal sweeper. If no purchaser is found the owner of the building would be entitled to recover rent from the occupier who would always be a municipal sweeper. If the rent is not recoverable the person constructing the building would be at liberty to dispose of the materials, provided that the dues over the building have been fully paid.

We agree that if an advance is made by the Central Bank we would be willing to get our instalment deducted from our pay by the secretary, municipal committee, and as agreed to by the Managing Committee and further agree that all the dues would be paid within 10 years of the advance made.

We hope that your honour would be pleased to inform the Central Bank about this and take all such steps in the matter which would facilitate the recovery of the amount due from us. If necessary a resolution of the municipality agreeing to the proposal may be passed and intimation may be sent to the Central Bank.

We have every hope that your honour would be pleased to approve the proposal.

We beg to remain,
Sir,
Your most obedient servants.

DHONDU ISRI.
BUDHU MAIKU.
HIRA ISRI.
NAW KAUNA.
PARADESIA.
KALLA.
GANESHIA MAIKU.
BILASIA CHOTHU.
SAKROO BAJRANG.
SITARAM.

Pandharkawada.

From

B. L. NAVLEKAR,

Pleader,

Pandharkawada.

To

The CHAIRMAN

Central Co-operative Bank.

Yeotmal.

Pandharkawada, the 6th November 1937.

SUBJECT—*Formation of Municipal Sweepers' House Building Co-operative Society*

SIR,

I have great pleasure in forwarding a proposal for the organization of Municipal Sweepers' Co-operative House-Building Society herewith. The main difference in the present society and the one, I am forwarding is that in this case the sweepers would not be the owners of the plots. They would only be the owners of houses and materials.

For this reason the maximum advance to a member would not be more than Rs. 150. Sweepers get Rs. 10 to Rs. 12 per month and in one family there are two or three earning members and so we would be getting, say, Rs. 4 per house per month. In any case the amount would be recovered within 10 years. In case of death or resignation or dismissal we are providing that the municipality should rent out the building to another municipal sweeper and the sweeper should be charged rent equal to the instalment payable and in this way we would be recovering the amount without any hitch. The Municipal President is agreeable to the proposal.

Unless some such thing is done the sweepers will continue to be housed in bad and unhealthy quarters. Is it not high time that the educated classes should do for housing this class of persons!

I hope that taking all factors into consideration you would agree to forward the proposal for registration.

I have the honour to be,

Sir,

Your most obedient servant,

B. L. NAVLEKAR.

**BYELAWS OF THE PANDHARKAWADA MUNICIPAL
SWEEPERS' CO-OPERATIVE HOUSE-BUILDING
SOCIETY, LIMITED, PANDHARKAWADA**

1. Name, office and objects .—This society shall be called “ The Pandharkawada Municipal Employees’ Co-operative House-building Society, Limited ”.

2. The registered office of the society shall be at Pandharkawada, taluq Kelapur, district Yeotmal.

3. In these byelaws unless there is anything repugnant in the subject or context :—

(a) “Act ” means the Co-operative Societies Act, II of 1912, or any other Act that shall hereafter take its place.

(b) “ Rules ” means the rules for the time being in force under the Act.

(c) “Society ” means the Pandharkawada Municipal Employees’ Co-operative House-Building Society, Limited, Pandharkawada.

(d) A “Member ” means a person joining in the application for registration of the society or a person who is admitted as a member of the society in accordance with these byelaws.

(e) The “ Registrar ” means a person appointed under the Act to perform the duties of Co-operative Societies in the Central Provinces and Berar.

4. The objects of the society are :—

(1) To help members by securing loans for erecting or acquiring houses redeeming mortgages or houses made in favour of outside creditors and for repairing houses or making suitable modifications or accretions thereto as may be necessary or convenient.

(2) To build suitable buildings for personal use or for letting them out to members.

(3) To acquire land by purchase or by lease or otherwise for erecting dwelling houses for the society or members.

(4) To establish and carry on business of manufacturing or purchasing bricks or other building materials and selling them to members for their own use.

(5) To encourage thrift, self-help and co-operation amongst members of the society and to promote their economic interest in accordance with co-operative principles.

(6) To establish and conduct social, recreative and educational work or institutions.

7. Business.—The business of the society shall be circumscribed as under—

- (a) Subject to such limits as the Registrar may impose from time to time on its maximum borrowing powers and the maximum rate of interest to be paid on its borrowing, the society may raise money by receiving deposits either from members or non-members or by borrowing by opening current accounts, or by mortgaging lands, buildings or other property of the society, or of members, or by such other means as the managing committee may deem expedient provided that :—
 - (1) The issue of bonds or debentures by the society shall be subject to such conditions as the Registrar may prescribe.
 - (2) The total borrowings shall not exceed twelve times the paid up share capital and reserve and other funds of the society.
- (b) The society may lend money to its members only on such terms and conditions as it thinks fit provided that the rate of interest to be charged on loan shall be determined within the maximum limit sanctioned by the Registrar.
- (c) The society may invest its funds in accordance with section 32 of the Act, II of 1912, or under relative provisions of any other Act that may hereafter take its place.
- (d) The society may accept donations, subscriptions or contributions.
- (e) To sell, lease or dispose of otherwise, deal with the whole moveable and immoveable property and assets of the society or any part or any interest thereon.
- (f) To encourage thrift, self-help and co-operation among the members of the society and to promote their economic interest in accordance with co-operative principles.

8. Capital.—The authorized share capital of the society would be of Rs. 1,000, divided into 100 shares of Rs. 10 each. The amount of share or shares shall be paid in lump sum or in the manner laid down by the managing committee. No increase of the share capital shall be made unless it is approved of by the members at a special general meeting and sanctioned by the Registrar.

9. Membership (a).—The membership of the society shall be open to persons above the age of 18 years and who are in receipt of monthly income from the Pandharkawada municipal committee as its paid servants, either in municipal office or in the institutions under the direct control of the municipal committee.

- (b) The members shall consist of :—
 - (1) Those who are approved of and admitted by the managing committee of the society.

(2) Those who have subscribed to the application for registration.

10. The value of the member's interest shall be the face value of the shares held by him together with the amount of any deposit made with or loans advanced to the society by him and any interest due on such deposits or loans *minus* any sums due from him to the society.

11. (a) Applications for membership shall be made in writing to the secretary in the form prescribed by the managing committee.

(b) Every member shall purchase at least one share of Rs. 10 and shall pay an entrance fee of Rs. 3 each.

(c) After approval of his application and election a member shall be deemed to have accepted all the obligations and responsibilities as laid down in these byelaws.

12. (a) Loans may be granted to members for the construction, repairs, purchase or redemption of houses, land, wells or their appurtenances but no member can claim loans as of right.

(b) The principles to be observed in granting the initial loan to members for building purposes shall be that the member shall supply his own plot of land in addition to his subscribed share capital and that the society may then give loan to the extent of five times the face value of the share held by him; but a member who can supply security in the shape of a building or any other suitable assets approved of by the managing committee may be given necessary financial help, provided that he purchases shares of the face value equivalent to not less than eighth of his borrowing. Roughly the ratio between a member's investment (consisting of the share capital and the value of the plot, etc.) and the loan, exclusive of the amount of shares purchased from the society should be 1 to 4.

(c) Before sanctioning a loan the managing committee shall require a mortgage of immovable property or the hypothecation of securities or the life insurance policies (the last to the extent of three-fourth of their surrender value or any other fund or savings which could lawfully be hypothecated) approved of for the purpose.

(d) No member shall at any time be indebted to the society as a principal debtor to the extent of more than two thousand rupees.

13. (a) For the recovery of any debt due to the society from a member, the society shall have the first lien on any shares, debentures, deposits or loan, fund, or loan stock standing in the name of the said member and may set off any sum credited thereon in or towards the payment of such debt.

(b) No dividend or interest on debenture, etc., shall be paid in cash to a member who is indebted to the society but the sum due to him shall be credited to his loan account.

14. (a) A member taking a loan from the society shall effect in its favour a usufructuary mortgage of his plot and the building erected or to be erected thereon together with all the appurtenances and annexations, present and future, as a security for the loan. Such a member shall also execute an agreement in favour of the society stating that the society is authorized to receive directly from the municipal committee a fixed portion of his salary as determined by the managing committee from time to time and an approval of the municipal committee to the arrangement so arrived at and in case recovery is made impossible in this manner the member shall execute an agreement that within one month of the completion of the building he would agree to pay a monthly rent for the building occupied by him representing one per cent of the loan advanced to him.

(b) Property mortgaged to the society can be redeemed at any time on payment of the entire dues to the society.

15. **Cessation.**—Membership shall cease by death, resignation, transfer of shares or expulsion from the society or forfeiture of interest.

16. **Penalty, forfeiture, or eviction.**—(a) If a member fails to pay his monthly instalment of rent punctually, *i.e.*, before the 10th of every month in advance and in the case of the member in whose case the municipality has agreed to deduct his pay per month according to the recommendation of the managing committee if the members' instalment is not credited within three days of the receipt of his pay from the municipality he shall be required to pay interest at double the rate charged on loans during the period of default.

(b) If a member fails to pay three successive instalments or if the municipality fails to credit the amount due from the member for three successive months, or if he fails to abide by the rules made by the managing committee in respect of lease money or instalment as the case may be, the managing committee may require him to vacate the building or the plot within 15 days from the issue of notice to quit. The houses or plots when vacated may be rented or leased out to any one preferably a member of the society, the rent being credited to the defaulter's account.

17. (a) A member may be evicted from the building or plot and expelled from the society by the managing committee for any of the following reasons :—

- (1) Dishonest dealings with the society.
- (2) Habitual default in payment of rent or other instalments
- (3) Grave misconduct.
- (4) Neglect of building premises.
- (5) Insanitary habits.
- (6) Disgraceful behaviour.
- (7) Bankruptcy.

18. (a) Transfer of the building or of the plot erected partly or entirely from the society's loan shall be made with the previous notice to and the sanction of the society. No transfer shall be recognized unless it is registered. A transferee shall not be a member unless he is elected under these byelaws and his transfer is approved by the managing committee.

(b) In case a member desires to dispose of the building erected from the society's loan, after redemption of the mortgage with the society, the society shall have a right of pre-emption.

(c) Upon any transfer of a share or a building, a fee of a rupee and rupees five, respectively, shall be charged by the society. No transfer shall be recognized unless prescribed fee as stated above is paid.

(d) A member may nominate his successor to share or interest in the society in case of his death on payment of registration fee of annas eight. In the absence of nomination, the interest will vest in his legal representative.

(e) If a member does not wish to occupy the house built by him, the society will rent it to some body else, preferably a member and credit the house rent to his account. This clause will operate if the instalments sanctioned by the managing committee and agreed to by the member and the municipal committee are not received by the society as per agreement. If the instalments are being paid regularly the member would be at liberty to rent the house to any one preferably a member and receive the rent for himself if he permits the receipt of the rent to be recovered by the society as in that case he would be reducing his liabilities to that extent.

19. **Dispute.**—All disputes arising between a member or past-member or any person claiming through a member or past-member and the society or any officer thereof shall be dealt with as provided by arbitration rules framed under the Act.

20. **General meetings.**—The managing committee may convene general meeting whenever they think fit, but they shall convene them also upon receiving written requisition of not less than ten members. Any requisition by members shall express the object of the meeting proposed to be called and shall be sent to or left at the registered office of the society.

21. The supreme authority shall vest in the general body consisting of the members of the society. The annual general meeting of the society shall be held once a year on any convenient day before the 31st of October.

22. Upon the receipt of any such requisition the managing committee shall forthwith convene a general meeting and if they neglect to give notice convening such meeting within a fortnight from the receipt of such requisition the requisitionists may themselves by a notice signed by at least six of them convene a meeting for the objects so specified.

23. At least seven days' notice of every general meeting specifying the day, place and hour of the meeting and the objects and business thereof shall be given. The non-receipt by a member of the notice of any general meeting shall not affect the validity of the proceedings of the meeting.

24. Every notice of a meeting convened by the managing committee shall be signed by the chairman or secretary or such officer appointed by the managing committee in that behalf.

25. Except with the permission of the chairman of the meeting no business other than what has been specially mentioned in any notice convening a meeting shall be transacted.

26. One-fifth of the total membership of the society or seven whichever is lesser shall form a quorum at every general meeting.

27. If within one hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon a requisition of members shall be dissolved. In any other case, it shall stand adjourned to such other time and date not earlier than fifteen days and not later than a month from the date on which it has convened, as the members present at such meeting may determine. For an adjourned meeting no quorum shall be required.

28. All general meetings shall be presided over by the chairman, and in his absence by the vice-chairman, if any. In the absence of both the members present shall elect one from amongst themselves.

29. The chairman with the consent of the majority of members present at any meeting may adjourn the same from time to time, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting adjourned.

30. Every member shall have one vote irrespective of the number of shares held by him. Votes shall be given in person only.

31. Except as otherwise provided, every resolution submitted to a meeting shall be decided by a majority of votes, and in case of an equality of votes, the chairman shall have a casting vote.

32. A declaration by the chairman of any meeting that a resolution has been carried or lost upon a show of hands shall be conclusive, unless a poll is demanded by any member immediately upon the declaration of the result of the show of hands. If a poll is demanded it shall be taken in such manner as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.

33. The functions of the annual general meeting shall be—

- (1) To pass orders on the annual report submitted by the managing committee.

- (2) To elect the chairman, vice-chairman, if so deemed necessary, secretaries not more than two, supervisor of buildings and members not more than three to constitute the managing committee as required by byelaw 34.
- (3) To pass byelaws of the society or amendments thereto.
- (4) To fix the maximum limits of borrowings in the form of deposits, loans and debentures for the year.
- (5) To determine the distribution and appropriation of profits subject to byelaw 45.
- (6) To transact any other business of the society.

34. Managing committee.—Subject to the control of the general body the business of the society shall be carried on and managed by the managing committee which shall consist of—

- (1) the chairman,
- (2) not more than two vice-chairmen,
- (3) not more than two secretaries,
- (4) the supervisor of buildings, and
- (5) not more than three elected members.

35. The managing committee shall have and exercise all such powers, enter into such arrangements, make all such arrangements, take all such proceedings, and do all such due management of the affairs of the society and for the carrying out of the affairs of the society and for the established and for securing and furthering the interests subject to the provisions of the Act and rules which may be passed by the Local Government in pursuance of the said Act and subject to any byelaws which may be duly made by the said society.

36. Without prejudice to the general powers conferred by these byelaws, the managing committee shall have the following powers and duties :—

- (a) With the previous sanction of the members given at a general meeting to increase from time to time the share capital of the society.
- (b) To allot so many of the shares as are unsubscribed on payment of full amount thereof to such persons as they in their absolute discretion shall think fit.
- (c) With the previous sanction of the Registrar to purchase, buy, take on lease, or otherwise acquire any building or land (whether free-hold, lease hold or otherwise) from any person with or without a house or houses, buildings thereon and to erect, construct and build or alter any building or buildings for the purpose of an office or as a residence for any person in the employ of the society and to pay for such land and buildings whether purchased, leased, acquired, or built or constructed by the society either in cash or otherwise.

- (d) To purchase all furniture and other things necessary for any office and residence with all things which the managing committee may deem necessary or convenient for carrying on the business of the society.
- (e) To raise or borrow such money as may be required from time to time for the purposes of the society in accordance with and subject to the provisions of these byelaws and the Act and the rules made thereunder.
- (f) To undertake on behalf of the society the payment of all rents and the performance of all convenient conditions and agreements contained in, or reserved by, any lease that may be granted or assigned to, or otherwise acquired by, the society.
- (g) To insure and keep insured all or any of the building goods, or other property or any securities of the society either separately or conjointly for such period and such extent as the managing committee may think fit and to sell, assign, surrender, or discontinue any policies of insurance of their powers.
- (h) Subject to byelaw 12 to lend moneys to members of the society, to fix the terms of loans and amounts of security of mortgage required from members.
- (i) To execute all agreements, deeds, contracts, extracts, receipts and other documents that may be necessary or expedient for the purposes of the society.
- (j) To consider cases of overdue loans and pass orders thereon making such arrangements as may be necessary to provide against loss.
- (k) To appoint, dismiss, suspend or otherwise punish any officer, clerk, or menial servant of the society, to fix their remuneration, give increments to them and keep such staff, temporary or permanent and on such remuneration as they may deem necessary.
- (l) To appoint an auditor and an engineer and a supervising officer and if not available to render honorary service to fix their remuneration.
- (m) To compromise any debt, or claim or refer the same to arbitration or to give time for payment of any debt.
- (n) To commence, institute, prosecute and defend all such actions and suits as the managing committee may think necessary or proper to bring or defend and compromise and submit the same to arbitration.
- (o) To invest the funds of the society in accordance with section 32 of the Act.
- (p) To transfer by sale, mortgage, lease, hypothecation or otherwise by registration or endorsement any property belonging to the society.

- (q) To fix the rates of interest on deposits, debentures, loans, cash credits, and the amount of subscription and contributions.
- (r) To inspect and direct the business of the society and to act on its behalf in all matters pertaining to it.
- (s) To approve plans and estimates of buildings proposed and submitted by the members.
- (t) To call general meetings of the society as often as may be necessary and to submit an annual report to the annual general meeting, the annual balance sheet, profit, and loss statement duly audited up to the previous 29th June, to submit a budget and a brief report on the previous year's working.
- (u) To manage the affairs of the society in such a way as not to encourage commercial or profit making spirit amongst the members.

37. The managing committee is authorized to delegate all or any of the powers to the chairman, vice-chairman, if any, or the secretaries or secretary of the society.

38. The chairman and in his absence the vice-chairman shall preside over all the meetings of the managing committee. In the absence of both, the members present shall elect from amongst themselves a chairman of the meeting.

39. The managing committee may meet and adjourn as often as may be necessary and shall have power to fill up vacancies caused during the year. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of equality of votes, the chairman shall have a second or a casting vote.

40. The acts of the managing committee notwithstanding any vacancy caused therein shall be as valid as if no such vacancy had existed.

41. The quorum at a meeting of the managing committee shall consist of four members. For an adjourned meeting, there shall be a quorum of three members.

42. The proceedings of all general meetings and the meetings of the managing committee shall be recorded in the minute book specially kept for the purpose. All these minutes shall be signed by the person who shall have presided as a chairman at the general or special meeting or the meeting of the managing committee at which the business minuted shall have been transacted and all minutes purporting to have been signed by the chairman of the special or general meeting of the managing committee shall for all purposes whatever be *prima facie* evidence of the actual and regular transaction

of occurrence of the proceedings and other matters purporting to have been so recorded and of the regularity of the meeting at which the same shall appear to have taken place and of the chairmanship and signature of the persons appearing to have been signed as a chairman.

43. The following shall be the duties of the secretary :—

- (a) To summon and attend all meetings of the managing committee.
- (b) To record or cause to be recorded the proceedings of all the general or special meetings and the meetings of the managing committee in a minute book.
- (c) To sign on behalf of the society such receipts, deed, instruments, and other documents as the managing committee may empower him to sign.
- (d) To conduct all correspondence on behalf of the society in respect of duties allotted to him.
- (e) Generally to supervise and manage such business of the society as may be entrusted to him by the managing committee under byelaw 37.

44. Seal.—The society shall have a common seal for its purpose and it shall be used by the members of the managing committee.

45. Profits.—(a) 25 per cent of the net profits shall be carried to the reserve fund.

(b) The remaining 75 per cent shall be utilized as follows :—

- (1) In paying dividends not exceeding 9 per cent per annum on the paid up share capital and in distributing bonus to the share holders provided that the dividend and the bonus together do not exceed 12 per cent of the share capital.
- (2) In making provision for bad and doubtful debts.
- (3) In conducting social, recreative and educational work for the benefit of the members or any other common object for their convenience and comfort.
- (4) In granting bonus to the servants and officers of the society for their good work.
- (5) In creating such funds as the annual general meeting may decide.
- (6) The balance, if any, be devoted to any object specified in the objects clause, as may be decided in the general meeting.

46. Reserve fund.—Subject to the sanction of the Registrar, the reserve fund shall be available for any of the following purposes :—

- (a) To meet urgent calls of the society the amount being reimbursed as early as possible.
- (b) To cover any other incidental losses.
- (c) To serve as security for deposits, loans and debentures.

47. Notice.—Every member shall be deemed to have notice of every meeting, resolution, or any other matter, if the same is sent to him by post or delivered at the address registered in society's book or any other manner the managing committee may decide in the matter.

48. All notices to be given to the members shall be left at or sent through post to the registered office of the society.

49. Miscellaneous.—All members shall agree in writing to abide by the byelaws of the society, the decisions of the managing body and the resolutions of the general body.

50. Every member shall submit a plan and estimate of his proposed building to the managing committee for approval.

51. Every member shall pay regularly the monthly instalment as agreed and approved by the municipal committee and in the absence of these, the lease money, nazul rent, the municipal taxes and all other charges, dues and cesses failing which the society shall be at liberty to pay and debit them to his account and charge interest at double the rate charged on loans.

52. The money due under clause 51 shall be a charge over the mortgaged property and it shall be included in any award or proceeding that may be started against the member.

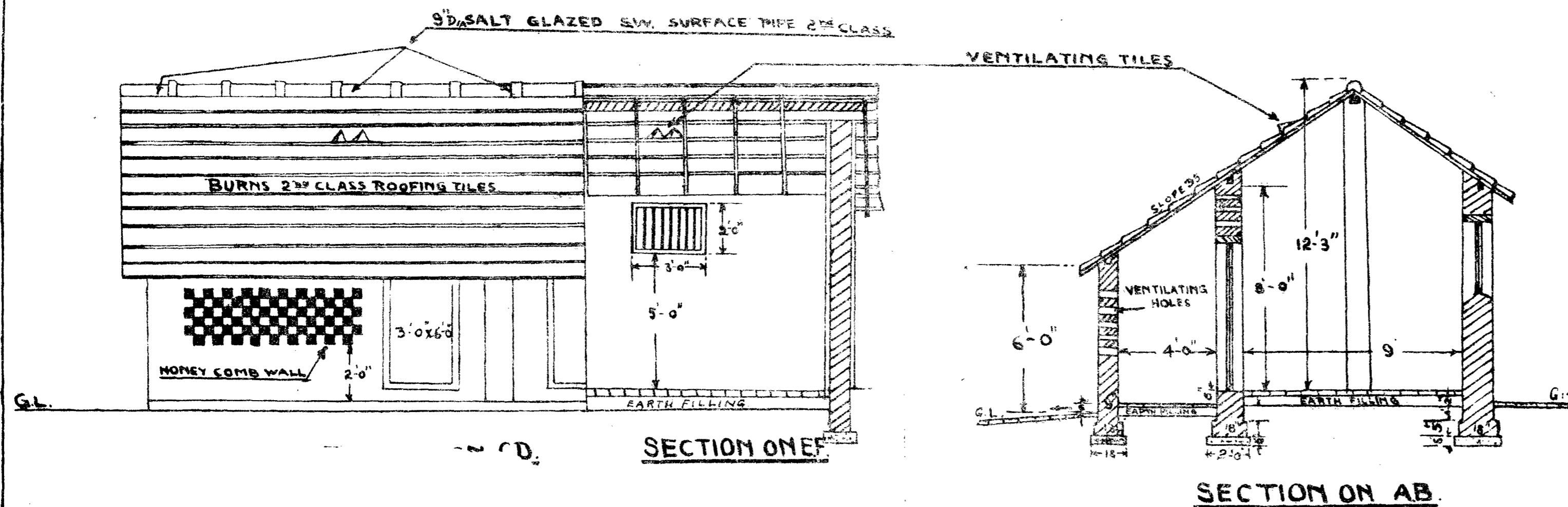
53. In granting loans the managing committee shall give preference to the members who do not own houses.

54. Dissolution.—Save as provided in section 39 of the Act, the society may be wound up not earlier than two years from its registration, if three-fourths of the members present at a general meeting specially convened for the purpose agree to it.

55. Amendment of byelaws.—None of the byelaws shall be altered or rescinded and no byelaw shall be added except by a vote of majority of at least two-thirds of the members present at a general meeting. Every alteration, amendment, rescission or addition resolved upon by such majority shall be submitted to the Registrar for his sanction and shall take effect from the date on which the intimation of the Registrar's approval is received.

TYPE PLAN OF COOLY BARRACK

SCALE 4" TO AN INCH

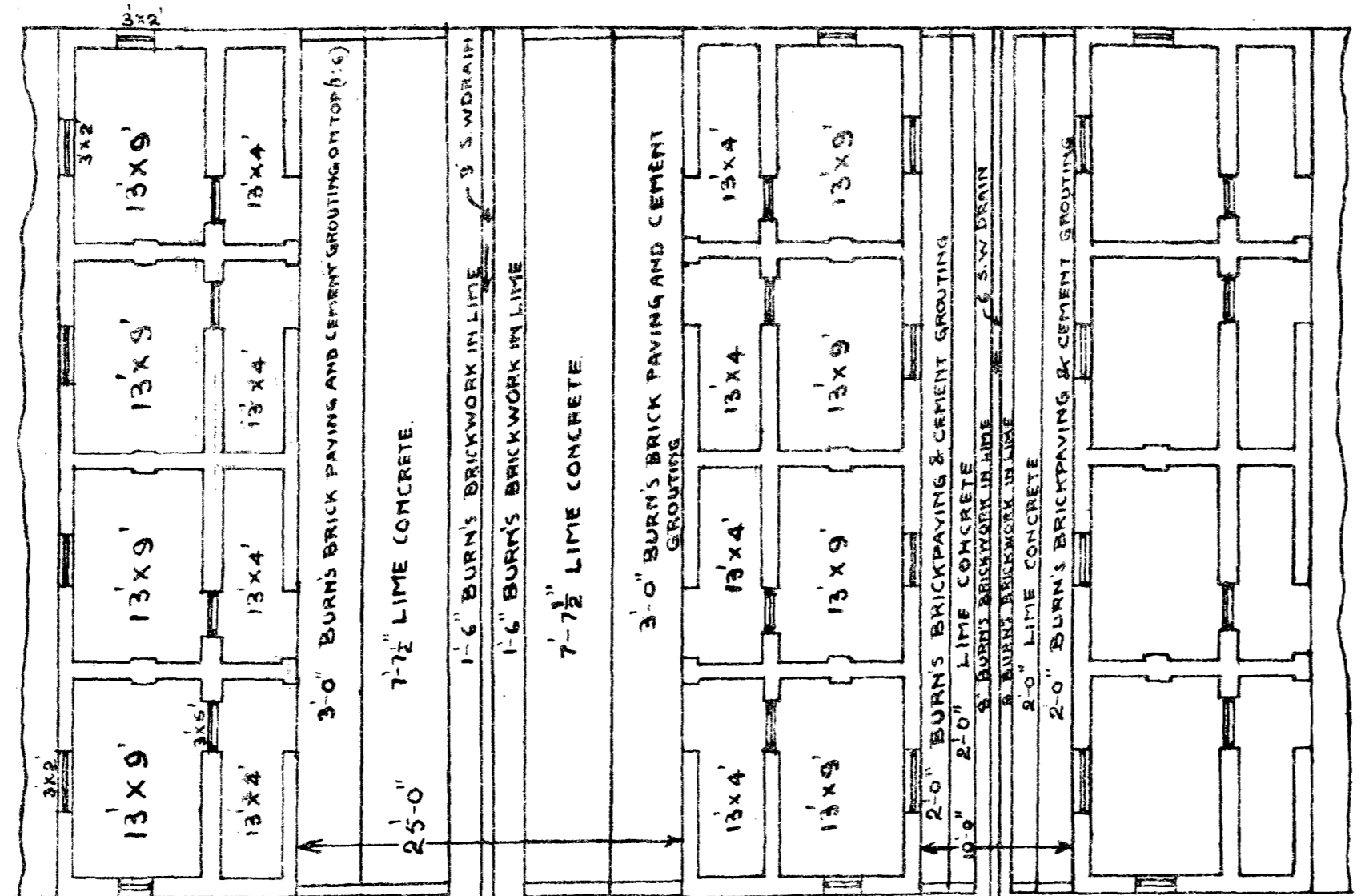
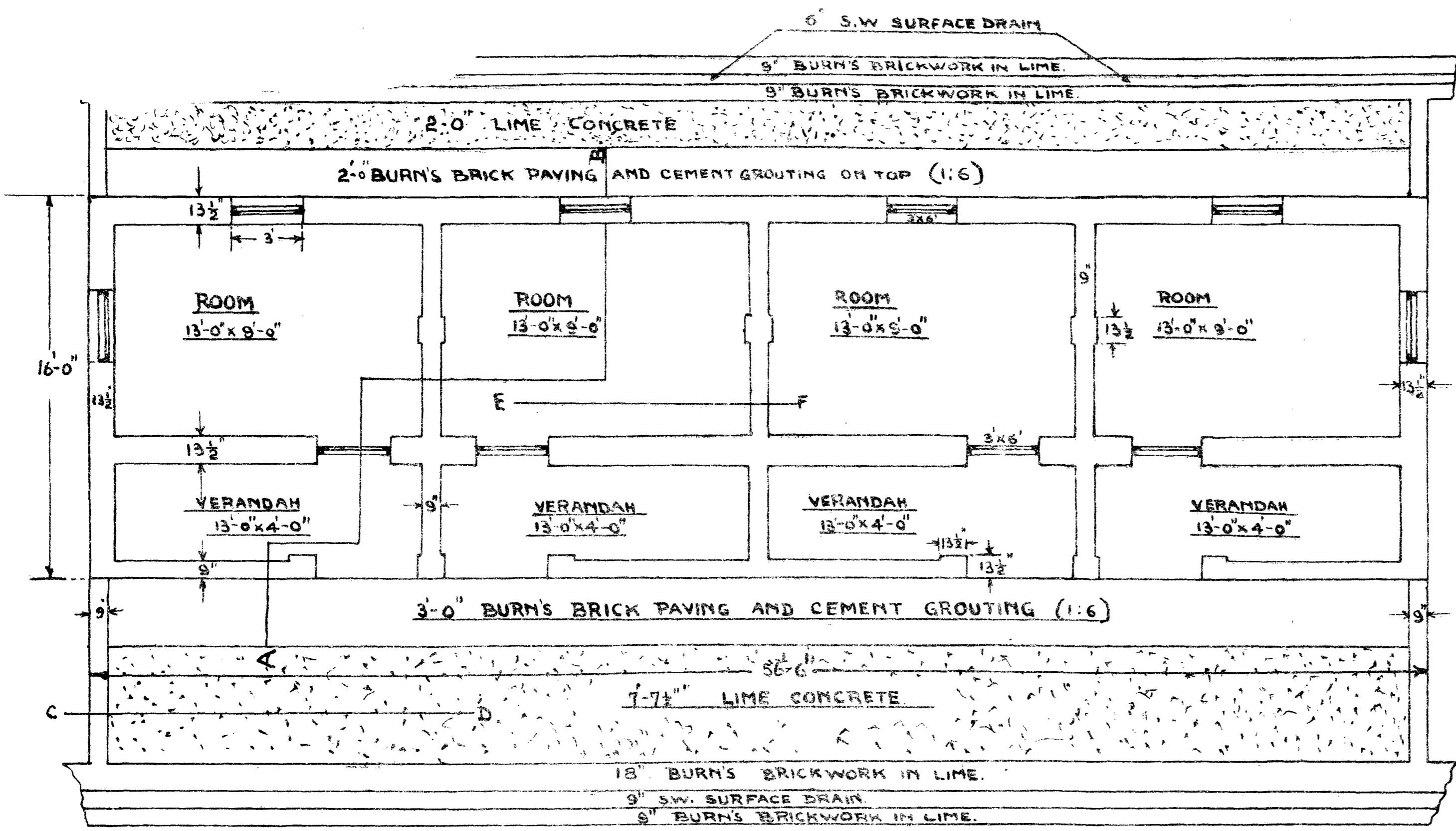


SPECIFICATION.

- i FOUNDATION:** (a) LIME CONCRETE IN FOUNDATION WITH BROKEN BRICKS (1:3:6). (b) COUNTRY-RED-BRICK WORK IN LIME UP TO PLINTH.
- ii SUPER STRUCTURE:** (a) COUNTRY-RED-BRICK-WORK IN MUD, INSIDE LIME & SAND PLASTER & WHITE WASH. (b) OUTSIDE LIME & SAND RULED POINTING.
- iii DOOR:** 3'-0" x 6'-0". 3" x 3" TEAK-WOOD FRAME WITH 1" THICK BATTENED SHUTTER.
- iv WINDOW:** 2'-0" x 3'-0". 3" x 2 1/2" TEAK-WOOD FRAME WITH 1" THICK BATTENED SHUTTER.
- v ROOF:** (a) 6" x 3" SAWN TIMBER AS A RIDGE. (b) 3" x 4" WALL PLATE AND COLLAR BEAM. (c) 3" x 2 1/2" SAWN TIMBER RAFTER 2'-6" APART FROM CENTRE TO CENTRE. (d) 1" x 1 1/2" TEAK-WOOD BATTEN. (e) 2" x 1" BATTENS AT THE END.
- vi ROOFING:** (a) BURN'S 2ND CLASS ROOFING-TILES WITH FOUR VENTILATORS IN EACH ROOM. (b) BURN'S 2ND CLASS 9" DIA. S.W. SURFACE DRAIN AS A RIDGE-TILE.
- vii FLOORS:** TABLE-MOULDED-BRICK ON EDGE-FLOORING WITH LIME POINTED ON TOP.
- viii DOORS AND WINDOWS** TO BE OILED WITH LINSEED OIL.
- ix WOOD-WORK** ON THE ROOF TO BE COAL-TARRED.

NOTE: THE FOUNDATION WILL DIFFER ACCORDING TO THE NATURE OF SOIL.

MESSRS BURN & Co Ltd
POTTERIES
JUBBULPORE, C.P.



PLAN OF LABOUR DWELLINGS IN POTTERIES OF MESSRS BURN & Co Ltd JUBBULPORE SHOWING FRONT TO FRONT AND BACK TO BACK

SCALE 1" = 10'

DRAWN BY	<i>S. K. Subbarao</i>
TRACED BY	<i>S. K. Subbarao</i>
CHECKED BY	<i>S. K. Subbarao</i>

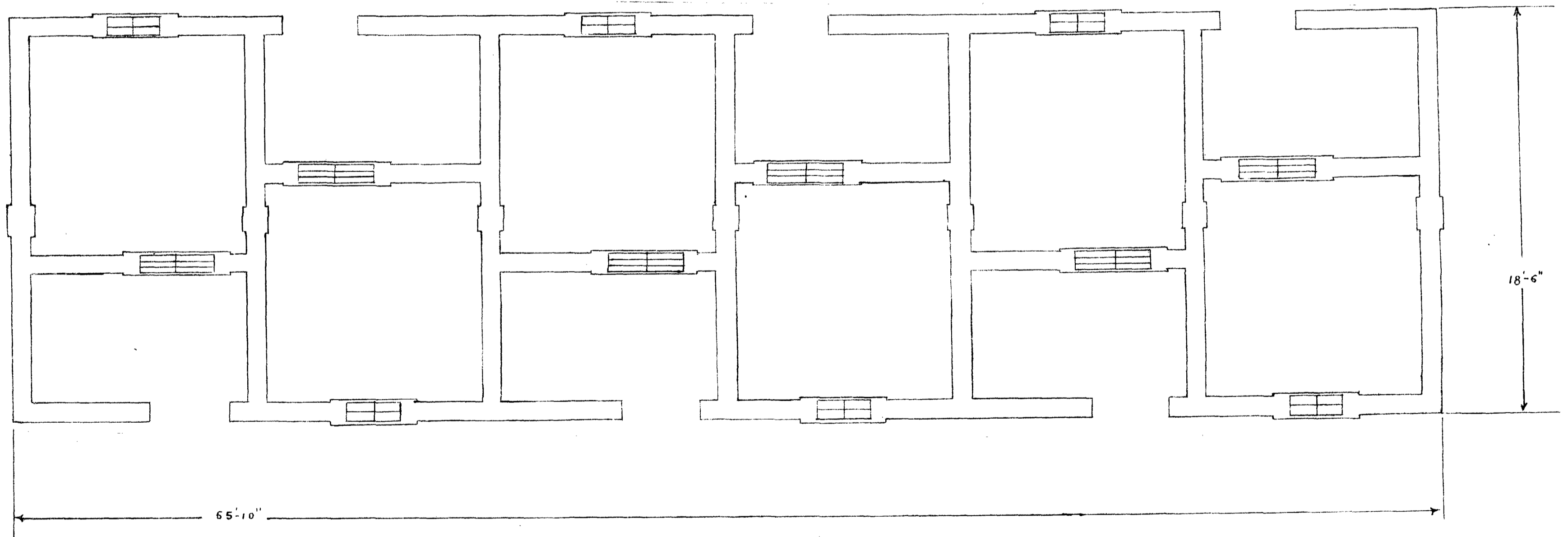
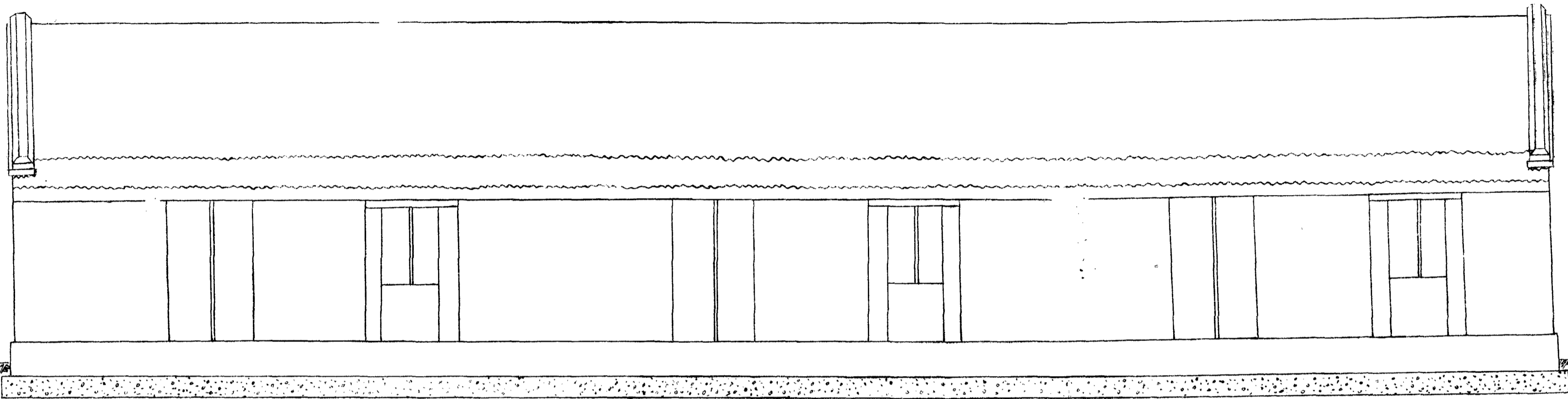
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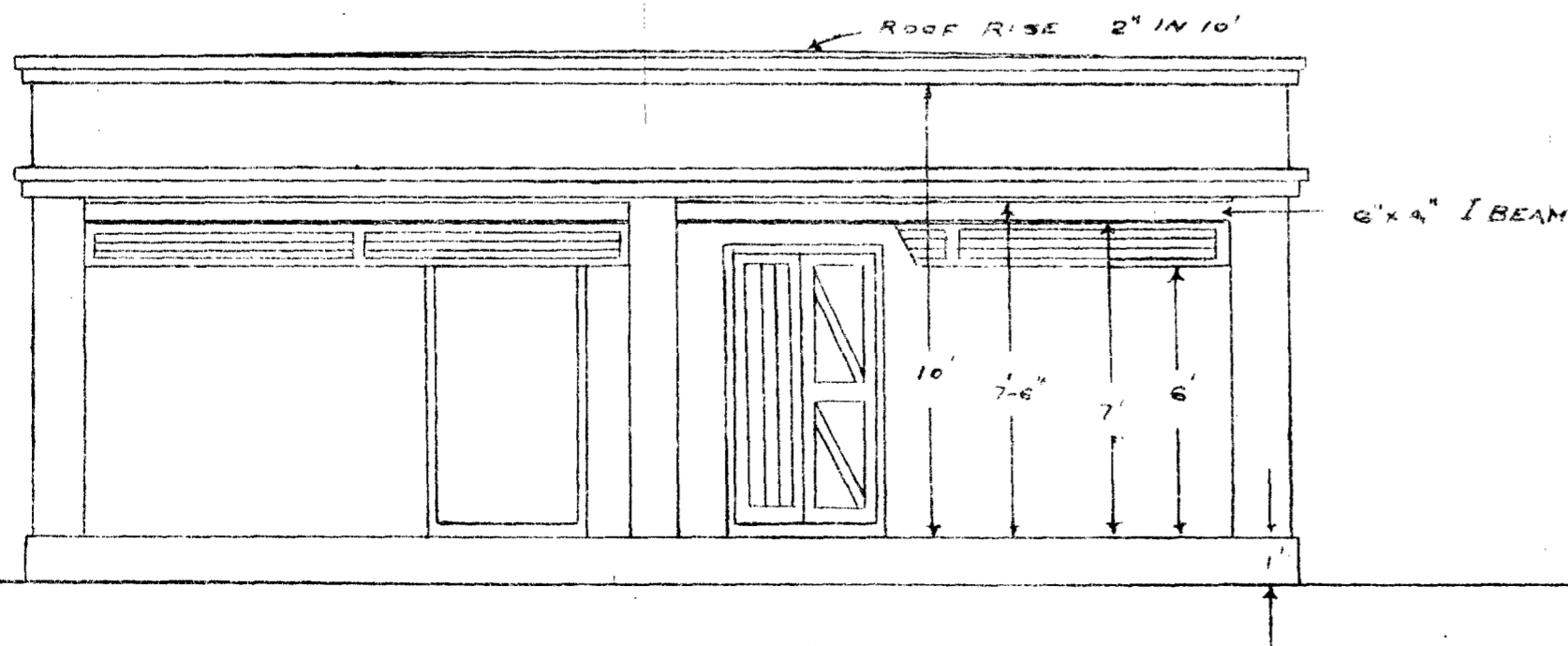
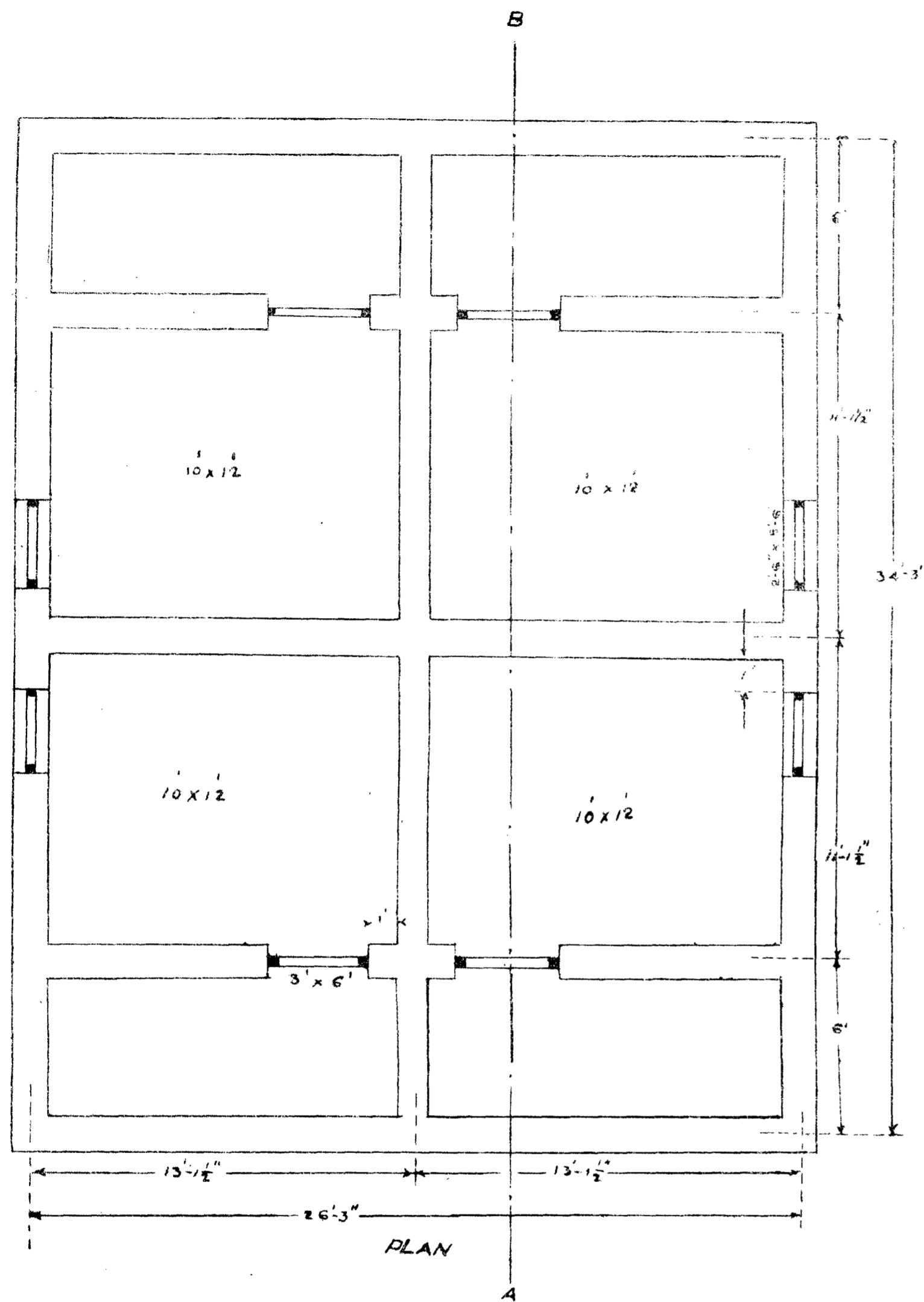
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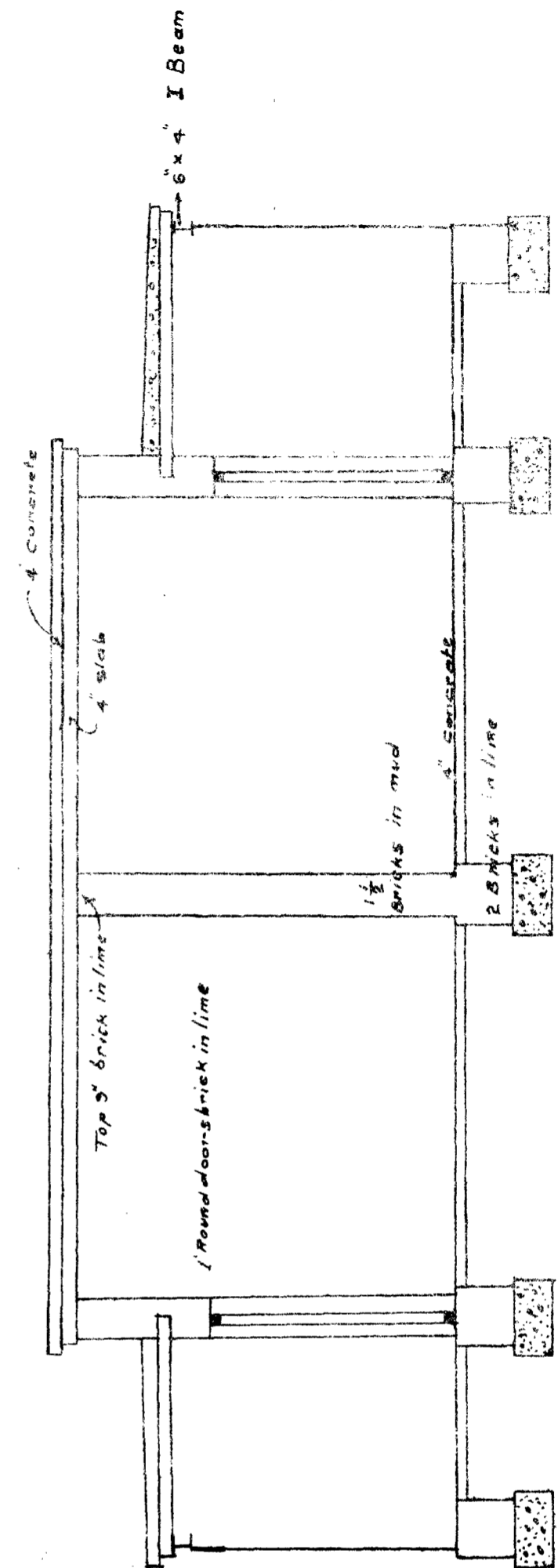
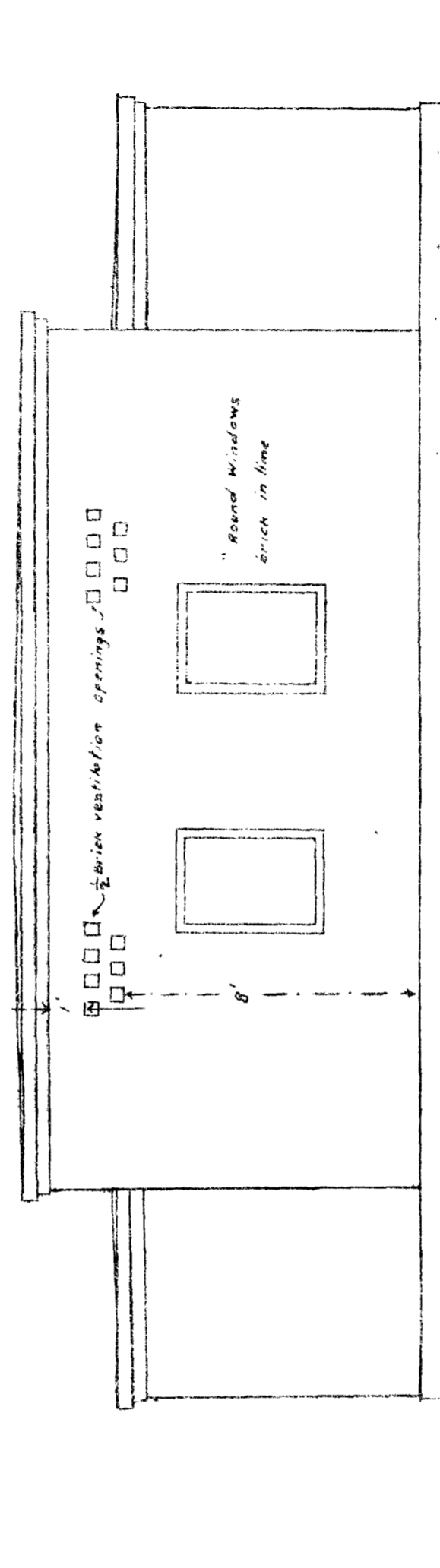
NOTES ON CONSTRUCTION

- Foundations - Lime Concrete 18" Thick
- Plinth - Pucca Brick in Lime, 14" Thick
- Walls - Pucca Brick in Lime, 10" Thick, Except where Reinforced at Doors, Windows, and for Ridge 14" Thick.
- Doors, Windows - Teakwood, Double Battened, Chains inside and outside. 4" Deep R.C. Slabs 14" wide as Lintals
- Roof - Double Country Tiles on Teakwood Planks.
Ridge 6" x 4". Verandah wall plates 6" x 3" on 6'-0" wall, outside wall wall plates 3" x 3" on 7' wall
wall plates on inside wall 3" x 3". Timber over centre of Room 6" x 3"
Rafters 3" x 2" at 11" spacing inside to inside ceiling planks 6" x 1 1/2", at 6 1/2" intervals, screwed down at Ends
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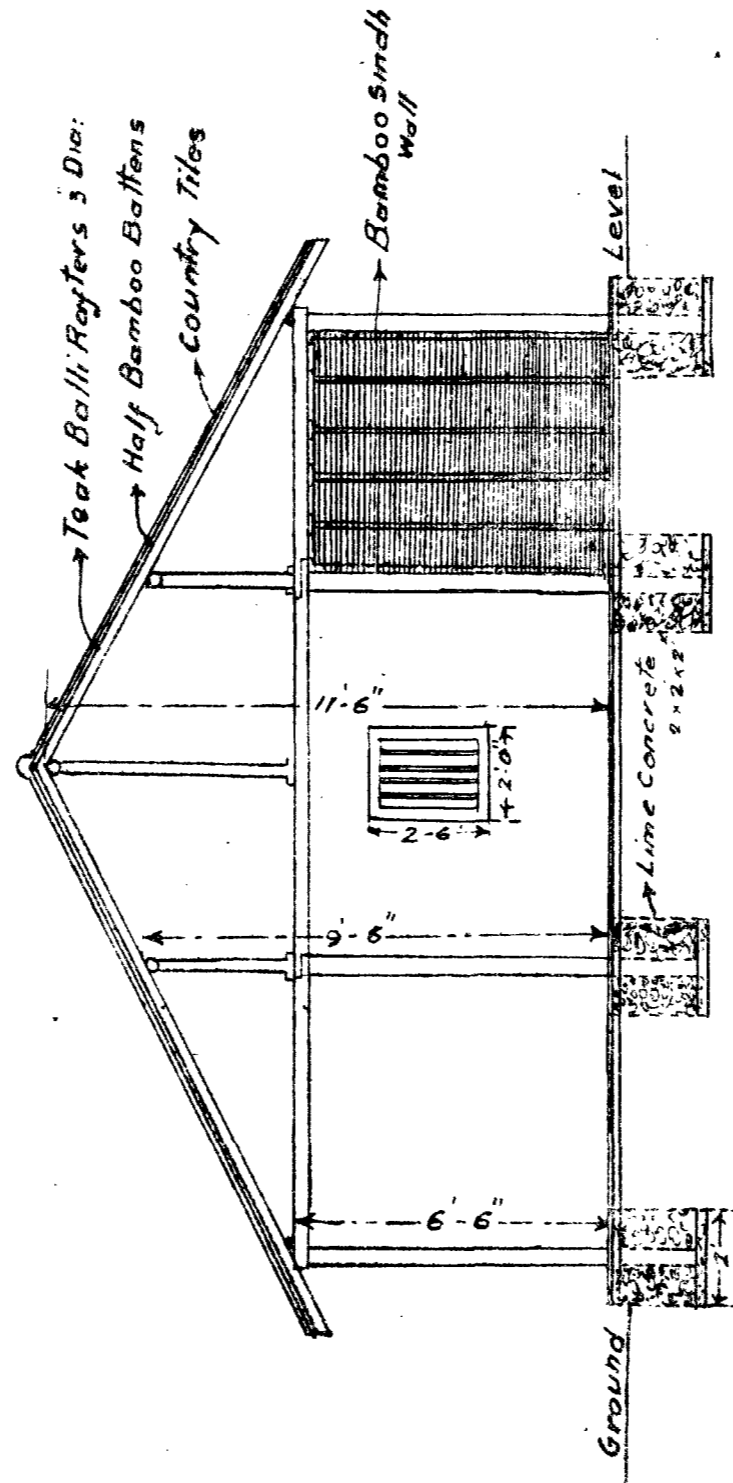
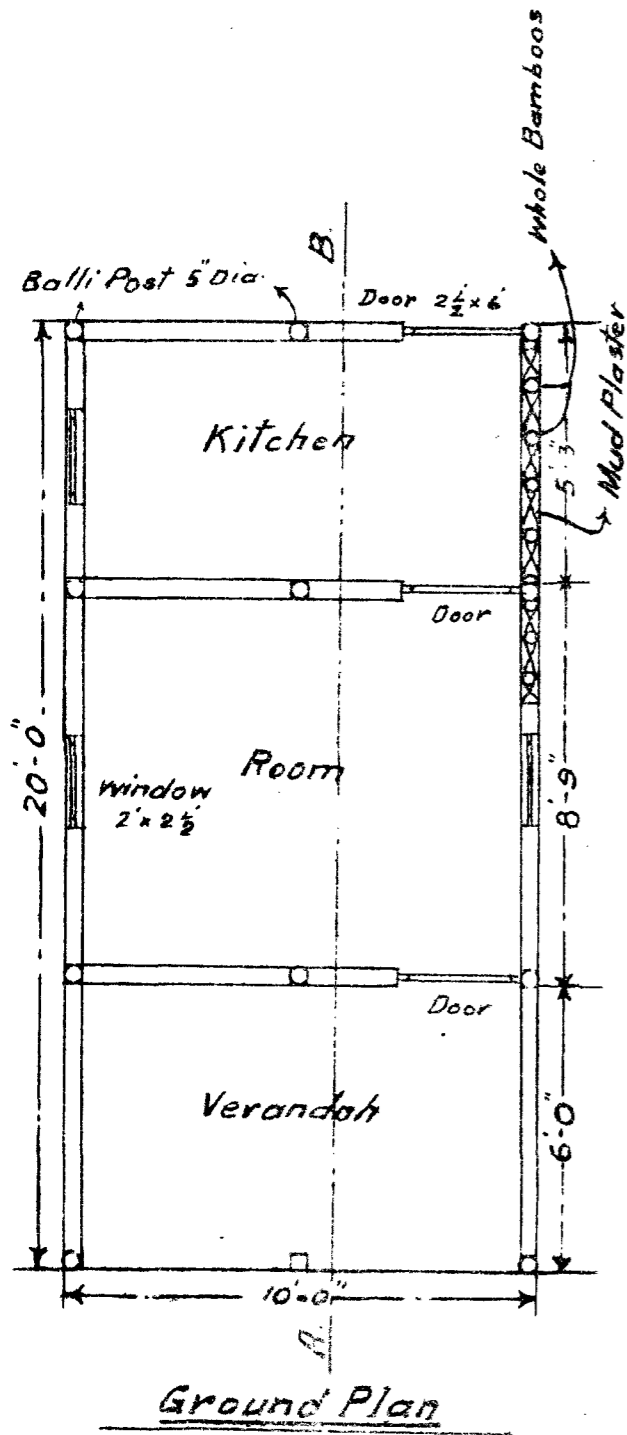
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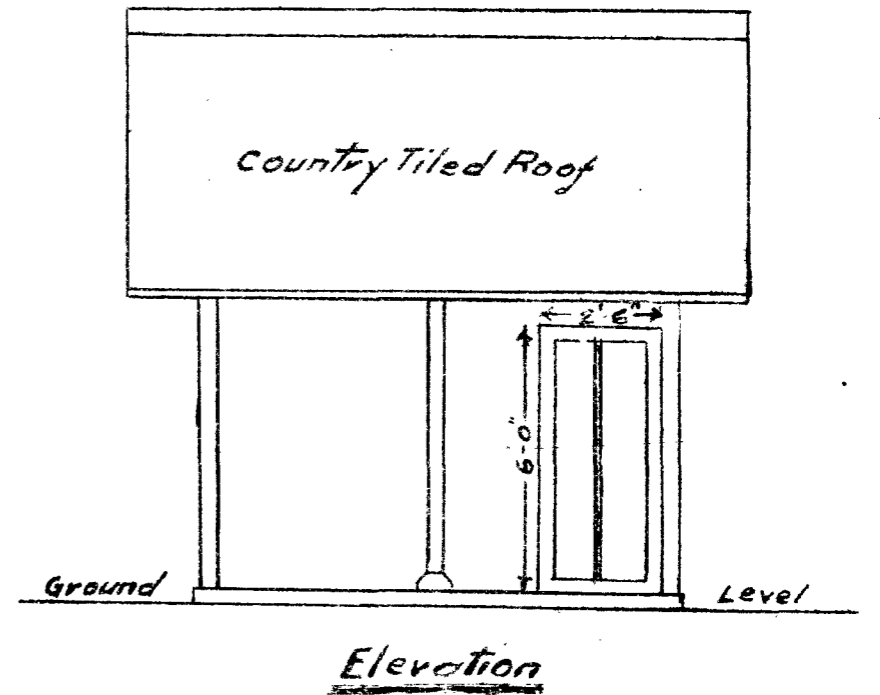
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EMPRESS MILLS NAGPUR

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Section on A B.



Elevation

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR
COMMERCE AND INDUSTRY DEPARTMENT



REPORT

OF THE

BIDI INDUSTRY COMMITTEE

APPOINTED TO EXAMINE THE CONDITIONS OF WORK
IN THE BIDI INDUSTRY AND INVESTIGATE
COMPLAINTS IN REGARD TO THE APPLICATION
OF THE UNREGULATED FACTORIES ACT
AND PAYMENT OF WAGES ACT TO
BIDI AND LAC FACTORIES IN THE
CENTRAL PROVINCES AND BERAR

NAGPUR

GOVERNMENT PRINTING, C. P. & BERAR

1941

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REPORT OF THE BIDI INDUSTRY COMMITTEE

CHAPTER I.—INTRODUCTION

The Unregulated Factories Act was passed by the Provincial Legislature in 1937 but was not applied to the major part of the province until 19th February 1938. When the Act was applied to bidi factories in the Bhandara, Jubbulpore and Nagpur districts by the Gazette Notification No. 622-3245-VII, dated the 19th February 1938, some owners of bidi factories raised objections against the application of the law. The objections gradually gathered strength resulting in the big factory owners mobilising their resources with a view to frustrating the objects of the law. Though the administration of the Act was deliberately made lenient at the beginning, it was found that the employers of bidi factories, instead of trying to adapt themselves to changed conditions warranted by law, were acting counter to its purpose in a concerted manner. Warnings and instructions of the inspecting authorities were equally disregarded and no inclination was shown to improve the conditions as envisaged by the Act.

Efforts at the stricter administration of the law were retaliated by resorting to wage-cuts and other ingenuous deductions from the wages earned by the workers. These led to strikes in some bidi factories and it was therefore found necessary to apply the Payment of Wages Act also to such factories. A Gazette notification to that effect was issued on 13th December 1938 (Notification No. 5035-2016-VII). The reaction of some of the factory owners to this notification found expression in retrenchment, closing down of factories in urban areas, harsh treatment and other harassment to workers so as to make them prefer the existing arrangements and protest against the newly applied legislations with a view to obtaining the repeal of these Acts. Complaints however were pouring in from the workers and their unions culminating in a procession to the Legislative Assembly, then in session, in order to draw the attention of Government to their grievances. In the meantime the employers not content with issuing of pamphlets had formed themselves into an Association and protested against the recent application of the Payment of Wages Act, and the Unregulated Factories Act to the bidi factories. The deputation of the bidi workers also marched to the Legislative Assembly and was given an interview by the Hon'ble the Prime Minister and the Hon'ble Minister for Industries on the 3rd April 1939. Besides the Hon'ble Minister for Industries met the processionists outside the Assembly gate and explained to them that their deputation was heard and their grievances would be looked into by Government and enquiry held, if found necessary.

This was followed by a conference of the bidi manufacturers called by the Hon'ble Minister for Industries on the 20th August 1939 and a conference of the representatives of bidi workers

called by him on the following day. Each side submitted a memorandum to Government explaining their grievances and detailing their demands. As a result of the discussions held during these conferences, the Government appointed an enquiry committee with specific terms of reference as per Gazette Notification No. 4327-2197-VII, dated the 26th September 1939. The constitution, personnel and terms of reference of the Committee are as follows :—

- (1) Director of Industries, Central Provinces and Berar—
ex officio Chairman.

Members.

- (2) Mr. V. R. Kalappa, M.L.A., representing labour.
- (3) Mr. Chaturbhujbhai Jasani, M.L.A., President, Bidi Merchants Association, Central Provinces and Berar.
- (4) A representative of bidi workers to be selected by them in the manner to be prescribed by Government—
Mr. Kalicharan Nandagaoli.
- (5) A representative of the owners of bidi factories to be selected by them in a manner to be prescribed by the Government—Mr. Ghasilal Jaipuria.

Rai Sahib P. K. Sen, Labour Officer, to work as Secretary to the Committee.

The terms of reference to the Committee are as follows :—

- (a) To examine the grievances of workers in the bidi factories, with special reference to wages, deductions (or chats) of various kinds and security of service, and to suggest remedial measures;
- (b) to investigate complaints in regard to the application of the Unregulated Factories Act and the Payment of Wages Act to the bidi and lac factories and to suggest modifications to suit local conditions and special requirements of the industry; and
- (c) to study the position of the industry *vis a vis* the All-India bidi industry and to suggest measures designed to enable the Provincial Government to maintain the integrity of the local industry, notwithstanding external competition.

The Committee was empowered to co-opt not more than two members for specific purposes, but such members were not given the right to vote.

The Committee started its work on 9th January 1940 which was the only day on which all the members were present. A questionnaire was drawn up and circulated to all interested parties by the 1st March 1940 and replies were received up to 22nd May 1940. After the scrutiny of the replies, witnesses to be examined by the Committee were selected and a tour programme was drawn up at a meeting of the Committee on the 12th April 1940. Messrs. V. R. Kalappa and Chaturbhujbhai Jasani

remained absent in that meeting. Mr. Jaipuria, the representative of the employers, however, wanted more time and requested the Committee not to hurry on with its programme. Several unforeseen events intervened to delay the work of the Committee. The first Chairman of the Committee relinquished his charge by the end of April 1940 as soon as he vacated the Office of the Director of Industries. His successor took over charge from the 1st May but was immediately occupied with the pressing work of the Nagpur Textile Enquiry Committee which had to submit its report by the end of May at the latest.

The work of collecting evidence could have been started earlier but for the objection from some of the members themselves. While Mr. C. V. Jasani did not attend any meeting after the first, Mr. Jaipuria asked for postponement of the tour in May, June and July on account of tendu leaves season and bad weather conditions. Ultimately when the tour was undertaken in September, Mr. Kalappa only accompanied on the first day at Bhandara and was absent throughout the rest of the tour. The total number of meetings held so far was 16; the attendance of the members is shown below :—

<i>Members.</i>	<i>Present.</i>	<i>Absent.</i>
Mr. C. V. Jasani	1	15
Mr. V. R. Kalappa	5	11
Mr. Jaipuria	10	6
Mr. Nandagaoli	15	1

The Chairman and the Secretary attended all the meetings. It will be clear from the above that the work of the Committee did not proceed as satisfactory as one might expect. When the Committee met for the report stage, it was found that only Mr. Nandagaoli attended the meeting and in spite of special requests from the Chairman as well as postponements to suit their convenience, other members did not or could not join in our deliberations.

During the tour of the Committee, which was attended by the Chairman, the Secretary, Messrs. Jaipuria and Nandagaoli, several bidi factories in different centres were visited and evidence of the selected witnesses were taken in public. In the deliberations after the tour, the Committee also lost the co-operation of Mr. Jaipuria, as he remained absent from all the subsequent meetings in spite of repeated requests and attempts on the part of the Chairman to secure his co-operation. When it was found that the report could not be delayed any longer the Committee proceeded with the drafting of the report with such members as were available for the purpose, who were in effect the Chairman and Mr. Nandagaoli assisted by the Secretary. The draft report was circulated to all the members and a meeting was fixed to consider it on the 17th March 1941 when in addition to the members mentioned above Mr. Kalappa was also present. The final report is herewith submitted to Government for consideration.

CHAPTER II.—BRIEF SURVEY OF THE INDUSTRY

"The making of the bidi (the indigenous cigarette) is an industry widely spread over the country. It is partly carried on in the home, but mainly in workshops in the bigger cities and towns. Every type of building is used, but small workshops preponderate and it is here that the graver problems mainly arise. Many of these places are small airless boxes, often without any windows, where the workers squeeze between them. Others are dark semi-basements with damp mud floors unsuitable for manufacturing processes, particularly in an industry where workers sit or squat on the floor throughout the working day. Sanitary conveniences and adequate arrangements for removal of refuse are generally absent. Payment is almost universally made by piece-rates, the hours are frequently unregulated by the employers and many smaller workshops are open day and night. Regular intervals for meals and weekly holidays are generally non-existent. In the case of adults these matters are automatically regulated by individual circumstances, the worker coming and going as he pleases and often, indeed, working in more than one place in the course of the week. Nevertheless in the case of full-time workers, *i.e.*, those not using bidi-making as a supplementary source of income, the hours are too frequently unduly long, the length of the working day being determined by the worker's own poverty and the comparatively low yield of the piece-rates paid." [Report on the Royal Commission on Labour in India (1931), page 96.] Manufacture of bidis was introduced in Central Provinces in the first decade of the century by bidi merchants from Gujerat who brought with them workers from that part to train the local labour. It is also claimed that the pioneers of the bidi-making industry in this province got their first lessons in Poona. The preponderance of tendu leaves in the local forests, the nearness of markets and abundance of cheap labour were the main causes in favour of establishing the industry in this province. The tobacco is still largely obtained from Gujerat and the large number of merchants engaged in the industry belongs to Gujerat. The old connections of the industry are thus still discernible though the local labour has completely supplanted the skilled labour that was brought from Gujerat. Due to competition in the labour market, the wages have come down to a great extent in the last 25 years.

There is practically no area in India where bidis are not manufactured to a smaller or greater extent. In round figures nearly 80,000 million bidis are annually manufactured in India, which is estimated at about 8 crores of rupees. Almost 25 per cent of the whole amount is manufactured in the Central Provinces. Madras and Bombay contribute 20 per cent each, while fairly large scale of manufacture is carried on in the Mysore State and Nizam's Dominion. In United Provinces, Bihar and Bengal appreciable quantities of bidis are manufactured in large towns only. Delhi is an important bidi manufacturing centre in the North, accounting for over 41 million bidis annually.

"From the point of view of inter-provincial trade, the bidis manufactured in the Central Provinces are the most important. Of the total number of bidis manufactured in this province about 75 per cent, valued at about 1.25 crores of rupees are

exported to all parts of India, and even Burma. That the Central Provinces should be an important bidi making area may at first appear strange in view of the fact that the quantity and quality of locally grown tobacco is of little consequence. The development of bidi making in the province has been almost entirely due to the abundant supply of bidi wrapper leaf and cheap labour, for bidis are hand made. Since it is found more economical to import bidi tobacco than to export wrapper leaf, which is bulky for transport, bidi making has developed mostly at those centres in the Central Provinces where wrapper leaf is most plentiful and cheap. For example, nearly 60 per cent of the bidis made in the province are manufactured in the Bhandara district where bidi wrapper leaf is plentiful in the local forests. Practically all tobacco used for bidi making is imported. There are about 895 bidi making shops in the Central Provinces and Berar located in 347 villages and towns. Of these 185 are bigger shops employing, on an average, more than 50 workers per day, while the remaining 710 are smaller concerns, which employ less than 50 workers per day. About three-fifths of the total manufacture of bidis in the province are controlled by four leading bidi making firms from Jubbulpore, Gondia, Nagpur and Kamptee. The average daily output of bidis in the province is estimated at about 5 crores. The number of persons engaged in bidi making is little over 42,000, of which 31,000 persons work in the Bhandara district alone." (Report on the Marketing of Tobacco in India and Burma, 1939.) The present estimate of workers employed at present in bidi-making will well exceed of the Bidi Merchants' Association, Gondia, is about 70,000 to 80,000 persons and the average daily output of bidis was estimated at 5.75 crores. Even on a conservative estimate workers employed at present in bidi making will well exceed 50,000 persons, while the daily output of bidis would amount to nearly 5½ crores. The bidi making establishments by this time must have passed the thousand mark. The following table will show the rapid development of bidi industry in this province and does not indicate any large conspicuous deterioration :—

Statement showing the development of bidi industry in the Central Provinces and Berar.

Year	Number of bidi establishments	Number of persons employed	Average daily output
(1)	(2)	(3)	(4)
1921	164	7,680	..
1925	225	12,400	..
1927	776	30,065	3 crores.
		(including 15,568 children under 15 years of age).	
1930	866	42,240	4½ crores.
1931	895	45,377	5 crores.
1940	1,100	50,000	5½ crores.

It has been always stressed by the employers that bidi-making is a cottage industry and as such needs all the protection of the Government that may be bestowed in encouraging cottage

industries. The establishment of the bidi industry in this province shows that it never started as such and the experts brought from outside were made to teach the local labour in a place similar to a workshop where manufacture was carried on under the direct supervision of the employer or his agents. The same system of bidi-making in workshops has continued up-to-date, except for the system of *gharkhata* (home manufacture). Generally a group of workers is collected in a workshop where the bidi manufacture is carried on either under the supervision of the manufacturer's agent or of his contractor. Even under contract system the workers do not, as a rule, carry on the bidi manufacture in their own homes. On the other hand, a house or room is always rented out and the *munshi* (agent) or the contractor who distributes the leaves and tobacco supplied by the manufacturer, is in charge of the workshop and the bidi manufacture is carried on under his supervision or control. It is only in the case of *gharkhata* that bidi-making is carried out under the conditions of the cottage industries and such system is very little in vogue in most of the bidi-making centres. Cutting of wrapper leaves, however, is carried out at home by the workers and so a part of the industry only can be considered as home work. Even bidi establishments employing more than 100 persons are not uncommon.

There are four main firms of bidi manufacturers whose combined output amounts to 60 per cent of the total production of the Central Provinces and Berar. Except in a few districts and *tahsil* places all the bidi-making is done in villages. Big firms usually have several small bidi-making shops in several villages under one central assembling depôt. For example, at Gondia leaves and tobacco are supplied to villages within a radius of five miles from a central depôt, which collects, packs, labels and despatches the finished product. Labourers engaged in collecting bidis use big baskets for the purpose, which hold from 30 to 35 thousand bidis. These *Harawalas* carry leaves and tobacco to the villages and return with bidis manufactured there. The work of bidi-making is supervised by men who belong to the permanent staff of the firm.

Tobacco used for bidi-making is mostly obtained from Gujerat and Nipani in Belgaum district. No special facilities are granted for the railway freight, though on an average 200,000 maunds of raw tobacco is imported every year into this province. Tendu leaves used for wrappers are found in abundance in the forests of Bhandara, Chanda, Balaghat, Jubbulpore, Saugor and Bilaspur districts, and are extracted either by contractors or by the manufacturers themselves, who have taken portions of the jungles on lease for the purpose. The quality of leaves depends chiefly on its conditions at the time of harvest which is of limited duration ranging from a fortnight to three weeks (usually in May). The price of leaves is about Rs. 4-8-0 per 1,000 bundles of fair average size, weighing approximately three maunds. The wholesale price of good bidis ranges from Re. 0-14-0 to Rs. 1-4-0 per 1,000 and the retail rate is 2 to 3 pice per *katta* (bundle of 25 bidis): Rejected bidis or *chura* are sold at 1 pice her *katta* in retail and Re. 0-8-0 to Re. 0-10-0 per 1,000 in wholesale. Octroi is usually levied only on imports in tobacco. It is collected as terminal

tax or as octroi. There is no uniformity in the scale of octroi taxation, but in general some municipalities tax tobacco on the basis of 6 pies per rupee, while others do so at Re. 0-13-4 per maund. The municipality of Gondia, however, does not charge any octroi duty on tobacco, but imposes a terminal tax on the export of bidis and leaves at Re. 0-2-0 per maund. At Bhandara the district council charges an export duty of Re. 0-4-0 per maund of bidis and Re. 0-2-0 per maund of leaves; while in some places the export of bidi leaves is taxed to the extent of 5 to 6 per cent of their value.

Workers generally take leaves to their homes to cut them into proper shape at night for making bidis on the next day. But the actual manufacture is carried on at the employer's place in halls or sheds or open verandahs of various sizes. In spite of large number of women and children engaged in the industry no special facilities for women and children are provided at the work places. Sanitary conveniences are non-existent in most places; but their want is not much felt in rural and semi-rural centres like those in Bhandara and Jubbulpore districts. Overcrowding is reported from many centres, but lighting and ventilation are generally said to be satisfactory. The hours of work in these establishments are not rigidly fixed as work is carried on generally on the "ship" system and payment is made per thousand of bidis manufactured. Working hours at the establishments generally vary from 8 to 10 hours per day. The workers generally go to work after their morning meal and ordinarily do not ask for mid-day recess, but when they feel like it they take some recess during the mid-day. Formerly weekly holidays where they existed, were in the nature of half holidays. Wages are paid on piece-rate per thousand bidis, and vary from Re. 0-3-0 in village factories in Bhandara and Balaghat districts to Re. 0-10-0 at Jubbulpore and Saugor. The prevalent rates vary from Re. 0-5-0 to Re. 0-8-0 per thousand. Deductions up to 10 per cent or more are usually made for bad work and no payment is made for bidis not accepted by the head office of the firm. The practice easily lends itself to abuses and cases have been reported in which a whole day's output has been so rejected.

The manufacture of bidis is a very simple process. Bundles of wrapper leaves are soaked in water to soften them and then cut with a pair of scissors into rectangular shape of average dimensions of 3.2" to 3" in length and 1.8" to 1.5" in breadth. Sometimes an improvised tin plate of the proper shape and size is provided to enable workers to cut leaves correctly. Wrapper leaves are obtained from tendu plants which grow wild in the forests of this province. The most popular and widely used bidi tobacco are Gujerati and Nipani grown in the Charotar and Nipani areas of the Bombay presidency. In order to cheapen the cost of bidi manufacture, sometimes tobacco from Bihar, United Provinces, Nizam's Dominions, Mysore States and scraps and rejections from Guntur tobacco are mixed with Gujerat and Nipani tobacco. Tobacco mixtures used by different bidi manufacturers are their trade secrets. In the actual making of bidis a quantity of tobacco mixture provided by the employer is taken in a spoon of iron or bamboo tray while the operator keeps a number of cut pieces of wrapper leaves close by. The wrapper

is then rolled between the fingers and palms of hand into conical shape and the top of the broad end is closed by bending it over the wrapper with the fingers. The other end is tied with a piece of white or coloured cotton thread. It is the usual practice with manufacturers to use thread of different colours to distinguish different brands. The quality of the bidis depends on wrapper leaves, quantity of tobacco mixture and proper rolling of the bidis. Generally three sizes of bidis are manufactured. The big ones are of 3", the medium of 2½" and the small 2" in length, respectively. The tobacco contents vary from 5 to 8 chataks according to the size and quality of the bidis manufactured. After day's work is over, the worker ties the bidis with thread into bundles of 25 each which are then handed over to the manager or inspector of the workshop, who examines and counts them and issues a chit in acknowledgment of good bidis received; for payment is made only for good bidis. After receiving bundles in the workshops they are arranged in trays which are placed in a warm room for drying, after which each bundle is wrapped in thin paper and labelled. In this province, it is the usual practice to give the work of wrapping and labelling on contract at about 1½ to 2 pice per 1,000 bidis. The quantity of wrapper leaf, bidi tobacco mixture and thread given to each worker is based on the requirements to make 1,000 bidis. The Central Provinces and Berar is the most important province for manufacturing bidis and has highest export to other provinces and native states in India. So far as export figures are available, the following figures of nine consecutive years show the trend in the increase of bidi export from the province:—

Table showing the trend of bidi export for nine years ending 1940-41 (Maunds).

Station	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41 (Up to January 10 months)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Gondia ..	33,266	35,867	38,207	45,239	51,360	53,714	51,581	60,853	52,399
Tirora ..	30,881	34,306	33,891	35,528	43,825	46,880	41,570	51,521	44,334
Tumsar ..	26,344	28,417	32,385	41,518	44,684	48,243	42,395	44,920	40,278
Bhandara	16,558	20,833	20,582	18,095	21,616	25,095	25,045	24,821	19,887
Total ..	107,049	119,423	125,065	140,380	161,485	173,932	160,591	182,115	156,898

As the total production of bidi in the province has not gone down, nor has the consumption of bidis within the province appreciably gone up since 1935, we have been convinced that the same trend in the figures of export has been maintained.

“The bidi is the poor man’s cigarette. The statement given below shows the estimated consumption of bidis in the provinces and states of India and Burma in 1934-35 :—

Estimated consumption of bidis in India and Burma.

Province or State	Total quantity		Per capita	
	Lb.	Lb.	Numbers	
Assam	560,880	0.062	62	
Bengal	6,796,980	0.133	133	
Bihar and Orissa	4,895,400	0.126	126	
Bombay	8,919,140	0.477	477	
Central Provinces and Berar	2,870,000	0.179	179	
Madras	10,295,100	0.218	218	
North-West Frontier Province	3,075	0.001	1	
Punjab	127,797	0.005	5	
Sind	2,804,400	0.687	687	
United Provinces	3,424,512	0.070	70	
Baroda	1,679,483	0.660	660	
Nizam’s Dominions	10,004,000	0.664	664	
Kashmir.. .. .	254,692	0.068	68	
Mysore	3,852,811	0.572	572	
Travancore	750,300	0.137	137	
Other areas	11,449,354	0.217	217	
Total India	68,687,924	0.197	197	
Burma	6,479,698	0.476	476	

NOTE.—Only the tobacco contained in the bidis has been taken into account in the statement. The weight of the wrapper leaf is excluded.

The per capita consumption of bidis in India works out at 197 bidis. Sind ranks first among the provinces as regards the annual consumption of bidis. Bombay comes next in rank and the importance of the province as a consumer of bidis is in keeping with the fact that it is the most important area for the cultivation of bidi tobacco which is despatched to all parts of the country. Madras has a per capita consumption of 218 bidis. Central Provinces and Berar have the most important bidi manufacturing centres in the country but the per capita

consumption comes to only 179 bidis. Bengal and Bihar and Orissa come next with 133 and 126 bidis per capita. In the United Provinces there is only a small demand for bidis. In Burma, the consumption is large and works out at 476 bidis per capita." (Report on the Marketing of Tobacco in India and Burma, 1939.)

A comparative statement of average manufacturing and distributing costs of bidis in five important provinces is given below. It will show that the manufacturer's margin amounts to 24 per cent in this province, against 18 per cent in Bombay and 23.7 per cent in Hyderabad. The consumer's price, on the other hand, is the lowest in this province, while the retailer's margin is the same as that in Bombay and Hyderabad:—

** Average manufacturing and distributing costs of bidis
(per 1,000 bidis)*

[Figures in brackets represent percentage]

(1)	Central Provinces		Bombay		United Provinces		Delhi		Nizam's Dominions	
	(2)	(3)	(4)	(5)	(6)					
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.					
Cost of tobacco	0 2 6 [12.5]	0 4 0 [10.0]	0 4 0 [20.0]	0 4 3 [14.2]	0 2 7 [13.0]					
Cost of wrapper	0 0 9 [3.8]	0 3 0 [12.0]	0 2 0 [10.0]	0 1 7 [5.3]	0 2 10 [14.2]					
Labour charges etc. ..	0 7 0 [35.0]	0 8 0 [32.0]	0 7 0 [35.0]	0 7 0 [23.0]	0 5 2 [25.8]					
Packing and other handling charges.	0 0 11 [4.7]	0 0 6 [2.0]	0 1 0 [5.0]	0 0 8 [2.2]	0 0 8 [3.3]					
Manufacturer's other costs and margin.	0 4 10 [24.0]	0 4 6 [18.0]	0 1 0 [5.0]	0 8 6 [28.3]	0 4 9 [23.7]					
Retailer's other costs and margin.	0 4 0 [20.0]	0 5 0 [20.0]	0 5 0 [25.0]	0 8 0 [26.7]	0 4 0 [20.0]					
Consumer's price ..	1 4 0 [100.0]	1 9 0 [100.0]	1 4 0 [100.0]	1 14 0 [100.0]	1 4 0 [100.0]					

The total investment in bidi industry in this province is not known nor the manufacturers have supplied data to assess the growth of investment in the industry and the return obtained therefrom. The history of four leading firms accounting for 60 per cent of the total output of the province clearly shows that each of them started in a very small way with capital hardly exceeding a few hundred rupees. But from this small beginning each of them has built up an extensive business worth several lakhs within the last 25 or 30 years. Their investment in the industry now extends beyond the province and would amount to crores of rupees. The return available from the investment has brought them a taxable income of Rs. 30,000 to a lakh of rupees per annum. In the beginning most of them started as bidi workers themselves rolling bidis with their own hands and selling them in the market. Such extraordinary transformation has

*From Report on the Marketing of Tobacco in India and Burma, 1939.

not been impossible in the industry even in recent years. Several other instances of similar nature are also found in the trade and the vitality of the industry in this province can hardly be said to have reached the ebb-tide. The demand for bidis was on the increase until recently because of the general increase in smoking habit of the people in India. But, due to the introduction of cheap brands of cigarettes in the market and the increasing demand for them, the consumption of bidis is slowly declining throughout the country. The manufacturer of bidis in the Central Provinces confirm this view and loudly complain against growing popularity of the cigarettes. Judged by the consumption in other countries, the consumption of cigarettes in India is remarkably small, being only 20 per head per year. Complaints have been voiced by the bidi manufacturers regarding dispersal of the bidi industry from this province to other neighbouring states and provinces. But apart from the steps taken by the complaining manufacturers themselves in this direction, there is hardly any indication of such dispersal, except for a few attempts to secure forest concessions in the neighbouring states. No systematic effort has been made so far to establish the industry in the states and no provinces or states have seriously considered encouraging this industry within their boundaries.

CHAPTER III.—STATEMENT OF CASE BY THE EMPLOYERS AND WORKERS

Procedure.—After the issue of the questionnaire, replies received from the different parties were tabulated and the difficulties experienced by the manufacturers and workers as well as their grievances were carefully considered. Complaints also poured in from the bidi workers which were placed before the Committee for its due consideration. The complaints made by the bidi manufacturers were also similarly considered. At all the centres visited by the Committee, several selected witnesses were invited to appear before the Committee for oral examination. It enabled the members of the Committee to examine representatives of the bidi workers as well as those of the manufacturers and cross-examine them at length, whenever found necessary. Individual witnesses, who had special knowledge, were also asked to give evidence which proved very useful to the Committee. The Committee also inspected several bidi factories of different types in each centre as well as some rural bidi-making establishments. Altogether the members of the Committee visited 15 town factories and 12 village factories at different centres and examined workers on the spot in those factories as well as the representatives of the owners. The Committee thus had the advantage of first-hand knowledge regarding their working conditions, difficulties and grievances. After a thorough examination of the different points of views, the Committee resolved to formulate its findings.

The case of the bidi manufacturers is briefly as follows :—

The bidi-making is a cottage industry requiring special supervision and control over the labour. The labour is illiterate and unskilled, practically the same as the agricultural labour in rural areas. They are given

bidi leaves, tobacco and thread in their charge for making stipulated number of good bidis. The wages are on piece-rates which is a sort of contract for supplying an agreed quantity of good bidis out of the materials supplied to them. If they fail to give the requisite supply, they must be penalised, or the loss made good by them. Moreover, the articles supplied by the manufacturers being in their possession all the time and there being no stamp or mark of proprietorship on these articles, they are in an advantageous position for misappropriation or making misuse of these articles. In order to check their petty thefts, pilfering and misuse, the employers have to exercise strict control over the manufacture and make necessary deductions for articles supplied and misused.

Secondly, to secure good qualities of bidis that would be acceptable to the customers, the employers have to exercise a number of checks during the process of manufacture as well as a sorting at the end. If the bidis supplied by any bidi-maker are not up to the standard, they are liable to be rejected according to the contract and no payments can be made for the same. Such rejections are carried out on account of the following defects in manufacture:—

- (i) Tondi, *i.e.*, spoilt mouth which does not allow smoking.
- (ii) Nakhuni, *i.e.*, in closing the end spoilt by finger nails.
- (iii) Murliulti, *i.e.*, rolled in the wrong way.
- (iv) Poli, *i.e.*, empty bidis without tobacco.
- (v) Employers' tobacco is stolen and the bidis are filled with ash, saw-dust, burnt tobacco or any other substitute.
- (vi) Made with less tobacco placed at the end only.
- (vii) Bel Ular, *i.e.*, end closed the wrong way.
- (viii) Bidi bent in rolling.
- (ix) Parda, *i.e.*, bidi rolled in such a way that it does not draw by choking off the smoke.

Patta chhat or sorting of leaves becomes necessary as the Tendu leaves cannot be obtained of the same standard quality. A worker capable of making 1,000 bidis is given leaves sufficient to make 1,200 or 1,300 bidis, and the extra allowance is meant to cover the sorting out of good leaves for bidi-making by the workers themselves. If, however, they neglect to do that work at home and cut up all leaves for making bidis, these must necessarily be sorted out. Deductions for *latti* or thread and *pillai* or smoking becomes necessary as the workers otherwise waste the thread or smoke any number of bidis that they find convenient. Even women take some bidis home for their husbands or relatives. The cost of tobacco smoked by the workers is hardly recovered by such deductions. The workers conceal bidis and tobacco which they take home for their own use or sale. It is difficult to detect the quantity of articles they steal when such articles are in their possession. Each individual

and specially women cannot be searched. It is, however, their experience that such stolen tobacco and leaves are sold by them in the market at rates much cheaper than these would cost; but police generally do not take any notice of such sales as the articles can never be identified as stolen property from such and such manufacturer. *Hara chhat* or rejection at headquarters of bidis manufactured at branch factories is necessary because the managers of such branch factories are colleagues of the workers and are selected by them. *Dharmadaya* is a form of deduction that is a recognised custom in all commercial houses. The employers have spent much more than that available from *dharmadaya* fund for charitable institutions throughout the country.

Finally the manufacturers stress on bidi-making as a cottage industry and insist that legislation like the Unregulated Factories Act and Payment of Wages Act should not be applied to it but protection should be given to this trade which employs more than 50,000 workers in this cottage industry and supports nearly two lakhs of population. They find that such legislations placed a number of handicaps and difficulties in the way of bidi manufacture and made it impossible for them to carry on with their work efficiently and economically. They assert that many of the provisions of the above legislations are unnecessary and put difficulties in the proper economic working of the bidi industry, the smaller concerns are affected very adversely by administrative interference. They consider that such interference by Government is undesirable in case of cottage industries and feel that it is giving rise to a growing tendency for diverting the bidi industry to other centres outside the province. The submission of returns and reports and the maintenance of muster-rolls enjoined by the legislation are not only irksome but in their opinion serve no useful purpose. At the same time the difficulty of the employers in keeping books and account is excessively increased due to the poor quality of staff available at these factories. Provisions regarding latrines, ventilation and overcrowding are practically useless as the employers are not in a position to erect buildings at every place they open a factory. They have to utilise whatever houses are available on rent. If they are to build their own houses in accordance with the requirements of the law, the investments will have to be increased several times without any corresponding return. The application of the Payment of Wages Act to prevent deductions that are included by the terms of employment is positively harmful to the industry and would result in the deterioration of the quality of bidi produced. It would hardly improve the efficiency of the worker or benefit them to any appreciable extent.

The case of the bidi workers may be summarised in the following demands placed before the Government and reiterated before the Enquiry Committee:—

- (i) Security of service.
- (ii) All *chhats* (deductions) to be stopped.
- (iii) *Dharmadaya* and charges for thread and leaves to be discontinued.
- (iv) Fixation of rates of wages.
- (v) Suitable arrangement of hours of work.

- (vi) Holidays and mid-day recess to be optional.
- (vii) Arrangement for pension and provident fund.
- (viii) Reduction of time in counting, storing and payment.
- (ix) Fixation of days of payment.
- (x) Introduction of card system for showing the account of work every day.
- (xi) Facilities for women (e.g., maternity benefit).
- (xii) Special arrangements for female workers.
- (xiii) Minimum wages.
- (xiv) Application of Payment of Wages Act and Unregulated Factories Act to all bidi factories.
- (xv) Satisfactory working of *gharkhata* (home-made bidi).
- (xvi) Satisfactory working of *gharkhata* (home-made bidi).

Their main grievances are that the wages are not adequate and the treatment meted out to them by the employers or their agents is not satisfactory. They claim full payment for the work done by them and declaim all responsibility for the manufacture carried on under the supervision and guidance of the employers. They complain progressive wage-cut carried out during the last ten years and object to the contract system in bidi-making widely introduced since the application of the Unregulated Factories Act and the Payment of Wages Act. They hold that as the material is supplied by the employers any subsequent sorting that is to be done must be carried out at the cost of the manufacturers themselves. They consider all kinds of *chhats* and deductions unreasonable and the *dharmadaya* and recovery of the cost of the thread an unjust imposition. They demand for the fixation of minimum wage and liberal supply of leaves for making good bidis. As rejected bidis are sold by the employers they cannot see why they should be deprived of their wages. They complain bitterly of the treatment meted out by the supervisors and arbitrary harassment by them. The working conditions too are far from satisfactory and there have been many instances in which the employers have failed to pay them their wages for months. The most insistent complaint by the worker is that of victimisation, whenever the worker makes any complaint to the authority or otherwise displeases the employers. Action against the workers has been on the increase since the application of the Unregulated Factories Act and the Payment of Wages Act and the consequent enquiries by the administrative departments or even by the present Enquiry Committee.

CHAPTER IV.—WAGES AND WORKING CONDITIONS

The first terms of reference of the Committee requires us to examine the grievances of bidi workers with reference to wages, deductions of various kinds and security of service, and to suggest remedial measures. The grievances of bidi workers may be summarised as follows :—

- (i) Insufficient wages and arbitrary fixation of rates of wages in different factories.
- (ii) Deductions from wages of various kinds due to *patta chhat*, *mouzni chhat*, *katta chhat* or *pillai*, *zal chhat*, *dharmadaya*, payment for *latti* or thread, compulsory purchase of circus or lottery tickets, etc.

- (iii) Shortage of tobacco and shortage of leaves occurring in the course of manufacture that has to be paid for by workers.
- (iv) Ill-treatment by supervisors and bad working conditions.
- (v) Insecurity of service.

Regarding wages the complaint is universal, even in places where Re. 0-8-0 and Re. 0-10-0 per thousand are paid to the workers. The complaints are due to inordinate deductions as well as low rates of wages in village factories or under contract system. The claim for minimum wage has been insisted upon by the labour leaders and even impartial observers like the Inspector of Factories and some Deputy Commissioners also suggest the same. The principle of minimum wages has been accepted in most of the civilised countries and has been strongly urged in case of sweated labour. A number of labour enquiry committees in India have also recommended the adoption of minimum wages in several industries and the labour programme of the Congress Party also included it, but so far no industry in India has as yet adopted it in its practical application. The bidi industry in this province offers the most suitable field for the adoption of minimum wages, as has been exemplified by the evidence of Mr. Rege and others. The exigencies of the trade and conditions of service in bidi factories need it much more than anything else. The deductions effected, then, may be limited to this minimum rate of wages and manufacturers who desire special quality of bidis or superfine bidis may do so by offering higher rates of wages while carrying out rejections to the extent which do not lower the income more than what would be available to him according to the minimum rate of wages. Incidentally such manufacturers can have the pick of better workers and the necessity of excessive rejections should be gradually eliminated by employing only good or experienced workers. (The minimum rates of wages may be proposed as follows :—

- Village factories (small)—Re. 0-3-6 per thousand.
- Village stock factories—Re. 0-4-0 per thousand.
- Factories in small towns (including stock factories)—
Re. 0-5-0 per thousand.
- Factories in bigger towns (including stock factories)—
Re. 0-6-0 per thousand.)

It has been noticed during the inspection and from evidence that factories in Saugor, Jubbulpore and other centres can pay even Re. 0-8-0 to Re. 0-10-0 per thousand and still earn good profit. Even under severe cut-throat competition factories paying Re. 0-6-0 per thousand have a margin of profit of nearly Re. 0-2-0 per thousand. It has not been proved on the side of factory owners that they are unable to pay a rate of Re. 0-5-0 or Re. 0-2-0 per thousand. It has not been proved on the side of rates of wages. On the contrary these are the prevalent rates in the majority of bidi producing centres and the only complaint made by the manufacturers is that owing to bad manufacture of bidis, which are by the way rejected, and rise in prices of imported articles like paper, label, etc., they are unable to pay higher wages. Their only argument against minimum rates of

wages is that the bidi labour which is drawn from the agricultural labour receives much higher wages than the latter. This introduces quite a different factor, namely, comparison of one class of industrial labour with other classes of non-industrial labour.

Regarding deductions, most of them have been proved by the evidence and some of them like *dharmadaya*, purchase of lottery tickets and *latti* charges have been stopped in many factories, while many factories that did not recover *latti* charges have introduced the system by asking the workers to pay for the thread. Other deductions are contended to be in the interest of the industry itself, and without the rejection of bad bidis, it is argued, the industry will be ruined in no time. The workers on the other hand contend that rejection of bidis is excessive and made without rhyme or reason, at the whim of the supervisor. The rejected bidis are also re-sorted and are sold as inferior quality at a reduced price. Since the bidis are saleable they can hardly be thrown off as rejected bidis without making any payments to the workers for the same. Such bidis come under the same category as of 'damaged cloth' in mills or article spoil in the course of manufacture for which full payment of wages has to be made under the Payment of Wages Act. The question of rejection or *chhat* effected at various stages is very controversial, and can only be solved by arbitration at the spot. The setting up of arbitration at each centre for each stage, however, is not a practical proposition and the difficulty of obtaining experienced and impartial arbitrator at each stage is enormous, apart from the question of expenses incurred. The only alternative solution therefore would be to allow the worker to tender again and again the rejected *katta* (packet of 25) for approval after the bad bidis have been removed and replaced by good ones. He may be allowed to take such bidis home and replace them by good ones prepared from the same tobacco.

As regards *latti* charges, it is not understood how one of the raw materials for the making of bidis has to be provided by the workers while they are hired for their labour only. It is futile to suggest that the contract of employment covers it as no such contract can be valid under the Payment of Wages Act and neither there is any justification for such terms of contract, nor can it be assumed to be implied by the terms of employment. Thread must be supplied to the employees like other articles required for the manufacture of bidis. Provisions may be made to allow employers to recover wastage of thread in the same way as that of shortage of tobacco or leaves. The difficulty for maintaining account of thread cannot be considered as a valid reason, as in that case similar difficulties are liable to crop up with paper, leaves and even tobacco; and once the principle is conceded the worker will be asked to supply various other things even leaves as a substitute for a cut in the basic wages. We therefore recommend that thread for making bidis should be supplied free of charge, subject to the limitation that any shortage due to wastage would be recovered from the workers after allowing a safe working margin.

In view of our recommendations for minimum piece rates, it may be considered if it is desirable to provide a margin to cover rejections of bad bidis (all kinds of *chhats*) and *pillai*. In other

words the rates per thousand like a baker's dozen should mean 1,025 bidis, and all kinds of *chhats* at the marginal rate of minimum wages must be stopped.

There is no security in the bidi industry and it is practically impossible to have any security of service in such casual employment as that of bidi-making. Wages are generally paid weekly sometimes daily. In the latter case it is open to a worker to leave service at any moment he desires, while in the former case he has some back pay pending with his employer. So, the only security of service we can recommend is that no worker should be discharged or his services dispensed with without notice of a period not less than his wage period, or pay in lieu thereof.

It has been proved by the evidence laid before us that the rates of wages for bidi-making have been progressively reduced during the last 10 or 15 years. Wage rates of Re. 0-12-0 or more per thousand which were prevalent in big towns 10 years before have now come down to Re. 0-6-0 and Re. 0-7-0 per thousand; while the wage rate of Re. 0-6-0 per thousand that was prevalent in village factories has come down to Re. 0-3-6 per thousand during the last five years or so. This has been due to abundance of labour supply, unemployment amongst agricultural labour and rate cutting competition amongst the bidi manufacturers themselves. The only remedy to such deterioration in wage position in our opinion would be to fix minimum rates of wages as already suggested. To enable the workers to use only good leaves for preparation of bidis and thereby minimise troubles and friction between the workers and employers with regard to *patta chhat* (sorting of leaves), a liberal supply of leaves should be given to workers. In our opinion, on an average a worker should be supplied with $1\frac{1}{2}$ seers of leaves for preparation of one thousand bidis. The question of deduction for *pillai* (smoking of bidis during manufacture) has been a controversial one as a large section of workers specially women do not smoke at all. It has been suggested to us that the workers, who indulge in smoking, are willing to pay for it. We are, therefore, of opinion that if the workers in any bidi factory are in the habit of smoking during manufacture and the employers find it inconvenient to prohibit the practice, the workers may be charged for the number of bidis smoked by them. It has come to our notice during the enquiry, that several factory owners have defaulted in making payments to their workers for bidis manufactured. Some of them have gone into liquidation while others after months of working have all of a sudden closed their factories and went away without any trace, leaving the workers unpaid for several weeks. To prevent such catastrophe we recommend that the factory owners, who default in any weekly payment, should be stopped by law from carrying on any further work until they cleared the wages due to the workers.

CHAPTER V.—APPLICATION OF THE UNREGULATED FACTORIES ACT AND THE PAYMENT OF WAGES ACT TO BIDI AND LAC FACTORIES

The second terms of reference enjoins the Committee to investigate into complaints regarding application of the Unregulated Factories Act, and the Payment of Wages Act to bidi and lac factories, and to suggest modifications of the legislation to suit local conditions and special requirements of the industry.

The complaints received may be divided into two categories, one received from the bidi workers and their representatives and the other from the employers and their representatives. The complaints in the first category deplore the imperfect application of legislation to bidi and lac factories and the leniency with which it is administered. (These complaints point out the irregularities still existing in the bidi factories regarding accommodation, housing of factories, bad working conditions and lack of facilities of drinking water and latrines required to be provided under the Unregulated Factories Act. They also complain of deductions from wages and delay in payments made in contravention of the Payment of Wages Act, harassment, dismissals, abuses, fines and suspensions often inflicted by the managers or supervisors at their sweet will, and the lack of authoritative control by the Government Inspection Department over the village factories.) It is proposed in the complaints that stricter application of the above two Acts coupled with a more vigorous policy of inspection must be resorted to for the enforcement of the law and even smaller bidi factories employing 25 persons or less should also be brought within the orbit of the above two Acts. The bidi workers and their representatives are insistent on the continuation of the above two Acts being applied to them and favour stricter application though some of them would like some amendments and modifications such as abolition of rest interval and exemption from observing a fixed time-table for the hours of work. Similarly, provision for weekly holidays is favoured if it does not result in reducing their weekly earnings.

It has been proved by the evidence of Inspector of Factories supported by the evidence of bidi workers in different centres how attempts have been made to circumvent the application of the above Acts. In some districts the method adopted is to close down factories and resort to contract system for the manufacture of bidis. In other places, factories have been broken up to smaller units employing less than 50 persons in each unit so as to escape registration under Unregulated Factories Act. Some employers on the other hand have resorted to increased production by village factories at the cost of town or stock factories, the village factories being generally outside the pale of the above two Acts. In all such cases complaints are the heaviest from contract labour, small factories or village factories. The general trend of the complaints have been verified by visits to a few village factories, small factories and contract labour by the members of the Committee in different localities. If circumvention of enacted legislation is allowed in such wholesale fashion, it is futile to suggest any amelioration of the working conditions by means of legislation. A suitable means of counteracting such attempts will be to include all contract labour or small and village factories under each stock or head office to be considered as one unit for the application of the enacted legislation and to prescribe 20 instead of 50 to be limit of persons employed for declaring any such premises to be a factory similar to that prescribed in section 2 (j) of the Factories Act.

The complaints received from the employers and their representatives aim at repealing the application of the Unregulated Factories Act and the Payment of Wages Act to bidi and lac factories. The Bidi Merchants Association of Gondia have issued

leaflets suggesting economic and social ruin of the bidi workers that would follow the strict application of these Acts. They are out to prove that the application of any such legislation to bidi industry would ruin the industry in this province and facilitate the shifting of the industry to other provinces and neighbouring states. They are, however, unable to quote any facts and figures to prove their contention and rely mostly on their alleged experience and competition from outlying states and provinces to prove their case. The statistics obtained from the Director of Industries of different provinces and Native States do not show any serious competition from any of these provinces or states. On the contrary most of them treat this industry either as insignificant or nascent. No evidence of fostering care or special concessions to this industry is available. On the contrary some of them like Bengal and Orissa intend to apply legislation similar to ours in their province; while in Madras and Bombay the Factory Act itself is applicable to bidi factories. The bulk of the complaints from the employers refer to stealing, disorderliness, absenteeism and bad workmanship on the part of workers and they argue that unless unrestricted powers rest with the employers to deal with their own labour, these vices would be on the increase and no discipline can be maintained in the industry. Moreover, bad workmanship, unless checked by ruthless deductions and strong management even to the point of harassment, will result in such bad product and inefficient manufacture that their consignments will be rejected by all markets and the industry will go to rack and ruin. It is difficult to say how much of these complaints and their effect on the industry is exaggerated. No concrete evidence was brought before the Committee to prove that the application of these Acts in the last few months have resulted in any such tendencies. From past experience too, it has not been proved that any latitude shown by the employers in these directions has brought about a disaster on the employers or resulted in the increase of the vices complained. Stealing and disorderliness can be dealt with under the criminal law of the land and they are amenable to legal remedies while discipline in factories can be maintained by suitable standing orders and working conditions irrespective of legal provisions for the control of the industry. (There are 740 factories employing 64,495 workers under the Factories Act and Payment of Wages Act in this province and neither efficiency nor the discipline of these concerns is impaired in any way as complained by the employers in the bidi industry.) The efficiency and discipline of the railway workers are perhaps the best of all the labouring classes in India and yet railway labour is amenable to labour legislations and Payment of Wages Act as much as any other industrial concern, though the labour is recruited from the same sources as that of other industries. The question of efficiency and discipline are not so much matters of legislation as of the management, and if the management is inefficient, no amount of freedom from legislation or control would produce the desired efficiency and discipline in the industry.

Bulk of complaints, practically in identical terms, and in many cases carbon copies signed by workers of different factories or groups of factories were sent to the Labour Office asking for repealing of the Unregulated Factories Act and Payment of

Wages Act, on the plea of these Acts being detrimental to the interests of the workers. The same catalogue of complaints couched in identical language unsupported by any valid reasons tends to create the suspicion that they emanated from the same origin. Since the bulk of these complaints came from the Jubbulpore district, workers were examined on these complaints during the Jubbulpore session of the Committee. The actual representatives of the workers all denied these complaints and voted in favour of the continuance of the Unregulated Factories Act and the Payment of Wages Act. Some of the actual signatories even confessed that they were made to sign these documents by the factory managers while they actually wanted the protection of the enacted legislation. Witnesses were also put forward by the employers or their agents to substantiate these complaints but it transpired that most of them were supervisors or permanent servants of the employers. They in their evidence denied any benefit from these Acts, and supported the contention of the employers that enacted legislation interferes with their work and the well-being of the industry. They were in favour of repealing these Acts and leaving a free hand to the employers to deal with their own labour force. Our inspection of bidi factories and examination of workers at the spot on the other hand proved that as no protection was otherwise available to the bidi workers, they preferred the continuance of the legislation and wished for more liberal enactments to protect them from the harassment and deductions imposed on them.

The main contentions of the bidi manufacturers against these enactments are—

- (1) The standard of building, working space and ventilation provided by the Unregulated Factories Act might make it impossible for them to secure or erect suitable buildings for bidi manufacture in villages or small towns, and the standard of sanitary arrangements required by the same Act will be far above the present requirements of the workers and would be practically useless to them entailing unnecessary heavy expenditure on the factory owners.
- (2) Under the present circumstances when new investments on buildings and working places will be hardly justifiable, a lot of bidi workers will have to be thrown out of employment if legal requirements regarding accommodation of workers are strictly enforced.
- (3) Mid-day recess and weekly holidays provided by the Act are resented by the workers themselves as a result of their decreased earnings due to such enforced rest or holidays.
- (4) The provisions of the Payment of Wages Act disturb the good relations between the workers and the employers and thereby hamper smooth working in the industry.
- (5) Bidi industry being a cottage industry employing casual labour on contract, the provisions of the Payment of Wages Act regarding deductions, fines and delay in

payments are not suitable for the industry. Presumably such provisions are intended for large establishments working regularly on the basis of modern factory system which creates wage slaves.

In view of the contentions advanced by the bidi workers and the existing working conditions in the bidi industry, it is unthinkable to repeal the Unregulated Factories Act and Payment of Wages Act or exempt the bidi factories from their application. Considering the contention put forward by the bidi manufacturers and the effect of the enacted legislation on the bidi industry, it would be preferable to have a modified piece of legislation consolidating the essential features of the Unregulated Factories Act and the Payment of Wages Act. This enactment should be based on the principle of gradualness. The restrictions regarding accommodation, ventilation and sanitary arrangements that would be applicable to bigger factories should be liberalised in case of small factories or village factories. In fact the provisions should be made similar to section 5 of the Factories Act giving power to the Provincial Government to notify smaller bidi factories employing 20 persons or more to be brought within the scope of the Act. But such factories should be exempted from the provisions relating to overcrowding, lighting, ventilation, sanitary arrangements, etc., so long as they satisfy the inspection authorities on these points. The inspecting authorities should however be empowered to make requisitions whenever they feel the necessity of it. This should meet with the objection of the employers regarding the difficulty of securing houses in villages and small towns to satisfy the standard laid down under the Unregulated Factories Act. It should, however, be noted that during our inspection we found quite decent and well-built factories in villages in the Jubbulpore area where the employers have purposely stopped production in those factories by introducing contract system on the plea of housing difficulties for bidi factories to conform with the requirements of the Act. Such factories in Panagar, Sihora and other places show that the bidi manufacturing firms are in a position to build their own houses to suit the requirements of the law wherever necessary. 2

Regarding the lac factories mentioned in the terms of reference we consider that the question stands on a slightly different footing. The factories are large, generally well-built and work on recognised factory system. Sanitary conditions however are poor and the technical process of manufacture prevents proper ventilation as well as encourages unhealthy practices. The complaints of deductions and fines as well as low or unsatisfactory wages are as common as those in bidi industry. The conditions of work are strenuous and quite different from that of bidi manufacture. The living quarters as well as the surroundings of work-places are made insanitary by the stagnant affluent water of the factories containing putrifying organic matter. It is, therefore, reasonable to expect that the Unregulated Factories Act and the Payment of Wages Act should apply *in toto* to these lac factories with only such modifications as may be necessary to ensure proper ventilation without interfering with the technical process of manufacture.

The provision for specific working hours for individual workers as well as their rest period may be modified to provide a definite working period of hours (say 9 a.m. to 7 p.m.) for the factory as a whole, without stipulating any specific rest period or working hour for individuals. No work should be carried on in the factory beyond these hours. This would meet with the objections regarding the difficulty of getting workers to work according to a specified time-table and their resentment to mid-day recess. As regards weekly holidays, it may be substituted by half holidays on the bazar day enabling the workers to earn as well as to attend the bazar and get some weekly rest or recreation. The difficulties experienced by employers to pay on a working day as required by the Payment of Wages Act would also be thus obviated. Some leniency in the observance of the rules for the prevention of overcrowding may be permitted at the discretion of the inspecting authorities so as to meet the objection regarding accommodation and unemployment. It would also enable the industry to adjust itself gradually to the standard of accommodation required for healthy and favourable working. As regards Payment of Wages Act, only a few provisions may be incorporated so as to ensure prompt and regular payments and eschew illegal deductions and unwarranted fines. The object may be achieved by incorporating provisions analogous to sections 2 (vi), 4, 5, 7, 8, 9, 10, 11, 12 and 23 of the Payment of Wages Act, and the application of the Payment of Wages Act to bidi factories would then be unnecessary. If the consolidated Act is properly drafted it can also be applied to the lac factories.

CHAPTER VI.—TRADING POSITION OF THE LOCAL INDUSTRY

The last of the terms of reference requires the Committee to study the position of the industry *vis a vis* the all-India Bidi Industry and to suggest measures designed to enable the Provincial Government to maintain the integrity of the local industry notwithstanding external competition. The term is very wide and takes us into the question of external competition as well as internal organisation of the industry in the province. In spite of our attempts to obtain exact figures of the extent of profit in the industry at different centres, the manufacturers themselves declined to disclose in details their profit and loss figures from actual transactions carried out by them during different financial years or even the last six months. Messrs. Mulji Sicca and Company of Gondia, one of the biggest firms of bidi manufacturers in the province (perhaps in India), avoided replying to the questionnaire on the subject by stating that it was not possible to quote profits as the profits of a factory are not separately ascertained. Bidi Merchants Association, Saugor, Goverdhandas Gopikisan of Tumsar, Jainarayan Surajmal, Brijlal Manilal, Bhikusa Yamas of Gondia, Mohanlal Hargovind, bidi manufacturers of Jubbulpore, and others have also replied in the same terms avoiding to answer the question directly; whereas many have not replied to the question at all.

Gondia bidi manufacturers' witness at Gondia does not give any figures for profit but says "In the last ten years I can say that I have seldom earned a profit of Rs. 2,000". During evidence in Gondia firms that incurred loss totalling over Rs. 25,000 in

various business transactions and those that went into liquidation were quoted to show that the industry was not a profitable one. No quantitative statement of profit and loss was however tendered, nor was any case made out to establish the extent of profit in the industry as a whole. The witness from Kamptee even refused to give the component cost of manufacture saying that he was unable to answer the question. The manager of the Mohanlal Hargovind and Sons, one of the biggest bidi manufacturing firm in the province, stated in his evidence at Jubbulpore that he could not give the profit and loss account but only rough estimate could be given. In Saugor, a witness deposed that they were making losses in previous years but now they were making it up and made profits which were estimated at five per cent.

In the questionnaire the question No. 54 asking for component cost in the bidi manufacture has not been replied to by the majority of persons. But some of the important manufacturers who have designed to reply to the question have given no figures for profit, but have shown the total cost equal to or slightly in excess of the sale price. Apparently that means that everybody is running the business at a loss which is contrary to facts. The figures, therefore, appear to be exaggerated and in some cases where interest of 9 per cent or so is included in the cost, it must obviously include at least 5 per cent as manufacturer's profit. From the evidence led before the Committee at different centres the question of profit, however, becomes clearer and it is found that on an average competent manufacturers make a profit of at least one anna to two annas per thousand over the sale price. As the average sale price (wholesale) can be computed at one rupee per thousand the profit margin comes nearly to 10 per cent. The manufacturers in their evidence, however, evaded to give concrete figures which would have enabled us to calculate accurately either the average cost price or the average sale price or the profit margin. Mostly the instances quoted to us were limited to transactions in which they made losses. At Bhandara, however, the evidence showed that the actual cost of manufacture varied from Re. 0-8-0 to Re. 0-10-0 per thousand. If an extra Re. 0-2-0 are added for the establishment charges and sales commission, the cost would not exceed Re. 0-12-0 per thousand. In Gondia the average cost inclusive of all factors, as given by Mulji Sicca, was Re. 0-14-0 per thousand, while the average sale price was Re. 0-15-6. In the evidence of the manager of the firm of Mohanlal Hargovind and Sons at Jubbulpore, the cost of manufacture was given at Re. 0-15-0 per thousand, while the average sale price was about Re. 1. Karim Buksh, a small factory owner, in Damoh, gave the following evidence which is the best account we obtained so far from any manufacturer :—

“I have my factory at Damoh only. I prepare only one size of bidis. I sell bidis in Damoh proper. I am both a wholesale and retail dealer. In retail sale

I get Rs. 1-4-0 for 1,000 bidis, while I get only Re. 0-15-0 in wholesale. The cost of preparing 1,000 bidis is as follows:—

	Rs.	a.	p.
Tobacco	...	0	3 6
Wages of the workers	...	0	7 0
Patta (wrapper leaves)	...	0	1 3
Paper and label	...	0	2 0
Rellai	...	0	0 3
Coal	...	0	0 3
Establishment charges	...	0	0 3
Total	...	0	14 6

A more accurate estimate may, however, be obtained from the independent inquiry made by the Agriculture Department of this province. The figures as published in the Report on the Marketing of Tobacco in India and Burma are put up below:—

Name of centre	Cost of tobacco at 6 chataks	Cost of 10 bundles leaves	Cost of labelling and packing	Labour charges	Total cost per 1,000
(1)	(2)	(3)	(4)	(5)	(6)
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Saugor, Jubbulpore or Kamptee.	0 3 0	0 0 9	0 0 6	0 7 0	0 11 3
Gondia	0 3 0	0 0 9	0 0 6	0 5 6	0 9 9
Tirora	0 3 0	0 0 9	0 0 6	0 4 6	0 8 9
Khandwa	0 3 0	0 1 0	0 0 6	0 8 0	0 12 6

If another Re. 0-3-0 per thousand are added to cover the cost of establishment charges, sales commission, advertisement and interest, the total cost at Jubbulpore comes to Re. 0-14-3, at Gondia Re. 0-12-9, at Tirora Re. 0-11-9 and at Khandwa Re. 0-15-6. Compared to average selling price at these centres the margin of profit is at least Re. 0-2-0 per 1,000. Since the average selling price varies from Re. 1 to Rs. 1-4-0 per 1,000, the average profit would vary from 10 to 12 per cent at different centres. Details of the cost of manufacture and selling price of bidis manufactured by Messrs. Mohanlal Hargovind of Jubbulpore as given by the Agricultural Department in its report on the enquiry made for the Marketing Adviser to Government of India shows that the manufacturer's profit lies between Re. 0-4-0 and Re. 0-5-0 per 1,000, while wholesale price is Re. 1 per 1,000. This indicates a profit of nearly 25 per cent. It is to be noted that the sale price given in this report is the same as that prevailing at the outbreak of the War. The cost price is practically

the same as that of the present, as will be evident from the details quoted below from the above report :—

Cost of 1,000 "Sher Chhap" bidis.

Retail price—Rs. 1-4-0.

Panwala pays—Rs. 1-2-0.

Wholesaler pays—Re. 1.

Manufacturer sells—Re. 1.

(i) Cost of tobacco—Re. 0-2-6.

(ii) Leaf—Re. 0-0-9.

(a) Paid to labourer who brings bidis from villages—
Re. 0-0-2.

(b) Cost of making—Re. 0-5-6.

(c) Profit—Re. 0-1-4.

(iii) Payment to contractor—Re. 0-7-0.

(iv) Cost of thread and paper—Re. 0-0-6.

(v) Labelling and wrapping—Re. 0-0-4.5.

Total cost to manufacturer—Re. 0-11-1.5.

(vi) Manufacturer's profit—Re. 0-4-10.5.

The report quoted above while referring to the bidi industry in Central Provinces states "This trade has increased enormously during the past few years and continues to increase with the increase in propaganda; a considerable quantity of free samples are distributed particularly by new firms in an endeavour to popularise their brands. If the railway authorities were to grant a special concession rate on waggon loads of tobacco from Gujerat and Nipani it should have a stimulating effect on the bidi industry". The position is in no way inferior to what it was in 1934-35 as shown in the above report. There are four main firms in this province whose combined output amounts to 60 per cent of the total supply of the Central Provinces and Berar. The names of the firms, their daily output and wholesale prices of their important branches are given below :—

Serial number and name of firm	Approximate output per day (1934-35)	Present output	Important brands	Wholesale prices per 1,000 (1934-35)	Present prices
(1)	(2)	(3)	(4)	(5)	(6)
				Rs. a. p.	Rs. a. p.
1. Mohanlal Har-govind, Jubbulpore.	130 lakhs	1 to 1½ crore.	'Sher Chhap' No. 7, big.	1 1 0	1 2 0
			'Sher Chhap' No. 7, small.	0 15 0	1 1 0
			'Pahelwan', big	1 0 0	1 0 0
			'Pahelwan', small	0 14 6	..
2. Mulji Siccā, Gondia.	100 lakhs	About the same.	'Shikari'	1 1 0	1 1 0
			'Sundari.'	..	..
Latif Gani, Nagpur.	40 lakhs	About 50 lakhs.	'Talwar Chhap'	1 2 0	1 4 0
4. Ramkrishna Ramnath, Kemptee.	30 lakhs	Do. ...	'Budha Chhap'	1 2 0	..
			'Shanker Chhap.'	1 1 0	1 5 0

The variation therefore is negligible and the price, if anything, is much in favour of the manufacturers. The rates of wages on the other hand have been reduced nearly 10 per cent during the intervening period. The daily output of bidis manufactured in the Bhandara district was estimated at 300 lakhs per day in the above report, while the evidence from Gondia shows that at least 310 lakhs per day are at present manufactured in the same district. The total production in the province was estimated to be 5 crores per day in the above report, out of which 75 lakhs are consumed in the province and 425 lakhs were exported. The evidence of Mulji Sicca at Gondia showed that out of 5.75 crores bidis in the province, 5 crores were being exported and 75 lakhs consumed in the province. The progressive development of the bidi industry in this province will be apparent from the account given in Chapter II, and in the evidence at Gondia, Mr. Chapsi Bhai of Mulji Sicca and Co. stated that about 70 to 80 thousand workers were now employed in the bidi-making in this province. The number of establishments must be exceeding one thousand, as a marked tendency has been recently noticed in breaking up bigger establishments into smaller ones and opening village factories to a greater extent. It would, therefore, be futile to suggest that the bidi industry in the province is declining though it seems probable that the development of the industry is nearing its saturation point. If a few firms have gone into liquidation or a few factories have been shifted to the neighbouring states, many more have cropped up in the province to take their place. The chart attached herewith will show the trend of bidi manufacture in this province.

The following figures indicate the range on wholesale prices of bidis in different provinces :—

Wholesale prices of bidis.

Area and wholesale per 1,000 bidis—

Bengal—Re. 1-0-0 to Rs. 1-5-0.

Bombay—Re. 1-0-0 to Rs. 1-10-0.

Madras—Rs. 1-3-6 to Rs. 1-15-3.

Central Provinces—Re. 0-14-0 to Rs. 1-2-0

Punjab—Rs. 1-4-3 to Rs. 2-5-0.

United Provinces—Re. 0-10-0 to Rs. 1-3-0.

Delhi—Re. 1-0-0 to Rs. 1-4-0.

Assam—Re. 1-0-0 to Rs. 1-4-0.

Hyderabad (Dominion)—Re. 0-10-8 to Rs. 2-3-6.

It shows that next to United Provinces, the prices are the lowest in the Central Provinces; but we are aware from the evidence given in Saugor that bidis manufactured in Saugor, Damoh and partly in Jubbulpore are exported to United Provinces and Delhi in large quantities, and the wages paid in Saugor and Damoh and in some factories in Jubbulpore are on the contrary highest in the province. It is, therefore, clear that the competitive strength of the Central Provinces bidis is not impaired on account of the cheapness of outside product and neither is it a sufficient reason for lowering the wage rates. It is observed in the above report that there is practically no seasonal variation in

the price of bidis and even year to year variation is only occasional and takes place whenever there is competition among bidi manufacturers. Enquiries made from some of the leading bidi manufacturers in the Central Provinces indicate that between the years 1930 and 1938 bidi prices have declined by Re. 0-4-0 per 1,000 chiefly as a result of competition among the manufacturers themselves. It is, therefore, evident that the bidi manufacturers in this province are following a vicious circle by internal competition amongst themselves on account of the larger margin of profit that is ordinarily available in the industry. New competitors cheapen the product by lowering the margin of profit which is followed by reducing rates of wages which again leads others to the same and then as soon as the margin of profit is restored, the competitors start price cutting and thereby completing the vicious circle which only results in reducing the wage level by successive stages. There is nothing fundamentally wrong with the industry in this province as has been disclosed in the above report and there is no evidence that the industry will be removed from this province on account of outside competition, and the Central Provinces and Berar still remains the most important bidi manufacturing province in India. In Bengal about 10,000 workers are annually engaged in the industry and the approximate daily production is 75 lakhs of bidis. The daily earnings come to Re. 0-8-0 to Re. 1-0-0 as the rates of wages are higher than in the Central Provinces. The Director of Industries is of opinion that outside competition is appreciable on account of the low labour cost at other centres. The industry has also to pay usual professional tax in the urban areas. In Bihar, large quantities of bidis are imported from the Central Provinces and Orissa, and the province is not self-supporting in this matter. No facilities are provided by the Government in this industry. In United Provinces bidis are manufactured in some of the bigger towns as subsidiary occupation and the product is absorbed locally. The Director of Industries is of opinion that there is no prospect of bidi industry in United Provinces as raw materials are all imported. No bidi manufacture is carried on in the Punjab and attempts to introduce this industry in 1931-32 failed as Lahore concerns could not stand outside competition. Excise duty on the sale of tobacco has been levied in this province. In Bombay, only 148 bidi-making shops are reported. The Provincial Government has imposed licence fee as well as *ad valorem* sales tax. In Madras, only 35 bidi factories are reported which are all under the Indian Factories Act. Factories with 20 or more workers have been brought under the Factories Act since 1938. In Orissa, there are about a dozen factories employing two thousand persons for the manufacture of bidis, in Sambalpur district, and 70 small factories in other districts. The total annual output from the industry is worth rupees 5 to 6 lakhs. So far the Provincial Government has encouraged the industry by giving technical advice only. The number of bidi factories is increasing in the Sambalpur district and a number of small factories have been started in almost every district, which do not experience competition from the neighbouring States. Bidis are exported to Calcutta only from Sambalpur. The Orissa Employment of Children Act is also applicable to the bidi industry. In the Nizam's Dominion bidi manufacturing is done on a small scale in villages and towns. About 2 lakhs maunds of bidis are made

in the State and 8,500 maunds are imported. No facilities are provided by the Government. The local made cigarettes are sold cheap. Bidis are mostly imported from the Central Provinces which compete with the local industry. Bidi-industry hardly exists in Indore State. Licence fee and quantitative duty are charged on local consumption. They are (i) wholesale tobacco, licence, cigarettes, cigar and bidi and retail vend licence, (ii) quantitative duty on tobacco, cigar, cigarette and bidis. In Gwalior State the industry is in infancy due to lack of raw materials. No State encouragement is given. The industry is in the hands of middle class business firms and keen competition from the Central Provinces is experienced. The policy of local municipality is to tax smoking heavily. Accordingly the licence fee on cigarettes and bidis is heavy. The licence fee on bidis, however, is proportionately lower than on cigarettes.

The bidi industry in this province is, therefore, well established and the production has reached nearly its saturation point. Further development or extension may bring it into keener competition with smaller establishments in different provinces and states but as it is, the industry is not subject to any extensive competition from the neighbouring states or different provinces. None of these provinces or states provides any special facilities for the bidi industry or has made any attempt to develop the industry in their respective jurisdiction. The restrictions imposed by legislation in these provinces do not in any way hamper the growth of the industry, on the contrary the manufacturers in this province are themselves the competitors in other provinces, and also supply bidi leaves to manufacturers in those provinces who are competing with them in their own business. The arguments put forward by the manufacturers are, therefore, not very convincing. Both the Presidencies of Bombay and Madras which are second to Central Provinces in the production of bidis and have the bidi industry in more developed condition than any other province have applied the Factories Act with its numerous restrictions to this industry. In Madras, factories with 20 or more workers are brought under Factories Act since 1938 and so the Payment of Wages Act also automatically applied to them. In H. E. H. the Nizam's Dominion the annual production of bidis amounts to 2 lakhs and 21 thousand maunds (against 24 lakhs in Central Provinces), out of this only 3,200 maunds a year are exported while 8,500 maunds are imported into the state mostly from the Central Provinces. The Factories Act is also applicable to bidi concerns where more than 20 persons work. No special facilities are provided by the Government with the exception that a levy of 5 per cent is imposed as Customs Duty on imported bidis. Children under 12 years of age are not permitted to work and the industry is running down because locally made cigarettes are sold cheap enough for even labouring classes.

The improvement in the industry for stabilising it in this province may be effected by the following methods:—

- (1) Concession should be granted in railway freight on tobacco from Gujerat and Belgaum districts to this province.
- (2) Railway freight for export of bidis in large quantities should be cheapened, and the uniformity in local

taxation by municipal committees and district councils should be observed. Presumably no local taxation should be allowed on export or sale of bidis as there is already a tobacco tax imposed by the Provincial Government.

- (3) Export of leaves on the other hand should be taxed by the local bodies to a small extent for revenue purposes.

Tobacco similar to the Gujerat tobacco can be grown in this province as is clear from the report of the Director of Agriculture. Further trials should be made for extensive farming with a view to mix the same with the imported tobacco used in the manufacture of bidis. The tobacco should not wholly supplant the tobacco used in bidis as that may lead to alteration in the quality of the bidis manufactured. The manufacturers may be requested to provide a fund jointly for employing experts on tobacco cultivation and curing in some of the farms where experiments may be undertaken by the Agricultural Department. All attempts should be made to extend such cultivation on suitable tracts. The report from the Chief Conservator of Forests shows that there has been no deterioration at all in the quality or quantity of tendu leaves in this province, and no complaints whatsoever have been received from "tendu leave" lessees. The main question regarding the improvement in tendu leaves is to increase production of leaves from root suckers. Trenching experiment has not proved successful for the purpose. The Forest Department may be asked to carry on further experiments either by trenching or other suitable methods which are likely to improve the quality of tendu leaves available in the local forests. It is, however, to be noticed that most desirable quality characteristic of bidi leaves are that they should be of *medium thickness*, pliable, large-sized and coloured ranging from greenish yellow to light copper red. On an average a leaf should yield three bidi wrappers. The quality of leaves depends chiefly on its condition at the time of the harvest which is of limited duration, ranging from a fortnight to three weeks (usually in May), if the best quality is desired. The best leaf is golden copper in colour, pliable and large enough to supply four wrappers. Co-operation of the different interests, namely, the Forest Department, lessees and bidi manufacturers may solve the problem of harvesting bidi leaves at the right time when the leaves can be procured in best conditions and can be dried and stocked without deterioration.

The question of whether octroi or terminal taxes should be standardised or should differ according to local conditions may be seriously considered. At some places tobacco is taxed at Re. 0-13-4 per maund and at other Re. 0-0-6 per rupee. The tax on the export of bidi leaves in some places amounts to 5 or 6 per cent of their cost price. At Bhandara, the district council charges an export duty of Re. 0-4-0 per maund on bidis and Re. 0-2-0 per maund on bidi leaves. At present the local bodies are anxious only to raise their revenue and ask themselves "how much can we get out of an infant industry without strangling it". The broad view of feeding and encouraging an industry to grow to its full capacity probably never occurs to them, nor can they visualise wider general principles upon which taxation throughout the province may be based, should be adopted.

CHAPTER VII.—CONCLUSIONS AND RECOMMENDATIONS

It is clear from the account of the bidi industry as given in the previous chapters, that the industry is well established in this province and does not require from the Government any protection as a cottage industry. From insignificant beginnings, the industry so developed in the province within ten years that the Central Provinces became the leading province for bidi manufacture in the whole of India, with Bombay and Madras as second best. It has maintained that position for the last 15 years and there is no indication that it is going to lose its pride of place to any other province or State in the near future. Wage rates, scale of taxation and controlling legislations are higher and stricter both in Bombay and Madras which come second to this province in their output. Replies received from different provinces and States authorities indicate the absence of any special facilities to this industry in their respective jurisdiction. The competition from other provinces is therefore of limited character and there appears to be no immediate danger to the industry being ousted from its secure position. (Wage rates are practically the lowest in the whole of India,) while the cost of wrapper leaves is the cheapest. Even the cost of tobacco which is to be imported from a long distance is not very much greater than that obtaining in other provinces. The margin, both of the manufacturer and the retailer, is quite satisfactory as will be evident from the appended chart. With efficient management, the industry can pay very good profits even under the existing conditions in this province, and there appears to be sufficient scope for improvement of the wage position in the industry.

As regards the grievances of the workers, there appears to be sufficient justification for their demands for stabilisation of wages and legal control of deductions carried out by the employers or their agents at their sweet will. (The working conditions are none too satisfactory in several places and the harassment of workers by petty supervisors appointed by the employers is sometimes unbearable.) The protection of the unregulated factories must therefore be available to the workers in order to improve their working conditions. Their grievances regarding security of service, health and education as well as pension and provident fund are no doubt legitimate. These are not yet available even in the most developed industries in India. While we are aware of the casual nature of employment in bidi-making, and the fact that the aforesaid privileges could be expected to be introduced only after the highly organised industries have adopted them, we consider that the security of service should be guaranteed to the bidi workers so far as it is commensurate with the fortunes of the industry. As far as possible there should be no scope for arbitrary discharges, dismissals, and victimisation. Whenever any retrenchment is necessitated by the exigencies of the trade, due notice should be given to the workers concerned and Government, so that complaints and disputes alleging victimisation may be avoided. This is essential not only in the interest of the workers, but also in the interest of the employers. The contention of the bidi manufacturers that bidi-making is a cottage industry in the accepted sense of the term is on the other hand not

borne out by facts. Neither can it be accepted that their contract of employment with the workers stipulate a wage payment only for good bidis acceptable to the employers. Their contention for bidi *chhat* however deserves consideration and such deductions as may be necessary to maintain the quality and standard in manufacture may be authorised by well defined recognised means of discrimination. Other deductions complained of may be done away with after slight adjustment in the mode of working. For instance *patta chhat* may be made bearable with little more liberal supply of leaves or may be done away with by providing facilities to the workers to cut the leaves in the factory. *Dharmadaya*, *latti* charge and *pillai* can be stopped altogether if the workers are held responsible for any wastage made by them. *Harra chhat* can be avoided if the employer makes suitable arrangement for the inspection of bidis at village factories or centres nearby where the workers themselves may attend. Their contention against the application of the Unregulated Factories Act in respect of building requirements may be got over by investing the administrative authorities with sufficient discretion to modify the requirements wherever necessary.

As regards the application of the Unregulated Factories Act and the Payment of Wages Act to the bidi and lac factories we are definitely of opinion that having taken a desirable progressive step in social legislation, there is no necessity to retrace that step. Suitable modifications to the legislation have been suggested in proper places and we believe a slightly amended Act as provided in the appendix would suit the purpose. Attempts on the part of the employers to evade these Acts have been proved by the evidence laid before us and we come to the inevitable conclusion that the limit of persons employed in bidi factories to bring it within the purview of the legislation should be appreciably lowered so as to cover the bulk of the existing bidi establishments, most of which are outside the place of legislation. For the same purpose, the practice of working by contract system and breaking up of establishments into small groups under petty contractors who have no authority on the labour or over the manufacturers but simply are convenient tools of the manufacturer to carry on the supervision under commission basis, must be stopped by legislation. This can be done if all the establishments of an employer working in a particular locality under different contractors is made to constitute one factory. The contention of the bidi manufacturers that the above-mentioned legislation hampers their business or has worked to the detriment of the trade has not been proved. Their evidence has only stressed that the requirements under the law entails more clerical work and the restrictions imposed are irksome to them. Their main objection apparently is against official interference on behalf of the workers, whom they are habituated to treat as they like.

After full consideration of all relevant factors, our recommendations are:—

(1) The modified form of the Unregulated Factories Act consolidating the essential requirements under the Payment of Wages Act as appended herewith should be applied to bidi and lac factories.

(2) The minimum rates of wages for bidi workers should be prescribed as follows :—

Village factories (small)—Re. 0-3-6 per thousand.

Village stock factories—Re. 0-4-0 per thousand.

Factories in small towns (including stock factories)—
Re. 0-5-0 per thousand.

Factories in bigger towns (including stock factories)—
Re. 0-6-0 per thousand.

(3) A margin to cover rejection of bidis (all kinds of *chhats* and *pillai*) should be provided so that the above rates applicable per thousand would in actual practice refer to 1,025 bidis.

(4) Whenever a *katta* (a packet of 25 bidis) is rejected, the worker should be allowed to tender again and again the rejected *katta* for acceptance after the bad bidis have been removed and replaced by good ones. He may even be allowed to take such bidis home and replace them by good ones prepared from the same tobacco. If, however, any *chhat* (rejection) is made his earnings shall not in any case be lowered than that of the minimum wage prescribed, taking into account the gross quantities of bidis manufactured by him. No other *chhat* could be permissible under law.

(5) The proposed Unregulated Factories Act should be applicable to all bidi factories employing 20 persons or more. The Provincial Government by a notification in the local Gazette may apply the Act to any bidi factory or factories in a particular area wherein ten or more persons are simultaneously employed.

(6) All bidi-making establishments in a particular area as notified by the authority administering the Act and controlled by the factory owner through his contractors would constitute one factory belonging to the said factory owner.

(7) In view of large traffic in bidi tobacco from Nipani (Belgaum) and Charotar (Gujerat) areas in Bombay Presidency to this province, the Provincial Government should arrange with the railway authorities to grant a special concession rate on wagon loads of tobacco booked from the above two areas to bidi centres in this province. Similarly railway freight for export of bidis in wagon loads from one station to another should be reduced.

(8) Uniformity in taxation by local bodies including municipal committees and district councils should be obtained by the Provincial Government in place of diverse rates of taxation levied by different local bodies. Presumably no taxation by local bodies should be allowed on export or sale of bidis, as there is already a tobacco tax imposed by the Provincial Government.

(9) Export of leaves, on the other hand, should be taxed by the local bodies to a small extent just to cover the loss of revenue incurred.

(10) A sliding scale of tobacco taxation should be imposed on the bidi manufacturers according to the amount of tobacco consumed by them in place of the present system of taxation.

That would enable the small bidi manufacturers to obtain slight relief at the cost of bigger ones instead of being uniformly taxed as at present.

(11) A part of the revenue received from tobacco taxation should be utilised by the Provincial Government in encouraging the cultivation of Gujerati tobacco as recommended by the Agriculture Department. The Agriculture Department should undertake further trials and extensive farming of such tobacco in suitable tracts in this province, and carry on systematic experiments to introduce best suited curing methods. The home grown tobacco should not wholly supplant the tobacco used in bidi-making, as that may lead to alteration in the quality of bidis; but suitable admixture with imported tobacco may greatly help the bidi manufacturers. The co-operation of bidi manufacturers themselves should be asked for employment of experts on tobacco cultivation and curing in some of the experimental farms of the Agriculture Department.

(12) The Forest Department of the Provincial Government should be asked to carry on systematic experiments to increase the production of leaves from root suckers of Tendu plant,

K. D. GUHA,
Chairman.

V. R. KALAPPA,
Member.

K. G. NANDAGAOLI,
Member.

P. K. SEN,
Secretary.

Dated the 17th March 1941.

APPENDICES

APPENDIX I

Questionnaire of the Bidi Industry Committee, Central Provinces and Berar

WAGES

1. What is the total strength of bidi workers in your factory or district? Give male, female and children separately.
2. What is the average monthly earning per male, female and child worker in bidi factories?
3. What is the average number of persons in the bidi establishment from a single family?
4. Are all the workers full-timers or some of them part-timers and, if so, what is the proportion of the latter type?
5. What is the minimum wage you would recommend considering the wage rates in other occupations and the skill required in bidi-making?
6. Please state the average cost of living of an average bidi worker's family, giving details as per schedule attached. Are the wage rates adequate in your opinion as compared with the above cost of living?
7. Do the labourers engaged in bidi industry depend wholly on bidi manufacture or are they agricultural labourers who take to bidi-making as side industry?

DEDUCTIONS

8. What is the usual time taken in *patta chhat*? Why is *patta chhat* necessary?
9. What is the average loss incurred by the manufacturers by the wastage of leaves?
10. What is the average loss incurred by workers due to this sorting?
11. What is the extra allowance of leaves given to make up for the bad leaves in the bundle?
12. Will it be convenient for the labourers to cut the leaf in the factory building instead of doing the same at home?
13. Has any case of theft of leaves been brought to the notice of police or district authorities?
14. Whether there are any instances when labourers have been proved to have taken leaves from one factory and sell them or prepare bidis from them in another factory who pay a little extra wages for the cost of leaves supplied by the workers?
15. What is the average time taken per worker for *patti chhat*?
16. What are the defects for rejection of bidis, during *patti chhat*?
17. Are the rejected bidis removed from the workers?
18. What chances the workers have to mix rejected bidis with the approved ones at the time of bundling?
19. What difference would it make if the bundling is made by separate persons?

20. What is the principle on which *katta chhat* is made at the time of surrendering the bidi bundles to the accountant?

21. What is usually done with the rejected bidis? Are they not sold in the market at lower rates or at a loss? What is the difference in rates between the good and rejected bidis?

22. What is the average time taken per worker for bundling rejected bidis? What is the proportion of broken bidis from which tobacco is recovered?

23. What is the average proportion of rejected bidis to the total production per day? What is the maximum rejection of a day's production per worker?

24. Are any deductions made for *pillai*, i.e., bidis allowed to be smoked by workers? What is the amount of such deductions per thousand, per day, and per worker?

25. Cannot such deductions be done away with if free smoking is altogether stopped?

26. What is the amount of rejection of bidies received from branch factories in baskets? (*Zal chhat*.)

27. Are not these bidis received from branch factories already sorted out and part of the production rejected at the branch factories? Is not equal amount rejected during *zal chhat* at the head office as is done at the time of rejection (*patti chhat* and *katta chhat*) at the branch factories?

28. Is *dharmadaya* in force? To what extent is the practice prevalent and what is the rate of deduction for the purpose?

29. Are the workers consulted for the disbursement of the *dharmadaya* fund? For what purpose the fund is generally used? Are any accounts of the fund maintained and shown to the workers?

30. Is any deduction made on account of the cost of thread (*latti* charges) used for the preparation of bidis? What are the reasons for making the workers pay for the thread while they are not required to pay for the leaves or tobacco?

31. What are the deductions made for shortage of tobacco, leaf, etc., given to the workers for the preparation of bidis? Are the tools required for making bidis supplied by the employers or the workers themselves?

32. Are any deductions made from workers' wages for holding lotteries, dramas, circus or any other shows in the town or village concerned?

SECURITY OF SERVICE

33. What is the security of service of the workers employed in the bidi industry? Are they paid daily, weekly or monthly?

34. What is the minimum notice you would propose for discharging any worker? Do you consider that there should be definite rules for the working conditions in the bidi factories and standing orders, notifying definite offences for which disciplinary action like fine, suspension, discharge or dismissal would be taken?

35. What are the hours of work for bidi workers and their spread over every day? Is any specified rest period or mid-day recess allowed every day? If so, at what time and for what period?

COMPLAINTS REGARDING APPLICATION OF UNREGULATED
 FACTORIES ACT AND PAYMENT OF WAGES ACT

36. Are any weekly holidays allowed? Is it objected to by the workers? Is it given on the bazar day? Would the workers prefer half holiday on the bazar day?

37. Would it not be preferable to substitute holidays for bazar day when demanded by workers?

38. Are sanitary conveniences as required by the Unregulated Factories Act available? Is the employer in a position to provide sanitary arrangements in smaller factories? Do the workers, in your opinion, need such arrangements?

39. Are the conditions of work in the bidi factories sanitary? Is sufficient floor space and ventilation provided in the work rooms as prescribed by the Unregulated Factories Act? In your opinion, how far this provision of Unregulated Factories Act should be brought into force?

40. Are suitable buildings for opening bidi factories available in villages, and are they safe for habitation?

41. Should the temporary factories in villages be exempted from latrines and urinals?

42. Do the workers object to the mid-day recess? What provisions have been made to accommodate the workers during short mid-day recess?

43. Are the workers comfortably housed during the working period? Is the segregation of men and women during working hours preferred by the workers, or each worker's family prefer to sit together for their work? Which is the better system in your opinion?

44. Is the age-limit prescribed for children suitable? Do you find any difficulty in obtaining certificates from Certifying Surgeons? Are the daily hours for child as prescribed in the Act suitable? Is the practice of engaging tender children still in vogue particularly for tying and bundling bandrolls? Do you think this practice should be discouraged?

45. Is it a fact that the monthly paid staff is overworked and, if so, to what extent?

46. Has there been any tendency since the introduction of the Unregulated Factories Act to either break the establishment or reduce the number of daily workers to avoid registration?

47. Do you recommend the extension of the Unregulated Factories Act to the factories engaging 25 and more workers on any one day?

48. What are the complaints against the supervisors? Do they harass, abuse, ill-treat, or beat the workers?

49. What are the objections to the application of Payment of Wages Act to unregulated factories? Is it possible to make payment to all the workers on the last working day of the week? For disbursement of wages how long they are detained after working hours? Would the system of fines and deductions as provided under the Payment of Wages Act meet the requirements of the bidi factories?

GENERAL

50. What is the profit of your concern exclusive of depreciation for the six months preceding the date when your accounts were last made up? Please also state what commission has been calculated in arriving at this figure. Please bring these figures, if possible, up to the end of December 1939.

51. What would be the depreciation on the income-tax basis for the same period? Is there any particular factory justifying special depreciation?

52. Please state the average daily number of persons employed, the total wage bills, wage rates, and the total production of bidis during 1939 by monthly periods.

53. Please state the wage-cuts, deductions or *chhats* that have been in vogue in your concern during 1939 (specify the amount under each head).

54. Please state the distribution of the average component cost in your factory as a percentage of the total cost of production under the following heads:—

- (1) Leaf.
- (2) Tobacco.
- (3) Thread, label, baking charges, advertisement, etc.
- (4) Labour wages.
- (5) Establishment charges.
- (6) Interest.

55. What commissions are paid to selling agents and how much the total expenditure on this account comes to per year? Are any losses incurred in realizing dues from these agents? If so, how much?

56. Is there any union of bidi workers in your circle? If so, how many have joined it?

57. Who are the office-bearers of the union? Are they actual workers or outsiders? Please give their names.

58. What is the monthly fee charged to the members of the union? Are accounts properly kept and rendered to members?

59. Has the union ever carried on any negotiations with the employers? If so, with what results?

60. Was there any strike or strikes among the bidi workers since 1930? What were the demands of the strikers in each case and how were they met? What was the result of those strikes in general?

61. What are the possibilities of opening bidi factories in other provinces in competition to the Central Provinces industry? In what way will they be in an advantageous position? How do wage rates in other provinces compare with those of the Central Provinces?

62. What are the taxes that a bidi manufacturer has to pay on the bidi manufacture, including the taxation of tobacco licence fees, district council and municipal taxes, income-tax and also taxes recovered from raw materials?

63. Can you suggest any means to maintain the integrity of the local bidi industry against competition from other provinces and States?

SCHEDULE

1. Average number of persons in the family with age—

(a) Men.....(b) Women.....(c) Children under 12.....

2. Average monthly earnings of the family—

Earning members	Occupation	Rate of wages	Daily earnings	Additional earnings (if any) with source	Total income
	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Men—					
(1) ..					
(2) ..					
(b) Women—					
(1) ..					
(2) ..					
(c) Children—					
(1) ..					
(2) ..					
Total family income ..					

Rs. a. p.

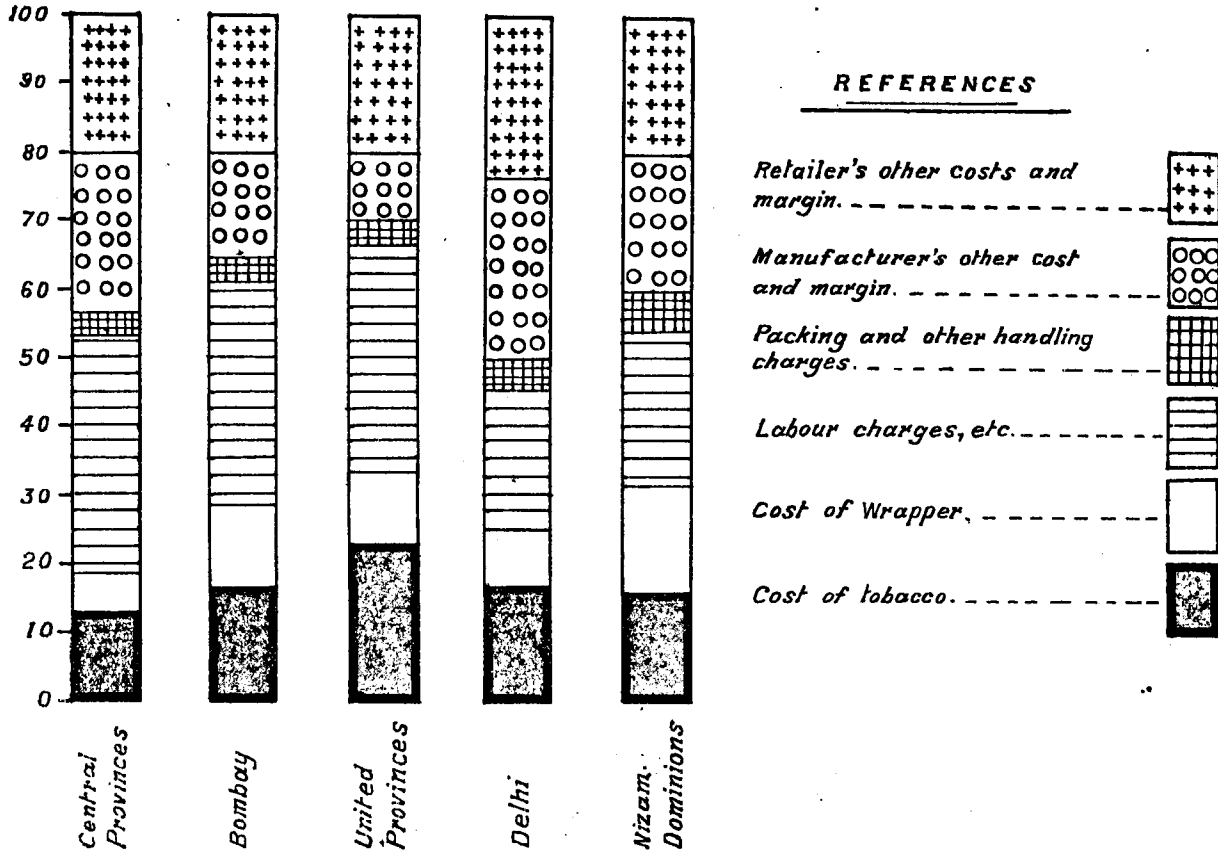
3. Expenditure on—

Food	..	..	..
Fuel and lighting	..	..	..
House rent	..	..	..
Clothings and shoes	..	..	..
Bedding and household effects	..	..	..
Miscellaneous—			
Medical expenses	..	..	..
Amusements	..	..	..
Liquor, tobacco	..	..	..
Payment of debt, etc.	..	..	..

Total ..

Appendix II

TYPICAL INSTANCES OF PRICE SPREADS OF BIDIS IN A FEW IMPORTANT PROVINCES



APPENDIX III-(a)

Copy of Memorial, dated the 20th August 1939, submitted by the President, C. P. and Berar Bidi Merchants' Association, on behalf of the bidi merchants of the Central Provinces and Berar, to the Hon'ble Mr. C. J. Bharuka, Minister for Industries, to the Government of C. P. and Berar, Nagpur.

MEMORIAL

The undersigned memorialists humbly beg to submit as under—

(1) That the memorialists are the manufacturers of bidis in the Gondia tahsil and other areas of these provinces. This centre, Gondia tahsil, produces the maximum amount of bidis manufactured in these provinces and the daily output of the bidis produced per day in this centre may well be on an average five lakhs of labourers that are earning their daily wages from this trade.

(2) The major portion of the bidis manufactured in these provinces are exported to other provinces, mainly, Bihar, Bengal, Assam, U. P., the Punjab and a part of the Bombay Presidency. The export is made invariably by railways, and the fact that the trade is presently on the decline will be noticed from the figures available at the railway stations. Therefore, the memorialists desire to place before the Government that the trade of bidis in these centres is decreasing considerably and as a matter of fact, in order to protect the life-bread of the number of labourers in this trade, the industry needs protection from the Government.

(3) Instead of giving protection to this trade, it is found that a number of handicaps and difficulties are being placed which work hardships to the enterpriser and the merchants which makes it impossible for them to carry on with their business efficiently, economically and properly, with the result that there is a growing tendency for the diversion of this bidi business to shift to centres outside these provinces.

(4) It will be noticed that the Unregulated Factories Act and the rules made thereunder have been introduced and made applicable to the bidi factories and many of the provisions therein are unnecessary and throw difficulties in the proper and economic working of the bidi industry, more especially, the smaller concerns are affected very seriously by the rules and the interference of the Government machinery in the trade is undesirable and causes unnecessary work and difficulties in the working of it.

(5) The memorialists hereunder beg to submit the following difficulties and anomalies discovered in the working of the Act and the memorialists beg to submit that the provisions of the Unregulated Factories Act may be made less strict and if possible they should be withdrawn :—

(a) *Returns, Reports and Muster Rolls.*—The Act and the rules made thereunder enjoins that a number of returns and reports weekly, monthly and annually should be submitted. The reports and returns have to be filled by a person knowing the working of the Act and very often are incorrect. Very little useful purpose is served by these returns excepting probably the

matter of the annual registration of the factories and it would not be unjustifiable for the memorialists to doubt that the number of returns coming from so many factories might not be perused by the authorities. The very number of such returns would make it impossible for an individual to go through them and scrutinise them.

Ordinarily, the preparation of bidis is a work of a most light nature. It is only the spare time that is being utilised for the purpose of the manufacture. The whole household of the labourer is busy at it and the spare time is being utilised, no fixed hours can be specified regarding the work done by each labourer. Account is maintained by the head of the family to whom the payment is made. Some of the labourers come only for a very short time and there is no meaning in maintaining account of each of the labourers coming only for a few hours per day or coming off and on in a week. Even if the names of these people are maintained no useful purpose will be served by maintaining the same. The difficulty of the employers is the work of keeping account, excessively increased without giving a corresponding advantage to the labourers for whose protection the measures are intended.

The reports and returns are also of a similar nature. Many of them are almost unnecessary especially regarding women and child work. The work of the bidi preparation requires hardly any manual labour and the maintenance of separate muster rolls for females is in a way most unnecessary in view of the fact that many of them are casual visitors and the work involves no risk whatsoever to limb or life.

A complaint is made that male and female labourers would be asked to sit together. So far as the complaint is concerned all the manufacturers have made provisions for separate accommodation and inspection by officers will keep a check regarding this rule. A report regarding female employees is therefore unnecessary.

So far as child labour is concerned, a rule has been made that unless certified by a qualified Surgeon the child labour should not be engaged. The employees themselves see to the advisability of this rule and have absolutely no objection to enforce the same and the inspecting officers can by inspecting the factories from time to time see whether the rules are enforced or not. Sending of returns regarding this, or the maintenance of the muster rolls increase the work most unnecessarily. The employers have no reason to employ forbidden labour as long as other labour is available in abundance. It is the maintenance of records and submitting the same from time to time that is complained against as it unnecessarily increases the work and makes it necessary for the employers to engage additional staff for the proper maintenance of accounts.

(b) *Latrines*.—A provision has been made in the Unregulated Factories Act and the rules framed thereunder whereby it has been ordered that latrines are to be provided for each bidi house. One can understand the practicability of this rule in cities and towns where sweeper service is available and the towns are expensive and the inhabitants are accustomed to the rules of the latrines.

But, in villages where sweeper service is not available now are the employers to maintain the latrines unless it is intended that they should be ornaments for the factory house. In villages the labourers are accustomed to go out into the fields, which are generally close by in the villages at a distance of not less than a few hundred yards from the factory house and there is no meaning in forcing the employers to maintain privies where the labourers are not using them and the scavenger service is not available and other usual arrangements become available close by.

Very often the factories in the villages are opened in houses hired for the purpose. The owners of the houses would not get the latrines constructed and would not allow the factory owners to construct latrines either in the area. The neighbouring house people will have objection for the same, and the enforcement of this rule in the villages sounds meaningless.

(c) *Ventilation*.—Elaborate rules regarding ventilation have been made. In factories and business houses where the work of the manufacturing process in itself creates dirt, poisonous gases, the rule may certainly be considered necessary. In the mill areas such rules will certainly be needed. However, if the bidi factories where the labourers work in the verandah or open spaces in houses similar to the houses in which they are accustomed to live in, it would be meaningless to enforce this rule strictly in this industry. Very often, the village factories are situated in the hired houses and the houses are almost similar very often better than the houses where the labourers live in. In the villages there being no deficiency of land, there is ample space for each labourer. The only difficulty is that the manufacturer has to take the best available house in the villages, even which does not satisfy the conditions specified in the Unregulated Factories Act, no better house being available. It is, therefore, asserted that in the villages free air is in abundance and open space is available, but houses built in accordance with the specification in the Unregulated Factories Act being absent the employers have to rent only the houses available and the Act works hardships as the houses do not correspond to the requirements of the Act.

(6) By the rigorous application of the Unregulated Factories Act, especially with reference to the definition of the word "worker", it has to be said that, under the correct interpretation as per the Unregulated Factories Act, it means that even the highest staff working or having access to the factory either directly or indirectly comes under the purview of this definition. It has to be submitted that it senses highly derogatory to a high paid manager or officials above his rank should also be included as a worker, in other words a labourer, and every self-respecting high paid official will abhor of the idea of his being classified as such. Nor can the employer safely and with respect to himself and his deputies mark the attendance and/or maintain the attendance registers on a line with the ordinary class of labourers, workers as meant by the Act. The highly paid staff do feel it.

Therefore, it is requested that rules may be so framed that the clerical and the higher paid as well as the monthly paid staff be not coming under the purview of this interpretation of the

definition in the Unregulated Factories Act, and that the definition may apply only to the actual workers who are actually employed in the very act where skill in the manufacture of the bidis is involved in the very manufacturing process.

If this is not done there will be much hardship for the owners in the working of the factories and the general tenor of the business will be awfully handicapped.

(7) For the authorities and for a casual on-looker, most unfortunately, one side of the question of the relationship as between the owner and the employee rankles in their minds and forms the eyesore to them,—the question of the inconveniences to the employee,—labourer. This special line of the bidi manufacture requires a further probing which will disclose the awful and the multifarious inconveniences attending on the owners.

To quote only a few instances, they are as follows :—

(a) *Tobacco leaves*.—Pilfering of tobacco leaves is so common and to such an extent that if this is left unquestioned to the sweet will of the labourer, in the short or the long run it will work such a havoc on the owner that he will have to close his factories in no time. Therefore, a proper check of this sort of pilfering is no fault of the employer, but it is in the fitness of things that he should do so.

When tobacco is supplied to the worker, these workers replace the good quality of tobacco supplied by the inferior ones much to the detriment of the interest of the employer. This is very common. If this is not checked, it will tell most adversely on the owner.

And it will be even too late for him to know where he stands, if proper control is not exercised in this direction.

When in this way the bidis are stuffed with inferior quality of tobacco or less stuffed with a view to pilfering, there is no knowing of the business fall of the owner.

Secondly, the employers and/or the owners, always supply the requisite number of tendu leaves for the preparation of a certain number of bidis. Say, for the matter of instance, 1,500 leaves are supplied for the preparation of bidis for the manufacture of 1,200 bidis. What actually the labourers do is to pick out the worst quality of the leaves, the red ones and other dog-eared ones and somehow manage with their skill to cut out less only and reserve the balance of the some leaves as a saving for the next day. If proper checking is not exercised, the bad leaves would have been brought into use for the bidis and the good leaves will be a saving for the worker. Under strict supervision, which the worker calls inconvenience to him, this defect in the manufacture of bidis and the loss so sustainable to the employer will be removed, as well, this has to be guarded against in the interest of the bidi trade of the owner.

Further still, flaws in the actual making of bidis, of the type of *Tondi, Nakuni, Murali, Bal, Tedi, Gund, Poli*, etc., are the common and habitual errors of the worker and it will be no fault of the employer to guard against these evils. If checking of these is not to be done, the question arises as to who is to be responsible for the loss so sustained and the time wasted. It is not worth while to open out the bidis again and arrange for the

remaking of the same. If for his own mistake the labourer is not to be responsible and compensate for the same, it will be unwise to make the employer to sustain this loss. This sort of rotten bidis so made with mischievous ulterior motives should be eradicated and for this proper check is not to be exercised, woe to the owners of the bidi making houses.

(8) Therefore, if there be no control over the own work of the owners, and if check is prohibited by rules, the labourers will be having their own way and there will be complete spoilation of the bidi market only to invite the keen competition of cigarettes of foreign make, especially the China cheap made ones, which will throttle the bidi business in these provinces.

(9) To speak further, it is really unfortunate that with a view to stop pilfering any complaint is made to the police, the police summarily reject the complaint on the ground that the property in question is unidentifiable, even though the theft is caught red-handed. From this side also there is no help. And the owners are being inconvenienced.

PRAYER

The humble memorialists, therefore, pray that the rules for the working of the Unregulated Factories Act should be so arranged as to be less strict in relation to the bidi factories more especially in relation to the terms in returns and the submission thereof, muster rolls, with special reference to the definition of the word "worker" as well as in respect of latrines and ventilation. The provisions regarding muster rolls must be removed and other rules made as strict as possible.

APPENDIX III-(b)

Copy of memorial, dated Gondia, the 17th August 1939, from the bidi merchants of the Central Provinces and Berar to the Director of Industries, Central Provinces and Berar, Nagpur.

The petitioners beg to submit as under—

(1) That the petitioners undersigned have been served with a notice from the office of the Director of Industries, C. P. and Berar, Nagpur, ordering them to stop the practice of effecting recoveries on account of the following items on the ground that the practice offends against section 7 (2) of the Payment of Wages Act, 1936.

(2) The items complained of are as follows :—

- (a) Thread.
- (b) Peelai.
- (c) Dharmadaya.

(3) That under section 20 of the Payment of Wages Act of 1936, an employer is liable to be fined for illegal deductions and discretion to decide whether a certain deduction is illegal or not rests with the trying Judge. However, the present circular

coming from the highest Provincial Authority comes up more or less as a decision declaring that the customary items complained of are deductions and are also illegal. Thus no discretion is practically left with the trying Judge to consider individual cases.

(4) The present notice has been issued to almost all the factory owners, and the main complaint of the petitioners is that the view-point of the applicants has not been considered. It is therefore a request of the petitioners that before giving effect to the notice in question and before the practices in vogue are stopped finally, the petitioners' view-point may be considered and the notices already issued be withdrawn.

(5) The circumstances under which the practice has come in vogue are as follows:—

(a) *Thread*.—The bidi manufacturers as a rule supply the raw materials to the labourer for the manufacture of bidis. The raw materials supplied mainly consists of tobacco, tendu leaves and thread. Thread is intended for being tied to the ends of bidis so that the leaves may not be loosened.

Till recent years, the labourers used to be supplied with all this material. However, experience disclosed that much of the thread that was supplied was unnecessarily wasted by the labourers to the detriment of the bidi industry and it was found necessary that some remedy ought to be devised to check this waste.

In the presidency of Bombay and specially in the city of Bombay, it is a practice of long standing that the labourers have to supply themselves at their own cost tendu leaves for the manufacture. The wages paid to them are also fixed as to be sufficient to cover the cost of these bidi leaves and to cover the net wages to be paid to the labourers. This practice necessarily gives an interest in the raw material to the labourers and the saving so effected by the labourer, by the careful handling of raw material is a saving to the labourer himself. Thus, the practice has worked well in Bombay and it is more to the advantage of the labourer than to the employers and reduces the cost of production by forcing economy of raw material.

On the lines of the Bombay Presidency the same system was introduced in the Central Provinces centres of bidi manufacture regarding the thread, the waste of which it was intended to stop. It came to be decided that the labourers should pay for the thread that they use for the manufacture of bidis, and the wages fixed included the price of the thread as well, *i.e.*, out of the raw materials needed tobacco and leaves had to be supplied by the employers whereas the thread was to be supplied by the labourers and the wages paid included the price of thread and the net wages of the charges of labour. Very often, the thread that was needed was not available in the market in abundant quantity and as there was a likelihood of the retail prices being high, the manufacturers themselves supplied the thread and the cost thereof is debited against the labourer and the labourer pays for the same out of his wages at the time when he received the weekly payment.

This practice has been working well. Formerly, the labourers could not give an outturn of even 3,000 bidis per bundle of thread whereas they bring it now to 8,000, that means the labourers are able to save for themselves the price of the thread saved without causing corresponding loss to the employers.

The system has been working well for over the last 15 years and excepting for unnecessary complaints by irresponsible persons, not in the trade, the system was never complained of. It will, therefore, be seen that the payment recovered is under the terms of the contract and the labourer has to pay for the thread. The system is an outcome of a process of evolution. And, this has been adopted as the most convenient by all the bidi houses of the locality and has a salutary effect in checking waste.

It is, therefore, submitted, that the removal of this practice will cause hardship to both the parties and further it is submitted that section 7 (2) is not applicable to such a case.

(b) *Peelai*.—This is also a similar head. Invariably, the bidi labourers are bidi smokers and while working in the factory they are smoking bidis. Not only this, but while going home, carry some bidis from the factory for home consumption. Thus each labourer consumes at least 25 bidis per day and this is done out of the bidis prepared by him daily. It is impossible and even cruel to stop this. The practice, therefore, came into vogue that for these 25 bidis that the labourers usually smoke, the employers took 25 manufactured bidis for every 1,000 bidis over and above those that were paid for, i.e., wages of 25 bidis for 1,000 bidis are not to be paid for. On an average each labourer prepares about 700 to 900 bidis per day, i.e., he gives 20 more bidis for every day. The cost of manufacture does not work up to the fraction of a pie.

Peelai is, therefore, a payment made by the labourer for the bidis consumed by him per day. It is not a deduction but is a price for the commodity supplied. Without doubt the price is more or less fixed arbitrarily, but carefully looked into, the price is far less than the number of bidis consumed.

If this system is stopped, necessarily the smoking shall have to be stopped by the employers resulting in unnecessary inconvenience to both the parties and wastage of time and unnecessary disputes amongst the munshis and labourers and favouritism between the munshi in charge of the factories and the labourers.

It is, therefore, prayed that the Act may not be made applicable to *peelai*, and as a matter of fact *peelai* is not a deduction of wages at all. It is also a term of the contract which each labourer knows that he is allowed the luxury of a free smoke in return for which he has to give labour of manufacturing 25 bidis per 1,000.

(c) *Dharmadaya*.—It is a common practice in all the businesses in India that some trifling deduction is made voluntarily on account of *dharmadaya* in all money transactions. Thus, we find this practice in vogue in all business and the fund accumulations supplemented by the employers for the purpose of charitable nature. New charitable institutions are worked out and such accumulations supplemented by the employers out of their

private funds. The deductions made out of the wages per week is one pice and this is a deduction in Rs. 4 to Rs. 7 per week. The deduction is trifling and none have till this date complained about it.

Therefore, the Payment of Wages Act, 1936, may not be made applicable to this deduction as many of the charitable institutions are likely to be starved out.

On account of the notices received, the petitioners have stopped the deductions in respect of peelai and dharmadaya, but so far as the thread is concerned the labourers are allowed to supply themselves with the thread from whatever places they choose and no thread is supplied to them on credit and necessarily no deduction is made at the time of payment. This is done with the intention of respecting the higher authorities, but under protest, until the petition of the petitioners is considered and decided.

It is, therefore, humbly prayed that the notice issued out to the petitioner ordering them to stop the deduction should be withdrawn and the old order of things which was a result of economic evolution should not be disturbed to the detriment of the business.

Copy of Supplementary Memorial from the bidi merchants of the Central Provinces and Berar, to the Hon'ble C. J. Bharuka, Minister for Industries, to the Government of Central Provinces and Berar, Nagpur.

The humble memorialists beg to submit as under—

(1) That the memorialists are merchants and manufacturers of bidis of these provinces.

(2) That the memorialists beg to submit the following as supplementary to the memorials already submitted on the 20th August 1939.

(3) That on the 20th instant, the humble memorialists waited in a deputation on your Hon'ble self, and it so transpired that a number of complaints were made to the authorities concerned by the labourers or the responsible persons alleged to be acting on their behalf. There is a likelihood of a misunderstanding being created in the minds of the authorities on account of those alleged grievances against the manufacturers and the matter viewed at only from one side of the question to the detriment of the interests of the owners of factories, hence the memorialists beg to submit that their side of the question also may well be considered and the misrepresentation made dispelled.

(4) That it is the general complaint that the manufacturers of bidis make a number of deductions from the wages of the labourers, and apart from those already submitted, the memorialists further humbly beg to submit the following items which require a clear exposition that the misunderstanding so created may well be eradicated, and the right impression taken of the practical working system in the bidi industry.

(5) That the items complained of are as follows :—

- (a) Patha chat.
- (b) Patti chat.
- (c) Katta chat.
- (d) Jal chat.
- (e) Insecurity of service.

(6) That taking one by one of the above items, the right interpretation, that these above mentioned alleged deductions are not so, are as follows :—

(a) *Patha chat*.—Bidis are manufactured out of the tobacco rolled in tendu leaves. The tendu leaves are stored by the manufacturer and supplied day after day to the workers. The leaves, if dried up, and used as it is, the leaves will crack and the rolling of the bidis will be an impossibility. Therefore, it is necessary to moisten the same before they are brought into use. Furthermore, the tendu leaves cannot be used, in the natural stage, for the rolling of the bidis, and according as the bidis vary in size, it is necessary to cut them into convenient pieces. And, to facilitate this work, it has been a common practice in this line of industry that the leaves are supplied to the labourers in the evening of the previous day so that the labourers can moisten them at their own places and cut them to pieces of convenient size and come ready for the work of rolling the bidis the next morning. At the time when the work commences in the morning, it is more than necessary to sort out the leaves in order that the quality of bidis to be made may not deteriorate. It so happens, that the leaves are over-moistened, the sizes are unequal, dog-eared leaves used, and the labourers reserve to themselves from the supply of the leaves by the manufacturers, as explained in the previous memorial, with a view to make illegal gain and even substitute bad, inferior and discoloured stuff. Also, the work of scissoring the tendu leaves is entrusted to some untrained hands and even children and the leaves are cut in bundles of fives or sixes, with the result that the leaves supplied by the manufacturers are damaged to no ordinary degree. Certainly, the manufacturers are interested in seeing that the quality of the bidis remain unaffected and therefore give to the labourers more bidi leaves than what is necessary for the making of a certain number of bidis, as already submitted in the previous memorial. But, most unfortunately, dishonest intentions do prevail and the bidi leaves are spoiled and/or otherwise misappropriated to the detriment of the manufacturer. The result is that the owner has necessarily to effect a selection of the cut leaves before the work of rolling the bidis is commenced, and in so doing this, as a matter of fact, the manufacturer is throwing out some of his own stuff, and he has got to do it only to maintain the standard of the quality of his bidis in the market, and the labourers have no reason to complain against this *pathi chat*.

On the contrary, the owners must call upon the workers to scissor the bidi leaves in the factory itself. In so doing, the working hours will be reduced for the labourer and the consequence

will be that the labourer will have to suffer. However, as this practice is of a long standing nature, the manufacturers would prefer to continue the same, and it is not impossible that on account of wrong attitude of the workers and the unreasonable position of the so-called benefactors of these labourers and their unnecessary interference on this account may necessitate the manufacturer changing the mode of working to suit the circumstances, but this will be only to the detriment of the labourer.

(b) *Patti chat*.—The work of rolling the bidis is a very easy one and women and youngsters are engaged in this work. Very untrained men also join in the making of the bidis, and their wages depend on the outturn and there is always a temptation to lessen the work, with the result that the bidis are not properly made. Therefore, it is necessary to control the labourers in the making thereof, and selection of the bidis made and the sorting of the same is made by a staff specially intended for the purpose. As already explained in the previous memorial, errors of tondi, nakuni, etc., are so common that the staff to select the same have to exercise strict supervision to sort out the unserviceable bidis. This is called *patti chat*.

No businessman is likely to continue his business if this sort of control is not maintained on the worker and even in the regulated factories and the biggest of concerns in the country, as well as in foreign countries, this type of control is exercised by the employer. If no such control is used, the quality of the bidis is bound to suffer and the business will go to ruin.

In this *patti chat*, the manufacturer is doing harm to himself, as he loses the bidi leaves and tobacco of the sorted bidis, and the return for this is nil, not even nominal.

(c) *Katta chat*.—Katta chat is the sorting on the same principle effected after the bundles of 25 bidis are made. In tying the bundles, the sizes of the bidis are bound to vary as well as some of the bidis are bound to be badly prepared and hollow, i.e., poli. The number of supervisors being limited and the number of workers being many, in spite of the strict supervision, bad bidis are dumped with the result that sorting becomes more than necessary after the tying up of the bundles.

(d) *Jal chat*.—Jal is the basket in which bidis are received from the outlying factories. Very often, the supervisor of the outlying factories is one of the labourers themselves, and generally, the work of the outlying factories is slack with the result that sorting of the bidis is necessary from these bidis as well. Thus, it has been found at times, that the bidis received from the outlying factories contain dirty materials, like saw-dust, rice barn, and the like, instead of tobacco and proper check is needed for the same. The manufacturers have to sort out the unserviceable bidis out of the Jal received and this is known as *Jal chat*.

(e) On the proper and clear understanding of the working system obtaining in the bidi factories, it will be found that the wages agreed to be paid to the labourer are fixed up on the number of approved bidis made and supplied by him, i.e., the manufacturers agreed to pay the worker for the approved number of bidis supplied by him and made by him, and not for

the unserviceable and badly made bidis. No wages are agreed to be paid for the unserviceable bidis, and therefore the so-called deductions in this direction are not at all such and does it stand to reason at all that the manufacturers should pay for the unserviceable bidis too, and it is this that is being misrepresented as non-payment and as a deduction from wages, whereas in fact it is not so.

Further still, in making the bidis the labourers are spoiling the leaves and the tobacco of the owner and no compensation is claimed or demanded for the spoilation of the raw materials supplied to him. On the contrary, the labourers deem it fit to believe that they are entitled to claim wages for the work of damaging the raw materials, and this sort of misrepresentations leads the authorities to consider that the manufacturers are the gainers in effecting this.

On the other hand the authorities should consider the question of providing for some means to check and prevent this damage caused, by the labourer and some measure adopted to adequately compensate for the wilful, negligent and criminal waste of the labourer.

(e) *Insecurity of service.*—This is a misnomer. It is the practice of this industry or business that for the convenience of the labourers themselves, and at the request of the labourers, the manufacturers commence a factory in some village and when so done, the owners despatch their raw materials to the villages at the request of the labourers, and very often, the owners find that the labourers have deserted the owner. The net result is that the transportation of the materials have cost the owners enough to result in a loss, inasmuch as the leaves become spoiled by shifting from place to place and the responsible workers have nothing to suffer.

Furthermore, the wages paid to the workers are piece wages, and there is no control on the workman, in respect of time or otherwise, as they may choose to come at any time and go at any time at their sweet will. Unfortunately, the owners have no security from the labourers that they will continue to stick to the manufacturers for any length of time, and exactly, at a psychological moment when their services are most needed, it will be found that they have deserted. As a matter of fact, means will have to be devised whereby the labourer could stick up to the owner on the original remuneration for a comparatively long time.

(7) That it has to be once more emphatically asserted that when new factories are opened at the instance and invariably on the misrepresentation of the labourers, the owners are generally put to a quadruple expense, as the expected and the promised outturn does not compare with the result net, in the number of bidis made and the owners find that they have had to incur overhead charges for the manufacture of 50,000 bidis whereas the number actually made and sent to the factory central, is only a 10,000 or 12,000, not to speak of the costs of the transport of the materials. And this disappointment caused by the labourers spoils the materials by the deposit of white coating on them and the smelling of tobacco, with the result that it will affect the

taste of the ultimate consumer, and to speak the worst of it, the labourers are apt to bring round the munshi, who is more or less their own man, to their own ways, by fair means or foul, and control him, to gain their own ends, in pilfering, etc., much to the detriment of the owner.

(8) That further to what has been said *supra*, it has to be said that the Unregulated Factories Act contemplates that an Inspector so appointed under the Act can enter, with such assistants, as he thinks fit, any place, which is or which he has reason to believe to be used as an Unregulated Factory and make such examination of the place and exercise such powers as may be necessary for carrying out the purposes of the Act.

(9) That in this connection, most unfortunately, the hours for the inspection of the Inspector is unlimited and he is empowered to enter any time. It is needless to expatiate on the point that most of the smaller factories in the villages and in the towns are not only factories, but are also the residential quarters of the manager and/or his immediate subordinate staff. It will be not a little inconveniencing to the inmates and the family members of the manager and his staff that the Inspector should enter the premises any time, and worse still, if unfortunately the member of the household happen to be purdanishin, the insult offered to them by this interference in untimely hours is a bit beyond description. Therefore, the memorialists beg to submit that the hours of entrance of the Inspector into the factories may kindly be restricted to suit the convenience of the factory owners, and the result, if this is not done, will be that respectable managers will decline to go to the factories much to the detriment of the interests of the owners. The rule in this connection may be so modelled that the managers will be in the know of the fact as to when the Inspector could be expected so that he may arrange accordingly.

(10) That further, in the exercise of the powers vested in the Inspector according to the Act, it has to be said that such powers are too broad, which empowers him to exercise his power in any way at his discretion incidental to the discharge of his duties. It is not in the ordinary know as to how he could give effect to such powers vested in him, and it has to be requested that rule may be so framed definitely prescribing as to how he could exercise his powers.

(11) That in the maintenance of the registers, most especially, of the labourers, it happens to be a common feature in this line of industry that these labourers attend the factories at their own sweet will and there is specifically no knowing as to when they will come and they will be ready to go. Therefore, there is the impossibility of noting the correct time of their attendance. If at all, the register for their attendance has to be maintained, only a rough and approximate time could be noted, and the register roughly maintained. The reason for this is that there is no binding about the time of the coming and going of the labourers, but the number is only about the number of bidis to be made and when the number of bidis are finished, it is open for them to remain or go from the factory.

(12) That further, it is not possible to detain them in the premises inasmuch as they do not like to be so dealt with only with the view to keep up the hours, and even if they leave keeping the work half done and retain such work for the next day on any grounds whatsoever, there is nothing to regulate them on this ground, as in the case of monthly paid servants of a firm. It has to be emphatically said that the labourers are dealt with and paid on the turnover, absolutely immaterial of the fact about the hours of the attendance that they could not be compelled to maintain, owing to the inconvenience as explained above.

(13) That, neither the bidi factories classify themselves, as among the regular or irregular factories or the regulated factories or the unregulated factories, involving an estimate in the start of the business, and the whole machinery of the working runs under a system of a large invested capital and the turn over having a bearing on the investment and incidentally involving the deterioration of the capital invested on plants and machinery should there be a stoppage of the work, and if the estimated turnover is not effected in time.

(14) That the simplicity of the working system and the meagre outlay in these bidi factories does not admit of such an ordinance of serious rules and regulations, inasmuch as any of these bidi factories could be opened, closed and/or re-opened at the sweet will of the owner, without having to undergo any trouble in this respect, except that the owner will have to undergo the loss on account of the transport of the raw materials from place to place on account of the incidental damages thereon. No bidi factory is opened in this line with a proper estimate of the working. They are opened at random invariably at the instance of the workers, and in such places where labour could be obtained. When this labour becomes not available either on account of the deserting of the labourers and/or when the owner finds that he can no longer pull on at the particular centre, where he has opened the factory, it is open for the owner without any obligation to have the same closed without any one having to murmur on this point. Therefore, the existence of these factories in the towns or in the villages is purely of a temporary character, inasmuch as the owners have not to deal with plants and machinery neither wait for the incidental losses thereon.

(15) That in the matter of launching prosecutions, it is quite an easy matter for the Inspector to haul up a manager or an occupier of the bidi factory, immediately after he has made certain remarks in the remarks book of the factory with or without any reasonable time having been offered to the owner to give effect to such remarks. The discretion whether or not the factory owner could have within the time completed and/or carried out the instructions of the Inspector does not lie with the manager, but rests in his having to be present in the court to offer his explanations for a proper hearing.

(16) That, therefore it is believed that this will involve avoidable litigation, as otherwise, it will mean that the owner will by necessity be compelled to maintain a separate expensive staff

only to be giving satisfaction to the Inspector concerned and attending the courts as often as called upon to do so, which means that the owner's attention will be the more diverted to litigation than to his own business view point, irrespective of the fact that the bidi industry is not possessed of dangerous machinery or otherwise, necessitating the enforcement of rigorous rules.

APPENDIX IV

Copy of memorial from the bidi-workers of Nagpur and adjoining places to the Hon'ble the Minister with the Government of Central Provinces and Berar.

We the bidi-workers of Nagpur and adjoining places beg to submit as follows:—

(1) That in spite of the fact that the bidi industry is the premier industry engaging more than 70 thousand workers of this province, the Congress Government even after a year and a half of its assumption of power has not yet brought any legislation to ameliorate the conditions of these unhappy workers. It is true that some previously passed legislation has been introduced under the present Congress regime, but such administrative measures are far short of the assurances, explicit or implicit, given by the Congress manifesto and other resolutions of Faizpur and Haripura.

(2) That the acts, *i.e.*, Unregulated Factories Act or Payment of Wages Act, newly introduced in this province, do not give adequate relief to the workers because—

(a) those Acts do not touch the main grievances of the workers, *e.g.*, increase in wages, abolition of sorting system and other reduction (*i.e.*, chats and kats), leave and service rules.

(b) the above-mentioned Acts have some clauses in them which are definitely troublesome to the workers, *e.g.*—

Half-hour's recess under the Unregulated Factories Act or the necessity of giving a notice of strike under the Payment of Wages Act, etc. These Acts therefore demand immediate improvements.

(3) That the bidi-workers in their provincial conferences held at Nagpur and at Jubbulpore on the 15th and 22nd January 1939 have placed their demands in unequivocal terms. The most important demands are for fixing the minimum wages at Re. 0-12-0 per day, the increase in rate to Re. 0-12-0 per thousand after abolishing all sorts of kats, chats and dharmadaya; and introduction of pension, leave with full pay, provident fund, maternity allowance and such other facilities given to workers

who are called as permanent servants. The workers have placed these and other demands on previous occasions but no definite reply has yet been given by the Government.

(4) In view of these demands the bidi-workers have also suggested in the above-mentioned conferences some amendments to the Bills introduced by Messrs. Kalappa, Page and Ghodichore. The Bills of Messrs. Page and Kalappa are either vague or insufficient from the point of view of the bidi-workers and the bidi-workers, therefore, have supported Mr. Ghodichore's Bill throughout this province. Even Mr. Ghodichore's Bill should be amended so as to abolish the chat (sorting) system altogether and leave no room for the employers to make mischief. The resolution passed at the Nagpur provincial bidi-workers' conference with regard to these bills should be taken into consideration while passing these measures.

(5) That the cry raised by the employers and their lackeys that the above-mentioned bills would shift the bidi industry from this province, increase the unemployment of labour and would cause great inconvenience to agriculturists is baseless and unjust. The very fact that these eight provinces in India are governed by Congress Ministers would make it quite easy to pass an all-India legislation in this matter when so required. So there is no ground to fear that the bidi industry in this province shall be shifted elsewhere. During the last twenty years the bidi industry in this province is continuously rising in spite of the usual wailing and lamentations from the employers. It has been said that though the big employers are getting huge profits, the small producers are running at a loss. Taking this plea for granted, the Government is not expected to support all spurious adventures in any business; but it should first look to the interests of toilers on whom the industries and welfare of the country really depend and then protest the traders and employers if necessary and possible. The law of patents, taxation on sales, facilities in marketing and transporting, etc., are trump-cards in the hands of the Government and be need fall prey to the false cry raised by the employers and their lackeys regarding these bills.

(6) That a separate legislation for the recognition of the Unions is an immediate necessity.

(7) That there are numerous other grievances not placed in this memorandum which ought to be immediately dealt with. Some of these grievances and demands have been mentioned in the leaflet attached herewith, e.g., removing the workers on flimsy ground. But all the grievances are not mentioned here inasmuch as it is expected that the Government through its Labour Officer and other administrative machinery should carefully look through these grievances and take immediate action to redress them.

Taking all these facts into consideration the bidi-workers respectfully pray that the Congress Ministry and all other members of the Provincial Assembly who are favourably inclined towards the bidi-workers should kindly pass the legislation immediately on the above lines and spare the workers from the untold misery they are suffering up till now.

APPENDIX V

Copy of D.-O. No. 1559, dated the 15th March 1940, from the Director of Agriculture, Central Provinces and Berar, to the Director of Industries, Central Provinces and Berar.

This is in reply to your D.-O. No. 929-D of 5th February. Experiments in tobacco growing are in progress on a number of farms throughout the province. The varieties were mainly cigarette types but some varieties were also obtained from Gujrat, one of which (G. 6) appears to be quite promising. The indications are that there is no particular difficulty in growing tobacco successfully as a kharif crop in districts which have not too high a rainfall, or as a rabi crop in districts which are normally free from frost and where irrigation is available. It ought, in fact, to be a very profitable rabi crop on Kachhar soils adjoining rivers and nalas in areas which are not subject to cold waves, as e.g., in the riverain tract in Mungeli tahsil, and also in *abadi* areas. There is, however a good deal of variation in quality, which may be due to differences in soil conditions, but which is more likely to originate from the different methods of curing. The department is severely handicapped in not having available any one who is an expert in curing methods, but this can be met by deputing an officer to Gujrat to study the process as practised there.

The industry could assist by advising regarding the quality of the tobacco produced on the farms, i.e., which varieties suit its purpose best and in what respects the quality differs from that of the imported article. If you will kindly suggest the name of a firm which will give real assistance in these matters, I shall arrange for small samples to be sent from the farms free of cost.

APPENDIX VI

Copy of memorandum No. 143-B-III-207-37, dated the 13th March 1940, from the Conservator of Forests, Central Circle, to the Chief Conservator of Forests, Central Provinces and Berar.

There is no deterioration either in the quality or quantity of tendu leaves to the best of my knowledge.

2. No complaints whatsoever have been received from tendu leaf lessees, so probably the bidi manufacturers' complaints are baseless.

3. Bidi manufacturers know nothing of the condition of the tendu leaves in the forests since the selection of the leaves collected is made by the labourers at their discretion.

4. The small scale experiments so far carried out have not led to much. Trenching has not led to any increase in the production of leaves from root suckers.

OFFICE OF THE CHIEF CONSERVATOR OF FORESTS,
CENTRAL PROVINCES AND BERAR

No. 719, dated Nagpur, the 16th March 1940.

Copy forwarded to the Director of Industries, Central Provinces and Berar, for information, with reference to his D. O. No. 928-D, dated the 5th February 1940.

C. M. HARLOW,
Chief Conservator of Forests,
Central Provinces and Berar.

APPENDIX VII

Copy of letter No. R.O.-3-19, dated Bombay, the 23rd February 1940, from the Chief Traffic Manager, G. I. P. Railway, to the Secretary, Bidi Industry Committee, Central Provinces and Berar.

REFERENCE.—Your letter No. 963-B. I. C. of 7th February 1940.

SUBJECT.—Concessions for the import of tobacco and raw materials for bidi manufacture.

With reference to your letter quoted above I have the honour to state that tobacco is classified in the General Classification of Goods as under:—

Tobacco, country, manufactured, 4B RR. 4A OR
including bidi tobacco.

Over this railway this traffic is charged at rates equal to 4A class at Railway Risk and rates equal to 4th class at Owner's Risk. Tobacco, country, unmanufactured, is classified at 4A RR. and on this railway it is charged at rates equal to 4th class at RR.

2. Apart from the general concession offered in charging this traffic over this railway, the following special rates have been quoted:—

	From	To	Route	Rate per maund
Tobacco, country, manufactured.	Via Miraj for traffic from Kolhapur.	Madan-Mahal	Via Kurduwadi.	Rs. a. p. 2 4 3 O. R.
Tobacco, country, unmanufactured.	Via Bezwada for traffic from Guntur.	Savda ..	Via Balharshah.	1 9 1 O. R.
Do. ..	.. ..	Burhanpur ..	Do. ..	1 10 5 O. R.
Do. ..	Via Naini for traffic from Khajauli.	Chhindwara ..	Via Parasia ..	1 2 8 O. R.
Do. ..	Mahnar Road ..	Do. ..	Do. ..	1 2 8 O. R.

3. The tariff rules and rates quoted on this railway are applicable to all merchants generally.

4. Regarding your question about the possibility of a reduction in the rates, I beg to inform you that it would not be possible to give a general reply to this question as the question of quoting reduced rates between specific points is dealt with on the merits of each case. If you consider that traffic between specific points is likely to be increased by the quotation of reduced rates, I shall be grateful if you will furnish me with full particulars to enable me to look into the matter further.

Copy of letter No. T-Mis.-1223, dated the 2nd March 1940, from the Agent and General Manager, the Madras and Southern Mahratta Railway Co., Ltd., Park Town, Madras, to the Secretary, Bidi Industry Committee, Central Provinces and Berar, Nagpur.

With reference to your letter No. 963-B. I. C., dated the 7th February 1940, I have the honour to reply as follows:—

Item (1).—A statement of special rates for tobacco over our railway applicable for traffic to stations in the Central Provinces is attached.

Item (2).—Tariff rules and special rates apply to all traders and no distinction of any kind is made between one firm and another.

Item (3).—Rates are reduced when there are prospects of securing additional revenue thereby. If it is indicated on what commodities and between what points additional revenue can be expected by rate reductions, I shall be pleased to consider the suggestions.

List of existing special rates for tobacco manufactured from Madras and Southern Mahratta Railway stations to stations in the Central Provinces.

Tobacco, country, manufactured, O. R.

To		From Kolhapur (via Poona) per maund
	M. S. M.	Rs. a. p. 0 8 6
	G. I. P.	1 14 2
Madan Mahal	..	2 6 8
	M. S. M.	0 9 4
	G. I. P.	2 1 4
Sihora Road	..	2 10 8
		Miraj
Via Poona (for traffic to station beyond Dhond and via).	M. S. M.	0 6 11

Copy of letter No. R-46-51, dated the 26th February 1940, from the Chief Commercial Manager, Assam-Bengal Railway Co., Ltd., Chittagong, to the Secretary, Bidi Industry Committee, Central Provinces and Berar, Nagpur.

SUBJECT.—*Tobacco and raw materials for bidi manufacture in Central Provinces.*

REFERENCE.—*Your letter No. 963-B.I.C. of the 7th February 1940, to Agent, forwarded to this office.*

I beg to reply to your queries seriatim so far as this railway is concerned—

- (1) Bidi consignments and its raw materials do not generally move from this railway to Central Provinces.
- (2) Our tariff rules and rates are applicable in general to all and not confined to any particular firm.
- (3) No reduction of rates is at present contemplated.

Specific cases involving appreciable traffic may, however, on application, be considered on their merits.

Copy of letter No. R-3-8153-III, dated the 26th February 1940, from the Chief Commercial Superintendent, South Indian Railway Co., Ltd., Trichinopoly, to the Secretary, Bidi Industry Committee, Central Provinces and Berar, Nagpur.

SUBJECT.—*Bidi Industry in the Central Provinces.*

REFERENCE.—*Your No. 963-B.I.C. of 7th February 1940.*

I regret your letter is not clear to enable me to reply to the various points raised therein. There is no export of tobacco and other raw materials for bidi manufacture from stations on this railway. On the other hand, bidi tobacco and bidi leaves required for the industry at the places served by this Railway are obtained from Bombay, His Exalted Highness the Nizam's State and other places.

A portion of the requirements in bidi leaves is understood to be obtained from the Central Provinces and to facilitate its movement by rail the undermentioned special rates have been quoted for bidi leaves, in minimum wagon loads of 100 maunds, at owner's risk, owners to load and unload from *via* Waltair :—

To stations	Special rate for a maund
	Rs. s. p.
Calicut ..	} <i>Via Jalarpet</i> .. 1 8 0
Cannanore ..	
Ernakulam ..	
Mangalore ..	
Tellicherry ..	
Melakallur ..	} <i>Via Arkonam</i> .. 1 12 2
Quilon ..	
Tinnevely Junction ..	
Trivandrum Central ..	
Tuticorin ..	

These rates apply to traffic on the Bengal-Nagpur Railway except from stations on the length Bakal to Nagpur-Satpura extension, Gondia-Chanda-Nagpur and Itwari-Chhindwara sections.

Copy of letter No. RA.-47-1025, dated Calcutta, the 10th April 1940, from the Commercial Traffic Manager, B.-N. Rly. House, Kidderpore, Calcutta, to the Secretary, Bidi Industry Committee, Central Provinces and Berar, Nagpur.

SUBJECT.—Rates for tobacco and other raw materials for bidi manufacture in Central Provinces.

REFERENCE.—Your letters No. 963-B.I.C., dated the 7th February 1940, and No. 1692-B.I.C., dated the 2nd March 1940.

I show below the bases of rates charged for the various raw materials used in the manufacture of bidis:—

(1) *Bidi leaves.*—The general classification applicable over all railways is 4A class at Railway risk. The basis of 4A class rate* is .67 pie per md. per mile.

Over the B.-N. Railway a lower 4th class rate* at Owner's risk for minimum loads of 100 mds. per 4-wheeled broad gauge or narrow gauge bogie wagon is quoted. The basis of 4th class rate* is .62 pie per md. per mile.

(2) *Tobacco, country, manufactured.*—The general classification applicable over all railways is 4B class at Railway risk and 4A class at Owner's risk. The basis of 4B class rate* is .72 pie per md. per mile, and of 4A class rate* is .67 pie per md. per mile over the B.-N. Ry. a lower 4A class rate* at Railway risk and 4th class rate* Owner's risk is quoted. The basis of 4A class is .67 pie per md. per mile and of 4th class is .62 pie per md per mile.

(3) *Thread, cotton, press-packed, etc.*—The general classification applicable over all railways is 4B class at Railway risk and 4A class at Owner's risk. The basis of 4B class rate* is .72 pie per md. per mile and 4A class rate* is .67 pie per md. per mile.

Over the B.-N. Railway a lower 4A class rate* at Railway risk and 4th class rate* at Owner's risk is quoted. The basis of 4A class is .67 pie per md. per mile and of 4th class is .62 pie per md. per mile.

(4) *Paper, N.O., in bales or bundles.*—The general classification applicable over all railways is 2nd class at Railway risk. The basis of 2nd class* is .42 pie per md. per mile.

*NOTE.—In the case of the class rates mentioned above extra charges are leviable on account of terminals, transshipments, etc., in addition to the mileage rates calculated at the various bases mentioned.

Over the B.-N. Railway a lower schedule rate, viz., C/J schedule, at Owner's risk is quoted for traffic from paper industries, viz., lb. on the B.-N. Railway, Tittaghur, Kankinara and Naihati paper mills on the E. B. Railway, and the Raniganj paper mill on the E. I. Railway. The basis of C/J schedule rate is—

- 1 to 150 miles—380 pie per md. per mile.
- 151 to 250 miles—333 pie per md. per mile.
- 251 to 500 miles—200 pie per md. per mile.
- 501 to 700 miles—130 pie per md. per mile.
- 701 and above—100 pie per md. per mile.

Plus an extra charge of 4 pies per md.

(5) *Coal*.— * * * *

N.B.—The rate for 401 miles at scale (b) applies differentially for distances 400 miles and less.

To the rates arrived at these scales extra charges such as terminal, transshipment, rescue excise and stowing excise duties are levied in addition.

A supplementary charge of Re. 0-2-0 per rupee of total freight in case of ordinary goods, and 15 per cent increase in freight in case of coal, is levied in addition.

The tariff rules and the rates of the railway apply to all the firms and individuals alike.

There is no case to justify a general reduction in the existing rates applicable to the various articles used in the bidi industry mentioned above, which apply generally.

Copy of letter No. 560-C-36-P.V-CRD-II, dated the 14th March 1940, from the Traffic Manager, Eastern Bengal Railway, 3, Koilaghat Street, Calcutta, to the Secretary, Bidi Industry Committee, Central Provinces and Berar, Nagpur.

SUBJECT.—*Rates for tobacco and bidi leaves.*

REFERENCE.—*Your letter No. 963-B.I.C., dated the 7th February 1940.*

(1) Over the Eastern Bengal Railway, tobacco, country, manufactured, or unmanufactured and bidi leaves are generally charged at the following rates :—

Tobacco, country, including manufac- tured bidi tobacco	Tobacco, country, unmanufactured	Bidi leaves
4A class at RR	.. 4th class at RR	4A class at RR.
4th class at OR	.. C/K Schedule at or (for bispat, pakapat, jalapat and chara tobacco).	..

NOTE.—In the cases of booking, *via.*, Manihari Ghat and *via* Katihar, the C/K schedule rate for tobacco, country, unmanufactured (*i.e.*, for bispat, pakapat, jalapat and chara tobacco), is also subject to the distance condition D-167.

Copy of letter No. R.-258-40, dated the 17th February 1940, from the Chief Commercial Manager, H. E. H. the Nizam's State Railway, Secundrabad (Deccan), to the Secretary, Bidi Industry Committee, Central Provinces and Berar.

SUBJECT.—*Rates for tobacco.*

Your letter No. 963-B. I. C., dated the 7th February 1940, addressed to the General Manager, Nizam State Railway, Secundrabad, has been forwarded to me for disposal.

Your paragraphs are replied to as under :—

Paragraph 1.—No special rates exist for tobacco from stations over this railway to stations in the Central Provinces.

Paragraph 2.—As far as N. S. Railway is concerned no distinction is made in the matter of rates quotations to firms.

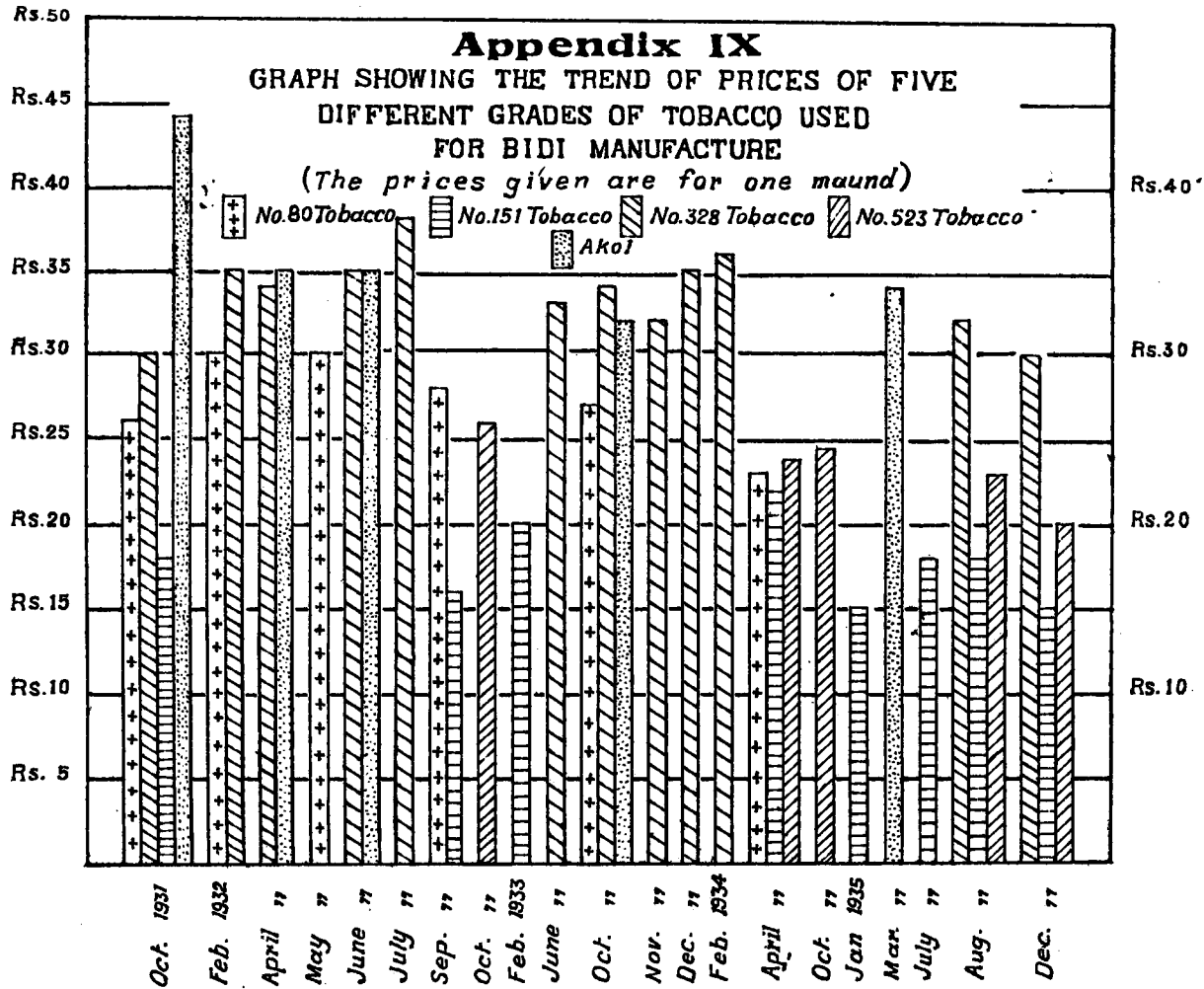
Paragraph 3.—I regret there are no possibilities of effecting reduction in the existing rate for tobacco over this railway.

APPENDIX VIII

Table showing import and export of raw tobacco to and from Central Provinces and Berar for the last ten years.

(Figures in maunds)

Year	Import of raw tobacco	Export of raw tobacco	Remarks
	Mds.	Mds.	
1930-31	235,875	10,246	
1931-32	199,743	11,276	
1932-33	208,938	13,387	
1933-34	222,963	10,325	
1934-35	198,853	10,787	
1935-36	246,526	9,287	
1936-37	243,838	8,293	
1937-38	198,370	8,624	
1938-39	186,103	10,677	
1939-40	215,048	12,638	
Total for ten years	2,156,257	105,540	
Average	215,625.7	10,554	



APPENDIX X
PART III
THE PROPOSED MODIFIED UNREGULATED
FACTORIES ACT

[Published in the *Central Provinces Gazette*, dated the 12th February, 1937.]

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THE PROPOSED MODIFIED UNREGULATED FACTORIES ACT

[Published in the *Central Provinces Gazette*, dated the 12th February 1937.]

An Act to regulate labour in unregulated factories.

PREAMBLE

WHEREAS it is expedient to regulate the labour of women and children and to make provision for the welfare of labour in factories to which the Factories Act, 1934 (XXV of 1934), does not apply;

AND WHEREAS the previous sanction of the Governor-General required under sub-section (3) of section 80-A of the Government of India Act has been obtained to the passing of this Act:

It is hereby enacted as follows:—

CHAPTER I

1. Short title, extent and commencement.—(1) This Act may be called the Central Provinces Unregulated Factories Act, 1937.

(2) It extends to the whole of the Central Provinces.

(3) It shall come into force in such areas and on such dates as the Provincial Government may, by notification, direct.

2. Definitions.—In this Act, unless there is anything repugnant in the subject or context,—

(a) *Child*.—“child” means a person who has not completed his fourteenth year;

(b) *Worker*.—“worker” means a person employed, whether for wages or not, in any manufacturing process or handicraft, or in cleaning any part of the premises used for a manufacturing process or handicraft, or in any other kind of work whatsoever incidental to or connected with the manufacturing process or handicraft or connected with the subject of the manufacturing process or handicraft;

(c) *Unregulated factory*.—“unregulated factory” means any place wherein fifty or more workers are employed or were employed on any one day of the preceding twelve months and to which the Factories Act, 1934 (XXV of 1934), does not apply and wherein the following industries are carried on:—

(i) bidi-making, (ii) shellac manufacture, and (iii) leather tanning.

(d) *Manufacturing process*.—“manufacturing process” means any process for or incidental to making, altering, repairing, ornamenting, finishing or otherwise adapting for use, transport or sale, article or part of an article;

(e) *Occupier*.—“occupier” means the person who has ultimate control over the affairs of the unregulated factory and includes a managing agent or any other person authorized to represent the occupier;

(f) *Wages*.—"wages" means all remuneration, capable of being expressed in terms of money, which would, if the terms of the contract of employment, express or implied, were fulfilled, be payable, whether conditionally upon the regular attendance, good work or conduct or other behaviour of the person employed, or otherwise to a person employed in respect of his employment or of work done in such employment, and includes any bonus or other additional remuneration of the nature aforesaid which would be so payable and any sum payable to such person by reason of the termination of his employment, but does not include—

- (i) the value of any house accommodation, supply of light, water, medical attendance or other amenity, or of any service excluded by general or special order of the Provincial Government;
- (ii) any contribution paid by the employer to any pension fund or provident fund;
- (iii) any travelling allowance or the value of any travelling concession;
- (iv) any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment; or
- (v) any gratuity payable on discharge.

(g) *Week*.—"week" means a period of seven days beginning at midnight on Saturday night, and

(h) *Day*.—"day" means a period of twenty-four hours beginning at midnight;

(i) *Prescribed*.—"prescribed" means prescribed by rules made under this Act.

3. *Exemption of mines*.—Nothing in this Act shall apply to any mine subject to the operation of the Indian Mines Act, 1923 (IV of 1923).

4. *Seasonal unregulated factories*.—The Provincial Government may by notification declare any group of bidi-making establishments in a specified area carrying on bidi manufacture, on contract or otherwise, on behalf of one particular proprietor or firm who supply them with leaf and tobacco, to constitute as one indivisible unregulated factory in spite of the different units being housed in different premises.

5. *Power to declare any place to be unregulated factory*.—Notwithstanding anything contained in clause (c) of section 2, the Provincial Government may, by notification, declare any place or class of places, wherein a manufacturing process or handicraft is carried on and wherein ten or more workers are employed or were employed on any one day of the twelve months preceding the notification to which the Factories Act, 1934 (XXV of 1934), does not apply, to be an unregulated factory for all or any of the purposes of this Act.

6. *Power to exempt during public emergency*.—In any case of public emergency, the Provincial Government may, by notification, exempt any unregulated factory from any or all of the provisions of this Act for such period as it may think fit.

CHAPTER II

INSPECTORS AND CERTIFYING SURGEONS

7. **Inspector.**—The Provincial Government may, by notification, appoint such Government officers as it thinks fit to be Inspectors for the purposes of this Act within such local limits as it may assign to them respectively.

8. **Powers of Inspector.**—Subject to any rules made by the Provincial Government in this behalf, an Inspector may, within the local limits for which he is appointed—

- (a) enter, with such assistants (if any), being persons in the employment of Government or of any municipal or other public authority, as he thinks fit, any place which is, or which he has reason to believe to be, used as an unregulated factory or capable of being declared to be an unregulated factory under the provisions of section 5;
- (b) make such examination of the place and of any prescribed registers, and take on the spot or otherwise such evidence of any persons as he may deem necessary for carrying out the purposes of this Act; and
- (c) exercise such other powers as may be necessary for carrying out the purposes of this Act:

Provided that no one shall be required under this section to answer any question or give any evidence tending to criminate himself.

9. **Certifying surgeons.**—(1) The Provincial Government may appoint such qualified medical practitioners as it thinks fit to be certifying surgeons for the purposes of this Act within such local limits as it may assign to them respectively.

(2) A certifying surgeon appointed under sub-section (1) shall exercise such powers of an Inspector under section 8 as may be necessary for the discharge of his duties under this Act.

10. **Grant of certificate.**—(1) A certifying surgeon shall, at the request of any child who has completed his tenth year desirous of being employed in an unregulated factory situated within the local limits for which he is appointed, or of the parent or guardian of such child or of the manager of the unregulated factory in which such child desires to be employed, examine such child and, if he is fit for employment in the whole or any specified part of, or in any specified manufacturing process or work in, an unregulated factory, grant him a certificate in the prescribed form stating his age as nearly as it can be ascertained from such examination and that he is fit for such employment.

(2) A certifying surgeon may revoke any certificate granted to a child if in his opinion the child is no longer fit for employment in the whole or any specified part of, or in any specified manufacturing process or work in, an unregulated factory.

(3) Where a certifying surgeon refuses to certify that a child is fit for employment in the whole or any specified part of, or in any specified manufacturing process or work in, an unregulated factory or revokes a certificate granted to a child in this behalf,

he shall, if required by such child, or by the parent or guardian of such child, or by the manager of the unregulated factory in which such child desires to be employed, state in writing his reasons for such a refusal or revocation.

11. Power to require medical examination.—Where an Inspector is of opinion that a child employed in an unregulated factory is no longer fit for employment he may serve on the manager of the unregulated factory a notice requiring that such child shall cease to be employed until he has been re-examined by a certifying surgeon and has been granted a fresh certificate of fitness.

CHAPTER III

HEALTH AND SAFETY

12. Cleanliness.—(1) Every unregulated factory shall be kept clean and free from effluvia arising from any drain, privy or other nuisance.

(2) The waste water from every lac factory should be disposed of to the satisfaction of the Inspector who may pass an order in writing to that effect.

13. Ventilation.—(1) Every unregulated factory employing 100 persons or more shall be ventilated in accordance with such standards and by such methods as may be prescribed.

(2) Ventilation in other unregulated factories should be in accordance with the instructions issued by the Chief Inspector in writing from time to time.

(3) Where gas, dust or other impurity is generated in the course of work, adequate measures shall be taken to prevent injury to the health of workers.

14. Overcrowding.—In order that no room in an unregulated factory shall be crowded during working hours to a dangerous extent or to an extent which may be injurious to the health of the workers, the proportion which the number of cubic feet of space in a room and the number of superficial feet of its floor area bears to the number of workers working at any time therein shall not be less than such standards as may be prescribed either generally or for the particular class of work carried on in the room :

Provided that where the Chief Inspector of Factories is satisfied that the conditions of factories in any unregulated factory or class of factories are such that there is no appreciable risk due to overcrowding he may relax the prescribed standards in respect of such unregulated factories by an order in writing issued on them.

15. Lighting.—(1) Every unregulated factory shall be sufficiently lighted during all working hours.

(2) If it appears to the Inspector that any unregulated factory is not sufficiently lighted he may serve on the manager of the unregulated factory an order in writing specifying the measures which he considers necessary for the attainment of a sufficient standard of lighting and requiring him to carry them out before a specified date.

(3) The Provincial Government may make rules requiring that all unregulated factories of specified classes shall be lighted in accordance with prescribed standards.

16. Provision of latrines and urinal accommodation.—In all municipal towns and notified areas every unregulated factory employing 50 persons or more shall be provided with latrine and urinal accommodation according to the prescribed standards, unless the municipal committee or the notified area committee having jurisdiction over the factory intimates to the occupier in writing its willingness to waive the requirements provided under this section.

17. Water.—(1) In every unregulated factory a sufficient supply of water fit for drinking shall be provided for the use of the workers employed therein.

(2) The supply required by sub-section (1) shall comply with such standards as may be prescribed.

(3) In every unregulated factory in which any process involving contact by the workers with injurious or obnoxious substance is carried on, a sufficient supply of water suitable for washing shall be provided for the use of workers, at suitable places and with suitable facilities for its use, according to such standard as may be prescribed.

18. Means of escape.—(1) Every unregulated factory shall be provided with such means of escape in case of fire as can reasonably be required in the circumstances of each case.

(2) If it appears to the Inspector that any unregulated factory is not provided, he may serve on the manager of the unregulated factory an order in writing, specifying the measures which in his opinion should be adopted, and requiring him to carry them out before a specified date.

(3) The means of escape shall not be obstructed while any work is being carried on in the unregulated factory.

19. Safety of building.—If an Inspector is of opinion—

(1) that any unregulated factory or part thereof is in such a condition as to be dangerous to human life or safety, or

(2) that any part of the manufacturing process is conducted in such a way as to cause danger to human life or safety,

he may serve on the manager of the unregulated factory an order in writing specifying the measures which he considers necessary for removing the danger and requiring him to carry them out before a specified date.

20. Power to prohibit presence of children.—Where, in the opinion of the Inspector, the presence in any unregulated factory or any part thereof of children who by reason of their age cannot under the provisions of this Act be lawfully employed therein, involves danger to, or injury to the health of, such children, he may serve on the manager of such unregulated factory an order in writing prohibiting the admission of such children to the unregulated factory or part thereof.

21. Appeals.—(1) The manager of an unregulated factory on whom an order in writing by an Inspector has been served under the provisions of this Chapter, or the occupier of the unregulated factory may, within thirty days of the service of order, appeal against it to the Provincial Government or to such authority as the Provincial Government may appoint in this behalf; and the Provincial Government or appointed authority may, subject to rules made in this behalf by the Provincial Government, confirm, modify or reverse the order.

(2) In the case of an appeal against an order under the provisions of this Chapter, except an appeal against an order under section 20, the appellate authority may suspend the order appealed against pending the decision of the appeal, subject however to such conditions as to partial compliance or the adoption of temporary measures as it may choose to impose in any case.

CHAPTER IV

HOURS OF EMPLOYMENT AND HOLIDAYS

22. Daily hours.—(1) No regulated factory shall be allowed to work for more than ten hours a day.

(2) The working hours of an unregulated factory shall be fixed by the manager and no worker shall be allowed to work in the factory beyond such hours. They may however be allowed to work any time within the fixed period.

23. Weekly holiday.—Unregulated factories must remain closed for half the period of working hours on one day in the week, preferably on the local bazar day; and all workers should be given half holiday on that day.

24. Employment of children.—(1) No child shall be allowed to work in any unregulated factory unless—

(a) a certificate of fitness granted to him under section 10 is in the custody of the manager of the factory, and

(b) he carries while he is at work a token giving a reference to such certificate.

(2) No child shall be allowed to work in any unregulated factory for more than seven hours in any one day and the periods of employment of children shall be between 9 a.m. and 5 p.m.

25. Employment of women.—No woman shall be allowed to work in any unregulated factory before sunrise or after sunset.

26. Prohibition of employment of child in more than one factory on the same day.—No child shall be allowed to work in any unregulated factory on any day on which he has already been working in any other factory.

27. Prohibition to allow child to work overtime or to take work home.—No child who has worked in an unregulated factory on any one day shall be allowed to work overtime or to take work home.

CHAPTER V

NOTICE AND REGISTERS

28. Notice to inspector before commencement of work.—

(1) Before work is begun in any unregulated factory after the commencement of this Act, or before work is begun in any seasonal unregulated factory each season, the occupier shall send to the inspector a written notice containing—

- (i) the name of the unregulated factory and the place where it is situated;
- (ii) the address to which communications relating to such unregulated factory shall be sent;
- (iii) the nature of the work performed in such unregulated factory;
- (iv) the name of the person who shall be the manager of unregulated factory for the purposes of this Act.

(2) Whenever another person is appointed as manager or the factory is closed down the occupier shall send to the inspector a written notice of the change within seven days from the date of change or closing down.

(3) During any period for which no person has been designated as manager of an unregulated factory under this section, or during which the person designated does not manage such factory, any person found acting as manager of the unregulated factory or if no such person is found, the occupier himself, shall be deemed to be the manager of the unregulated factory for the purposes of this Act.

29. Register of workers.—The manager of every unregulated factory shall maintain in the prescribed form a register showing the names of all the workers in such factory. The nature of their respective employment, and the rates of wages together with the wages earned in each case :

Provided that where in the opinion of the inspector a muster roll or register kept in an unregulated factory gives the particulars required under this section, he may, by order in writing, direct that such muster roll or register shall be kept in place of the register prescribed under this section and such muster roll or register shall thereupon, for all the purposes of this Act, be deemed to be register so prescribed :

Provided further that where the Provincial Government is satisfied that the conditions of work in any unregulated factory or class of unregulated factories are such that there is no appreciable risk of contravention of the provisions of Chapter IV in the case of the unregulated factory or factories of that class, as the case may be, the Provincial Government may, by notification, exempt, on such conditions, as it may impose, that unregulated factory or factories of that class, as the case may be, from the provisions of this section.

30. Affixing of abstracts.—There shall be displayed in some conspicuous place near the main entrance of every unregulated factory in English and in the language of the majority of the operatives in such unregulated factory, the prescribed abstracts of this Act and the Rules made thereunder in clear and legible form.

31. Powers to make rules.—(1) The Provincial Government may make rules for the purpose of carrying into effect the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power such rules may provide for—

- (a) the inspection of unregulated factories;
- (b) the manner in which inspectors are to exercise the power conferred on them by this Act;
- (c) the duties to be performed by certifying surgeons;
- (d) the form of the certificate prescribed by section 10, the grant of duplicate in the event of loss of the original certificate and the fee, if any, to be charged for such duplicate;
- (e) standards and methods of ventilation;
- (f) the proportion which the number of cubic feet of space in any room shall bear to the number of persons employed at one time therein;
- (g) standards of lighting;
- (h) standards of latrine and urinal accommodation;
- (i) standards of water-supply;
- (j) the form of the notice prescribed by section 28 and the time within which and the authorities to whom it shall be sent;
- (k) the form of the register prescribed by section 29;
- (l) the abstracts of the Act and the rules required by section 30;
- (m) the procedure to be followed in presenting and hearing appeals under section 21; and
- (n) the manner of service of notices and orders upon occupiers or managers of the factory.

32. Returns.—The Provincial Government may make rules requiring occupiers or managers of unregulated factories to furnish such returns, occasional or periodical, as may in its opinion be required for the purposes of this Act.

33. Previous publication of rules.—(1) All rules made under this Act shall be subject to the condition of previous publication and the date to be specified in accordance with clause (3) of section 22 of the Central Provinces General Clauses Act, 1914 (C. P. Act I of 1914), shall not be less than three months from the date on which the draft of the proposed rules was published.

(2) *Commencement of rules.*—All such rules shall be published in the Gazette and shall, unless some later date is appointed, come into force on the date of such publication.

CHAPTER VI

PAYMENT OF WAGES

34. (1) The occupier of every unregulated factory should be responsible for the payment of wages to all persons employed by him directly or through contractors and shall fix periods (herein after called wage-period) in respect of which such wages shall be payable.

(2) No wage-period shall exceed one week, and the wages of every person employed in an unregulated factory shall be paid before the expiry of the fifth day after the last day of the wage period.

(3) All wages shall be paid in current coin or currency notes or in both, and no payment of wages shall be made in kind.

35. (1) The wages of an employed person shall be paid to him without deductions of any kind except those authorised by or under this Act.

Explanation.—Every payment made by the employed person to the employer or his agent shall, for the purposes of this Act, be deemed to be a deduction.

(2) Deductions from the wages of an employed person shall be made only in accordance with the provisions of this Act, and may be of the following kinds only, *viz.*—

(a) fines;

(b) deductions for absence from duty;

(c) deductions for damage to or loss of goods expressly entrusted to the employed person, excluding damages or loss incurred in the course of manufacture, or for loss of money for which he is required to account, where such damage or loss is directly attributable to his neglect or default;

(d) deductions for house-accommodation supplied by the employer;

(e) deductions for recovery of advances or for adjustment of overpayment of wages;

(f) deductions for any other purpose sanctioned by the Provincial Government by means of general or special order.

36. (1) No fine shall be imposed on any employed person save in respect of such acts and omissions on his part as the employer, with the previous approval of the Provincial Government or of the prescribed authority, may have specified by notice under sub-section (2).

(2) A notice specifying such acts and omissions shall be exhibited in the prescribed manner on the premises in which the employment is carried on or in the case of persons employed upon a railway (otherwise than in a factory), at the prescribed place or places.

(3) No fine shall be imposed on any employed person until he has been given an opportunity of showing cause against the fine, or otherwise than in accordance with such procedure as may be prescribed for the imposition of fines.

(4) The total amount of fine which may be imposed in any one wage-period on any employed person shall not exceed an amount equal to half an anna in the rupee of the wages payable to him in respect of that wage-period.

(5) No fine shall be imposed on any employed person who is under the age of fifteen years.

(6) No fine imposed on any employed person shall be recovered from him by instalments or after the expiry of sixty days from the day on which it was imposed.

(7) Every fine shall be deemed to have been imposed on the day of the act or omission in respect of which it was imposed.

(8) All fines and all realisations thereof shall be recorded in a register to be kept by the person responsible for the payment of wages under section 3 in such form as may be prescribed; and all such realisations shall be applied only to such purposes beneficial to the persons employed in the factory or establishment as are approved by the prescribed authority.

Explanation.—When the persons employed upon or in any railway, factory or industrial establishment are part only of a staff employed under the same management, all such realisations may be credited to a common fund maintained for the staff as a whole, provided that the fund shall be applied only to such purposes as are approved by the prescribed authority.

37. (1) Deductions may be made under clause (b) of sub-section (2) of section 35 only on account of the absence of an employed person from the place where by the terms of his employment, he is required to work, such absence being for the whole or any part of the period during which he is so required to work.

(2) The amount of such deduction shall in no case bear to the wages payable to the employed person in respect of the wage-period for which the deduction is made a larger proportion than the period for which he was absent bears to the total period, within such wage-period, during which by the terms of his employment, he was required to work.

Provided that, subject to any rules made in this behalf by the Provincial Government, if ten or more employed persons acting in concert absent themselves without due notice (that is to say without giving the notice required under the terms of their contract of employment) and without reasonable cause, such deduction from any such person may include such amount not exceeding his wages for eight days as may by any such terms be due to the employer in lieu of due notice.

Explanation.—For the purposes of this section, an employed person shall be deemed to be absent from the places where he is required to work if, although present in such place, he refuses in pursuance of a stay-in-strike or for any other cause which is not reasonable in the circumstances, to carry out his work.

38. (1) A deduction under clause (c) of sub-section (2) of section 35 shall not exceed the amount of the damage or loss caused to the employer by the neglect or default of the employed person and shall not be made until the employed person has been given an opportunity of showing cause against the deduction, or otherwise than in accordance with such procedure as may be prescribed for the making of such deductions.

(2) All such deductions and all realisations thereof shall be recorded in a register to be kept by the person responsible for the payment of wages under section 34 in such form as may be prescribed.

39. A deduction under clause (d) of sub-section (2) of section 35 shall not be made from the wages of an employed person unless the house-accommodation has been accepted by him, and such deduction shall not exceed an amount equivalent to the rental value of house-accommodation supplied.

40. Deductions under clauses (e) of sub-section (2) of section 35 shall be subject to the following conditions, namely:—

(a) Recovery of an advance of money given before employment began in respect of a complete first payment of wages in respect of a complete wage-period, but no recovery shall be made of such advances given for travelling expenses.

(b) Recovery of advances of wages not already earned shall be subject to any rules made by the Provincial Government regulating the extent to which such advances may be given and the instalments by which they be recovered.

41. Deductions under clause (f) of sub-section (2) of section 35 shall be subject to such conditions as the Provincial Government may impose.

42. Any contract or agreement, whether made before or after the commencement of this Act, whereby an employed person relinquishes any right conferred by this Act shall be null and void in so far as it purports to deprive him of such right.

CHAPTER VII

PENALTIES AND PROCEDURE

43. Penalties.—If in any unregulated factory—

(a) any worker is employed or allowed to work in contravention of any of the provisions of this Act;

(b) any of the provisions of section 12 are not complied with;

(c) latrine or urinal accommodation in accordance with the provisions of section 16 is not provided;

(d) a supply of water in accordance with the provisions of section 17 is not maintained;

(e) any order of an inspector under section 15, 18, 19 or 20 is not complied with;

(f) the register prescribed by section 29 is not kept up to date;

(g) the provisions of section 30 are not complied with;

(h) any notice or return required by this Act or by rules made thereunder to be furnished is not furnished;

(i) any of the provisions of sections 34, 35 and 42 is not complied with, and the loss incurred thereby by the worker has not been made good,

the occupier and the manager shall each be punishable with fine which may extend to two hundred rupees, out of which compensations may be granted by the court to any worker who has been aggrieved by the isolation of law:

Provided that if both the manager and the occupier are convicted the aggregate of the fines inflicted in respect of the same contravention shall not exceed this amount.

44. Determination of "occupier" for purposes of this Chapter.—(1) Where the occupier of an unregulated factory is a firm or other association of individuals, any one of the individual partners or members thereof may be prosecuted and punished under this Chapter for any offence for which the occupier of the unregulated factory is punishable :

Provided that the firm or association may give notice to the inspector that it has nominated one of its number who is resident in British India to be the occupier of the unregulated factory for the purposes of this Chapter, and such individual shall so long as he is so resident be deemed to be the occupier for the purposes of this Chapter until further notice cancelling his nomination is received by the inspector or until he ceases to be a partner or member of the firm or association.

(2) Where the occupier of an unregulated factory is a company, any one of the directors thereof, or, in the case of a private company, any one of the shareholders thereof, may be prosecuted and punished under this Chapter for any offence for which the occupier of the unregulated factory is punishable :

Provided that the company may give notice to the inspector that it has nominated a director, or, in the case of a private company, a shareholder, who is resident in either case in British India, to be the occupier of the unregulated factory for the purposes of this Chapter, and such director or shareholder shall so long as he is so resident be deemed to be the occupier of the unregulated factory for the purposes of this Chapter until further notice cancelling his nomination is received by the inspector or until he ceases to be a director or shareholder.

45. Exemption of occupier or manager from liability in certain cases.—(1) Where the occupier or manager of an unregulated factory is charged with an offence against this Act he shall be entitled upon complaint duly made by him, to have any other person whom he charges as the actual offender brought before the Court at the time appointed for hearing the charge; and if, after the commission of the offence has been proved, the occupier or manager of the unregulated factory proves to the satisfaction of the Court—

- (a) that he has used due diligence to enforce the execution of this Act; and
- (b) that the said other person committed the offence in question without his knowledge, consent or connivance;

that other person shall be convicted of the offence and shall be liable to the like fine as if he were the occupier or manager, and the occupier or manager shall be discharged from any liability under this Act.

(2) When it is made to appear to the satisfaction of the inspector at any time prior to the institution of the proceedings—

- (a) that the occupier or manager of the unregulated factory has used all due diligence to enforce the execution of this Act, and
- (b) by what person the offence has been committed, and

(c) that it has been committed without the knowledge, consent or connivance of the occupier or manager and in contravention of his orders,

the inspector shall proceed against the person whom he believes to be the actual offender without first proceeding against the occupier or manager of the unregulated factory, and such person shall be liable to the like fine as if he were the occupier or manager.

46. Penalty for obstructing inspector.—Whoever wilfully obstructs an inspector in the exercise of any power under section 8 or fails to produce on demand by an inspector any registers or other documents in his custody kept in pursuance of this Act or the rules made thereunder, or conceals or prevents any worker in an unregulated factory from appearing before or being examined by an inspector shall be punishable with fine which may extend to two hundred rupees.

47. Penalty for using false certificates.—Whoever knowingly uses or attempts to use as a certificate granted to him under section 10, a certificate granted to another person under that section, or who, having procured such a certificate, knowingly allows it to be used, or an attempt to use it to be made, by another person, shall be punishable with fine which may extend to twenty rupees.

48. Penalty on guardian for permitting double employment of a child.—If a child works in any unregulated factory on any day on which he has already been working in any other factory, the parent or guardian of the child or the person having custody of or control over him or obtaining any direct benefit from his wages, shall be punishable with fine which may extend to twenty rupees, unless it appears to the Court that the child so worked without the consent, connivance or wilful default of such parent, guardian, or person.

49. Presumption as to employment.—If a child over the age of six years is found inside any part of an unregulated factory in which children are working he shall, until the contrary is proved, be deemed to be working in the unregulated factory.

50. Evidence as to age.—(1) When an act or omission would, if a person were under or over a certain age, be an offence punishable under this Act, and such person is in the opinion of the Court apparently under or over such age, the burden shall be on the accused to prove that such person is not under or over such age.

(2) A declaration in writing by a certifying surgeon relating to a worker that he has personally examined him and believes him to be under or over the age set forth in such declaration shall, for the purposes of this Act, be admissible as evidence of the age of that worker.

51. Cognizance of offences.—(1) No prosecution under this Act shall be instituted except by or with the previous sanction of the District Magistrate or such other officer as the Provincial Government may appoint in this behalf.

(2) No Court inferior to that of a Magistrate of the second class shall try any offence against this Act or any rule or order made thereunder.

(3) No Court shall take cognizance of any offence under this Act or any rule or order thereunder other than an offence under section 28 unless complaint thereof is made within six months of the date on which the offence is alleged to have been committed.

52. Protection to persons acting under this Act.—No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act.

THE CENTRAL PROVINCES UNREGULATED FACTORIES RULES, 1937

Notification No. 2594-1671-VII, dated the 27th October 1937

In exercise of the powers conferred by sections 31 and 32 of the Central Provinces Unregulated Factories Act, 1937 (XXI of 1937), the Provincial Government is pleased to make the following rules :—

[N.B.—Similar rules were issued for Berar with Notification No. 2595-1671-VII, dated the 27th October 1937.]

RULES

1. These rules may be cited as the Central Provinces Unregulated Factories Rules, 1937.

2. In these rules—

- (a) "The Act" means the Central Provinces Unregulated Factories Act, 1937 (C. P. Act XXI of 1937).
- (b) Words and expressions defined in the Act shall be deemed to have the same meaning as in the Act.
- (c) "Inspector" means any Inspector appointed under section 7 of the Act, and includes a Chief Inspector to whom the other Inspectors shall be officially subordinate.
- (d) "Factory" means an "Unregulated factory" defined in section 2 (c) of the Act.

INSPECTIONS

[Section 31 (2) (a)]

3. Each Inspector shall be primarily responsible for the administration of the Act within an area to be assigned to him by the Chief Inspector of Factories. He shall inspect every factory within his area at least once during a calendar year. He shall also make such further inspections as may appear to be necessary to him or to the Chief Inspector in order that he may satisfy himself that the provisions of the Act and of these rules and orders are duly observed.

4. (a) In addition to and without prejudice to any other powers or duties which the Inspector may exercise under the Act or rules, he shall at each inspection satisfy himself that—

- (i) the provisions made in the Act and rules to secure the health and safety of the operatives are observed
- (ii) the periodical stoppages of work and holidays are followed as provided in the Act and the limits of hours of work laid down therein are not exceeded,
- (iii) the children employed in the factory are duly certified, and
- (iv) the registers of all workers employed in the factory are maintained in the prescribed forms and kept up to date.

(b) He shall verify how far the defects pointed out at previous inspections have been removed and suggestions and orders complied with. A note of all defects and irregularities discovered together with orders for their remedy or removal passed by him shall then be recorded in a bound inspection book to be maintained by the manager and produced by him when required by an Inspector. A copy of the said note shall be supplied to the District Magistrate accompanied by a formal definite recommendation in the case of each irregularity brought to light.

5. When in any area an inspection is made by the Inspector notified under section 7 of the Act, he shall send a copy of his orders or remarks to the Chief Inspector of Factories.

6. When the Chief Inspector receives a notice under section 28 of the Act, he shall, if he has not already done so, include such factory in the register.

7. When the Inspector has reason to believe that any premises situated within the local limits for which he is appointed and not already registered as a factory ought to be included in his register, he shall report the matter to the Chief Inspector. The Chief Inspector shall send to the occupier of the factory a notice intimating his intention of placing such premises on the register of factories.

8. Any person served with a notice under rule 7 may, within fifteen days of the receipt of such notice, forward to the Chief Inspector a statement showing his objections to the registration of his factory under the Act. The Chief Inspector shall consider and dispose of such objections after making such enquiry as he may deem necessary and shall communicate his decision to the person concerned.

CERTIFICATES OF FITNESS FOR CHILDREN AND DUTIES OF CERTIFYING SURGEONS

[Section 31 (2) (c) and (d)]

9. Certificates to be granted under section 10 shall be in Form A. The forms shall be kept in a bound book in foil and counterfoil and numbered consecutively.

10. (1) When a person to whom a certificate under section 10 has been granted loses such certificate, he may apply to the certifying surgeon for a copy of the same. The certifying surgeon after making enquiries from such person's employer (or if unemployed from such person's last employer) or from such other source as he may deem fit, may grant him a duplicate thereof. The word "Duplicate" shall be clearly written in red ink across such certificate and initialled by the certifying surgeon. The counterfoil in the bound book of forms shall be similarly marked "Duplicate" and initialled.

(2) For every certificate granted under sub-rule (1) a fee of annas four shall be charged, which shall be credited to the Provincial Government. The certifying surgeon shall maintain a register in Form B of all fees paid for the issue of duplicate certificates and shall initial each entry made therein.

(3) No duplicate of a certificate granted under section 10 of the Act shall be granted to any person otherwise than in accordance with the provisions of this rule.

11. (a) The duties of the certifying surgeon to exercise any of his powers shall comprise the examination of children desirous of being employed and re-examination of a child in respect of whom a notice under section 11 has been served on the manager and who desires to be re-employed. Certificate of age and fitness shall be given in Form A prescribed under rule 9 to such children as are found qualified to receive them. No fee shall be charged for such examination or for the grant of such certificate in pursuance thereof.

(b) The certifying surgeon shall fix such place and such times as may be mutually convenient for the attendance of persons desirous of obtaining certificates of age and fitness. Notice of the place and the times thus fixed shall be given to managers of factories within the local limits for which the certifying surgeon is appointed.

(c) A certifying surgeon revoking a certificate under section 10 (3) shall cause the word "Revoked" to be stamped in red ink on the foil and counterfoil thereof.

12. The certifying surgeon shall visit factories in his jurisdiction in which he has reasons to believe that children are employed. He shall enter in the inspection book a note dealing with the results of each visit to the factory. A copy of this note shall be forwarded to the Chief Inspector and to the District Magistrate.

13. Children certified fit to work as such shall, while at work, carry on their person a token which shall bear the serial number of the worker as entered in the register prescribed under rule 26.

VENTILATION

[Section 31 (2) (e)]

14. (i) In every room of a factory ventilation openings shall be provided in the proportion of four square feet for each person employed in such room, and the openings shall be such as to admit of a continuous supply of fresh air:

Provided that, subject to the control of the Chief Inspector of Factories, the Inspector for reasons to be recorded in writing may relax the conditions of this rule where in his opinion this may be done with due regard to the health of the persons employed in any room, and also provided that, subject to the control of the Chief Inspector of Factories, the Inspector may, for reasons to be recorded in writing, order additional ventilation arrangements where obnoxious fumes or dust are generated in a process.

(ii) In the furnace room attached to lac factories, all ventilation openings that produce direct draught on to the work carried on near the furnace may be kept closed and roof ventilation above may be considered sufficient.

PREVENTION OF OVERCROWDING

[Section 31 (2) (f)]

15. (i) There shall be provided for each worker employed at one time in any room of a factory other than the furnace room of a lac factory, a floor space of 12 square feet and a breathing space of at least 200 cubic feet.

(ii) In the furnace room attached to a lac factory a floor space of at least 25 square feet and a breathing space of at least 500 cubic feet shall be provided.

16. (i) Particulars of each room of the factory in which persons are regularly employed shall be entered in Form C which shall be shown to the Inspector when required.

(ii) No room which is damp or floor unsuitable for squatting down should be used for bidi-making.

LATRINES AND URINALS

[Section 31 (2) (h)]

17. Latrines shall be provided within the precincts of every factory, in an accessible place detached from any buildings, and the accommodation shall be on such scale and of such design as may be laid down by the municipal authority, provided that the number of seats shall not in any case fall short of the following scale:—

One seat for every 50 or a fraction of 50.

18. Every factory shall be provided with one urinal for every 100 male workers employed therein or a fraction of 100.

19. If women are employed, separate latrines screened from those for men and marked in the vernacular in conspicuous letters "for women only" and indicated by a female figure shall be provided on the scale laid down in rule 17. Those for males shall be similarly marked "for men only" and indicated by a male figure.

20. The latrines and urinals shall be kept in clean and sanitary condition and walls thereof unless made of corrugated iron shall be lime-washed inside and outside at least twice in every year and the date of the lime-washing shall be noted in Form D.

WATER-SUPPLY

[Section 31 (2) (i)]

21. (1) In every factory a supply of water fit for drinking shall be provided daily free of cost.

(2) Drinking water shall be supplied either from taps connected with any public water-supply from which a sufficient supply of water can at all times be drawn as required or from a well or wells so situated as not to be polluted or contaminated with organic matter or impurities.

(3) When drinking water is obtainable from an intermittent public water-supply, there shall be provided at the commencement of each shift a storage of water of not less than one gallon per head of persons employed in the factory.

(4) Proper arrangements approved by the Inspector shall be made for maintaining in a drained and cleanly condition the area round the place where the drinking water is stored and distributed.

22. If in any factory any injurious or obnoxious substances are handled by the workers, a storage of water for the use of such workers at suitable places shall be provided free of charge in addition to the following articles :—

- (i) A sufficient number of basins on the basis of at least one basin to every 25 workers employed on the processes and liable to come into contact with the above-mentioned substances;
- (ii) scrubbing brushes and other utensils for the efficient removal of such substances from the body of the worker; and
- (iii) soap and such other articles or liquids necessary for the efficient removal of such substances from the body of the worker or for rendering them inert.

NOTICE OF OCCUPATION

[Section 31 (2) (j)]

23. Within one month of the issue of these rules every person occupying a factory shall send to the Chief Inspector a written notice prescribed under section 28 in Form E. If a factory is started after the commencement of the Act, the notice shall be sent to the same authority before commencing work.

24. * * * *

FORM OF REGISTER

[Section 31 (2) (k)]

25. The register prescribed under section 29 shall be in Form F for adult workers and written afresh from January 1st, each year. The register shall be posted at the beginning of each working period and shall be always kept available during working hours for immediate inspection. The register shall not be destroyed until after the expiration of three years from the date of the last entry therein :

Provided that in the case of seasonal factories the register shall be written afresh from the beginning of each working season.

26. The register of children shall be in Form G. It shall be maintained and preserved in the manner laid down in rule 25 for adult workers.

DISPLAY OF ABSTRACT OF ACT AND RULES

[Section 31 (2) (l)]

27. The abstract of the Act and Rules required under section 30 shall be in Form H attached to these rules. If the abstract becomes illegible or defaced, a fresh copy shall be affixed by the manager.

APPEALS

[Section 31 (2) (m)]

28. An appeal made under section 21 shall lie to the Director of Industries and shall be in the form of a memorandum setting forth concisely the grounds of objection to the order appealed against and bearing a court-fee stamp in accordance with article 11 of Schedule 11 of the Court-fees Act and shall be accompanied by a copy of that order.

29. In every appeal the Director of Industries shall decide whether the presence of the Inspector whose order is appealed against is necessary and shall issue orders accordingly.

MANNER OF SERVICE

[Section 31 (2) (n)]

30. The despatch through the post under registered cover of any notice or order issued by the Inspectors under the Act or under these rules to the address of the manager or occupier, shall be deemed sufficient service of such order on the manager or occupier.

CLEANLINESS

[Section 31 (1)]

31. (a) All drains carrying waste or sullage water shall be constructed in masonry or other impermeable material and shall be regularly flushed and where possible, connected with some recognized drainage line.

(b) No micturition or evacuation shall be permitted in any place in the factory other than a urinal, privy or latrine, as the case may be.

RETURNS

[Section 32]

32. The manager of every factory shall furnish to the Chief Inspector the following returns, namely:—

(1) On or before the 15th January of each year an annual return in duplicate in Form I of the forms annexed to these rules.

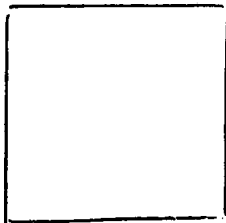
(2) Before the end of each calendar month, a return giving notice of all the days on which it is intended to close the factory during the next ensuing month. The return shall be submitted whether the factory is or is not working during the calendar month preceding the month to which the return relates

FORM A

Certificate of fitness to work as a child

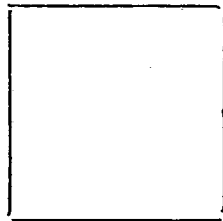
[Rule 9]

- | | |
|-----------------------------------|--------------------------------------------|
| 1. Serial No..... | Serial No..... |
| 2. Date..... | Date..... |
| 3. Name | I hereby certify that I have personally |
| 4. Father's name..... | examined (name)..... |
| 5. Sex and caste or religion..... | ..... |
| ..... | son/daughter of.....caste..... |
| 6. Residence | etc., residing at.....who is desir- |
| 7. Age | ous of being employed in an unregulated |
| 8. Physical fitness | factory and that his/her age as nearly |
| 9. Distinction of marks..... | as can be ascertained from my exami- |
| 10. Reasons for— | nation is.....years and that |
| (a) Refusal of certificate..... | he/she is fit for employment as a child/an |
| ..... | adult in a factory. His/Her description |
| (b) Certificate being revoked.. | marks are |
| | |



Left hand thumb impression.

Initials of Certifying Surgeon.



Left hand thumb impression.

NOTE.—Details of the disability on account of which certificate is refused or re-
voked should be clearly stated.

.....
Signature of Certifying Surgeon.

FORM B

Register of fees paid for the issue of duplicate certificate

[Rule 10 (2)]

Date (1)	Serial No. (2)	Number of previous certificate (3)	Name of person to whom granted (4)	Initials of Certifying Surgeon (5)

16

Paid into treasury.....

Signature of Certifying Surgeon.

Date.....

FORM C
Particulars of rooms in the factory

[Rule 16]

Name of room in factory (1)	Dimensions of room in feet			Total floor area in square feet (5)	Floor area occupied by workers in the room (6)	Breathing space (cubical contents in cubic feet) (7)	Maximum number of persons who may be employed in the room (8)	Remarks (9)
	Length (2)	Breadth (3)	Height (4)					

FORM D
Lime-washing, etc.
[Rule 20]

Part of factory, <i>e.g.</i> , names of room (1)	Parts lime-washed, painted or varnished, <i>e.g.</i> , wall, ceilings, woodwork, etc. (2)	Treatment (whether lime-washed, painted or varnished) (3)	Date on which lime-washing, painting or varnishing was carried out according to the English calendar			Signature of occupier or manager (7)	Remarks (8)
			Day (4)	Month (5)	Year (6)		

FORM E

Notice of occupation

[Rule 23]

1. District
 2. Locality
 3. Name of a factory.....
 4. Postal address of a factory.....
 5. Nature of work performed.....
 6. Name of occupier.....
 7. Name of manager.....
- Signature of occupier*.....
- Signature of manager*.....

FORM F

Register of adult workers

[Rule 25]

District.....Place.....Factory.....

No.	Name	Father's name	Caste or religion	Nature of work	Days of week						Days of week						Total weekly hours	Remarks	
					First period		Second period		Third period		First period		Second period		Third period				
					From	To	From	To	From	To	From	To	From	To	From	To			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	

FORM G

Register of child workers

[Rule 26]

District..... Place..... Factory.....

No.*	Name	Father's name	Caste or religion	Nature of work	Group or relay to which allotted	Hours of work						Total weekly hours	Certifying Surgeon's certificate		Remarks
						Days of week				Days of week			No.	Date	
						First period		Second period		From	To				
						From	To	From	To	(11)	(12)		(14)	(15)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)

*The token carried by the child shall bear his number.

FORM H

Abstract of the Central Provinces Unregulated Factories
Act and Rules

[Rule 27].

(To be affixed in a conspicuous place near the main entrance of the factory.)

HEALTH AND SAFETY

- (1) Every factory shall be kept clean and free from effluvia arising from any drain, privy or other nuisance.
- (2) All drains carrying waste or sullage water shall be constructed in masonry or other impermeable material and shall be regularly flushed and where possible, connected with some recognized drain.
- (3) No micturition or evacuation shall be permitted in any place in the factory other than a urinal, privy or latrine.
- (4) The walls of the latrines and urinals unless made of corrugated iron shall be lime-washed inside and outside at least twice every year.
- (5) Unless specially exempted, ventilating openings shall be provided in the proportion of four square feet for each person, so as to admit continuous supply of fresh air; and wherever required additional ventilating arrangements should be provided to remove obnoxious fumes or dust generated in the manufacturing process.
- (6) In any room of a factory, a floor space of 12 square feet and a breathing space of at least 200 cubic feet shall be provided for each worker; while in the furnace room attached to a lac factory a floor space of at least 25 square feet and a breathing space of at least 500 cubic feet shall be provided for each worker.
- (7) Every factory shall be provided with suitable latrine and urinal accommodation as prescribed for males and females separately, and the same must be kept in a clean and sanitary condition.
- (8) In every factory sufficient supply of suitable drinking water shall be provided to the workers daily free of cost. The area around the place where drinking water is stored and distributed shall be kept in a drained and clean condition.
- (9) If in any factory, any injurious or obnoxious substances are handled by the workers, a storage of water for the use of such workers and one washing basin for every 25 workers employed, scrubbing brushes, soap or such other articles and other utensils necessary for the removal of such substances from the body of the workers, shall be provided free of charge for such workers.
- (10) In every factory efficient means for preventing outbreak of fire shall be maintained and kept ready for immediate use. The means of escape shall not be obstructed while any work is being carried on in the factory.
- (11) No worker shall be employed for more than ten hours in any one day.
- (12) No worker shall be allowed to work continuously for more than 5 hours without a rest interval of at least half an hour during each working day.

(13) No worker shall be employed for more than six consecutive days without a holiday for a whole day.

SPECIAL PROVISIONS FOR WOMEN AND CHILDREN

(14) No child shall be allowed to work in any factory without a medical certificate of fitness. The child shall wear a token while at work giving reference to the certificate.

(15) No child shall be employed in any factory for more than 7 hours in any day and his periods of work shall be between 8 a.m. to 12 noon and 1 p.m. to 5 p.m.

(16) No child shall be allowed to work on any day in any factory on which he has already been working in any other factory.

(17) No child who has worked in a factory on any one day shall be allowed to work overtime or to take work home.

(18) No woman shall be allowed to work in any factory before sunrise or after sunset.

(19) No woman shall be allowed to work in any factory for more than 9 hours in any one day.

GENERAL

(20) Unless otherwise directed by the Inspector, the manager of every factory shall maintain registers of all workers in the prescribed form, showing therein the hours of work and nature of work done by each of them and keep them up to date.

(21) Before the end of each calendar month, the manager of every factory shall send to the Chief Inspector of Factories, a return giving notice of all the days on which the factory is intended to be closed during the next ensuing month.

(22) The manager of every factory shall send to the Chief Inspector of Factories on or before the 15th January of each year an annual return in duplicate in the prescribed form.

FORM I

Return

[Rule 32 (1)]

Year ending 31st December 194 . Season ending.....194 .

Name of factory..... Name of occupier..... Name of manager.....

District	Postal address	Nature of industry	Average number of workers employed daily				Normal hours worked per week			Number of days worked in the year	Intervals of rest granted to adult workers	Intervals of rest granted to children	What days are observed as weekly holidays	Remarks
			Men	Women	Children		Men	Women	Children					
					Boys	Girls								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)

PART III-B

NOTIFICATIONS AND ORDERS UNDER THE CENTRAL PROVINCES UNREGULATED FACTORIES ACT, 1937

Notification No. 623-3245-VII of 1937, dated the 19th
February 1938

Under section 7 of the Central Provinces Unregulated Factories Act, 1937 (XXI of 1937), the Provincial Government is pleased to appoint the following servants of the Crown to be Inspectors for the purpose of the said Act within the limits specified against each :—

Government officer with area.

- (1) Chief Inspector of Factories appointed under sub-section (2) of section 10 of the Factories Act, 1934—Central Provinces and Berar.
- (2) Inspectors of Factories appointed under sub-section (1) of section 10 of the Factories Act, 1934—Central Provinces and Berar.
- (3) District Magistrates of Nagpur, Bhandara, Jubbulpore, Bilaspur, Nimar and Akola districts—Within the limits of their respective jurisdiction.
- (4) Sub-Divisional Magistrates and Tahsildars in the aforesaid districts—Within the limits of their respective jurisdiction.

Notification No. 624-3245-VII of 1937, dated the 19th
February 1938

Under sub-section (1) of section 9 of the Central Provinces Unregulated Factories Act, 1937 (XXI of 1937), the Provincial Government is pleased to appoint the following medical practitioners to be certifying surgeons for the purposes of the said Act within the limits specified against each :—

Medical practitioner with area.

1. (a) Dr. C. J. Fernandez, M.R.C.S., L.R.C.P., Private Medical Practitioner, Nagpur—Nagpur town.
- (b) Assistant to Civil Surgeon, Nagpur—Nagpur tahsil excluding Nagpur town.
- (c) Assistant Medical Officers, Umrer, Katol and Ramtek, and the Medical Officer in charge of the Saoner hospital—Within the area of their respective jurisdiction.
2. (a) The Civil Surgeon, Bhandara—Bhandara town.
- (b) The Assistant Surgeon, Bhandara—Bhandara tahsil excluding Bhandara town.
- (c) The Assistant Surgeon, Gondia—Gondia tahsil.
- (d) Assistant Medical Officer, Sakoli—Sakoli tahsil.
3. (a) The Civil Surgeon, Jubbulpore—Jubbulpore town.
- (b) Assistant to Civil Surgeon, Jubbulpore—Jubbulpore tahsil excluding Jubbulpore town.

- (c) Assistant Surgeon, Murwara—Murwara tahsil.
 - (d) Assistant Medical Officers, Sihora and Patan—Sihora and Patan tahsils, respectively.
4. (a) The Civil Surgeon, Bilaspur—Bilaspur town.
 - (b) Assistant Surgeon, Bilaspur—Bilaspur tahsil excluding Bilaspur town.
 - (c) Assistant Medical Officers, Mungeli, Janjgir and Katghora—Mungeli, Janjgir and Katghora tahsils, respectively.
5. (a) The Civil Surgeon, Nimar—Khandwa town.
 - (b) Assistant Surgeon, Khandwa—Khandwa tahsil excluding Khandwa town.
 - (c) Assistant Surgeon, Burhanpur—Burhanpur tahsil.
 - (d) Assistant Medical Officer, Harsud—Harsud tahsil.
6. (a) The Civil Surgeon, Akola—Akola town.
 - (b) Assistant to Civil Surgeon, Akola—Akola tahsil excluding Akola town.
 - (c) Assistant Surgeon, Basim—Basim tahsil.
 - (d) Assistant Medical Officers, Balapur, Akot, Murtizapur and Mangrul—Within the area of their respective tahsils.

**EXECUTIVE INSTRUCTIONS FOR THE GUIDANCE OF
DEPARTMENTAL AND *EX OFFICIO* INSPECTORS
UNDER THE CENTRAL PROVINCES UNREGULATED
FACTORIES ACT, 1937**

(1) Three Inspectors directly subordinate to the Chief Inspector of Factories and Boilers have been appointed for the whole of the Central Provinces and Berar. They are responsible for the administration of the Act and the enforcement of all rules and provisions thereunder. The distribution of work between these Inspectors will be settled by the Chief Inspector of Factories. Orders under sections 15 (2), 19 and 20 of the Act shall be issued by the Departmental Inspectors only.

(2) The Chief Inspector shall keep a file of the records of inspections made by him, the Departmental Inspectors and the officers notified as Inspectors, in Form J. The *ex officio* Inspectors shall forward copies of their inspection notes to the Chief Inspector of Factories.

(3) The Departmental Inspectors shall submit a weekly diary to the Chief Inspector in Form L.

(4) The Chief Inspector shall maintain a register of all factories in Form K hereto annexed.

(5) When any factory ceases to be occupied as a factory, the occupier shall give notice of the fact to the Chief Inspector of Factories who shall, if satisfied, that the Act is no longer applicable to the factory, remove it from the register of factories.

(6) The "Inspector" for the purposes of sections 28 and 29 of the Act shall be the Chief Inspector and the Inspectors subordinate to him respectively.

FORM J
Record of Inspections

PART I—Non-seasonal

PART II—Seasonal

Serial No. (1)	District (2)	Name of factory (3)	Locality (4)	Nature of work performed (5)	Name of occupier (6)	Name of manager (7)	Dates of inspection (8)	Remarks (9)

FORM K

Register of Factories

Serial No.	District	Locality	Name of factory	Name of occupier	Name of manager	Average number of workers employed daily				Normal hours of work per week			Number of days worked in the year	Hours of interval for workers	Hours of interval for children	Days observed as weekly holidays
						Men	Women	Children		Men	Women	Children				
								Boys	Girls							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)

FORM L
Diary of Inspectors

Week ending _____

Date (1)	Place (2)	Factories visited or other work done (3)	Remarks on defects found and directions and orders issued (4)

APPENDIX XI

*Dissenting note to the report of the Bidi Inquiry Committee by
Ghasilal Jaipuria, Member of the Bidi Inquiry Committee,
representing the Factory owners.*

The report of the Bidi Inquiry Committee was seen by me as it was forwarded to me by the office and I find myself in complete disagreement, with many of the suggestions that have been made and the so-called reasons given therefor. With all respect to the members and individuals who were responsible for this report, I venture to say that the same is more or less the opinion of the officials of the Department of Industry, who had their convictions in favour of the applications of the proposed enactments, in order to ascertain the advisability of which the committee was formed.

There were in all four members on the committee out of which two members could not persuade themselves to remain present in the sittings of the committee. The undersigned attempted to interest himself in the working, in spite of various disagreeable incidents and could not attend the deliberations at the time when the report was prepared up and after all the report was got ready by the officials and Mr. Kalappa was persuaded to subscribe to the same though on almost all the sittings he was absent. Mr. Nandagaoli of course subscribed to the report as it was placed.

The officials of the Department of Industry desired to adopt the Act for the bidi factories and unnecessary interference and absolute inadaptability of the Act made it necessary for the factory owners to raise their voice of protest. Some of the measures of the Act were impracticable for the bidi factories and the factory owners had no other alternative but to raise their voice against the Act. A memorial was submitted to the Hon'ble the Minister for Industries and a deputation also waited on him and an independent inquiry was promised in the matter to ascertain the advisability of allowing the provisions of the Act to remain applicable to the bidi factories. However on account of absence of co-operation of the members, the report which was intended to ascertain the advisability of the two Acts came to be prepared up by the officials of the department, who had their opinions on the subject and were positively in favour of the application of the enactments.

A bold averment has been made at the outset of the report that the factory owners devised ingenious methods of wage cuts to harass the labourers after the Acts were made applicable in order to counteract the working of the Act. This is positively an incorrect statement and it would have been better if the reporters in fairness to the factory owners named even a single newly devised wage cut or cut that is being styled as wage cut. At another place another bold averment is made to the effect that the factory owners formed themselves into an association

and adopted measures to counteract the Act. This is also incorrect. If raising a voice of protest were to be objectionable, the matter would be different. However no such incident is quoted in the evidence or the proved complaint. The factory owners took courage in approaching the authorities against the working of the Act and they were fully justified therein as the report suggests that the original Act as it stood is not wholly adaptable to the industry. A protest was raised by the factory owners, that unnecessary interference by officials, unnecessary restrictions, forcing up wages by artificial means without reference to the purchasing power of the consumers or without reference to the rate of wages paid for bidi making in other provinces will result in a tendency of the business to migrate away from the province. The reporters have again made a bold averment that there is no such tendency. I found that no attempts were made for collection of data to find out whether the business is increasing in other provinces at the cost of the industry of these provinces. I can point out that industry has developed on big scale at Dhuliyān in Bengal and one of the big firms of these parts has found it more convenient to open a factory in Dhuliyān and round about. The idea behind opening the factory at Dhuliyān is to avoid the unnecessary interference from harassing legislation. That the bidi industry has almost started shifting itself from Central Provinces can be evident from the fact that factories have started at and round about Tejpur in Assam, Karim Ganj and its neighbourhood in Assam, Jhansi, Lalitpur and such other places. In Central Provinces States places like Rajnandgaon, Chakardharpur and various other places. It is a very significant fact that there was practically not a single bidi factory in the above referred places before three or four years. All the above places form an important bidi selling centre of Central Provinces bidis and a positive tendency to shift the business from here to those places is finding favour with the bidi owners and manufacturers. It is a pity that the reporters have failed to note such an important factor which one day may cut at the root of industry. I would suggest that the reporters should have known that the manufacturers are at a breaking point and the intended legislation would prove to be the last straw.

A curious statement has been made by the reporters that this shifting is being done by some of the firms, yet some of the firms are actually doing it, and the reporters cannot appreciate or rather are not prepared to appreciate the reasons therefor and at any rate it can be the factory owners alone who can shift the business from here to other places. It is most natural. The factory owners have started their business with a view to earn money and it is not purely a charitable institution for the labourers and when they find that it is more convenient to have their business outside this province they will go.

This tendency is not yet very serious, though every one is thinking of shifting and unless the Government make some concessions or at least allow them peace this settled industry which is giving food to lakhs of people will be lost for ever to Central Provinces. In an attempt to do good to the labourers it appears that the reporters want to snatch away the bread of the labourers for once the factories are gone there will be unemployment in

store for lakhs of villagers. It is pity that the reporters have not found out any means for this important factor. It should not have been left out as lightly as it is done.

The committee has recommended, on assertions made by Mr. Rege, that the bidi industry affords a very suitable field for adopting this measure. Mr. Rege has not stated what these conditions are. He suggests fixation of wages, for controlling a number of so-called *chhats*. In no province of India, or in no industry whatsoever this measure has been considered proper. An attempt was made to introduce fixation of wages by legislation in Central Provinces. Opinions of officials and non-officials were obtained. The Commissioners of three major divisions and various Deputy Commissioners and non-officials were against (*vide* opinions received on Bill No. 36 of 1938 introduced by Mr. V. R. Kalappa).

The report has suggested fixation of minimum wages. The conditions of bidi industry are alleged to be specially suited for this purpose. It would have been more proper for the reporters to state the alleged conditions that are suitable for fixing minimum wages. It would be proper to state them in comparison with other industries of the province. A vague statement is misleading and cannot be considered at all. The question relates to a very important business of the province and any hasty and off-hand legislation would be of prejudice to the industrial growth of this province's industry.

It is to be borne in mind that this province does not hold a monopoly for this trade. The business is taking its roots in other provinces and has at some places developed considerably. These places are better suited for the market and there is nearness of the market to those places and bidi leaves are now available to these places at a less cost and it will be found that the industry will find a more comfortable place in other parts of India and the provincial manufacturers would find it very difficult to compete with them.

There is no meaning in fixing minimum wage standard without considering the wage rate of the other bidi centres of India and also the probabilities of competition. If the minimum wage rate fixed by the Government is higher than the wage rate of other provinces the business will drift away from the province in spite of any attempt of the Government to check it. If the wage rate is below the wage rate of other provinces there would be no sense in fixing them. The reporters have nowhere attempted to show whether the existing wage rate of Central Provinces is higher or lower than other provinces. A careful study of the wages that are paid would reveal the fact that the wages are not paid by the employers at their sweet will. They are governed by the principle of supply and demand. When there is demand for bidis the demand for labour increases and when there is a fall in demand for bidis the rate of wages are decreased. This fact can be ascertained from the account books of the bidi manufacturers. It can also be noticed that the demand for bidis is not always the same throughout the year round. In some seasons the demand for bidis is high and accordingly it reflects on the wages paid, in other seasons the demand for the bidis is low and hence the demand for labourers being low the wages are as well low.

How can the Government fix a minimum wage for the labourers when the whole of the labour of the province is not absorbed. If an artificial wage is fixed for bidi labourers which is higher than the wage level of the province there would be a tendency on the part of the labourers of other industries to change their business and there would be a surfeit of labourers in this industry and registration of labourers would be necessary to fix as to who should be allowed to work and who should be refused. Artificial inflation of wages cannot be forced against the principles of economics.

Sliding scale of wages which has been suggested is also a suggestion without any basis which can be traced from the entire mass of evidence that has brought forward before the committee. The minimum wage rate has been suggested by Mr. Rege alone. No information was obtained on this point by the committee during the investigation and the committee has no data before it from which it can be deduced as to what rate is to be fixed and how the scale is to be fixed. Two rates have been suggested for the villages and an increased rate has been suggested for stock factories. I would submit that no principle has been applied to this arbitration. It appears that the reporters think that the cost of living depends on the opening of a stock factory in a place and not other considerations. If a factory owner chooses to open a factory in some village according to the suggestions of the committee he shall have to pay more wages than the rest of his competitors for the simple reason that he has opened a factory in a village. Such arbitrary actions cannot be justified on any account whatsoever. One fails to understand what economic or social principle has been involved in this distinction. However the suggestion has been made by a Government official, a factory inspector, and it is accepted by the committee. No comment appears to be necessary on this subject.

Another scale is adopted for smaller and bigger towns. The meaning of the words small and big town cannot possibly be understood. What difference there is in cost of living at Bhandara, Gondia, Tumsar, Tirora, Sihora or Arjuni. Has the committee taken care to look to that? But it appears it did not feel it worthwhile; the factory inspector says it and so it must be accepted, that seems to be the maxim.

The minimum wages also appear to be arbitrary. A female labourer who renders wholly manual labour in hot sun from day to day is paid at the rate of annas 3 per day and a male labourer is paid at the rate of annas 4 per day. The bidi labourer who has to work in much comfortable atmosphere is supposed to be paid from annas 5 to 6. What justification has the committee found in this cannot be ascertained from the record of the committee. The reporters have not tried to look into the account books of any of the bidi factory owners to find.

The committee seems to think that the bidi owners are making huge profits; of course, they have not tried to see and verify how far their impression is correct. They feel that the factory owners earn about Re. 0-2-0 per thousand bidis a hypothesis which is wrong and baseless. They can ascertain the net amount from the income-tax returns and from our account

books. Other industries pay the labourers at the rate of 2 to 3 annas but the bidi manufacturer should pay 5 to 6 annas and that too not on any basis but just because the factory inspector thinks so. The rate of the other provinces has not been taken into consideration.

There is another practical difficulty in fixing a minimum wage. At present a labourer prepares about 1,000 bidis per day but after fixing the minimum wages if he chooses to prepare 500 per day still the factory owners must pay the minimum wage. This would mean that law is going to abolish the practice of payment of piece wages without however doing the same in clear terms.

The payment of piece wages is considered to be the best form of payment of wages. By fixing the minimum wage the system of piece wages may be abolished.

An objection is raised regarding *pillai*. The bidi labourers are allowed free smoke and lady labourers take the bidis home for their men. In return the factory owners do not pay for wage of 25 bidis, i.e., the factory owners do not pay about $\frac{1}{2}$ pice of the wages. In return the labourers receive 12 bidis that is goods worth about 1 pice per day. The tobacco and leaves belong to the bidi manufacturer who has to pay for the same. This practice is in force for over 25 years and has come into existence as a result of an evolution. There is no injustice whatsoever and no justification for effecting the change.

According to the factory inspector the labourers receive about 12 bidis per day. The labourers are doing the work of bidi making and can it be ever possible to stop the smoking of the labourer completely? This cannot be done at all. It would rather be better to allow the things to stand as they are and thus save a lot of trouble to both; the labourers are bound to gain thereby.

The reporters suggest that certain margin be fixed up for covering all sorts of *chhats*. These *chhats* have been described as forms of *chhat* covered by the Payment of Wages Act. While fixing up the margin the reporters have to some extent accepted the principle that there is a justification for some *chhats* at least. The report proposes to avert the possibility of excess suggested therein and in order to control the same it is suggested that it should be 25 bidis per thousand.

Once the principle of *chhat* is accepted I fail to see on what principle 25 bidis have been fixed. It is an admitted fact that 12 are given as a free smoke and then only 13 bidis are left for the rest of the *chhat*. This is arbitrary and the committee has again accepted without any data the suggestion of the factory inspector.

There are again certain workers who are very careful and have to give nothing by way of any *chhat*. Such labourers are made to suffer by the mistake of other labourers who are less efficient. *Chhat* serves as an incentive for efficiency which the committee should try to encourage but as a matter of fact it is being discouraged. The report suggests that those *kattas* that are rejected should be handed over to the labourer for repairing and tendering it again.

The reporters have however failed to note that a *katta* is not rejected unless it is completely useless or at any rate major portion is of no use. If however they are allowed to take away home there is a great danger of the tobacco mixture being spoiled and an additional portion of Tendu leaves will have to be given to the labourers for reconstruction thereof. Who shall pay for it?

A suggestion of Mr. Rege that half of the wages should be given for the rejected *kattas*. This means that some of the rejection is justifiable.

The main complaint appears to be that the factory owners are supposed to make profits out of the sale of the *chhat* bidi. This is however not correct as can be seen from the account books of the bidi manufacturers. An alternative can be suggested inasmuch as that the labourers should be allowed to take the *chhat* home and sell it away but they should pay for the price of the tobacco and leaves used in it. They can also break open the bidis; return the tobacco and pay for the leaves used.

Some supervisors, it is alleged, maliciously take out *chhat*. If certain supervisor has a grudge against a particular labourer, the best way for him is to go to some other factory. As a matter of fact the supervisor is apt to take out as less of *chhat* as possible because of excessive *chhat* his outturn is bound to be affected.

Patta chhat has been prohibited but the report is silent on that subject. In *patta chhat* it is the owner who loses as he has paid for the leaves that are rejected. The time required for cutting *patta* for about 1,000 bidis is half an hour and the wages thereof are hardly 1 pice whereas the *patta* required is worth about 2 to 3 annas and it is a matter of fact the owner who loses in *patta chhat*. As a matter of fact the reporters should have allowed the manufacturers' permission to deduct from the labourers for spoiled *patta*.

Latti charges, it has been recommended, ought to be payable from the bidi owners. The only reason that has been forwarded by the committee is that because the owners supply the rest of the material they should also supply the *latti*. They have however not taken into consideration the difficulties of the bidi owners. One *latti* can be sufficient to prepare about 7,000 bidis if used thriftily. But once the labourers get the same from the owners the sense of thrift will be gone and they will start becoming extravagant about it. The account thereof will be so minute that it will be impossible for the owners to keep the account of how much *latti* is given to each of the labourers as one *latti* is sufficient for over 7,000 bidis.

Furthermore the contract of the owners and labourers when fixing the wage is that the labourers shall pay for *latti*. I fail to see why the committee desires to interfere in this question where there is a pure and simple bargain. It is more to the advantage of the labourers that *latti* be brought by them. There appears to be no injustice.

The report concedes that the Unregulated Factories Act as it exists is not suitable for the bidi factories. The details of change are however not supplied to them. However most of the grievances which are intended to be redressed are imaginary and there is absolutely no justification for the proposed Acts.

The Unregulated Factories Act, the Payment of Wages Act and Minimum Wages Act are all unnecessary, uneconomical and prejudicial to the interest of the industry. Bidi industry has established itself in this province and is mainly in the hands of the persons who are not permanent residents of Central Provinces and in case they find that Central Provinces does not suit their business by unnecessary encroachments by law on their business a time will come when there would be no bidi industry left in the Central Provinces.

It is an idle dream that standard of wages can be increased by a legislation. The legislations cannot do it. The manufacturers when they find that they cannot afford to pay the necessary wages as required by law, will leave this province and go to fresh places where they have already started preparing a ground for their fresh factories. The Government cannot add to the bread of the labourers by forcing the owners to pay. The net result will in that case be that the business will stop and the labourers who are earning an easy bread today will have no bread tomorrow. The last thing I would say is that it is not wise to cut a hen that is giving golden eggs.

Mr. G. L. Jaipuria, member of the Bidi Industry Committee, did not attend the meeting of the Committee held on the 17th March 1941 in which the report was passed. Mr. Jaipuria's note of dissent was received on the 21st June 1941, long after the report was submitted to Government and the Committee had become *functus officio*. The dissenting note could not, therefore, be considered by the Committee or its members individually.

The points raised in the minute of dissent have been dealt with in detail in the report and require no further comments. The dissenting note is, therefore, appended to the report.

K. D. GUHA,

Chairman.

Bidi Industry Committee, C. P. & Berar

R

R. 467

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REPORT
ON
LABOUR IN COAL MINES
IN THE
CENTRAL PROVINCES & BERAR

BY
A. HUGHES, I.C.S. & G. L. WATSON, I.C.S.

NAGPUR
GOVERNMENT PRINTING, C. P. & BERAR
1944

**Agents for the Sale of Publications issued by the Government of the
Central Provinces and Berar**

[NOTE.—Appointments of all official Agents in the United Kingdom and on the Continent for the sale of Government Publications have been terminated with effect from the 1st April 1925. All publications in future are obtainable either direct from the High Commissioner for India, India House, Aldwych, London, W. C. 2, or through any bookseller.]

24-2-44

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REPORT ON LABOUR IN COAL MINES IN THE CENTRAL PROVINCES AND BERAR

CHAPTER I.—DESCRIPTION AND HISTORY

1. Preliminary.—The article on the mineral resources of the Central Provinces, in the Provincial Mining Manual, lists the following important coal-fields in the Central Provinces and Berar :—

SATPURA AREA

Narsinghpur district (now Hoshangabad)—Mohpani.

Hoshangabad district—Lokartalai.

Betul district—Shahpur.

Chhindwara district—(1) Tawa river (partly in Betul), (2) Kanhan river, (3) Hingladevi, (4) Barkui or PENCH Valley and (5) Sirgora.

WARDHA VALLEY GROUP

Chanda district—(1) Bandar, (2) Warora, (3) Ghugus and (4) Ballarpur (partly in Hyderabad).

Yeotmal district—(1) Wun-Papur, (2) Wun and (3) Junara and Chicholi.

The mines in Hoshangabad and Betul districts are not now worked, and one mine only is working in Yeotmal district. In Chanda district, six mines are working at present, and in Chhindwara district some 25 mines. These figures exclude those mines, which are, in practice, only sub-sections of the same mine, though technically mines, because their workings are separate. We have visited and descended all these mines, interviewed in each, miners, loaders, trammers and other underground workers at work at or near the coal face or in the galleries leading to the face, seen also surface working conditions, visited the living quarters and inspected the offices of the mines.

Throughout we received cordial co-operation from mine owners and managers, who spared no pains to see that we got first-hand experience of mining conditions of all classes of labour. We are not aware of any attempt to conceal from us difficult conditions of work where they existed, and the whole enquiry was conducted in a spirit of mutual search for more information and guidance on problems which every one connected with the inquiry feels to be urgent, pressing and often intractable.

In addition, by staying lengthy periods in the mining areas, we were accessible to all who wished to give us any information, or ventilate any grievance, or lay any complaint. We received a large number of individual complaints (though not so many as might have been expected) either verbally or in writing, generally presented in person, and enquired into most of them. We also heard representatives of labour organizations, and interested outsiders who came to see us, and took note of their views and suggestions. Our visits and presence in the coal-field were widely known, and we feel that all who had something to contribute on the subject set us for enquiry were given reasonable opportunity to acquaint us with their views. By adopting the method of personal visit and enquiry, rather than proceeding by way of questionnaires, answers and taking of evidence, we feel that we have been able to

cover a wider field in a shorter time, and to have formed our views from first-hand knowledge and experience. On the other hand, we have, by discussion with all with whom we came into contact in the coal-fields, been made aware of the views of owners and workers, labour leaders and interested outsiders, and, on the basis of our personal knowledge and experience, have endeavoured to formulate proposals which, we feel, carry the maximum assent of all concerned behind them and are at the same time possible of being carried out in a reasonable space of time.

2. General description.—A full description of the coal-fields of the Central Provinces, including those at present unworked, will be found in Dr. Fox's Memoir on the Lower Gondwana coal-fields of India (Geological Survey of India—Memoirs—Volume LIX, 1934). The following summary of the geography, geology and history of coal mines worked, and output, is taken partly from this volume and partly from other sources.

3. Geography.—The coal-bearing strata of the Central Provinces occur in three separate regions—the north-east or Chhattisgarh division, the Satpura uplands, and the Wardha valley. All coal measures in the province so far exploited belong to the Barakar series. The coal-fields of the Chhattisgarh division are in continuation of the coal-fields at present worked in Rewa State, and no coal mine at present exists in this area of the Central Provinces. The Satpura-Gondwana basin consists of the tract of wild country to the south of the Nerbada plain of Hoshangabad. It includes the hilly region of southern Hoshangabad, northern Chhindwara, and north-east Betul (Shahpur). Its limits may be taken as from Mohpani on the north to Pathakhera on the south, and from Sirgora on the east to Sonada on the west. The coal measures so far exploited, with the exception of Mohpani, lie in the upper reaches of the rivers Pench and Kanhan. The Barakar series of coal measures also occur in the drainage area of the Wardha river and its tributaries from the east, including the Wainganga. Coal has been found at Ghugus, Warora, Ballarpur, Durgapur, Chanda and Majri in Chanda district, and at Rajur and Pisgaon in the Wun taluq of Yeotmal district.

4. Geology.—The Barakar coal measures are in many places overlain by the Deccan trap, which is a hard rock difficult to bore through, and generally coal has been prospected and mined in river valleys or on hill sides where the seam has been exposed or the outcrop traced, in the absence of the overlying trap. The seams in the Wardha valley are very thick and extensive, but the coal generally is of poorer quality than Bengal coal, and the overlying strata are heavily watered, making shaft sinking or incline driving very difficult and hazardous, and rendering it impossible in most cases to depillar without stowing. In the Pench valley, in Chhindwara district, the line of hills to the north of the valley generally marks the existence of a huge up-throw fault in which the coal seams have entirely disappeared, and in the valley itself, and still more so, in the Kanhan valley, the faults are so numerous and so large that coal-mining without thorough prospecting and boring becomes a gamble. Here also the coal is generally inferior to Bengal coal. Working seams are thin ranging from 4 feet to 9 feet in thickness. In both the Chanda and the Chhindwara fields usually one seam only is worked or a portion of a seam, though at Ballarpur in the Wardha valley the seam is worked in two sections, and at Dhao in the Pench valley two thin seams of 3 feet 9 inches to 5 feet each with about 50 feet parting, have been worked

The coal as found is hard, and requires the use of explosives to be mined at all economically. It is heavy in ash content, and liable to spontaneous combustion, sometimes very rapidly, if left in stacks on the surface for any length of time. Cleats are not well marked, and although the seams are thick in most places, there are recurrent bands of shale, rendering portions of the seam uneconomical to extract. Fractures, slips and faults are numerous, so much so that in some areas, such as the Kanhan valley, the coal is only found in not very extensive pockets. The coal as mined is ungraded, and is taken as being somewhat inferior to Jharia second-grade coal.

5. History.—The presence of coal in the Central Provinces was known over a century ago. As early as 1838, according to Dr. Fox,* a certain Colonel J. R. Ouseley (so famous in his own day that he has given his name to a sub-section of Brahmins) who had discovered coal in 1835 at or near Mohpani in what was Narsinghpur district (now Hoshangabad district), sent 206 bullock-loads of coal to Bombay for trial in the dockyards. Apparently the trial was unsuccessful, for mining in this area did not begin until the formation of the Nerbudda Coal and Iron Company in 1860. This company opened the Mohpani mine in 1862, and coal was raised from this area continuously until 1927. The original Mohpani mine was closed down in 1902 and a new area nearby at Gotitoria developed. The mine was sold in 1904 to the Great Indian Peninsula Railway Company, who raised large quantities of coal down to 1927, when, owing to high raising costs (Rs. 11-5-7 per ton is the last recorded figure in 1927) the colliery was abandoned and instead, coal purchased from the Chhindwara and Chanda coal-fields. Mohpani and Gotitoria produced, in all, during their existence of nearly seventy years, about 1,700,000 tons of coal. Figures of annual production as far as available will be found in Appendix I to this chapter.

The next oldest coal mine in point of time in the Central Provinces was in the Wardha valley, the Warora State colliery. There is a reference to coal in the Wardha valley as far back as 1831 (Fox, page 295), and in 1854 Mr. S. Hislop found fossils in this area. In 1867, the Deputy Commissioner of Chanda, Captain Lucie-Smith, invited Dr. W. T. Blanford of the Geological Survey to investigate the existence of coal in the district. An amusing description of Captain Lucie-Smith's efforts, in the face of continued discouragement, to promote coal-mining in his district, is to be found in the Memoirs of Mr. J. H. Rivett-Carnac, Chapter IX†. In the same volume will be found a racy account of the opening of the first colliery—the Mayo pit at Ghugus—by Lord Mayo in 1870. This mine was not a success, and after raising a little coal, was abandoned. A detailed survey of the Wardha valley followed, made by an officer of the Geological Survey, Mr. T. W. H. Hughes. His monograph on the Wardha valley coal-fields still remains the standard work on the subject. In 1873, the Warora State mine was opened, 20 miles nearer to the railway than the Mayo pit, and produced large quantities of coal up to the time it was finally abandoned in 1906. Figures of the annual production of coal at Warora from 1874 to its closing in 1906, as far as available, will be found in Appendix I. Although it was worked according to the best technical advice of the day and there was a large capital expenditure on development, fires broke out in goafed areas where too much coal had been left, large sums had to be spent on stoppings and water-spraying on hot places, and eventually an

*Memoirs of the Geological Survey of India, Volume LIX. The Lower Gondwana coal-fields of India.

†We are indebted to Mr. Greenfield for pointing out this reference.

extensive subsidence took place, primarily due to insufficient extraction of pillars leaving large areas of roof uncollapsed. Fortunately the subsidence was not attended by loss of life, there being sufficient warning to enable the mine to be evacuated in time. The subsidence affected part of the area not depillared, and rendered the mine so dangerous that it was decided to abandon it and concentrate on the Ballarpur mine, some 30 miles further south, where development had been proceeding since 1903 in anticipation of such a decision. After working for some years the Ballarpur mine passed in 1913 by purchase from Government into the hands of Sir Maneckjee Dadabhoy and Sir Bissesardass Daga, and they in partnership have worked it since. It is still the largest mine in the Wardha valley. Figures of annual production of coal at Ballarpur and subsequently of the whole Chanda field will be found in Appendix I. This completes the story of State and railway coal-mining enterprise in the Central Provinces.

6. **Chhindwara district***.—Dr. Jerdon and Lieutenant Sankey visited the Pench valley in search of coal as far back as 1852. They were followed by Messrs. Stephen Hislop and R. Hunter. In 1856, a geological traverse was made by Mr. J. G. Medlicott, and in 1866, through the inspiration of Major Ashburner, the then Deputy Commissioner of Chhindwara, Dr. W. T. Blanford made a further examination. From 1884 to 1886 the whole area was surveyed by Mr. E. J. Jones. A mine had been opened at Barkui in 1866 but soon closed after a subsidence due to faulty methods of working. Between 1860 and 1870 borings were made and coal proved in the Budhi and Tawa valleys in the Betul district.

According to an article by Mr. Ditmas† the Satpura coal-field (this name covers both the Pench valley and Mohpani) had been known as far back as 1827, when it was mentioned by a Captain S. Coulthard (*Asiatic Researches*, 1833, Volume XVIII, page 72). In 1855, the Revd. S. Hislop of Nagpur, writing in the quarterly journal of the Geological Society of London, Volume XI, page 555, mentioned the discovery of coal close to the Pench river to the south of Bhajipani village. Actually in 1848 a consignment of coal had been sent to Bombay from the Satpura region, for steamer trials. Apparently it was not successful as no results followed.

The real opening of the Pench valley did not begin until 1903. Messrs. Shaw Wallace and Company of Calcutta were the pioneers in this work. They were alone in the valley for some years, and still predominate, the mines under their control raising more than half the coal produced in the Pench valley. Figures of annual production of coal from 1903 will be found in Appendix I.

From the account written in 1911 by Mr. Ditmas (he was the first Superintendent in charge of Messrs. Shaw Wallace's concerns in the Pench valley), and from a short summary written by Mr. Parry, who recently retired after spending most of his 35 years' service with Messrs. Shaw Wallace in the Pench valley, we find that Messrs. Shaw Wallace had spent several years in prospecting before commencing mining. The B.-N. Railway extended their narrow gauge line into the Pench valley, to Parasia and Barkui, in the year 1906 and in the same year the Pench Valley Coal Company was formed and its collieries at Barkui and Chandametta opened. This company, working these two pits, has continued its operations since 1906: its figures of production of coal from 1923 will be found in Appendix II. It was

*Information Fox (op. cit.).

†Transactions of the North of England Institute of Mining and Mechanical Engineers. Volume L.XI, part 3, issued March 1911, pages 115 to 146.

responsible for the total production of coal in the Pench valley in the first few years and for a large part of the production during the years 1908—22.

Other pits were opened in Pench valley by Messrs. Shaw Wallace very quickly. Jatachhapa was started in 1908, Craddock and Bhajipani (both since closed) in the same year and Eklehra in 1913. Other pits were begun later. Up to 1917 Messrs. Shaw Wallace were alone in the Pench valley, but in 1918 competition began and after a period of great prosperity during the boom at the end of the 1914—18 war, slump conditions set in, and production (and prices) fell considerably. In 1923 the pits under the control of Messrs. Shaw Wallace outside the Pench Valley Company were formed into a single company styled Amalgamated Coal-fields, which still exists and is now the largest single concern working in the Central Provinces coal-fields. Its figures of annual production from 1923 will be found in Appendix II.

Newton Chickli colliery was started by a Captain Leonard Newton in partnership with other shareholders in the year 1920. Boring operations started in that year and mining operations in 1921. A company was floated in 1925, and still exists. No figures of production are obtainable before 1924, but from that year details of annual production will be found in Appendix II.

There are many other concerns who have attempted to mine coal in the Pench valley: some still exist mainly on a small scale: others have ceased to exist.

Two concerns are on a scale large enough to deserve mention. The Hirdagarh Collieries, Ltd., own the Ghorawari coal-mine which commenced work in 1930 (though one portion, Nimdhana, was begun as far back as 1918). Its figures of production for the last five years are:—

1936—189,163 tons.	1938—110,857 tons.
1937—88,239 tons.	1939—114,391 tons.
1940—127,413 tons.	

The managing agents of this company, Messrs. Cambata & Co. of Bombay, have recently opened a new mine at the extreme western end of the coal-field at Rakhikol, which is just coming into production.

The C. P. Syndicate, a company, of which the managing director is Sir Maneckjee Dadabhoy, owns one mine at Kalichhapar, and is the managing agent of the Kanhan Valley Coal Company, which owns the Damua coal mine adjoining Kalichhapar. The C. P. Syndicate are also, we believe, receivers in charge of the Junnordeo No. II and the Parasia mines. The combined production of these four mines for the last five years is as follows:—

Year	Damua	Kalichhapar	Junnordeo	Parasia	Total
	Tons	Tons	Tons	Tons	Tons
1936	70,140	..	58,636	965	129,741
1937	97,100	950	73,730	599	17,379
1938	79,180	29,835	71,974	1,523	182,512
1939	74,832	53,875	59,495	1,790	189,992
1940	65,886	64,323	38,750	3,066	172,025

The five concerns, of which we have given details the Pench Valley Coal Company, the Amalgamated Coal-fields, Newton Chickli Coal Company, Messrs. Cambata & Co. and the C. P. Syndicate, between them raised 1,324,423 tons in 1940, out of a total production in the Pench valley of 1,486,781 tons: the proportion is nearly 90 per cent.

7. **Wardha valley.**—As mentioned above, the Ballarpur pit was taken over in 1913, being purchased from Government, by a partnership consisting of Sir Maneckjee Dadabhoy and Sir Bissesardass Daga. To this mine the partnership have added two other concerns in the Wardha valley—Ghugus [consisting of two mines Ghugus No. 1 (Robertson Incline) and Ghugus Nos. 2 and 3 pits] and Rajur in Yeotmal district. Ghugus was started in 1915 near the site of the original 1870 Mayo pit, and is the most successful of the three undertakings. The Ballarpur pit, though having a large output, is hampered by high cost on account of sand stowing, and Rajur pit after having been closed for several years owing to lack of demand, is still working below the scale which the heavy capital investment in pit head machinery, etc., necessitates for it to become profitable. Three other small pits are now working in the Wardha valley. Mahakali and Lalpeth, both on the outskirts of Chanda town, were started after the last war: neither of them is working satisfactorily, owing to lack of capital for expansion and unwise working in the past. Another small mine is just being opened up near a disused working at Majri near Rajur. The total annual production of coal of the Wardha valley from 1904 (and subsequently of Chanda district) will be found in Appendix I. The present total production of Chanda and Yeotmal districts combined amounts to about one-sixth of the total Central Provinces production of coal. The combined production of coal in Yeotmal plus Chanda district (*i.e.*, the Wardha valley) was 323,475 tons in 1939 and 290,630 tons in 1940. Of these totals the partnership of Sir Bissesardass Daga and Sir Maneckjee Dadabhoy produced 233,144 tons in 1939 and 225,340 tons in 1940.

8. **Production figures.**—We give in Appendix III to this chapter a list of all the coal mines in the Central Provinces, with the name of the present owner, and the production in the last five years. Production is steadily rising, and is now one and three quarter million tons annually. Of this almost half are raised in the pits under the two companies of whom Messrs. Shaw Wallace are the managing agents, and nearly one quarter in the pits owned or managed by concerns with which Sir M. B. Dadabhoy is connected. Newton Chickli produces a little less than one-eighth, and the remaining three and a half lakhs produced in 1940 were divided between Ghorawari (over one and a quarter lakhs), South Panara (nearly half a lakh), the two pits owned by N. H. Ojha & Co. (nearly thirty-four thousand tons) and some ten other small concerns who between them produced about a lakh and a half tons in 1940.

APPENDIX I.—*Coal output in tons.*

Year	Mohpani	Warora	Wardha Valley	Pench Valley	Central Provinces Total
1860—66	.. No information				
1867	509		..	..	..
1868	1,384		..	..	..
1869	669		..	..	..
1870	78		..	..	..
1871	5,947		..	..	..
1872	7,332		..	..	..
1873	9,454		..	..	..
1874	15,107	54	..	..	..
1875	19,170	11	..	..	..
1876	13,912	1,089	..	..	..
1877	12,972	23,446	..	..	..

Year	Mohpani	Warora	Wardha Valley	Pench Valley	Central Provinces Total
1878	10,384	35,924	..	..	41,600
1879	10,618	25,078	..	..
1880	9,401	16,439	..	..	average.
1881	10,454	52,073	..	..	..
1882	26,432	..	..	..	..
1883	..	..	..	..	103,000
1884	..	..	..	..
1885	..	..	..	..	average.
1886	..	..	..	..	..
1887	94,164	..	..	..	137,000
1888	..	..	..	..	average.
1889	36,141	..	..	..
1890	5,529	131,493	..	..	137,022
1891	18,067	123,669	..	..	141,736
1892	19,000	..	..	..	132,005
1893	20,000	..	..	..	135,118
1894	21,000	..	..	..	140,495
1895	21,393	101,383	..	..	122,776
1896	19,542	121,643	..	..	141,185
1897	19,975	111,654	..	..	131,185
1898	22,472	127,237	..	..	149,709
1899	23,596	132,980	..	..	156,576
1900	39,612	133,230	..	..	172,842
1901	43,046	148,470	..	..	191,516
1902	43,645	153,336	..	..	196,981
1903	31,443	127,623	..	88	159,154
1904	26,618	112,319	96	Nil.	139,027
1905	22,998	123,015	148	1,104	147,265
1906	27,503	32,327	916	32,102	92,48
1907	41,322	abandoned	18,103	74,6c3	134,088
1908	48,241	..	45,299	120,249	213,789
1909	60,667	..	88,237	94,196	238,100
1910	39,484	..	93,276	87,677	220,437
1911	51,983	..	96,603	63,030	211,616
1912	56,857	..	86,417	90,722	233,996
1913	64,887	..	80,959	89,959	235,651
1914	59,774	..	89,292	95,679	244,745
1915	55,086	..	94,880	103,152	253,118
1916	48,395	..	84,889	154,548	287,832
1917	71,693	..	95,303	204,502	371,498
1918	78,792	..	135,375	267,303	481,470
1919	85,299	..	126,366	285,356	497,021
1920	83,335	..	128,162	279,483	491,205
1921	89,623	..	171,425	449,311	712,914
1922	84,996	..	132,680	453,484	671,916
1923	87,387	..	112,362	346,094	548,074
1924	76,526	..	127,545	473,896	679,081
1925	70,039	..	150,490	485,768	708,554
1926	71,482	..	142,935	416,708	635,252
1927	closed.	..	158,617	505,913	666,758
1928	..	..	175,872	556,481	732,353
1929	..	..	202,061	680,270	882,331
1930	..	..	211,980	740,391	952,371
1931	..	..	223,025	750,015	973,040
1932	..	..	217,421	831,817	1,049,238
1933	..	..	256,344	978,179	1,234,513
1934	..	..	321,034	1,117,942	1,438,980
1935	..	..	312,591	1,214,049	1,526,690
1936	..	..	247,122	1,259,133	1,507,982

Year	Betul	Yeotmal	Chanda	Chhindwara	Central Provinces Total
1936	1,727	Nil.	247,122	1,259,133	1,507,982
1937	5,657	Nil.	264,269	1,234,233	1,504,159
1938	5,288	4,777	279,353	1,369,208	1,658,626
1939	3,794	31,836	291,639	1,415,562	1,742,831
1940	Nil.	34,981	255,649	1,486,781	1,777,411

APPENDIX II.—*Coal output of three principal companies.*

Year	Pench Valley, C. C.	Amalgamated, C. L.	Newton Chickli, C. L.	Total Pench Valley
1923	114,524	121,900	Nil.	346,094
1924	134,387	165,219	40,000	473,896
1925	13,047	21,077	43,503	485,768
1926	119,969	155,547	72,499	416,708
1927	130,438	249,551	55,372	505,913
1928	142,708	289,069	56,824	556,481
1929	170,284	357,070	102,247	680,270
1930	186,251	371,685	103,356	740,391
1931	174,571	312,144	114,136	750,015
1932	199,647	369,379	116,952	831,817
1933	214,647	360,379	125,509	978,179
1934	232,718	444,792	113,794	1,117,942
1935	231,071	462,103	144,443	1,214,099
1936	24,136	447,707	155,837	1,259,133
1937	259,915	415,660	186,724	1,234,233
1938	247,634	485,607	2,9,645	1,369,208
1939	255,565	501,316	205,594	1,373,487
1940	246,924	561,186	216,878	1,486,781

APPENDIX III.—*Production of coal to each mine in the Central Provinces and Berar.*

[Vide Indian Coal Statistics published by the Department of Commercial Intelligence and Statistics, India.]

Coal-field, district and mine	Name of present owner	1936	1937	1938	1939	1940
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Tons	Tons	Tons	Tons	Tons
Betul—Worked by private owners.						
Gurgunda	Geonka, B. R.	50	..	..	..	..
Tawa Valley	Walji Bhimji and Sons.	1,677	5,657	5,288	..	..
Yeotmal—Worked by private owners.						
Rajur	Daga, Sir B. D., and Dabdhoy, Sir M. B.	..	..	4,777	31,836	34,981
Chhindwara Pench Valley—(1) Worked by joint stock companies.						
Ambara	N. H. Ojha and Co., Ltd.	3,981	14,374	12,696	21,903	26,242
Barkui	Pench Valley Coal Co., Ltd.	110,686	125,757	131,399	134,287	133,600
Bhamori	Amalgamated Coal-fields, Ltd.	106,662	92,455	105,493	90,268	90,018
Chandametta	Pench Valley Coal Co., Ltd.	133,450	134,158	116,235	121,279	113,324
Damua	Kanhan Valley Coal Co., Ltd.	70,140	97,100	79,180	74,832	65,886

Coal-fields, district and mine	Name of present owner	1936	1937	1938	1939	1940
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Tons	Tons	Tons	Tons	Tons
Chhindwara						
Pench Valley						
<i>—cont.</i>						
<i>(1) Worked by joint stock companies—</i>						
<i>cont.</i>						
Datta ..	Amalgamated Coal-fields, Ltd.	235,626	228,941	252,776	256,900	285,058
Eklehra ..	Do. ..	46,247	34,980	44,921	53,300	47,143
Ghorawari ..	Hirdagarh Colliery, Ltd.	66,054	88,239	110,857	114,391	127,413
Ghorawari (Upper) ..	Ditto ..	123,109				
Ghorawari (West) ..	Ditto ..	..			
Harrai—Rawa- wara.	Amalgamated Coal-fields, Ltd.	..	6,732	25,073	48,963	81,814
Jatachhapa ..	Amalgamated Coal-fields, Ltd.	59,172	52,552	57,344	51,885	57,153
Junnordeo No. 1 ..	R. S. H. Ver- ma, and M. Kanhaiyalal, Ltd.	1,754	..	..	..	..
Junnordeo No. 2 ..	Central Prov- inces Syndi- cate, Ltd. (Receivers.)	58,636	73,740	71,974	59,495	38,750
Newton Chickli ..	Newton Chic- kli Colliery, Ltd.	155,837	186,724	209,645	205,594	216,878
Palachauri ..	N. H. Ojha and Co., Ltd.	16,652	7,884	15,376	4,961	8,231
Parasia ..	R. S. H. Ver- ma and M. Kanhaiyalal, Ltd.	965	599	1,523	1,790	3,066
Sukri ..	Ditto ..	30	..	..	..	..
Kalichhapar ..	Central Prov- inces Syndi- cate, Ltd.	..	950	29,835	53,875	64,323
<i>(2) Worked by pri- vate owners.</i>						
Barkui (East) ..	H. Syed Zahir- uddin.	15,556	20,371	8,291	3,358	32,757
Butaria ..	S. M. Meghraj and Bros.	..	..	..	..	..
Dhao ..	Kishanchand and Co.	4,757	3,836	6,020	4,130	6,211

Coal-fields, district and mine	Name of present owner	1936	1937	1938	1939	1940
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Tons	Tons	Tons	Tons	Tons
Chhindwara						
Pench Valley						
<i>—cont.</i>						
<i>(2) Worked by private owners—cont.</i>						
Ghogri ..	Sial Coal Co., Ltd.	26,199	27,004	31,118	25,508	14,073
Ghogri-Barkui ..	Walji Bhimji and Sons.	5,298	4,283	5,471	4,996	10,526
Nandora (East) ..	B. Lal and J. Ramdayal.	..	..	..	..	..
Jamai Datla ..	R. S. M. Motilal and Co.	..	980	4,142	11,170	14,420
Kolhia ..	R. B. Gowardhan Dass.	4,417	12,048	15,074	30,592	7,103
Panara (South) ..	B. Lal and J. Ramdayal.	1,282	7,512	28,835	..	42,296
Rawanwara (East)	Bajaj Seth Hazarimal.	12,623	13,024	5,930	..	..
Total Chhindwara (Pench Valley).	..	<u>1,259,133</u>	<u>1,234,233</u>	<u>1,369,208</u>	<u>1,373,487</u>	<u>1,486,781</u>
Chanda						
<i>(1) Worked by joint stock companies.</i>						
Hindusthan Lalpeth.	Birla Bros., Ltd.	36,144	48,946	47,775	48,468	34,039
<i>(2) Worked by private owners.</i>						
Ballarpur ..	Daga, Sir B. D. and Dadabhoy, Sir M. B.	94,887	100,238	101,020	111,879	105,292
Ghugus (1 pit Robertson Incline).	Ditto ..	66,724	59,085	66,430	62,333	61,699
Ditto (2 and 3 pits).	Ditto ..	12,391	20,510	24,457	27,096	22,368
Mahakali ..	Abobaker Abdurahman and Co.	14,597	20,377	27,136	30,004	28,349
Majri ..	Sial Coal Co. (Sial, P. S.).	22,379	15,113	10,872	11,859	3,202
Majri (Patala) ..	Ditto ..	..	..	1,663	..	..
Total Chanda ..	..	<u>247,122</u>	<u>264,269</u>	<u>279,353</u>	<u>291,639</u>	<u>290,530</u>
Total Central Provinces.	..	<u>1,507,982</u>	<u>1,504,159</u>	<u>1,658,626</u>	<u>1,696,962</u>	<u>1,777,311</u>

CHAPTER II.—LABOUR AND WORKING CONDITIONS

9. Numbers employed.—According to the annual report of the Chief Inspector of Mines for 1939 the average daily number employed in coal mines in the Central Provinces was 14,869. 94 of these were employed in Betul district (the mine has since closed down), 453 in Yeotmal district (at Raipur coal mine), 2,834 in Chanda district, and 11,488 in Chhindwara district. The average number of women employed, in open workings and on the surface (they are no longer allowed under-ground), was 1,635. Of the 14,869 employed in all occupations in and around a coal-mine, coal-cutters were 4,370, and loaders 2,663. It is possible that some of the 279 "other unskilled labour" shown under "open workings", and most, if not all of the 465 women shown in open workings, were loaders too. Overmen and sirdars numbered 208, and clerical and other supervising staff 313. Skilled labour, both above ground and below, numbered 2,222, and unskilled labour 3,458: to these may be added the 1,170 females employed in surface work.

10. Daily total.—The average daily total of labour employed grew from 2,900 in 1908 (1,217 Pench, 456 Ballarpur, and 1,227 Mohpani), to 3,024 in 1911, and since then has fluctuated according to the number of mines working and the conditions of the coal market. The figures for the last four years are as follows:—

Year	Labour employed	Year	Labour employed
1936	12,731	1938	13,771
1937	11,918	1939	14,869

We give these figures with the caution that they are unchecked and must be accepted with some reserve.

11. Census figures.—In the 1931 census of India 7,513 persons were recorded as earners by being employed in coal-mines in the Central Provinces, of whom 4,741 were males and 2,068 females, and a further 706 persons were recorded as being working dependents in coal-mines or working in coal-mines as a subsidiary occupation. The figures seem to be incomplete, and it is possible that many who normally work in mines had themselves recorded as agriculturists.

12. Annual census.—At the annual census of attendance on a selected day in coal mines, held in the week February 11th to the 17th, 1940, the attendance was recorded as 18,274 in the Central Provinces coal mines. Normal absenteeism was recorded as 6.1 per cent.

13. Total labour force.—Our problem is thus to do with a labour force which at any one time rises to nearly 20,000, and averages over the whole year nearly 15,000. (The turnover of labour is extremely high, and it may be conservatively estimated that some 30,000 workers in the Central Provinces depend wholly or partly on coal-mining for their livelihood.) This excludes any dependents, or any who find subsidiary employment in the coal-fields. One estimate (Mr. Parry) gives the present population of the Pench valley coal-field as 70,000: thus the total population of all the coal-field areas in the Central Provinces dependent on the industry in one way or another may not be far short of one lakh. Even this figure excludes the population of the neighbouring agricultural areas who have benefited by finding a ready market for their produce, or the office employees and their dependents, who work in the head offices, in Calcutta, Bombay, Nagpur, Chhindwara and elsewhere, of the various companies and firms engaged in coal-mining in the Central Provinces.

14. Average number.—The enclosed statement Appendix A, taken from the Chief Inspector of Mines' Report for 1939, gives the average number of persons employed daily in coal mines in the Central Provinces. The number is arrived at in each individual mine by dividing the total number of attendances (shifts) by the number of days the mine was open in the year, or, alternatively, by the number of days the particular class of labour worked in the year. The number of days in the case of overmen and sirdars might be 365: in the case of most hazree (daily paid labour), it will be about 306 to 308, after deducting Sundays (or other rest days) and holidays. The real number of employees during the year will of course be far in excess of this average number, owing to the rapid turnover of labour and the high percentage of absenteeism. We endeavoured to secure information on the average rate of turnover and the amount of absenteeism, but without much success.

15. Statements.—The following figures which we were given are interesting, but are too limited in extent to permit any conclusions being based on them, *vide* pages 24—28:—

Statement B.—A statement showing the number of workers in the Mahakali coal mine (Chanda district) in the first week of January, February, March and April 1940.

Statement C.—A statement showing the workers who worked in all three months—January, February and March 1940—at the above mine, and those who worked only in two or one of the above months.

These two statements were prepared by us from the colliery books, which were kindly placed at our disposal for the purpose.

Statement D.—Percentages of attendance, for different classes of labour, in the week preceding Holi 1941 (*i.e.*, a week in which a good attendance might be anticipated) at Eklehra coal mine.

Statement E.—Average number of persons working during each calendar month of 1940 in the Eklehra coal-mine.

Statement F.—A statement of attendances and earnings of mines at Bhamori and Jatachappa collieries in November and December 1940.

Statement G.—A statement of labour earning capacity, *i.e.*, attendances, output and earnings per week for a full normal week, in December 1940, of miners and loaders employed in the various inclines at Datla.

Statement H.—Attendance in a particular week of February 1941 at Kalichhapar.

From these statements it will be seen that turnover was extremely high at Mahakali; that the percentage of miners and loaders attending six days in the week is small at Eklehra; that there is considerable seasonal fluctuation in attendance from month to month (also at Eklehra); that the number of individual shifts worked fluctuates quite largely from week to week at Bhamori and Jatachappa; and that days worked in a normal week at Datla are below 5 in the case of miners and below 4.5 in the case of loaders.

16. Attendance.—Overall attendance by labour is generally estimated, in reply to our questioning, at between 4 and 5 days in the week. The United Provinces miners and hazree (daily-rated) labour

prefer to put in six days a week as often as possible, and go home about every ten months or so for about two months. The local workers prefer to work fewer days in the week, and possibly work for 10 days to a fortnight and then go home until they feel the need to earn more. The semi-skilled workers, *e.g.*, fitters and mistris on monthly pay (or sometimes daily rates paid weekly) attend as often as they would in factories, *i.e.*, six days in the week, unless prevented by sickness, drunkenness, etc., but require from one month to two months' holiday each year if possible, to go home: this holiday depends on what savings they have been able to accumulate, and what responsibilities, agricultural operations or family affairs, they have in their villages. A very few people told us that they had settled down permanently in the mine bustees, and went home seldom or not at all. Some of these were the offspring of Pathans and local women, to whom the mine was their only home, and mine employment their only source of livelihood.

17. **Registers.**—Registers as prescribed show the numbers underground in a particular shift, but as in most mines wages are paid (and recorded as paid) by the gang and often by the "piece" rather than by attendance, it is impossible to work out average attendances, or even complete figures of the labour force, from the registers as at present prescribed and maintained. Thus figures as we give them, also figures of earnings are at best approximations, based on the best figures available. One of the functions of the labour officer whom we recommend later in this report will be to supervise the keeping of more exact and complete information on attendances, numbers employed, and individual earnings.

18. **Annual census.**—Each year, on a day selected by the management in a particular week in February, announced by the Chief Inspector, a census is taken by all mine managements of persons actually at work, also of persons who should ordinarily have been at work but were absent on the selected day. The particular day is chosen as being the day, of the week selected by the Chief Inspector, on which there is the largest outturn of workers.

In 1939, the average daily attendance, in the Central Provinces coal-fields, was 14,869: this figure is based on the total number of shifts worked in December 1939 divided by the number of days the mine worked in that month. In February 1940, on the selected day, in all the Central Provinces coal mines, the attendance (including those casually absent) was 18,274. The excess over the average daily attendance is 3,405, equivalent to 22.9 per cent. The percentage of casual absentees in this figure is 6.1 per cent. The details for the different districts and classes of work people are as follows:—

Number present, excluding those prevented from attending.

	Wardha	Pench	Yeotmal
Males—			
Underground ..	2,421	8,896	412
Open workings ..		454	
Surface ..	577	2,458	69
Total ..	2,998	11,808	481
Females—			
Open workings ..		553	
Surface ..	188	1,116	17
Total ..	188	1,669	17
Total males and females ..	3,186	13,477	498

Of the 1,113 prevented from attending (by casual sickness or the like), 67 were in the Wardha valley, 25 in Yeotmal, and 1,021 in the Pench valley (841 of whom were underground workers). Thus in all areas the percentage of involuntary absenteeism is not excessive, but (the fluctuation, due to whatever cause, in the level of employment is considerable, and must react on the efficiency of labour.)

19. **Seasonal shortage.**—We found reliable information about seasonal shortage of labour hard to come by, but we have been assured on all hands that it exists particularly during the sowing and harvest seasons, and to a lesser extent during the religious festivals and marriage season. There tends to be a peak shortage of labour about December, and a surplus on the eve of the holiday season, usually about March. This fluctuation will persist until a more stable and settled labour force is built up: on the other hand there is much to commend in a system which tends to mitigate the rigours of unemployment by maintaining the essential link between the worker and his village.

20. **Sources of labour.**—Speaking generally, there is no great shortage of labour nor surplus in the coal-fields, as a permanent feature.

21. **Wardha valley.**—In the Wardha valley, labour is mainly imported from the Nizam's dominions: the percentage of local labour is relatively small: and when labour is required, recruiters are sent by the mines to bring in labour. They are Telugu-speaking, and for the most part have already worked in one or other of the coal-mines in the Hyderabad State (Singareni, Kothagudium, Tandur, etc.). Skilled labour and subordinate supervisory staff are brought mainly from the neighbouring districts of Berar. The local Gonds are very reluctant to work in the mines, and do not stay long, save in exceptional cases. We found one Gond working as a petty contractor in Ballarpur mine, but he has become Hinduised, and employed non-Gonds.

22. **Pench valley.**—In Chhindwara district, on the other hand, a considerable proportion of the labour force is recruited locally. The "labour", as distinct from the safety and technical men, in some of the smaller mines such as Ghogri, Barkui and Parasia, is almost entirely Gond, and there are a large number of Gonds and other local aboriginals in many of the larger mines.

23. **Aboriginals.**—An enquiry last year into the number of aboriginals working in the Chhindwara coal mines produced the following figures. The figures may not be completely accurate, as no officer was engaged to check the figures as collected by the employers and managers, but they may be accepted as a general picture of the composition of the labour force.

The figures show that out of a labour population of 11,110 in 1940 at 27 coal mines in the Chhindwara district (the figures of the annual reports show an average population of 13,984) there were 6,567 Hindus, including depressed classes, 881 Muslims, and 3,661 members of aboriginal tribes of whom 2,271 were Gonds. The remaining 1,391 aboriginals were Kol, Mowasi or Korkhu, Pardhan, Bhabar, Raiar, Baiga, Kavar and Oiba. Messrs. Shaw Wallace & Co. employed 1,003 Gonds and Newton Chickli 362 Gonds. 280 Gonds were working at the mines controlled by the C. P. Syndicate and above 200 at the mines of Messrs. S. C. Cambata, in addition to nearly 200 Korkhus. Over 500 aboriginals were employed at Datla mine, and 461 at Newton Chickli. In some small mines well over 50 per cent of the labour force was aboriginal.

In addition, there must be large numbers of aboriginals, chiefly Gonds, employed by labour contractors on the railway and in the coal-field, outside coal mines, who do not appear in the above statistics. It must also be remembered that the turnover of labour is high among this class of employee, and that the actual number of persons employed during the course of a single year may well be several times the average number given in the statement.

24. Nature of aboriginal labour.—Aboriginal labour predominates among loaders: they do not take readily to the relatively more skilled and arduous work of coal-cutting, except in the smaller mines where discipline is slack and hours of work less rigidly observed; and they are found very seldom among the daily rated skilled and semi-skilled employees. The type of job they prefer is one where they can come or go as they please, get paid for what work they do by piece rates instead of being harried for a specific amount of work per day, and, finally, in which they can leave the mine at will when they do not wish to earn, and return to it at will when they do wish to earn.

25. Other classes of labour.—In addition to local aboriginals, there are a large number of Hindus from nearby districts or states, particularly from Saugor and Rewa: many of them came first to Mohpani, and, when that mine closed down in 1927, moved on to the Pench valley. Many of the miners from Rewa State have worked in the mines there also, and have migrated, possibly more than once, on losing their jobs there, or not finding work there, or simply feeling restless and wanting a change. The Telugus in Chanda district, in particular, change their employment from one mine to another very suddenly and unaccountably. They very often go in the night leaving some of their belongings behind them, to find work in another mine, without being able to give any coherent reason for changing. The fact seems to be that they, in common with the Gonds and other tribes, are nearer to their wandering jungle life than the settled villager, and feel restless if they stay in one place too long. Thus a very high percentage of migration is inevitable.

26. Hours of work.—The Mines Act was amended in 1935 to provide for a maximum working day of nine hours underground and ten hours for surface workers. In practice the hours of work are shorter than these statutory maxima. Piece-workers, underground miners and loaders do not generally spend their full nine hours underground: eight hours is in practice the maximum, and we doubt whether any miner or loader works even 48 hours in the week and they generally finish after measurement on measurement day. (A statutory maximum of 48 hours a week and 8 hours per day would be easily enforceable in coal mines, and would pave the way for the introduction of the 3-shift day, instead of the cumbersome system of relays which prevails at present. It is different, however, with daily paid staff. Where a system of relays or overlapping shifts is in operation over the 24 hours, there is a great temptation to manage continuous working with two shifts, *i.e.*, in other words, a twelve-hour day for certain people, where it would be thought uneconomical to employ men for 3 shifts of 8 hours each. In practice it is impossible to detect this particular evasion of the section regarding hours except by an inspector expert in dealing with questions of working hours, and then only by surprise inspections, lengthy examination of workers picked out at random, and a careful examination of all books and registers.) We had not the time for this ourselves, and recommend this task as one of the duties of the proposed

✓ Coal Fields Labour Officer. (We record here that we were told by coal-cutting machine drivers, water boilers, onsetters, banksmen and timber-men that their normal working day was in excess of nine hours and was sometimes twelve hours.) The worst case was that of water balers at a certain mine who said they received overtime. When we enquired into the nature of the overtime we were told by the manager that it was practice for the Saturday night shift to continue working through Sunday morning until the water was baled out. They might work the major part of an extra shift, and were paid double, i.e., 10 annas instead of 5 annas. (The particular water baler who told us of his "overtime" looked to be not more than 14 years old; he had never been examined by any doctor to ascertain his age.) At present it is the duty of the Inspector of Mines to enforce the provisions of Chapter VI of the Mines Act, relating to hours of work, and employment of children and young persons. Inspectors have many other duties, of a very technical nature, and (it is fairly clear that they have neither the time nor the training to inspect the observance of provisions which demand the attention of a trained labour inspector.) Our proposed Labour Officer will, we hope, be empowered as an *ex officio* Inspector of Mines for the purpose of Chapters V and VI of the Mines Act, with such reservations as the Chief Inspector of Mines may wish to impose on his exercise of the drastic powers of an Inspector.

27. Eight-hour day.—But we trust that at the next amendment of the Mines Act powers will be taken to enforce an eight-hour day underground in mines, and power to prohibit overlapping shifts as given by section 49 of the Factories Act. Mines which desire to work continuously will then be made to take recourse to a three-shift day, and there will no longer be any incentive to work people longer hours than those allowed by the Act.

We received no complaint that workers employed on the surface were being worked longer hours than the permitted maximum. Possibly female wagon loaders put in occasionally longer hours, but on the average we doubt if they exceed a ten-hour day or a 60-hour week.

✓ 28. Children and young persons.—We wish to call special attention to breaches of the provisions of sections 26 and 26-A of the Act relating to children and young persons. Children, i.e., persons who have not completed their fifteenth year, are prohibited absolutely from employment in a mine. We questioned many persons about their age: in some cases they naively told us that they were eighteen years old (this is apparently regarded as a "safe" age to state to an inspecting officer) but later in answer to questions informed us that they had been working underground for the last five or six years. Though some managers do conscientiously try to exclude children from their mines, their subordinate staff and ✓ contractors do not, and we think that (if the obvious evil of the employment of children in mines, especially their employment underground, is to be grappled with, some better system of inspection than the present annual or twice-a-year visit by an Inspector of Mines from Sitarampur in Bengal must be devised.) The enforcement of the two sections regarding children and young persons can most efficiently be done by the proposed Labour Officer stationed in the Pench valley. He can see that adolescents who might come under the category of young persons are sent for examination by a qualified medical practitioner; he will see that certified young persons carry their tokens while at work (we found great slackness in this respect in many mines); and he will see that children are excluded

from work in a mine whether below or on the surface, whether sirkari or employed by contractors. Section 27 of the Mines Act makes a medical certificate conclusive evidence of age, though such evidence is necessarily vague and uncertain. Kotwar books are better evidence of age, especially now that the children's names are shown.

29. Weekly rest.—We found very little evidence of any breach of the provisions of the Act (section 22-A) relating to the weekly rest. The weekly rest day is universally Sunday, which is the bazaar day at Chandametta, Jamai, Ghorawari and Damua. A suggestion was made to us that the weekly rest day might be "staggered" in different parts of the coal-field to permit of the bazaars being held on different days to allow merchants to attend more than one bazaar. We think this is a matter primarily for the industry to decide for itself; we hold no strong views one way or the other. One or two people stated to us that they were occasionally called upon to work seven shifts in the week; but without any investigation into the circumstances—which we have not undertaken—it is difficult to say whether the law was actually broken or not.

30. Underemployment.—In the Pench valley in 1940 the total number of shifts worked was 3,297,720. The average number of employees was 13,984. The average number of shifts worked per employee in the year was 236. Assuming that all employees except miners and loaders worked six days per week, miners worked 5 days, and loaders 4 days, the average number of weeks worked per employee in the year was 44, *i.e.*, each employee was absent 6 weeks in the year on an average. Miners, on this assumption, worked 220 days in the year, and loaders, 176 days. Loaders' average wages were Re. 0-7-5 per shift, which represents an average of just under 4 tubs per shift filled (the average rate per tub is about 2 annas). We tried to get some estimate of the time taken to fill a tub, and were given times varying from half an hour to two hours. Much depends on the lead and working conditions. Assuming an average of one hour per tub, the average loader works 4 hours per shift, 16 hours per week, for 44 weeks in the year, a total of 704 hours, out of a possible total of $54 \times 52 = 2,808$ (assuming that no holidays whatever were enjoyed).

What is a reasonable number of holidays in the year for an underground worker is a moot point: it is fairly certain that a loader's work is less arduous than that of a miner, and a loader could work an average of 5 days per week, for 50 weeks in the year, without undue strain (assuming a fortnight's holiday to be sufficient in the year for a local worker), and that he could, if the supply of tubs were continuous and coal available, fill not less than 7 tubs per day. In short, the available evidence points to a considerable degree of underemployment, of which some is involuntary, but certainly the major portion is voluntary.

31. Output per head.—According to the Chief Inspector's Report, page 3, the average output of coal per person employed in 1939 in the Central Provinces coal-mines was 164 tons per person employed in underground and open workings, and 117 tons per person employed above and below ground. These figures showed a fall from the previous year (1937-38) from 174 to 164 tons, and 123 to 117 tons. This decrease was general throughout India. The corresponding figures for British India in 1939 were 177 tons and 122 tons; the Central Provinces miner produces less per head than in other parts of India. The 1938 figures for other countries for production per person employed above and below ground are: United

Kingdom, 287 tons; Japan, 207 tons; France, 193 tons; Germany, 383 tons; and U. S. A. 761 tons. The Indian miner produces less coal than miners in other parts of the world, and the Central Provinces miner produces less coal than miners in other parts of India.

32. Changes in output per head.—The provincial annual reports on mining give the following figures of output per person, employed, both underground and above ground, in and about mines, in tons of coal per annum:

Year	Tons	Year	Tons	Year	Tons	Year	Tons
1919	.. 79.1	1921	.. 57.2	1923	.. 53.2	1925	.. 76.0
1920	.. 48.1	1922	.. 46.6	1924	.. 82.0	1926	.. 76.7

Year	Tons raised	Employees	Employed underground	Output in tons
1923	.. 547,982	10,302	5,818	53.2
1924	.. 679,255	8,284	4,967	82.0
1925	.. 708,376	9,325	5,175	76.0
1926	.. 635,174	8,321	Not available	76.7

After this year the figures are not available. The following figures are taken from the annual report of the Chief Inspector of Mines:

Year	Tons raised	Employees	Output in tons
1930	.. 952,371	..	117
1931	.. 973,040	8,624	113

and for 1935 onwards the figures are in tons per employee per annum—

Year	Tons	Year	Tons	Year	Tons
1935	.. 114	1937	.. 126	1939	.. 117
1936	.. 118	1938	.. 120		

Our own calculations from the district figures for 1940 (Chhindwara and Chanda districts only) show an output of 104.4 tons. Though the figures do not bear any great weight being placed on them, they seem to indicate that output per head is much higher than twenty years ago, but has shown a steady fall for the last three years.

33. System of working—*Pillar and stall*.—The coal is worked by the method of pillar and stall, or as it is sometimes termed, bord and pillar. This method is preferred owing to the thickness of the seams—in practically all cases too thick to be worked by the “long wall” system favoured in England—and also because of the tendency of the coal to spontaneous combustion. This system was in vogue from the beginning, after collapses in the earlier workings in the '60s and '70s of last century. Mr. Ditmas writing in 1911 about the Pench valley says that pillars were small, with 30-foot centres, and roads were 8 to 10 feet broad and 7 feet high. A gang would be employed in hewing the coal and in squaring up before measurement is taken for the purpose of payment. The gang first “kirves” a “judd” in the bottom of the coal face (undercuts), to a depth of not less than three feet, and make a small nick in one side to a depth of two feet, the full height of the working place. The hewer usually stands up to “kirve” his “judd” and in practice it is found most difficult to make him understand the advantage of “kirving” his “judd” as small as possible. Then a series of holes are drilled into the face of the coal, and shot

inserted and fired to bring down the coal. Then the gallery is dressed to the correct measurement of height and width, and payment is made on the length of gallery cut of a specified width and height.

34. Restrictions on working.—The system of work has not changed very much in the last thirty years. Under the amended Regulations the size of pillars and the height and width of galleries are as laid down by regulations and approved by the Chief Inspector. Plans of working must now be approved, and special restrictions are imposed for working under rivers, etc.

35. Coal-cutting machines.—A few coal-cutting machines are in use (12 in 1939 according to the Chief Inspector's Report) and we saw a few electric drilling machines at work also. The size of the "judd" is now generally 5 feet deep by the full width of the gallery, but it is still difficult to make the miner cut the "judd" as low as possible, to save his time and to economise by producing less slack coal.

36. Loading and hauling.—On being won by driving galleries, the coal is hand-loaded by means of baskets into the tubs standing on the nearest rails, generally one or two levels distant. In Bengal a cutter will also load turn and turn about: in the Central Provinces a cutter who loads loses prestige, and so loaders are a different, inferior type of worker, generally aboriginals from neighbouring villages coming to earn to tide themselves over until the next harvest. Trammers (or sometimes loaders) then push the loaded tubs along the level to the nearest haulage, whence they are hauled to the surface, and the coal is loaded into railway wagons, generally by female labour.

37. Depillaring.—When development of a mine is completed by it being laid out into galleries leaving large rectangular pillars standing, then begins depillaring. Beginning from the dip side and working back from level to level, pillars are split, reduced to stooks, and extracted. As soon as a considerable area of roof is left unsupported, it begins to show signs of weight, and finally collapses. When the superincumbent strata break down to surface, a relative stability is reached, and depillaring can proceed with a very high percentage of extraction. It will be easily appreciated that depillaring can be dangerous, unless performed under rigorous supervision.

38. Difficulties of working.—The subsided portion is termed the "goaf", and is kept fenced off from the working places because of the constantly existing danger of further falls of roof. In mines where a consistent plan of development is followed, and no premature depillaring or robbing of pillars is allowed, the percentage of extraction can be very high indeed, provided the roof is fairly sound, and there is no special danger of fire. But in many cases in the Central Provinces development was not well done in the early stages. Pillars were made too small, and not always rectangular: depillaring was done in some sections prematurely in order to fulfil a rush of orders or to get cheap coal: and areas for development were badly planned and shafts and inclines wrongly placed. In addition, unexpected faults, or treacherous roof, or the pressure of water in the upper strata, may upset even the most careful plans of development. Coal-mining in the Central Provinces requires not only competent technical knowledge, but also experience of local conditions.

39. Underground working conditions.—We were told by many workers underground that conditions of work did not permit them to work a full six-day week of fifty-four hours without detriment to their health.) It is difficult for us to check this statement by merely spending

two or three hours underground in a mine. Admittedly work in almost any mine is unpleasant. Mines are usually hot and damp, a combination which makes for lassitude. The air underground, even in the best ventilated mines, is usually contaminated with the fumes from open lights and explosives. (There are other smells besides the smell due to bad conservancy arrangements) in fact, we were usually told when we referred to the bad smell that the smell came from rotting wood in props, etc. Travelling ways are very often long, steep and treacherous and damp with pieces of shale lying under foot. In the thin seams which prevail in the Pench valley, one's attention has to be rivetted both on the roof above and the floor below, to avoid bumps and stumbles. In some travelling ways the seam dips so steeply, and the steps are cut so badly, besides being generally wet with running water, that hand rails are necessary for safety: in some places where they are absent they might be placed with advantage. In the thinner seams, where one has to walk constantly bent, a walk of a mile to the working face, in a warm atmosphere, may be a real ordeal. In one mine we had to walk bent so low that our back-bones were scraping the roof: loaders under these conditions have to carry their baskets of coal under their arms as best as they can instead of on their heads, and have great difficulty in tipping their baskets into the tubs.

40. Ventilation.—In most mines ventilation was adequate or at least the best that could be provided under the circumstances, whether by natural ventilation or by use of a fan. The Chief Inspector reports that in 1939, eleven mechanical ventilators were in use in the coal mines in the Central Provinces. Natural ventilation was very good in many mines. We found reason to complain of the ventilation only in 2 or 3 mines, and in those cases the management were aware of the situation, explained their difficulties, and were being pressed by the Mines Department to rectify matters. Ventilation in many mines depends on doors being kept closed which we often saw carelessly left open.

41. Lighting.—Only some of the mines controlled by Messrs. Shaw Wallace and Company and Sir Maneckjee Dadabhoj were equipped with electric lighting underground, and even these mines are scantily lit. We suggest that gradually, either by persuading employes to provide themselves, or failing that by the management providing, open kerosene "kupas" should give way to hurricane lanterns, which are more satisfactory in many ways. Safety lamps are not necessary in Central Provinces Mines.

42. General.—Generally speaking, working conditions underground are not worse than in other provinces. Even in the Pench valley the normal working height is five to six feet, and travelling roads and haulage roads are of a comfortable height. Mines in both Chhindwara and Chanda have as yet reached no considerable depth and so extremes of temperature, or great difficulties in ventilation, have not so far been encountered. In addition, the absence of gas, the hardness of the coal, and the fact that the strata above the coal are generally good make mining extraordinarily safe in the Central Provinces. There is one exception and that is Datla mine, where the superincumbent strata are very friable and come down very easily: even with a forest of "chocks" and props conditions are still dangerous, especially in the depillaring area. We recommend in this particular case that the Coal Mines Stowing Board be asked to advise if dry packing, particularly of unused galleries near the area being depillared, would tender conditions more safe and possibly economise in the present very heavy expenditure on timber.

APPENDIX A.— *Number of workers during the year 1939 in the Central Provinces Coal Mines under the Indian Mines Act.*

(C. I. M.'s Report, 1939)

District and mine field	Total output in tons	Average number of persons employed daily in and about the mines																					
		Overmen and Sirdars	Underground					Open workings					Total Males and Females.	Total underground and open workings.	Clerical and supervising.	Skilled labour	Unskilled labour	Surface			Grand Total		
			Coal-cutter	Loaders	Other skilled labour.	Other unskilled labour.	Total Males	Overmen and Sirdars.	Coal-cutters	Loaders	Other skilled labour.	Other unskilled labour.						Males	Females	Total Males and Females.		Males	Females	Total Males and Females.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Betul ..	3,794	2	22	14	5	7	50	..	..	..	..	..	..	..	..	50	7	10	19	36	8	44	94
Chanda ..	291,639	37	856	720	122	388	2,123	..	..	..	..	..	..	..	..	2,123	76	85	383	544	167	711	2,854
Chhindwara Pench Valley Coal-field.	1,415,562	160	3,181	1,776	920	1,039	7,076	5	145	86	42	279	557	465	1,022	8,098	220	967	1,224	2,411	979	3,390	11,488
Yeotmal ..	31,836	4	166	67	37	63	337	..	..	..	..	..	..	..	..	337	10	34	56	100	16	116	453
Total ..	1,742,831	203	4,225	2,577	1,084	1,497	9,586	5	145	86	42	279	557	465	1,022	10,608	313	1,096	1,682	3,091	1,170	4,661	14,869

APPENDIX B. — Statement showing number of workers and days worked in the Mah kali coal-mine in the first week of January, February, March and April 1940.

No. of days men worked	Company's labour			Contractors' labour		
	8 a.m. to 5 p.m.	4 p.m. to 1 a.m.	12 p.m. to 9 a.m.	8 a.m. to 5 p.m.	4 p.m. to 1 a.m.	12 p.m. to 9 a.m.
<i>January 7th to 13th</i>						
6	24	9	15	67	9	38
5	5	1	..	34	5	14
4	6	..	..	18	1	11
3	3	..	..	13	..	11
2	7	..	..	22	1	29
1	11	..	..	18	11	6
Total ..	56	10	15	172	27	109
<i>February 4th to 10th</i>						
6	23	9	17	44	..	18
5	1	2	..	61	7	20
4	1	..	..	28	1	6
3	..	..	..	29	6	16
2	2	..	..	19	5	16
1	4	..	..	15	3	7
Total ..	31	11	17	196	22	83
<i>March 3rd to 9th</i>						
6	23	10	13	71	8	21
5	3	..	..	33	3	32
4	4	..	2	12	..	15
3	1	..	..	9	..	3
2	..	..	..	7	1	8
1	..	..	1	12	5	14
Total ..	31	10	16	144	17	93
<i>March 31st to 6th April</i>						
6	23	12	18	76	4	34
5	1	..	..	43	2	11
4	2	..	..	25	12	16
3	..	..	..	21	3	7
2	4	..	..	22	4	..
1	2	..	..	18	3	6
Total ..	32	12	18	205	28	68

APPENDIX C.—Statement showing the total number of contractors' men in the Mahakali coal-mine, men working for two consecutive months (January and February, and February and March) and number of men working in all the three months of 1940.

	January 7th to 13th	February 4th to 10th	March 3rd to 9th	Remarks
Total number of men at work ..	308	301	254	..
Number of men working in two consecutive months.	142		107	23 men worked in January and March
Number of men working in all the three months.	77	..	..	..

APPENDIX D.—Percentages of attendance for the week preceding Holi, i.e., best week, 1941, in the Eklehra coal-mine.

Underground	Total	Six days	Percentage	Five days	Percentage	Four days	Percentage
Miners ..	166	36	21	46	25	34	20
Fillers ..	93	14	14	47	49	16	17
Trammers ..	36	7	19	16	44	4	11
Timbermen ..	12	7	58	2	16	2	16
Sho firers ..	6	5	83	1	16	..	..
Surface trammers ..	35	23	65	11	31	..	..
Wagon loaders ..	28	28	100	..	..	..	..

APPENDIX E

Month	Below ground	Above ground		Total	Days worked
		Men	Women		
January ..	296	52	15	363	27
February ..	315	52	20	387	25
March ..	312	51	20	383	24
April ..	268	45	20	333	26
May ..	238	46	34	318	27
June ..	23	42	30	306	25
July ..	250	46	26	322	27
August ..	256	45	26	327	25
September ..	234	39	22	295	25
October ..	260	42	26	328	25
November ..	235	40	20	295	25
December ..	267	60	40	367	25

25.5
Average.

APPENDIX F.—Earning of miners per shift.

	Week ending			
	20-11-40	27-11-40	4-12-40	11-12-40
Bhamori Colliery				
Machine galleries with electric drill.	128 shifts at Re. 0-8-3.	125 shifts at Re. 0-7-5.	159 shifts at Re. 0-12-4.	38 shifts at Re. 0-12-4.
Machine galleries without electric drill.	420 shifts at Re. 0-12-2.	448 shifts at Re. 0-12-9.	411 shifts at Re. 0-14-11.	183 shifts at Re. 0-13-4.
Hand galleries ..	60 shifts at Rs. 1-0-4.	168 shifts at Re. 0-12-10.	131 shifts at Re. 0-11-9.	34 shifts at Re. 0-7-10.
Depillaring ..	131 shifts at Re. 0-15-8.	124 shifts at Re. C-15-5.	123 shifts at Re. 0-7-3.	23 shifts at Re. 0-6-5.
		18-12-40		
		147 shifts at Re. 0-12-9.		
Jatachappa Colliery				
Machine galleries with electric drill.	139 shifts at Re. 1-0-5.	177 shifts at Re. 0-13-6.	219 shifts at Re. 0-15-2.	186 shifts at Rs. 1-0-11.
Hand galleries ..	162 shifts at Rs. 1-1-3.	106 shifts at Rs. 1-0-10.	139 shifts at Rs. 1-1-11.	96 shifts at Rs. 1-2-8.
Depillaring ..	204 shifts at Re. 0-10-2.	100 shifts at Re. 0-11-2.	161 shifts at Re. 0-11-1.	129 shifts at Rs. 1-0-3.

The above shifts are attendances recorded in the books. It is to be remembered that on measurement days (once weekly) most miners do very little—and sometimes no—work, so that actual days of work are less than attendances and earnings per shift actually more than shown.

APPENDIX G (DATLA)—Table (5).—Labour earning capacity per week.

	Miners employed	Miners' attendances	Days worked	Net weekly earnings		Earnings per shift		Coal in tons per miner per week
				Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Mine A	33	175	5.3	5 1 0	0 15 3		10.8	
Mine B	37	163	4.4	6 7 0	1 7 3		17.3	
Mine C	60	321	5.3	6 13 6	1 4 6		10.6	
Mine D	44	187	4.2	4 10 0	1 1 6		13.6	
Mine E	51	221	4.3	2 2 6	0 8 0		5.9	
Mine F	14	67	4.7	7 3 6	1 8 6		15.2	
Mine G	22	111	5.0	3 10 3	0 11 6		6.2	

	Loaders employed	Loaders' attendances	Days worked	Net weekly earnings		Earnings per shift		Coal in tons per loader per week
				Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Mine A	22	154	4.8	2 3 9	0 7 3		16.2	
Mine B	55	233	4.23	2 4 6	0 8 6		11.6	
Mine C	94	363	4.00	2 1 6	0 8 3		10.4	
Mine D	54	230	4.25	2 1 0	0 7 9		11.1	
Mine E	36	154	4.27	1 8 6	0 5 6		8.3	
Mine F	18	84	4.6	2 6 3	0 8 3		11.8	
Mine G	14	64	4.5	2 0 0	0 6 9		10.5	

Remarks and reference.

A—Gallery driving.
 B—Depillaring.
 C— Do..
 D— Do
 E—Gallery driving.
 F— Do.
 G— Do.
 Average—11 tons.

Explanatory notes.

308 days were divided by 6 to get division of normal weeks of 6 working days.

The week under review was a full normal one in December.

APPENDIX H.—The Central Provinces Syndicate Coal Company, Limited Kalichappar Colliery.

[Attendance in a particular week of February 1941.]

Details		9-2-41	10-2-41	11-2-41	12-2-41	13-2-41	14-2-41	15-2-41
Incline Nos. 1, 2, 3 and 4.		23	159	223	211	202	198	148
Day.		..	53	60	51	59	57	49
Incline Nos. 5 and 6.		36	137	122	137	135	127	69
Night.		..	39	39	47	45	50	41
Total		64	388	444	446	441	432	307
Quarry—Day		..	25	30	29	33	35	34
Total		..	25	30	29	33	35	34
Surfaces	Day	4	53	69	78	79	73	71
	Night	2	18	16	16	16	16	7
Total		6	71	85	94	95	89	78
Total		6	84	95	113	116	106	91
Grand Total		70	497	569	588	590	573	432

CHAPTER III-A—GENERAL STATISTICS OF WAGES AND EARNINGS

43. **Inadequacy of existing statistics.**—Wages are the crux of the labour problem, not only in coal-fields but throughout the industrial world. More strikes take place over wages than for any other single cause. Information about wages is very often scanty, haphazard, and of doubtful accuracy. Owing to the extreme complexity of wage rates, the complete lack of uniformity in standards of wage levels, and the innumerable additions or variations of various kinds to basic rates, the work of collecting, collating, and comparing wage rates becomes almost impossible, even for a Labour Department armed with the necessary powers, insisting on the compulsory supply of information, and having complete access on the part of an adequate statistical staff to all records, account books, registers and receipts, dealing with wages. The only general wage survey so far held has been for registered factories in the Bombay Presidency by the Bombay Labour Office. Even that only claims to be a modest beginning. No such survey has been held in the coal industry, and none is possible at the present time, so we refrain from recommending any step which stands no chance of being carried out in the near future, and content ourselves with asking that when the Labour Statistics Bill which, we believe, is in contemplation by the Central Government, is circulated for comment, the Provincial Government take the opportunity to suggest that statistics relating to wages, attendance, etc., in coal-mines should come within the scope of the Bill.

44. **Sources of information.**—The information at present available on the subject of wages in the Central Provinces coal-mines may be summarized under three heads:—

- (1) That contained in the annual reports submitted by each coal-mine to the Chief Inspector of Mines.
- (2) That contained in the various reports submitted to the Provincial Government.
- (3) Information collected during our enquiry, or available from other sources.

45. **Historical.**—Before dealing in detail with present wage rates, we give what information is available about wages in the Central Provinces coal-fields during the last thirty years.

Writing in 1911, Mr. Ditmas, in the article already quoted on the Pench valley coal-field, gives the following description of wage rates:—

“At the collieries deputies draw 15 to 17 rupees per month; shot-firers, 12 rupees per month; shot-firers’ lads, $2\frac{1}{2}$ annas a day; pit-sweepers, $3\frac{1}{2}$ to 4 annas per day; banksmen, $4\frac{1}{2}$ to 5 annas per day; onsetters, 4 annas per day. The surface men have half an anna a day more than those below ground, which is the reverse of the English custom; pit writers, 6 annas per day; masons, 6 annas per day; watchmen, 4 annas per day, hand-putters, 4 annas per day; timber men, 5 to 7 annas per day; pumpers, $4\frac{1}{2}$ annas per day; picking-belt women, $2\frac{1}{2}$ to 3 annas

per day; tub-greasing lads, 1½ annas per day; brakeman on self-acting inclines, 6 annas per day; coal-fillers, 2 annas per 12-hundredweight tub; taking down top-coal, one quarter anna per cubic foot; pillar-cutting, 1 rupee per 70 cubic feet; driving headways, 1 rupee per foot; stonework, double the coal rates; plate-layers, 15 rupees to 17 rupees 8 annas per month; storekeeper at colliery, 15 rupees per month; traffic clerk, 20 to 35 rupees per month; and timekeepers and pay-clerks, 35 to 45 rupees per month. In the engineering department the wages are: head native mechanic, 1 rupee 8 annas to 3 rupees per day; fitters, 1 rupee per day; lampman or tinsmith, 5 annas per day; fitter's coolies, 4 annas per day; carpenters, 10 annas to 1 rupee 8 annas per day, but then he is generally an excellent carpenter. The blacksmith is paid 1 rupee 8 annas per day; ordinary smith, 8 to 12 annas per day; engine-drivers, from 8 annas per day; and firemen, from 5 annas per day."

Wages from 1920 onwards.—From the provincial annual reports on mining we glean some information on wages. In 1920 (no report before this date is available) wage rose in the great majority of districts, especially Mohpani. In 1921, the rates of wages remained generally stationary; the level being high in the Pench valley, and it was noted with satisfaction that scarcity conditions prevailing in the province were unable to depress wages in the coal-mines.

In 1922 agricultural prosperity caused a shortage of labourers in coal-mines and it was feared that wage rates would rise. It was pointed out that the coal-mines would have to compete for labour with the mills, agricultural employment and bidi factories. It was noted generally that miners and others underground earned 10 annas a day, females 3 to 4 annas, and skilled workers 10 to 12 annas. The following table gives the average weekly earnings per person in the different mines in the Chanda coal-field in 1922:—

	Ballarpur	Ghugus I	Ghugus II & III	Ms,ri	Lalpeth	Maha-kali
	Rs. a.	Rs. a. p.	Rs. a. p.	Rs. a.	Rs. a.	Rs. a.
Miners ..	3 12	4 6 0	4 6 0	4 8	6 0	9 8
Others (underground) ..	3 12	3 4 0	3 4 6	..	3 0	2 13
Others (surface) ..	3 12	3 13 9	3 13 9	..	..	2 10
	to					
	5 4					
Females (in mine) ..	1 12	1 5 0	1 5 0	1 14	1 14	1 12
Females (on surface) ..	1 2				1 5	1 10

These are figures supplied by the management, not subjected to any check or scrutiny, and do not bear much weight being placed on them. They can only serve to give an extremely general impression of the employer's idea of the weekly earnings of his employees.

(In 1923 it was stated that there was not much difference between the wages of agricultural labour and those of coolies in the coal-mines) but that an energetic worker could earn more if he so desired. Comments on wages are not available in 1924 and 1925, but in 1926 it was stated that there were complaints from the areas near the coal-fields that the cultivator had difficulty in getting sufficient labour.

Wages from 1928 onwards.—The following is a summary table of the information on wages obtainable from the provincial annual reports from 1928 onwards. The limits are supposed to be maxima

and minima: they are so wide that the information is not particularly useful. The caution is repeated that the figures are as supplied by mine managements, and are unchecked. For what they are worth, the figures reveal a sharp fall in the early 1930s, and a gradual recovery since then:—

Wages (Provincial annual report).

Year	Underground Male	Surface Male	Underground Female	Surface Female
1928	0 7 0	0 6 0	0 4 0	0 4 0
	to	to	to	to
1929	0 9 0	1 0 0	0 7 0	0 7 0
	0 6 6	0 6 0	0 3 0	0 3 0
	to	to	to	to
1930	0 10 0	1 0 0	0 8 0	0 8 0
	0 6 6	0 8 0	0 3 0	0 3 0
	to	to	to	to
1931	0 11 0	1 8 0	0 9 0	0 9 0
	0 6 0	0 9 0	0 3 0	0 3 0
	to	to	to	to
1932	0 10 0	1 10 0	0 9 0	0 9 0
	0 6 0	0 8 0	0 2 9	0 2 9
	to	to	to	to
1933	0 10 0	2 2 0	0 10 0	0 10 0
	0 4 0	0 6 0	0 3 0	0 3 0
	to	to	to	to
1934	0 10 0	2 0 0	0 8 0	0 8 0
	0 4 0	0 6 0	0 3 0	0 3 0
	to	to	to	to
1935	0 10 0	2 0 0	0 8 0	0 8 0
	0 4 0	0 6 0	0 6 0	0 6 0
	to	to	to	to
1936	0 8 0	2 0 0	0 8 0	0 8 0
	0 4 0	0 4 0	0 3 0	0 3 0
	to	to	to	to
1937	1 10 0	1 6 0	0 7 6	0 6 6
	0 5 0	0 4 0	..	0 3 0
	to	to		to
1938	1 11 0	1 6 0	..	0 5 0
	0 5 0	0 4 0	..	3 0
	to	to		to
1939	1 8 0	1 9 0	..	0 5 0
	0 5 0	0 4 0	..	0 3 0
	to	to		to
	1 10 0	1 9 0		0 5 0

We cannot but comment on the unsatisfactory nature of the information on wages as set out above: in some cases the information is not even consistent, and so cannot be accepted as anything but the broadest picture of the changes in wages in the last 30 years. From very low levels the wages rose sharply in the boom period at the end of the 1st Great War, then fell again, and are showing a tendency to rise again in recent years. The level of wages for unskilled labour is low, and probably bears some relation to prevailing wages of agricultural labour.

46. Present wages.—The general subject of wages may be divided into two parts—wage rates and earnings. Subsidiary subjects, which bear on wage discussion are wage levels, individual and family earnings, income, living wage, standardization of wages and fixing of minimum wages, regulation of deductions, various additions to wages, and, finally, the standard of living in terms of real wages. On some of these subjects we have no very reliable information, and what we have been able to gather, during the course of our

enquiry, is given in appendices to this chapter. As in all industries in India, the statistical material available on wages is inadequate, and often of doubtful accuracy. The only returns prescribed by the Mines Department are for earnings, not for wage rates, and although employers gave us readily particulars of their rates of wages, we cannot claim to be in possession of full particulars on the subject of wage rates. The returns of wages sent to the Provincial Government are almost useless; we give below the return in the case of Chhindwara district for 1940:—

Wages in Chhindwara district in 1940.

(Compiled from returns submitted by individual mines to the Deputy Commissioner.)

Underground males—From 5 annas to Rs. 1-10-0.

Surface males—From 4 annas to Rs. 1-9-0.

Females—From 3 annas to Re. 0-5-6.

Such wide limits afford very little guide to the prevailing levels of wages.

47. Average daily earnings.—In these circumstances, earnings become of much more importance than wage rates; this is the conclusion the Labour Commission came to in 1931, and we propose to rely, as far as possible, on the figures of net average earnings as reported by individual mines to the Chief Inspector of Mines, and published by him in tabular form (for the Pench valley) in his annual report. We have seen the annual returns for 1940 in all mines in the Central Provinces, and have made free use of this, the only readily available information on the subject. Table I below sets out this information mine by mine (as far as available) for each class of labour for the year 1940: it has been compiled by us from the individual returns. Table II gives the same information (for the Chhindwara district only) for the year 1939. Table III gives the summary information, for the Pench valley (*i.e.*, the Chhindwara district) as given in the annual reports of the Chief Inspector of Mines, from the years 1927 to 1939 (we have added the figures for 1940 as calculated by us from the individual returns).

TABLE I.—Statement showing average daily earnings of workers engaged underground, in open workings and on the surface in the coal-mines in the Central Provinces for the year 1940.

—	Bhamori		Eklehra		Jatachappa		Datla		Junnordeo No. II	
	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.
<i>Underground</i>										
Overmen sirdars	..	1 2 2	1 3 0	0 13 2	1 1 0	1 0 6				
Coal-cutters	..	0 11 7	0 11 4	0 12 2	0 14 0	0 12 0				
Loaders	..	0 8 0	0 7 10	0 8 3	0 6 0	0 7 0				
Skilled labour	..	0 9 11	0 10 5	0 10 3	0 8 0	0 10 0				
Unskilled labour	..	0 6 0	0 7 11	0 6 6	0 6 0	0 6 6				
<i>Surface</i>										
Clerical	..	1 3 10	0 14 4	0 13 11	1 1 0	1 10 0				
Skilled labour	..	0 8 1	0 8 5	0 8 7	0 8 0	0 9 6				
Unskilled labour	..	0 6 6	0 6 8	0 6 0	0 6 0	0 5 0				
Females	..	0 4 0	0 3 9	0 3 8	0 3 0	0 4 0				

TABLE I.—cont.

	Kali- chhapar	Ghora- wari	Damua	Dhao	Kolbia	Jama- Datla
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
<i>Underground</i>						
Overmen Sirdars	.. 1 4 9	1 9 0	1 4 3	2 0 0	1 0 5	..
Coal-cutters	.. 0 13 0	0 11 0	0 11 6	0 6 6	0 1 0	..
Loaders	.. 0 10 0	0 6 0	0 8 0	0 6 0	0 5 6	..
Skilled labour	.. 0 12 0	0 9 0	0 10 6	..	0 9 6	..
Unskilled labour	.. 0 8 3	0 6 0	0 7 6	0 6 0	0 6 2	..
<i>Open workings</i>						
Overmen Sirdars	.. ..	1 1 0	1 4 3	..	..	1 1 0
Coal-cutters	.. ..	0 6 0	0 11 0	..	..	0 12 0
Loaders	.. ..	..	0 7 0	..	..	0 6 0
Skilled labour	.. ..	0 6 0	0 9 0	..	..	0 8 0
Unskilled labour	.. ..	0 5 0	0 6 6	..	..	0 5 0
Females	.. ..	0 3 0	0 4 0	..	..	0 4 0
<i>Surface</i>						
Clerical	.. 1 0 0	1 4 0	0 15 0	0 9 0	1 0 3	0 12 0
Skilled labour	.. 0 11 0	0 10 0	0 10 0	..	9 7 3	0 8 0
Unskilled labour	.. 0 7 0	0 6 0	0 6 0	0 8 0	0 5 3	0 5 0
Females	.. 0 4 0	0 3 0	0 3 6	0 5 0	0 4 0	0 4 0

	Newton- Chickli	Am- bara	Pala- chauri	Barkui	Chanda- meita	Rawan- wara	Ghogri
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
<i>Underground</i>							
Overmen Sirdars	.. 1 4 0	1 9 10	1 4 0	1 1 11	0 15 4	1 0 3	1 1 9
Coal-cutters	.. 0 14 0	0 13 6	0 13 5	0 13 3	0 10 6	0 14 8	1 12 0
Loaders	.. 0 8 6	0 7 6	0 7 6	0 8 1	0 6 0	0 9 0	0 10 0
Skilled labour	.. 0 11 6	0 10 0	0 10 0	0 9 2	0 10 8	0 8 9	0 11 0
Unskilled labour	.. 0 9 6	0 7 0	0 7 0	0 6 9	0 7 0	0 7 3	0 7 0
<i>Surface</i>							
Clerical	.. 1 9 0	0 12 0	0 12 0	0 13 6	0 15 0	0 15 6	1 6 0
Skilled labour	.. 0 15 0	0 9 0	0 9 0	0 7 10	0 8 7	0 8 7	1 0 0
Unskilled labour	.. 0 8 0	0 6 0	0 6 0	0 6 7	0 7 0	0 6 3	0 5 0
Females	.. 0 5 6	0 3 0	0 3 0	0 4 6	0 5 0	0 3 6	0 4 0

	Ghogri- Barkui	Parasia	East Barkui	Ballarpur	Hindus- than Lalpeth	Mahakali
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
<i>Underground</i>						
Overmen Sirdars	.. 1 3 0	1 1 0	0 8 0	1 3 6	0 12 4	0 13 0
Coal-cutters	.. 1 2 0	0 8 9	0 7 0	0 7 6	0 9 5	0 8 0
Loaders	.. 0 8 0	0 5 6	0 6 6	0 5 6	0 5 7	0 5 0
Skilled labour	.. 0 8 0	0 6 6	0 6 0	0 7 6	0 8 10	0 7 0
Unskilled labour	.. 0 7 0	0 5 0	0 5 0	0 6 0	0 5 2	0 5 0
<i>Open workings</i>						
Coal-cutters	.. ..	..	0 7 0	..	..	..
Overmen Sirdars	.. ..	..	0 8 0	..	..	..
Loaders	.. ..	..	0 6 0	..	..	..
Skilled labour	.. ..	..	..	..	..	..
Unskilled labour	.. ..	..	0 5 0	..	..	..
Females	.. ..	..	0 3 0	..	..	..
<i>Surface</i>						
Clerical	.. 0 13 0	1 1 0	0 8 0	0 15 6	0 15 11	0 14 0
Skilled labour	.. 0 6 0	0 7 0	0 6 0	0 9 0	0 10 10	0 7 0
Unskilled labour	.. 0 13 0	0 4 0	0 5 0	0 6 0	0 5 1	0 4 0
Females	.. 0 5 0	0 4 0	0 3 0	0 3 0	0 3 1	0 2 6

TABLE I.—cont.

	Ghugus		Ghugus No. 2		Majri		Rajur	
	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.
<i>Underground</i>								
Overmen, Sirdars	..	1 2 1	0 10 5		0 12 0		0 15 6	
Coal-cutters	..	0 8 1	0 8 1		0 7 5		0 9 0	
Loaders	..	0 6 2	0 6 2		0 7 1		0 7 9	
Skilled labour	..	0 7 5	0 7 11		0 6 0		0 8 6	
Unskilled labour	..	0 5 7	0 5 3		0 5 0		0 6 3	
<i>Surface</i>								
Clerical	..	0 11 1	0 7 10		0 15 6		1 1 0	
Skilled labour	..	0 13 9	0 12 1		0 6 0		0 15 6	
Unskilled labour	..	0 5 5	0 6 1		0 5 0		0 4 0	
Females	..	0 2 6	0 3 0		0 3 0		0 3 9	

TABLE II.—Statement showing daily earnings of persons employed underground and on the surface in the coal-mines in the Chhindwara district (from annual reports for the year 1939 to the Chief Inspector of Mines).

	Chanda- metta		Barkui		Bhamori		Jata- chappa		Eklehra		Datla	
	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.
<i>Underground</i>												
Overmen	..	0 15 3	1 1 7	1 1 10	0 12 4	1 0 8	1 1 0					
Coal-cutters	..	0 10 0	0 12 6	0 11 5	0 13 6	0 12 8	0 14 0					
Loaders	..	0 6 1	0 7 6	0 8 0	0 9 0	0 8 1	0 6 0					
Skilled labour	..	0 10 9	0 9 0	0 10 0	0 10 6	0 10 0	0 8 0					
Unskilled labour	..	0 7 1	0 6 6	0 6 6	0 6 6	0 7 5	0 6 0					
<i>Surface</i>												
Clerical and supervising staff	0 15 0	0 13 3	1 5 0	0 12 10	0 13 5	1 1 0						
Skilled labour	..	0 8 6	0 7 8	0 9 0	0 9 0	0 8 5	0 8 0					
Unskilled labour	..	0 7 0	0 6 3	0 6 7	0 6 0	0 6 8	0 6 0					
Females	..	0 4 0	0 4 7	0 4 0	0 4 0	0 4 1	0 3 0					
<i>Rawan- wara</i>												
<i>Newton Chickli</i>												
<i>Hirdagarh</i>												
<i>Rakhhol</i>												
<i>Panara</i>												
<i>Ambara (N. H. Oj. a.)</i>												
Rs. a. p. Rs. a. p. Rs. a. p. Rs. a. p. Rs. a. p. Rs. a. p.												
<i>Underground</i>												
Overmen	..	1 5 0	1 4 0	1 3 0	1 3 0	0 15 3	1 6 6					
Coal-cutters	..	0 14 10	0 14 0	0 12 0	..	1 2 3	0 15 0					
Loaders	..	0 8 3	0 8 6	0 6 0	..	0 6 0	0 8 0					
Skilled labour	..	0 9 0	0 11 6	0 9 0	..	0 10 9	0 10 0					
Unskilled labour	..	0 7 5	0 9 6	0 6 0	..	0 6 6	0 7 0					
<i>Surface</i>												
Clerical and supervising staff	0 14 8	1 9 0	1 5 0	0 6 0	1 0 9	0 12 6						
Skilled labour	..	0 9 0	0 15 0	0 10 0	..	0 12 3	0 9 0					
Unskilled labour	..	0 7 3	0 8 0	0 5 0	..	0 7 0	0 6 0					
Females	..	0 3 3	0 6 0	0 3 6	..	0 4 0	0 3 0					

TABLE II.—*cont.*

	Pala- chauri	Sial Ghogri	East Barkui	Kolh	Dhau	Ghogri Barkui	
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
<i>Underground</i>							
Overmen ..	1 0 10	1 1 0	1 1 0	1 0 5	1 0 0	1 4 0	
Coal-cutters ..	1 1 6	0 13 6	0 10 0	0 11 10	0 10 0	1 4 0	
Loaders ..	0 8 6	0 6 9	0 6 0	0 8 7	0 8 0	0 9 0	
Skilled labour ..	0 10 0	0 8 0	0 9 0	0 8 7	..	0 8 0	
Unskilled labour ..	0 7 0	..	0 4 0	0 5 0	0 6 0	0 7 0	
<i>Surface</i>							
Clerical and supervising staff.	0 12 0	0 10 9	0 12 0	0 14 0	..	0 14 0	
Skilled labour ..	0 9 0	0 7 6	0 8 0	0 7 0	0 8 0	0 10 0	
Unskilled labour ..	0 6 0	0 5 0	0 5 0	0 5 0	0 7 0	0 5 0	
Females ..	0 3 0	0 4 0	0 4 0	0 4 0	0 4 0	0 5 0	
	Jamai Datla	Ambara (Misrifal Meghraj)	Rawan- wara Khas	Damua	Junnor- deo, No. 2	Kali- chhapar	Parasia
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
<i>Underground</i>							
Overmen ..	..	0 13 9	..	1 2 0	1 2 1	1 5 0	0 11 0
Coal-cutters ..	..	0 11 9	..	0 15 0	1 0 1	0 14 0	0 10 6
Loaders ..	..	..	..	0 6 3	0 9 1	0 7 0	0 5 6
Skilled labour ..	..	0 6 0	..	0 10 0	0 10 0	0 10 0	0 6 0
Unskilled labour.	..	0 5 0	..	0 7 0	0 6 9	0 7 0	0 5 0
<i>Surface</i>							
Clerical and supervising staff.	0 14 0	0 9 6	..	1 2 3	0 14 8	1 2 0	0 11 0
Skilled labour	0 8 0	0 8 0	..	0 11 9	0 8 9	1 1 9	0 7 0
Unskilled labour.	0 5 0	0 5 9	..	0 6 3	0 5 0	0 6 6	0 7 0
Females ..	0 4 0	0 3 0	..	0 3 6	0 4 0	0 3 6	0 3 6

TABLE III.—Average daily earnings of the workers in the Pench valley coal-field for the month of December*.

		1927	1928	1929	1930	1931	1932	1933
		As. p.	As. p.	As. p.	As. p.	As. p.	As. p.	As. p.
1. Miners ..	Underground	17 9	16 6	18 0	17 0	14 6	14 0	13 0
	Open work-ings.	..	..	..	..	..	..	..
2. Loaders ..	Underground	8 3	8 6	10 6	10 9	7 9	6 9	6 0
	Open work-ings.	..	..	..	..	..	..	..
3. Skilled labour.	Underground	8 6	9 6	10 6	10 3	10 0	10 5	10 0
	Open work-ings.	..	..	..	..	..	..	..
4. Unskilled labour.	Underground	7 3	8 0	9 3	8 9	7 6	6 9	7 3
	Open work-ings.	..	..	..	..	..	..	..
5. Females ..	Underground	7 6	7 6	7 6	8 3	7 3	6 9	5 9
	Open work-ings.	..	..	..	..	..	..	..
6. Surface workers.	Skilled men	9 9	10 3	10 6	13 9	12 9	12 9	10 0
	Unskilled men.	12 6	11 9	10 3	8 6	8 9	6 9	7 0
	Females ..	5 6	5 9	5 3	6 6	5 9	5 0	4 9

*Vide Chief Inspector's Reports for the years 1927—39.

TABLE III.—*cont.*

		1934	1935	1936	1937	1938	1939	1940
		As. p.	As. p.	As. p.	As. p.	As. p.	As. p.	As. p.
1. Miners ..	Underground	13 0	12 6	12 0	11 9	13 0	12 0	13 7
	Open work-ings.	..	9 0	10 3	9 3	9 9	10 0	..
2. Loaders ..	Underground	6 0	6 9	6 9	7 5	7 3	7 6	7 5
	Open work-ings.	..	5 0	7 3	5 0	6 0	6 3	..
3. Skilled labour.	Underground	10 3	10 9	10 0	10 6	9 6	10 0	9 3
	Open work-ings.	..	8 0	9 6	9 0	7 3	8 0	..
4. Unskilled labour.	Underground	7 0	7 0	6 9	7 0	7 3	7 6	6 6
	Open work-ings.	..	6 6	7 3	5 6	6 3	5 3	..
5. Females ..	Underground	5 9	7 0	6 6	..	..	..	..
	Open work-ings.	..	4 0	4 0	3 3	3 6	3 6	..
6. Surface workers.	Skilled men	10 0	9 9	9 0	9 3	9 3	9 0	9 2
	Unskilled men.	7 6	6 9	6 3	6 3	6 9	6 9	6 1
	Females	..	4 9	4 6	4 3	3 9	4 0	3 10

1940 figure compiled by us from individual returns.

48. Reliability of figures of earnings.—It must be borne in mind that the source of these figures is a return made by each mine manager of the number of shifts worked by each class of worker in the previous December, the total amounts paid out in that month to these workers, and, by division, the average earnings per shift. There may be sources of error in the classification of workers, in calculating the number of shifts from the attendance registers, and in adding up the net payments made to the various classes of workers. We quote a description of the method of collection, and the criticism of it, given by the Labour Commission in 1931 (Report pages 200—202):

“EARNINGS IN MINES

“Statistics of average earnings of workers in mines are obtained in a form prescribed by the regulations framed under the Indian Mines Act. The mineowners are required to give for the month of December the average daily earnings of their employees, separately for underground workers, those employed on open workings and on the surface. The average daily earnings are obtained by dividing the total amount paid in wages for work done in December by the aggregate daily attendance in that month. From the returns thus submitted, the Chief Inspector of Mines prepares a statement showing average earnings in the different fields which is incorporated in his annual report. We reproduce on the following page the average daily earnings for December 1929 for the more important mining areas shown in this statement. * * *

“The figures must be accepted with some reserve as the returns submitted by the mineowners are not subjected to an official check at the source, and their accuracy depends entirely on the proper determination of the aggregate daily attendance during the month for which they are prepared.”

While in most cases we had no reason to doubt the accuracy of the figures in the annual returns, and believe them to have been compiled with reasonable care and honesty, we must add that we detected cases of gross error in compiling the figures, both in large mines and small mines, and have reason to think that in some of the smaller mines the figures supplied are not compiled from actual figures of aggregate daily attendances and wages actually paid at all, but from pre-conceived ideas of what daily rates are expected to be paid. We trust that our proposed Government Labour Officer will be charged with the duty of looking into and checking the accuracy of the wages returns.

49. Total wages bill (Pench valley).—The following figures are extracted from the Chief Inspector's Report for 1939, putting together his figures of average attendances, and average daily earnings, and so arriving at total daily earnings. The figures relate to the Pench valley only.

	Number	Daily earnings			Total daily earnings		
		Rs.	a.	p.	Rs.	a.	p.
Underground—							
Overmen sirdars, etc.	.. 160	1	2	6	185	0	0
Coal-cutters	.. 3,181	0	12	0	2,385	12	0
Loaders	.. 1,776	0	7	6	832	3	0
Other skilled labour	.. 920	0	10	0	575	0	0
Other unskilled labour	.. 1,939	0	7	6	437	0	6
Open workings—							
Overmen sirdars, etc.	.. 5	0	15	6	4	13	6
Coal-cutters	.. 145	0	10	0	90	10	0
Loaders	.. 86	0	6	3	33	9	6
Other skilled labour	.. 42	0	8	0	21	0	0
Other unskilled labour	.. 279	0	5	3	91	8	9
Females	.. 465	0	3	6	101	11	6
Surface—							
Clerical, supervisory, etc.	.. 220	1	1	3	237	3	0
Skilled labour	.. 967	0	9	0	543	15	0
Unskilled labour	.. 1,224	0	6	9	516	6	0
Females	.. 979	0	4	0	244	12	0
Grand Total	.. <u>11,488</u>				<u>6,350</u>	<u>8</u>	<u>9</u>

This method contains two possible sources of error, apart from the error already referred to inherent in the method of collection of the data. (1) The number of days worked in all mines in the Pench valley may not be so high as 308 days, which is a maximum rather than an average figure. Hence the average number employed may be too low. (2) The average wage given is for the month of December only (whereas the average attendance is for the whole year) and wages may be different at other times of the year. These two errors may, to some extent, cancel each other.

50. Crude over-all average wage.—Dividing the total wage bill by the number of employees (which, it must be remembered, is an average number derived from total attendances, and hence means a much larger number of persons employed during the year owing to the high labour turnover) the average daily wage in December

1939 was Rs. 0-8-10. This figure represents full time earning, assuming a 6-day week and a 308-day year; it takes no account of absenteeism, sickness or holidays other than the days on which the mines are completely closed. It represents earnings per individual, and is therefore smaller than family earnings, owing to the number of women employed, and the number of families with more than one earner. In short, it gives us a rough idea only of the average daily earnings of the average person employed in the Central Provinces coal-mines. This average wage has since risen by increase in wage rates, and introduction of cheap grain schemes, and possibly still further in 1941 by further wage concessions in the shape of reduced deductions.

51. Proportion of coal-cutters, etc., and of their wages.—The figures yield the following further information: coal-cutters form 28.7 per cent of the total labour force, but receive 39 per cent of the wages. Loaders (counting all females in open workings as loaders) are 20.2 per cent of the total labour force and receive 15.2 per cent of the wages. Coal-cutters and loaders combined are 48.9 per cent of the labour force and receive 54.2 per cent of the wages paid. It should be emphasised again that owing to the high labour turnover, particularly among coal-cutters and loaders, the number of persons working as coal-cutters and loaders in the year must be much larger than the average figures we are using.

52. Statistics of weekly earnings not available.—Statistics of weekly earnings would be more useful but are not available. Managers generally say that figures of weekly earnings are misleading because the labourers voluntarily work less than a full week, and could, if they wished, earn six times the daily rate. Even so, it is none the less important to know how much they actually do earn. Moreover, if a labourer works less than six days, it may be due to wagon shortage or lack of demand for coal.

53. Chief Inspector of Mines' figures.—The Royal Commission on Labour as quoted earlier in this chapter pointed out (Report, page 202) that the figures of average daily earnings to be found in the annual returns submitted to the Chief Inspector must be accepted with some reserve, as they are not submitted to an official check at the source, and their accuracy depends entirely on the proper determination of the aggregate daily attendance during the month for which they are prepared. That there are errors we found for ourselves by check at the mines: in one case, in which a figure of average earnings seemed suspiciously low, we found a very large error in the figure for aggregate attendances of coal-cutters. But on the whole, comparing the figures from mine to mine and year to year, and checking them by other figures supplied, and by our own information collected direct, we are satisfied that the gross average figures over the whole coal-field are sufficiently accurate. Some small mines give figures of average daily earnings which are unduly high: in one mine we found the previous year's figures repeated *en bloc*; but these errors do not vitiate to any appreciable extent the averages, which are influenced more by the large mines from which figures are submitted with great care after proper check from the attendance books. We had the figures of aggregate attendances from some of the larger mines re-checked with the attendance registers, and found the returns to be sufficiently accurate. Thus we feel confident in taking these figures of average earnings as the basis for our calculations, and have relied on them to give us a substantially true picture of the income of the Central Provinces mine worker.

54. Earnings in Central Provinces coal-mines compared with earnings in other coal-fields.—The following figures, taken from the Chief Inspector of Mines' Report for 1939, show the average daily earnings in December 1939 in the Jharia, Raniganj and Pench valley coal-fields :—

	Jharia			Raniganj			Pench valley			
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	
Underground—										
Overmen sirdars	..	1	2	3	1	1	0	1	2	6
Miners	..	0	9	9	0	9	0	0	12	0
Loaders	..	0	8	9	0	7	9	0	7	6
Skilled labour	..	0	11	0	0	10	0	0	10	0
Unskilled labour	..	0	7	9	0	7	0	0	7	6
Open workings—										
Overmen sirdars	..	0	14	3	0	12	3	0	15	6
Miners	..	0	9	0	0	8	6	0	10	0
Loaders	..	0	7	3	0	6	3	0	6	3
Skilled labour	..	0	8	6	0	7	6	0	8	0
Unskilled labour	..	0	6	6	0	6	3	0	5	3
Females	..	0	5	6	0	4	3	0	3	6
Surface—										
Clerical, supervising	..	1	3	9	1	0	3	1	1	3
Skilled labour	..	0	10	3	0	9	6	0	9	0
Unskilled labour	..	0	5	0	0	6	3	0	6	9
Females	..	0	4	6	0	4	0	0	4	0

Miners in the Pench valley earn more than in Jharia or Raniganj, but loaders earn less. This is partly due to the different system of work. In Jharia particularly, miners and loaders work in pairs and divide the proceeds equally: in the Pench this is not the case, and miners earn much more than loaders. The general level of wages in the Pench valley is above Raniganj, but below Jharia: a crude average of the above figures shows (the figures cannot be used for any other purpose than this comparison),—

Jharia—Re. 0-9-9,
Raniganj—Re. 0-8-9,
Pench—Re. 0-9-5,

as the average daily earnings in December 1939 for all workers in the three fields. We know wages in the Wardha valley to be slightly lower than those in the Pench valley, and will be on fairly safe ground in assuming that the general level of earnings in the Central Provinces coal-fields are much the same, and are certainly not in excess of, those prevailing in the other major coal-fields of India.

55. Earnings in other types of mines.—The average earnings of labour in manganese or limestone mines in the Central Provinces, is shown by the following table of average daily earnings in December 1939 taken from the Chief Inspector of Mines' Report :—

	Pench valley			Central Provinces Manganese			Central Provinces Limestone			
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	
Open working—										
Overmen sirdars	..	0	15	6	0	14	0	0	12	3
Miners	..	0	10	0	0	5	3	0	6	0
Skilled labour	..	0	8	0	0	10	0	0	6	0
Unskilled labour	..	0	5	3	0	4	0	0	3	9
Females	..	0	3	6	0	3	3	0	3	0
Surface—										
Clerical	..	1	1	3	1	3	3	1	3	9
Skilled labour	..	0	9	0	0	12	6	0	5	0
Unskilled labour	..	0	6	9	0	5	0	0	4	0
Females	..	0	4	0	0	3	6	0	3	0

It must be borne in mind that miners in manganese-mines are relatively less skilled than miners in coal-mines, and their earnings are consequently smaller.

For purposes of comparison, we give the figures of average wages paid in other types of mines in the Central Provinces, taken from the provincial returns.

In the Chanda district in 1940, workers in ochre-mines were paid—males 4 to 6 annas daily, and females Re. 0-2-6 to Re. 0-3-6. These rates are lower than in the coal-mines.

In the Chhindwara and other manganese districts in 1939, workers in manganese and other mines (not coal-mines), were paid as follows :—

Unskilled males—Re. 0-3-0 to Re. 0-6-0.

Skilled males—Re. 0-5-6 to Rs. 1-8-0.

Females—Re. 0-2-0 to Re. 0-4-9.

These rates were lower than the corresponding rates in coal-mines in the same year. We took the opportunity of visiting one well-run manganese-mine during the course of our tours, and satisfied ourselves by personal enquiries that the earnings of miners are generally lower than in coal-mines. On the other hand the amenities provided for the labour that we saw in this particular manganese-mine were superior to those in any of the coal-mines in the province. In this mine, drillers and shot-firers were relatively well paid, and miners had little to do beyond removing the debris left by explosions, *i.e.*, dragging out broken ore rather than true mining.

56. Aggregate and average earnings.—The following table has been compiled by us from the individual returns submitted by the mines in Chhindwara district to the Chief Inspector for the year 1940. A similar table for the Chanda district could not be compiled as all returns were not easily available :—

Chhindwara district, 1940.

	Average number employed	Average daily earnings	Total daily earnings
		Rs. a. p.	Rs. a. p.
Surface—			
Clerical, etc.	.. 307	0 14 8	281 6 8
Skilled	.. 1,070	0 9 2	631 0 4
Unskilled	.. 1,788	0 6 1	679 13 0
Females	.. 1,307	0 3 10	313 3 2
Underground—			
Overmen, etc.	.. 165	1 1 3	177 14 3
Coal-cutters	.. 4,364	0 13 8	3,730 15 8
Loaders	.. 2,299	0 7 5	1,065 10 11
Skilled	.. 1,016	0 9 3	587 6 0
Unskilled	.. 1,668	0 6 6	677 10 0
Total	.. 13,984		8,127 0 0

The average daily earnings are for the month of December only, while the average number employed is for the whole year. The small number of persons employed in quarries have been excluded. Dividing the total of daily earnings by the total average number employed, we get an average daily earning of Re. 0-9-3. There are certain defects in this method of calculating, and it must always be remembered that the figures themselves have presumably not been checked against the registers by any Inspector or other official, but, allowing for these drawbacks, the figure may, in our opinion, be taken as a

rough but fairly reliable guide to the average level of earnings in coal-mines. The similar calculation for the year 1939 yields the figure Re. 0-8-10. There was thus an average increase in wages from 1939 to 1940 of about 5 per cent. That this increase has occurred only in miners' earnings, other grade generally suffering a slight fall in daily earnings, will be apparent from the following table:—

Average daily earnings in December (Chhindwara district).

	1939			1940		
	Rs.	a.	p.	Rs.	a.	p.
Surface—						
Clerical, etc.	..	1	1 3	0	14	8
Skilled	..	0	9 0	0	9	2
Unskilled	..	0	6 9	0	6	1
Females	..	0	4 0	0	3	10
Underground—						
Overmen, etc.	..	1	2 6	1	1	3
Coal-cutters	..	0	12 0	0	13	8
Loaders	..	0	7 6	0	7	5
Skilled	..	0	10 0	0	9	3
Unskilled	..	0	7 6	0	6	6
All grades	..	0	8 10	0	9	3

These rates, generally speaking, are slightly higher than the rates given in the Chief Inspector's Reports for the Bengal and Bihar coal-fields for the same year 1939. It must be remembered that all these figures are crude averages and therefore are not intended to give more than a very general picture of the changes from 1939 to 1940. But, for what they are worth, they show that the improvement in earnings benefited coal-cutters exclusively.

We give similar tables for both the coal-fields for December 1939:—

Average daily earnings—December 1939.

	Wardha			Pench		
	Rs.	a.	p.	Rs.	a.	p.
Underground—						
Overmen sirdars	..	1	0 0	1	2	6
Miners	..	0	8 2	0	12	0
Loaders	..	0	5 10	0	7	6
Skilled labour	..	0	7 9	0	10	0
Unskilled labour	..	0	5 9	0	7	6
Open workings—						
Overmen sirdars	0	15	6
Miners	0	10	0
Loaders	0	6	3
Skilled labour	0	8	0
Unskilled labour	0	5	3
Females	0	3	6
Surface—						
Clerical and supervisory	..	0	14 2	1	1	3
Skilled labour	..	0	11 1	0	9	3
Unskilled labour	..	0	5 1	0	6	9
Females	..	0	3 0	0	4	0
Average whole field and all classes.	..	0	6 11	0	8	10

As expected, crude over-all daily earnings in the Wardha valley in December 1939 were smaller than in the Pench valley. This was expected from the relative inefficiency of the labour in the Wardha valley, and the lower prices realised for the coal.

57. **Total wages bill.**—By a method somewhat similar, but somewhat less accurate, we arrive at a figure of Rs. 0-7-4 as the average earnings per shift of all employees in coal-mines in the Wardha valley in 1940. By adding together the aggregate attendances, as supplied from the annual returns, we are able to construct the following table:—

	Aggregate attendances in 1940	Average earnings per shift in 1940	Total annual wages bill for 1940
		Rs. a. p.	Rs. a. p.
Pench valley ..	3,297,720	0 9 3	19,06,494 6 0
Wardha valley ..	965,355	0 7 4	4,42,454 6 0
Total Central Provinces ..	4,263,075	0 8 10	23,48,948 12 0

✓ We find therefore the average daily wage for all employees in the Central Provinces coal-mines in 1940 to be Re. 0-8-10, and the total annual wages bill we may place at the round figure of 23½ lakhs of rupees, to avoid any appearance of a claim to spurious exactness.

Our method of calculation contains several statistical defects, and is in any case based upon data which are not of unimpeachable accuracy. However, we give the results for what they are worth, and in the absence of any thing better use them as a basis for our conclusions, feeling that they represent a near enough approach to accuracy for this purpose. We add a caution against their use for any other purpose than the limited purpose of our report.

Having given a general picture of earnings in individual mines and throughout the coal-field, we now proceed to set out detailed information, generally collected by us personally or supplied by mine managements, on the rates of wages, earnings and other incidents of payment, as we found them in the course of our enquiry. It should be remembered that our figures and information were collected during the months of February, March and April 1941 and generally relate to that period or to the period immediately preceding. We first deal with the three main classes of underground labour—coal-cutters, loaders and trammers—and then give in a series of appendices to this portion of the chapter, the information in detail collected by us on coal-cutters' rates, earnings, earnings of other labour both underground and surface, and rates of monthly and weekly paid employees.

58. **Coal-cutters—Wages in certain mines.**—The miners in galleries, whether hand-cut or machine-cut, are paid by the foot, though the rate for machine-cut galleries is naturally somewhat less in view of the larger output. The rates per foot depend on the height and width of the gallery, and vary according to the presence of any special difficulties, e.g., extra heat, water, pyrites in the coal. Depillaring miners on the other hand are paid per tub of coal cut, and rates depend on the size of the tub and the ease with which the coal comes away from the pillars. Fair average rates are—

Hand-cut galleries—Rs. 2 per foot.

Machine-cut galleries—Rs. 1-6-0 per foot.

Depillaring coal—6 annas a tub.

A team of 4 miners in a hand-cut gallery working in two pairs in two shifts will cut from 16 to 20 feet per week. Often a higher rate per foot is paid for progress in excess of 16 feet or some similar standard per week. In a machine-cut gallery the progress depends on the availability of the machine, but generally one cut per day or about

five cuts a week, each cut averaging five feet, can be maintained. The machine gallery miners have a certain amount of idle time while the machine is actually cutting, but this is probably unavoidable. In depillaring areas the number of tons cut per man per week varies enormously, but we are assured that an expert Pathan, employing one mate on a daily wage of 8 annas, has been known to cut up to 40 tubs per week. This may be exceptional but returns of 20 to 25 tubs per week are not uncommon. From these amounts received the miner has to pay the cost of explosives and kerosene oil consumed by him. Explosives are now charged at the rate of 5 annas a pound (sufficient for two shots) in the pits controlled by Messrs. Shaw Wallace and Company and at rates somewhat higher, generally 6 annas a pound, in other pits. Kerosene oil is charged at 3 annas 6 pies per seer in the pits controlled by Messrs. Shaw Wallace and Company and at rates varying from 4 to 5 annas in other mines. About 14 shots consuming 7 lb. of explosives go to each cut of 5 feet. The cost of explosives works out at one-third or one-fifth of the amounts expended in galleries, and less in depillaring areas. Kerosene oil is consumed at the rate of one seer per day per gang of four men, that is, about 1 anna per day per man. A little of this oil may remain for use at home at night. Earnings vary very much, but the average daily earnings in the Shaw Wallace and Company pits in 1939 were—

Hand-cutting miners—11 annas 6 pies to Re. 1.

Machine-cutting miners—9 annas to 10 annas 6 pies.

Depillaring miners—11 annas to Rs. 1-2-0.

These figures were supplied in connection with an enquiry made early last year. These earnings will have increased after the concessions in the price of explosives and kerosene oil, and the withdrawal of the "commission" of one anna in the rupee to pay for shot-firers. Certain rates, e.g., the rate per foot in machine galleries, have also been slightly enhanced. These concessions came into effect in January 1941.

From the figures of net earnings it will be seen that depillaring miners earn most and machine gallery miners least. It is, therefore, not unnatural that most of the complaints about low earnings made to us came from machine gallery miners, and we do not remember a single complaint from depillaring miners. The answer of the employers is that machine-cutting miners have long periods of idleness while waiting for the machine to cut, and that they will not take on more than one gallery in larger groups; in any case, say the employers, work in machine galleries is not so skilled and is less arduous, being mainly the dressing down of the sides and roofs. Our reply to this would be that it is a bad system under which long periods of idleness underground, in which a miner has time to ponder over his grievances, real or fancied, are unavoidable. If miners will not work in larger gangs and accept more galleries, and will not load their own coal because they think loaders' work is beneath them (both these things are being done by miners in Jharia), then it would seem good policy to try and fill in the intervals with odd jobs such as dressing elsewhere, removing floor or roof coal where necessary, or in any stone-cutting work required. Alternatively, it might be possible to arrange to drive galleries narrower at first, thus making more rapid progress, and follow up with side dressing by hand later. It is assumed of course that those in charge make every effort to see that the intervals of enforced idleness are reduced to the very minimum by organising the movements of the coal-cutting machine, and the drilling machine, where in use, as effectively and efficiently as possible.

The complaints of hand-cutting miners generally related to measurement of the amount of work done. The system is that on Wednesday or Thursday of each week the surveyor visits each gallery and measures the distance progressed from his previous week's mark, measuring up the height and width of the gallery at the same time to see that the required height and width are being maintained. The complaints are of wrong measurement, and excessive deductions on account of the height or width falling short. We suggest that at the time of measurement the surveyor hands over to the miners a slip of paper giving the measurement figures for the past week. The surveyor should also as far as possible settle disputes over measurements on the spot there and then. This may make his progress somewhat slow in the task of measurement, but since 3 or 4 days' work is always kept in hand before payment is made, this is perhaps not very inconvenient. Cuts for deficiencies in width or height should be on a regular and understood tariff. It is probably better to insist on the gallery being made to the proper measurements before paying anything for the work done. Though this may cause some initial hardship, the miner will soon find it to his benefit. Miners might also be advised to keep with them measured pieces of string by which they can check up from time to time themselves the gallery measurements.

Wages are in some cases calculated in a way that is complicated and open to misunderstanding. For example it was formerly the practice in the mines run by Messrs. Shaw Wallace, to deduct from the miner's wages one anna in the rupee as commission for shot-firing. The history of this is that formerly the miner himself fired the shots, but when the rules were tightened up and separate shot-firers had to be appointed, the miner's wages naturally had to be reduced to allow for the work that he no longer performed. This was reasonable enough but it should have been done by fixing a new lower rate instead of making a deduction from the old rate. The deduction of commission for shot-firers was one of the grievances of the strike of 1940 and was abolished after the strike. Naturally the miners resented this deduction and complained that they should not be responsible for the wages of people engaged on the company's business. Such a system of calculating wages is an obvious and unnecessary cause of discontent.

59. **Loaders or fillers (into tubs).**—These gather the coal, with tin scrapers, sometimes with shovels, into small baskets (tukris) which are then carried, either on the head or the hip, to the tubs stationed on the nearest tram lines, generally in a level one or two pillars distant from the working place, and then dump the coal into the tub. The class of tub generally in use in the Central Provinces mines is of 30 cubic feet and holds about 13 cwt. of coal: 20 to 22 basket loads are needed to fill it. Payment is made by the tub, though in very small mines, or the quarries, where there are no tubs and the coal is carried right out of the mine in baskets, payment is made by the basket, and a tally of the baskets is generally kept in cowries. The Hindi term for the loader (reja) indicates that this work was done by women, until their exclusion from underground work. Now it is mainly done by members of aboriginal tribes, who are irregular in attendance and not very hard-working while underground. We saw gangs of loaders sitting inside galleries in almost all mines: not all of them were normally waiting for coal to be made available, for many of them were ordered to work by the manager or sirdar, on our approach.

(Loaders are generally paid by the tub, but the rate so fixed per tub is subject to certain deductions. They are generally expected

to purchase their own baskets, or else baskets are purchased for them and a deduction made. They are also to provide their own lamps, and sometimes their own scrapers. Spades or shovels, where in use, are generally provided, though usually the price is deducted. Kerosene oil is nearly always charged for, sometimes at a rate above the cost price.)

On the other hand, there are usually certain additions. For working a six-day week, a loader usually gets a higher rate per tub. Some mines pay also a higher rate for a five-day week. Some mines supply kerosene oil free. In addition, loaders, in mines where these schemes are in force, get the benefit of the 10 per cent dearness allowance, or cheap grain schemes.

The general rate per tub for loaders is in the neighbourhood of 2 annas a tub. At Newton Chickli "coal-fillers" were formerly paid 1 anna 9 pies per tub for a four-day worker per week, 2 annas per tub for a five-day worker per week, and 2 annas 3 pies per tub for a six-day worker per week. These rates were increased on the 7th December 1939 to 2 annas, 2 annas 3 pies, and 2 annas 6 pies per tub. No recovery on account of kerosene oil is made from loaders. At Mahakali mine loaders (lariswalas) are paid 2 annas 3 pies per tub, though one new contractor, to attract labour, was found paying 2 annas 6 pies. Here the loaders also push the tubs along the level to the mechanical haulage. At Ghugus loaders get 2 annas per tub or 2 annas 3 pies if they work six days in the week. Deductions are made for "set-outs" (cuts on account of bad loading or presence of shale and stone), cost of baskets, and number tallies. At Rawanwara loaders are paid 2 annas per tub, but if they work six days in the week, they are paid 2 annas 3 pies per tub and given free kerosene oil. In other cases oil is cut at the rate of 3 annas 6 pies per seer (this is the charge in all Shaw Wallace mines), and the cut amounts to about one anna per day per loader. Baskets are supplied to the loader by the contractor at a cost of 3 annas; some loaders in this mine were buying their own baskets, of an inferior quality, from the bazaar at a price of 1 anna 6 pies. At Eklehra 2 annas 3 pies per tub was paid, as the work here is difficult and loaders are reluctant to come on account of the low roof. They find their own baskets and lamps. There is a general cut of one anna in the rupee of earnings from loaders on account of shale loaded. This is supposed to pay for the cost of picking out the shale on the surface. At Bhamori 2 annas is paid per tub, but something extra is given for a full week's work. Baskets are supplied at 2 annas each, and lamps at annas 2. The cut for kerosene oil amounts to one anna per day. Shovels are supplied free. At Chandametta 2 annas per tub is paid, and fines are inflicted for loading shale. At Datla 2 annas 3 pies per tub is paid. Oil and shovels are supplied free. There are fines for loading shale. At Barkui 2 annas per tub is paid, but oil is supplied free. Here the statement was made that the "writer" fines loaders for short filling. At Ghorawari we found 2 annas per tub being paid by the contractor, though the rate fixed by the management was higher. Cuts are made for loading shale. At Damua and Kalichappar 2 annas 3 pies per tub is paid. We were informed that there are no deductions. At Panara 2 annas 6 pies a tub is paid, and oil is given free. Baskets are charged at annas 2 each. At Ambara (N. H. Ojha) 2 annas 3 pies a tub is paid, and oil is supplied free. In spite of these rates, the earnings, in the previous week to our visit, by loaders, were only from Rs. 1-2-0 minimum to Rs. 2-5-0 maximum. At Palachauri 2 annas 6 pies a tub is paid. Oil is supplied free; the loaders find their own lamps. A charge of 2 annas 6 pies is made for baskets,

which are said to last five or six days. Here we were told that a pair of loaders can fill 10 tubs a day, and earn Rs. 3 each a week. At Junnordeo No. II, 2 annas a tub is paid. Oil is supplied free. Baskets are charged 2 annas each, and last for 4 or 5 days. In the week previous to our visit one loader said he had earned Rs. 3-8-0 and another Rs. 2 for four days' work. At Kolhia 2 annas 6 pies a tub is paid. Oil is supplied free; the daily ration is 4 chataks. At Sial Ghogri 1 anna and 1 anna 6 pies per tub is paid (the tubs here are smaller owing to the thin seam). Four chataks of oil are given free each day, and baskets are supplied at a charge of annas 2. The loaders, who were local villagers, said they made about Rs. 2 a week on the average. At Ghogri Barkui, 1 anna per tub is paid; the tub here holds 7 cwt. Oil is supplied free. At Dhau annas 2 is paid for a tub of about 22 cubic feet content. This includes tramping for a considerable distance out of the mine. At Jamai Datla quarry women carrying coal were paid in cowries per basket. The exchange rate for cowries was 64 to the pice. They were paid 6 to 8 cowries, the rate varying according to the distance, for carrying the coal out of the quarry, and 2 cowries for putting it into the waiting lorry. At Ambara (Misrilal Meghraj) the coal was brought to the shaft in a three-wheeled tub and then tipped into a bucket which was hauled to the surface. We found a very young boy, whose employment was undoubtedly illegal, getting Re. 0-4-6 a day, plus 3 chataks of free oil for doing this.

60. **Earnings.**—The Chief Inspector's Annual Report for 1939 shows the average daily earnings for loaders in the Pench valley to be Re. 0-7-6. The rate for 1940 we have calculated from the individual returns to be Re. 0-7-5. The earnings in previous years were reported as Re. 0-7-3 in 1938, Re. 0-7-3 in 1937 and Re. 0-6-9 in 1936. The individual loader in 1940 showed earnings varying between 6 and 10 annas a day. In the Wardha valley the earnings are lower, varying in 1939 from 5 annas in Mahakali to 7 annas 9 pies in Rajur. At Ballarpur average daily earnings were Re. 0-5-6 in 1939, and Re. 0-6-3 in 1940, after granting a dearness allowance.

In response to our questions, we were left with the impression that in the majority of mines a good loader earned about Rs. 3 a week, but that the average earnings were not in excess of Rs. 2 a week. The average attendance was probably not much in excess of four days in the week.

Many mines employ loaders through contractors, though they fix the rates to be paid per tub, and usually pay the loader his dues direct. In some mines we found loading being done by direct labour in one incline and by contract in another. Contractors are generally petty, being more like gang foremen, though in some mines the whole of the loading is done by 2 or 3 contractors, and in at least two cases we came across raising contractors.

↳ (Contractors are more prevalent in mines owned or managed by Europeans.) We have very little information on the subject of contractors' rates, except that raising contractors get about Rs. 1-5-0 per ton, and loading contractors about 5 annas per ton. In each case the contractor supplies the oil, baskets, and implements. The contract system seems to be subject to the same disabilities here as elsewhere (*vide* Labour Commission Report, page 119).

61. **Trammers.**—Trammers push the tubs from the level to the haulage, and are sometimes known as banksmen. At Rawanwara

trammers get 8 annas a day and the head trammer 9 annas. At Eklehra trammers get 9 annas a day; at Chandametta the rate was reported to us as 8 to 10 annas a day; some trammers in this mine complained to us that though the official rate was as stated, they were receiving only 7 to 8 annas a day. Subsequently, we were given a list showing that the normal rate for banksmen was 7 annas a day. At Panara the rate for trammers was Re. 0-2-6 per tub. At Ambara (Messrs. N. H. Ojha) the rate was 8 annas a day and the head banksmen 9 annas. At Palachauri the rate was Re. 0-7-6 to Re. 0-9-0 with free oil, and at Kolhia Re. 0-7-6 and Re. 0-8-0 with free oil. At Newton Chickli trammers' rates are Re. 0-7-6, Re. 0-8-6, Re. 0-9-0, Re. 0-10-0 and Re. 0-10-6 a day, with free kerosene oil. The rates were increased by 2 pice per day in December 1939. At Bhamori the rate is 8 to 9 annas. At Ballarpur banksmen get Re. 0-6-9 a day, at Ghugus Re. 0-8-0, and at Rajur Re. 0-7-6, in each case with a dearness allowance of Rs. 1-8-0 a month.

APPENDICES TO CHAPTER III-A

- I. Coal-cutters' rates.
- II. Machine cutting.
- III. Rates and earnings of coal-cutters.
- IV. Number and classes of workers and rates of earnings in certain mines in 1940.
- V. Wages in Chanda field.
- VI. Pay, earnings and labour cost in a smaller mine in Chanda field.
- VII. Rates of monthly and weekly paid employees.

APPENDIX I.—Coal-cutters' rates.

We give to illustrate our remarks on miners wages a detailed list of the rates for hewing coal at a particular mine (Bhamori), in December 1939:—

1. Hand-cut galleries—

Size and rate per foot.

$12' \times 4\frac{1}{2}'$ to $5'$ —Rs. 2-0-0. $11' \times 4\frac{1}{2}'$ to $5'$ —Rs. 1-12-0.	$10' \times 4\frac{1}{2}'$ to $5'$ —Rs. 1-8-0. Less than $10'$ as specially fixed.
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2. Machine-cut galleries, with hand-drilled holes—

Size and rate per foot.

$16' \times 4\frac{1}{2}'$ to $5'$ —Rs. 1-7-0. $15' \times 4\frac{1}{2}'$ to $5'$ —Rs. 1-6-6. $14' \times 4\frac{1}{2}'$ to $5'$ —Rs. 1-6-0.	$13' \times 4\frac{1}{2}'$ to $5'$ —Rs. 1-5-0. $12' \times 4\frac{1}{2}'$ to $5'$ —Rs. 1-5-0.
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If holes are made with the electric drill, the rates are one anna per foot less in each case.

3. Machine-cut galleries, with machine drilled holes, in No. 2W × Dip—

Size and rate per foot.

$16' \times 4\frac{1}{2}'$ to $5'$ —Rs. 1-5-0. $15' \times 4\frac{1}{2}'$ to $5'$ —Rs. 1-4-6. $14' \times 4\frac{1}{2}'$ to $5'$ —Rs. 1-4-0.	$13' \times 4\frac{1}{2}'$ to $5'$ —Rs. 1-3-6. $12' \times 4\frac{1}{2}'$ to $5'$ —Rs. 1-3-0.
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4. Roof dressing (by hand)—Re. 0-0-3 per cubic foot.
5. Roof dressing (by explosives)—Re. 0-0-2½ per cubic foot or Re. 0-2-0 per running foot over 7' × 1½' (the miner to pay the cost of explosives).
6. Side dressing (by hand)—
 $1' \times 4\frac{1}{2}'$ at Re. 0-2-0 per foot. | $1' \times 6'$ at Re. 0-2-6 per foot.
 $1' \times 5'$ at Re. 0-2-3 per foot.
7. Side dressing (by machine)—
 $1' \times 4\frac{1}{2}'$ at Re. 0-1-6 per foot. | $1' \times 6'$ at Re. 0-2-0 per foot.
 $1' \times 5'$ at Re. 0-1-9 per foot.
8. Floor dressing (by hand)—Re. 0-0-3 per cubic foot.
9. Floor dressing (by explosive)—Re. 0-0-2½ per cubic foot.
- Extra rates in cases of unusual difficulty are fixed by the under-manager.
10. Depiilaring—Re. 0-6-0 per tub.
11. Splitting pillars—12' to 15' wide—Re. 0-8-0 per foot.
12. Coal-cutting machine rate—Re. 0-13-0 per cut (12' to 16' wide).
- One pick carrier is allowed per shift at Re. 0-6-6, and he takes the oil and cleans the machine.

13. Tub filling—

Contractor's rates—

		Rs.	a.	p.	
(i) Tub filling	..	0	4	6	per ton.
(ii) Bonus	..	0	1	0	per ton.
(iii) Haulage	..	0	3	6	per ton.
Total	..	0	9	0	

In a neighbouring mine to the above (Jatachappa) the rates for coal hewing are—

Machine gallery—

$16' \times 5' \times 1'$ —Rs. 1-5-0 per foot.	|	$12' \times 5' \times 1'$ —Re. 0-14-0.
$15' \times 5' \times 1'$ —Rs. 1-4-6 per foot.		$11' \times 5' \times 1'$ —Re. 0-12-0
$14' \times 5' \times 1'$ —Rs. 1-4-0 per foot.		$10' \times 5' \times 1'$ —Re. 0-12-0
$13' \times 5' \times 1'$ —Re. 1-0-0.		

(Or 5½' instead of 5' whichever is the full height of the seam).

Hand gallery—

$12' \times 5' \times 1'$ or full seam—Rs. 2-0-0 per foot.
$11' \times 5' \times 1'$ —Rs. 1-12-0 special rates in case of difficulties.
$10' \times 5' \times 1'$ —Rs. 1-8-0 special rates in case of difficulties.

Side dressing—

$1' \times 1' \times 5'$ —Re. 0-1-6 by machine. | $1' \times 1' \times 5'$ —Re. 0-2-0 by hand.

Roof and floor coal—3 pies per cubic foot.

Machine cutting—13 annas per cut.

Drilling holes—6 pies per hole.

APPENDIX II.—Machine cutting.

According to the 1939 Report of the Chief Inspector, there are 12 coal-cutting machines in the Central Provinces, 7 in the Pench valley and 5 in the Wardha valley. The seven in the Pench valley are to be found in certain of the Shaw Wallace mines, viz., Chandametta,

Barkui, Bhamori and Jatachappa. The five in the Wardha valley are to be found in the pits owned by Sir M. B. Dadabhoy and his partner, viz., Ghugus and Rajur. Even in these mines much of the coal-cutting is still done by hand. Coal-cutting machine drivers are paid either by the day or on contract at so much per cut. In some cases we found drivers allowed the option of choosing daily wages or a contract rate. Generally a second driver, on a small daily wage, is also employed. Machines are employed where more progress in gallery driving is desired, even at some increase in cost. For general use, coal-cutting by hand is still considerably cheaper.

Gallery driving rates.—The following are coal-hewing rates for gallery driving at various mines:—

Mine	Size of gallery	Cubic feet	Rate	
			Rs.	a. p.
Newton Chickli	.. 10' × 6' × 1'	60	2	2 0
			2	4 0
Jatachappa	.. 12' × 5' × 1'	60	2	0 0
	.. 10' × 5' × 1'	50	1	8 0
Chandametta	.. 12' × 5' × 1'	60	2	0 0
			2	8 0
Rawanwara	.. 12' × 6' × 1'	72	2	0 0
			1	10 0
Datla	.. 12' × 5' × 1'	60	2	0 0
			2	0 0
Ghorawari	.. { 10' × 6' × 1'	60	2	0 0
	.. { 8' × 6' × 1'	48	1	12 0
Panara	..		1	12 0
Palachauri	.. 10' × 3'9" × 1'	43'6"	1	3 0
			1	7 0
Sial Ghogri	..		1	9 0
			2	0 0
Mahakali	.. 10' × 6' × 1'	60	1	12 0
	.. 10' × 5' × 1'	50	1	8 0
Ghugus	.. 10' × 5' × 1'	50	1	2 6
			1	1 4

150 to 180 cubic feet might be taken as a fair weekly task in an average gallery for one miner. In some mines a bonus is paid for more than 300 cubic feet or 360 cubic feet in a week by two men working together.

APPENDIX III.—Rates and earnings of coal-cutters.

We give in summary from the information we were able to gather about coal-cutters' rates during our visits to the various coal-mines:—

Chandametta—

		As.	p.	
Pick miners	.. { Gallery coal	8	0	per tub (34 cubic feet capacity)
	.. { Other coal	7	6	per tub.
Machine	.. { Miners	4	3	per tub.
	.. { Loaders	3	6	per tub.
Main driving	..	10	0	per running foot.

Newton Chickli—

Rs. a. p.

2 2 0 per 10' × 6' × 1' when progress is not exceeding 15' per week.

2 4 0 per 10' × 6' × 1' when progress is not exceeding 25' per week.

2 6 0 per 10' × 6' × 1' when progress exceeds 25' per week.

Roof cutting Re. 0-0-3 per cubic feet.

Rakhikol—Coal-cutters underground earn 10 annas a day.*Ambara Palachauri*—Coal-cutters' rates Rs. 1-7-0 per foot; earnings Re. 0-13-0 per day.*Kolhia—*

Gallery driving—Rs. 1-12-6 per 10' × 6' × 1'.

Side dressing—Rs. 1-14-0 per 100 cubic feet.

Parasia—Coal-cutters earn 12 annas a day.*South Panara*—Miners earn Re. 1-0-0 to Rs. 1-8-0 a day.*Ghogri Barkui*—Coal-cutters earn Re. 1-0-0 to Rs. 1-2-0 a day.*Hirdagarh—*

Coal-cutting rates—Rs. 1-13-6 to Rs. 2-1-6 per running foot.

Earnings—Re. 0-14-9 to Rs. 1-0-9 per day.

Bhamori—Miner's earnings—Re. 0-13-0 per day.*Ballarpur—*

Coal-cutters' rates—Re. 0-8-9 per day and Re. 0-14-0 per day.

Coal-cutting machine driver—Rs. 1-6-0 per day.

Second driver—Re. 0-11-0 per day.

Drilling machine driver—Re. 0-8-9 per day.

Rajur—Coal-cutting machine driver—Rs. 1-8-0 per cwt. (including coolies).*Datla—*

Inclines	Earnings per shift (for a full normal week in December)		Coal in tons per miner per week	Days worked	Miners' net weekly earning	Remarks
	Rs.	a. p.					Rs. a. p.
A	..	0 15 3	10·8	5·3	5 1 0	Gallery driving.
B	..	1 7 3	17·3	4·4	6 7 0	Depillaring.
C	..	1 4 6	10·6	5·3	6 13 6	Do.
D	..	1 1 6	13·6	4·2	4 10 0	Do.
E	..	0 8 0	5·9	4·3	2 2 6	Gallery driving.
F	..	1 8 6	15·2	4·7	7 3 6	Do.
G	..	0 11 6	6·2	5·0	3 10 3	Do.

Average earnings week by week in one mine (Eklehra):—

	Miners		Filler
	Gallery	Pillar cutting	
	Rs. a. p.	Rs. a. p.	Rs. a. p.
January 1st, 1941	..	0 15 11	0 7 4
January 8th, 1941	..	0 10 6	0 6 8
January 15th, 1941	..	1 5 11	0 6 4
January 22nd, 1941	..	1 6 1	0 8 5
January 29th, 1941	..	1 0 5	0 5 7
February 5th, 1941	..	1 0 1	0 6 5
February 12th, 1941	..	0 14 6	0 7 1
February 19th, 1941	..	1 8 7	0 7 10
February 26th, 1941	..	0 5 10	0 7 4
Average	..	1 1 6	0 7 0

APPENDIX IV.—Number and classes of workers and rates of earnings in certain mines in 1940.

Class of workers (1)	Barkui (2)	Chandametta (3)	Rawanwara (4)	Eklehra (5)	Datta (6)	Rates of earnings (7)					
						Rs. a. p.		Rs. a. p.			
<i>Underground.</i>											
Hand cutting miners..	41	45	200	70	444	*0	11	6	1	0	0
Machine cutting miners.	53	48	..	..	..	*0	9	0	0	10	9
Depillaring miners ..	66	72	40	83	170	*0	11	0	1	2	0
Fillers ..	162	152	1	0	72	501	*0	6	0	0	9
Trammers ..	126	52	32	31	102	0	6	6	0	9	0
Pump drivers ..	13	5	3	9	22	0	7	0	16	0	0
Hand pumps ..	..	..	4	..	..	0	6	0	a day.	..	..
Water bailers ..	9	9	26	10	9	0	5	0	0	6	0
Amani coolies ..	4	5	2	4	57	0	6	0	0	8	0
Roller men ..	4	3	1	2	8	0	6	0	0	7	0
Sweepers ..	2	2	2	1	5	0	6	0	0	9	0
Coal cutting machine drivers.	3	3	..	..	..	1	0	0	0	1	4
Coal cutting machine coolies.	9	9	..	..	..	0	8	0	a day.	..	..
Machine ho'e drillers	6	3	..	..	..	0	12	0	0	14	0
Machine coolies ..	..	6	..	..	..	0	8	0	..	..	..
Plate layers ..	2	3	1	2	7	0	10	0	19	0	0
Plate layers coolies ..	13	8	4	3	14	0	6	0	0	8	0
Assistant plate layers..	1	1	1	..	10	0	8	0	0	10	0
Timbermen ..	21	1	6	10	37	0	9	0	0	11	9
Assistant timbermen ..	..	3	..	..	..	0	9	0	..	..	..
Timbermen coolies ..	..	10	10	..	80	0	7	0	0	8	0
Signallers ..	1	6	3	6	18	0	6	6	17	0	0
Door-keepers ..	..	7	1	..	13	0	5	0	..	..	..
Engine drivers ..	20	15	3	3	14	0	8	0	17	0	0
Sirdars ..	1	9	5	4	33	0	13	3	25	0	0
Shot-firers ..	9	7	5	3	36	0	8	0	1	0	0
Shot-firers-coolies ..	9	6	2	3	7	0	6	0	0	8	0
Water coolies ..	6	9	8	5	18	0	8	0	0	12	0
Apprentices ..	2	2	3	2	12	15	0	0	23	0	0
Attendance writer ..	4	2	3	2	12	15	0	0	23	0	0
Surveyor coolies ..	2	2	1	2	2	0	6	0	0	8	0
<i>Surface.</i>											
Trammers ..	48	39	44	23	287	0	5	6	0	7	3
Blacksmiths ..	3	3	2	1	5	0	9	0	21	0	0
Hammermen ..	2	1	1	1	1	0	6	0	0	8	0
Bellowmen or boy ..	..	1	1	1	1	0	4	0	0	7	0
Fitters ..	6	3	5	3	8	15	0	0	38	0	0
Fitter coolies ..	10	4	5	3	2	0	6	0	0	8	0
Engine drivers ..	7	6	9	8	24	0	7	0	22	0	0
Firemen ..	2	6	15	10	28	0	7	0	20	0	0
Carpenters ..	..	2	1	2	6	0	9	0	20	0	0
Carpenters coolies ..	..	2	..	..	..	0	6	6	..	..	..
Sweepers ..	5	6	2	3	12	0	7	0	12	0	0
Tub repairs ..	2	7	..	2	6	0	7	0	1	0	0
Chowkidars ..	7	5	2	1	10	0	6	0	15	0	0
Ash-coal rejas ..	44	55	6	6	24	0	3	0	0	5	0
Sha'e pickers ..	4	12	4	4	35	0	4	0	0	7	0
Oil issuers (boys) ..	1	7	1	2	3	0	4	0	0	7	0
Peons ..	3	3	1	1	2	14	0	0	15	0	0

*Paid on contract. Figures represent daily earnings.

APPENDIX V.—Wages in Chanda field.

Coal-cutters do not transport the coal, but leave it behind in the working places. It is taken out and loaded into tubs by loaders (known as *lariswalas*), who push the tubs to and from the haulage.

Coal-cutters are paid by the running foot; Mahakali mine Re. 0-8-0 per foot with a bonus of Rs. 1-8-0 a week for a progress of six feet.

Lariswalas get Re. 0-2-0 to Re. 0-2-6 a tub, holding roughly three-fourths of a ton. They pay for baskets and tallies and deductions known as set-outs are made for short filling. At Mahakali the general rate is Re. 0-2-3 but one new contractor pays Re. 0-2-6. At Ghugus they get Re. 0-2-0, but Re. 0-2-3 if they work six days in the week.

Other workers generally get paid on daily rates.

Average wage per shift (all classes of workers) in 1939 was Re. 0-6-11, and in 1940 Re. 0-7-4 and the labour cost per ton is Rs. 1-7-0. Wages are lower in the Chanda field, but raising costs higher, owing to the low output. The labour is mainly the relatively less efficient overflow from the Hyderabad coal-mines. For them mining is often a spare-time or part-time occupation.

Wage rates—Ballarpur.—The effect of the increase due to the war are shown in the Ballarpur figures for 1939 and 1940, as given in the reports to the Chief Inspector, and to the Deputy Commissioner, of average daily earnings:—

	1939	1940	
	Rs.	Rs.	
Coal-cutters	{ 0 7 6	0 8 9	(D. C.'s report)
	.. { 0 7 6	0 8 3	(C. I. M.'s report)
Overmen sirdars	.. 1 3 6	1 4 3	
Loaders	.. 0 5 6	0 6 3	
Trammers	.. 0 5 6	0 6 9	
Mates	.. 0 9 0	0 10 0	
Shot-firers	.. 0 8 3	0 9 0	
Masons	.. 0 14 3	0 15 9	
Underground skilled labour	.. 0 7 6	0 8 3	
Underground unskilled labour	.. 0 6 0	0 6 3	
Surface skilled labour	.. 0 9 0	0 10 0	
Surface unskilled labour	.. 0 6 0	0 6 9	
Clerical, etc.	.. 0 15 6	1 1 0	
Boys	.. 0 3 0	0 3 3	
Women	.. 0 3 0	0 3 3	

The coal-cutter cost per ton of coal raised came down from Re. 0-7-1 in 1939 to Re. 0-6-3 in 1940, despite the increase in wages.

Rajur.—The average earnings for a coal-cutter are Re. 0-7-9 per shift, and for other unskilled labour underground Re. 0-6-6 per shift. Unskilled men on the surface earn about 6 annas a day and women 5 annas. The average wage at this mine for all classes of workers is Re. 0-8-6 per day (obtained by multiplying the average daily wage for December 1940 for each class of employee by the average number of employees in each class during 1940, and dividing the total wages thus arrived at by the total number of employees). In this mine

34,981 tons of coal were raised in 1940, valued at Rs. 1,03,584 or just under Rs. 3 per ton. Labour costs per ton were Rs. 2-2-0, against an average for the field of Rs. 1-7-0. The cost is unusually high; probably the mine is being uneconomically worked.

At Ghugus a syndicate, with three partners, undertakes the labour contract for both pits. They pay 2 annas a tub to lariswalas or Re. 0-2-3, if they work six days in the week. There are seldom any advances to lariswalas, but coal-cutters get advances freely. Lariswalas pay Re. 0-1-9 for baskets, and are deducted for "set-outs". Coal-cutters get Rs. 3-4-0 per yard for a gallery 10' x 5'. The labour are paid on Saturdays, for work up to and including Wednesday, i.e., Thursday, Friday and Saturday's wages are retained till the following week. Advances are made without interests: coal-cutters are humoured, and can get up to Rs. 25 advance. The same rates are paid to coal-cutters whether in machine or hand galleries. A normal week's progress in a hand gallery is 6 feet for 2 men. Tubs are probably standard in size, 12-13 cwt. or 30 cubic feet.

APPENDIX VI.—Pay, earnings and labour cost in a smaller mine in Chanda field.

The following are the rates of pay, contract or piece rates, earnings, and labour costs per ton at one of the smaller mines in the Chanda field:—

1. *Hazri* (daily rated) labour—

	Annas per day
Boilers—	
Boiler attendant ..	8 and 10 and 12
Firemen ..	6 and 7
Ash cooly ..	3½ and 4
Engine driver ..	7
Workshop—	
Turner ..	9
Carpenter ..	13
Blacksmith ..	7½ and 14
Fitter ..	6
Cooly ..	4
Other surface employees—	
Time-keeper ..	4½ and 5 and 6½
Trolley Clerk ..	5 and 6
Schoolmaster ..	6
Chapassi ..	8 and 8½
Chowkidar ..	4 and 5½
Rejas ..	2½ and 2¾
Con-pounder ..	11
Sweeper ..	4 and 6
Underground—	
Sirdar ..	10 and 12 and 14
Bailing cooly ..	4½
Pump Driver ..	4½
Fitter ..	6
Fan Driver ..	5
Timber cooly ..	5 and 8
Line Mistry ..	5½
Roller Mistry ..	6
Roller cooly ..	4

2. Contractors' rates—

Rs. 1-5-0 per ton for steam coal raising.

Re. 0-6-0 per ton for dust coal raising.

3. Platemen's rates—
 Surface plateman—Re. 0-0-9 per ton.
 Underground plateman—Re. 0-0-4½ per ton
4. Wagon-loading rates—
 Steam slack and dust coal—Re. 0-1-3 per ton
 Rubble coal—Re. 0-2-6 per ton.
5. Coal-cutters' rates—
 Galleries 3' × 10' × 5'—Rs. 3-0-0.
 Roof and bottom Re. 0-2-6 per tub less explosives at 2 annas a shot.
 Sides Re. 0-2-6 a tub less explosives at 1 anna a shot.
6. Bakshis to coal-cutters—
 Bakshis on 6 per week (2 cutters)—Re. 1-0-0 gallery 10' × 5'.
 Bakshis on 12' per week (4 cutters)—Rs. 2-0-0 gallery 10' × 5'.
 Bakshis on 15' per week (6 cutters)—Rs. 2-8-0 gallery 10' × 5'.
 Special bakshis for driving main gallery—Rs. 1-8-0 per yard.
7. Coal-loading rates underground—
 Steam-coal—Re. 0-2-3 per tub including screening.
 Dust-coal—Re. 0-1-6 per tub including screening (oil, lamps, baskets, shovels, etc., given free).

The average daily earnings in December 1940 on the above rates and the proportionate total wages paid out in this mine in 1940 were :—

	Average daily earnings	Approximate total wages
	Rs. a. p.	Rs. a. p.
Underground—		
Sirdars and overmen	0 13 0	2,208 6 0
Coal-cutters	0 8 0	15,503 0 0
Loaders	0 5 0	8,411 9 0
Skilled labour	0 7 0	2,249 10 0
Unskilled labour	0 5 0	6,100 15 0
Surface—		
Clerical	0 14 0	2,379 2 0
Skilled labour	0 7 0	3,167 12 0
Unskilled labour	0 4 0	4,135 12 0
Females	0 2 6	1,214 8 6
Total	..	45,370 10 6

The overall average daily wage works out to Re. 0-6-1 per day in this mine, which is below the average for this coal-field, and still more below the provincial average.

Raisings in 1940 were 28,349 tons valued at Rs. 85,047. The labour cost per ton works out at Rs. 1-9-7. It appears from these figures that in this mine (one of the smaller mines) wages are lower than the average but labour costs per ton are higher. We suggest that there is a lesson to be learnt from this, viz., that low-paid labour does not necessarily mean cheap labour, but in fact the reverse, owing to its inefficiency.

APPENDIX VII.—Rates of monthly and weekly paid employees.

Wage rates in a large mine.—The statement below is a copy of the monthly establishment roll for January 1941 in one of the large mines, showing the designation of the employee (names have been omitted), the number of days worked, the rate of pay, and the sum drawn for the month. Monthly rated persons are regarded as being on duty for 31 days in the month (in January) and are paid proportionately. Some of them work in a supervisory capacity underground, and the rest on the surface:—

Designation	Days worked	Rate			
		Rs.	Rs.	a.	p.
Head Overman	31	60	60	0	0
Head Clerk	31	75	75	0	0
Assistant Clerk	31	30	30	0	0
Store-keeper	31	25	25	0	0
Electrician	31	90	90	0	0
Surveyor	31	57½	57	8	0
Overman	31	32	32	0	0
Sirdar	29	25	23	6	3
Shift Clerk	31	23	23	0	0
Shift Clerk	31	20	20	0	0
Oil Clerk	7	19	4	4	6
Loading Inspector	31	23	23	0	0
Loading Inspector	31	28	28	0	0
Sirdar	27	25	21	12	3
Sirdar	31	25	25	0	0
Sirdar	31	25	25	0	0
Sirdar	17	25	13	11	3
Peon	31	19	19	0	0
Chowkidar	31	15	15	0	0
School Chowkidar	31	15	15	0	0
Tub-checker	31	4	4	0	0
Oil Clerk	22	19	13	7	9
Engineer	31	80	80	0	0
Assistant Engineer	31	38	38	0	0
Fitter	31	28	28	0	0
Fitter	31	23	23	0	0
Lineman	31	20	20	0	0
Lineman	31	19	19	0	0
Carpenter	31	20	20	0	0
Carpenter	31	20	20	0	0
Blacksmith	2	15	0	15	6
Carpenter	25½	20	16	7	3
Pump-Driver	31	16	16	0	0
Pump-Driver	30	16	15	7	9
Pump-Driver	30	16	15	7	9
Haulage Driver	30	18	17	6	9
Haulage-Driver	29	18	16	13	6
Haulage-Driver	27	18	15	10	9
Haulage-Driver	29	18	15	13	6
Haulage-Driver	26	18	15	1	6
Haulage-Driver	30	18	17	6	9
Fireman	28½	16	15	11	6
Fireman	29	16	14	15	6
Fireman	26	16	13	6	9
Fireman	26	16	13	6	9
Endless Haulage-Driver	28	18	16	4	0

For the same mine a copy of the weekly abstract for the week ending the 5th March 1941 is also reproduced: here names are not given, only numbers of each designation of employee. The rate per shift is multiplied by the number of shifts worked to give the total of pay due. No indication is given of the numbers of each type of workmen employed, and it would be a task of considerable difficulty to work out the attendances of each man from the attendance register. This statement illustrates the difficulty of arriving at

more than an approximate idea of the number of workmen working in a mine, or the percentage of attendance, or the wages earned by each employee. Hence the Chief Inspector has fallen back on his returns on the unit of "number of shifts worked", and from the average number of shifts in a month a year, works out the average number of employees :—

No (Shif.s)	Occupation	Rate		Amount	
		Rs.	a. p.	Rs.	a. p.
<i>Underground</i>					
24	Pellet-makers	0	4 9	7	2 0
5	Shot-firers	0	9 6	2	15 6
23	Shot-firers	0	9 0	12	15 0
8	Shot-firers	0	8 0	4	0 0
41	Explosive carriers	0	6 0	15	6 0
17	Writers	0	9 0	9	9 0
18	Greasers	0	6 6	7	5 0
33	Sirdars	0	13 3	27	5 3
14	Apprentices	0	9 0	7	14 0
13	Chainman	0	7 6	6	1 6
32½	Gate keepers	0	5 0	10	3 9
10	Sweepers	0	8 0	5	0 0
16	Plate-layers	0	12 0	12	0 0
56	Plate-layers cooly	0	6 0	21	0 0
6	Timber mistry	0	11 9	4	6 6
18	Timber mistry	0	9 6	10	11 0
47	Timber cooly	0	8 0	23	8 0
18	Timber cooly	0	7 6	8	7 0
12	Haulage driver	0	9 6	7	2 0
53	Clutch driver	0	8 0	26	8 0
39	Putter driver	0	8 0	19	8 0
17	Trammers	0	11 0	11	11 0
8	Trammers	0	10 6	5	4 0
63	Trammers	0	10 0	39	6 0
32	Trammers	0	9 9	19	8 0
6	Trammers	0	9 3	3	7 6
17	Trammers	0	9 0	9	9 0
29	Trammers	0	8 6	15	6 6
102½	Trammers	0	8 0	51	2 0
234	Clip-man	0	8 0	117	0 0
7	Trammers	0	7 6	3	4 6
83	Trammers	0	7 0	36	5 0
36	Pump driver	0	8 0	18	0 0
69	Bailers	0	5 0	21	0 0
14	Coal cleaner	0	6 0	5	4 0
<i>Surface</i>					
72	Trammer	0	8 0	36	0 0
225	Trammer	0	7 0	98	7 0
36	Trammer	0	5 0	11	4 0
18	Trammer	0	4 0	4	8 0
15	Fireman	0	8 0	7	8 9
16	Fan driver	0	8 0	3	0 0

No. (Shifts)	Occupation	Rate		Amount	
		Rs.	a. p.	Rs.	a. p.
<i>Surface—cont</i>					
15	Ash reja	0	5 0	4	11 0
7	Coal carter	0	4 0	1	12 0
6	Ash carter	1	0 0	6	0 0
27½	Chowkidar	0	8 0	13	12 0
7	Chowkidar	0	7 0	3	1 0
8	Chowkidar	0	6 0	3	0 0
6	Greaser	0	6 6	2	7 0
14	Hazri reja	0	5 0	4	6 0
26	Sweeper	0	7 0	11	6 0
7	Carter	0	10 0	4	6 0
19	Carter	0	5 0	5	15 0
1	Carter	0	3 0	0	3 0
6	Assistant electrician	0	10 0	3	12 0
6	Electric helper	0	8 0	3	0 0
17	Blacksmith	0	8 0	8	8 0
6	Hammer-man	0	7 0	2	10 0
6	Bellow-boy	0	5 0	1	14 0
18	Fitter cooly	0	6 6	7	5 0
11	Carpenter helper	0	6 6	4	7 6
7	Paniwala	0	6 6	2	13 0
3	Sweeper	0	8 0	1	8 0
3	Sweeper	0	5 0	0	15 0
7	Peon	0	8 0	3	8 0
7	Magazine clerk	0	9 0	3	15 0
7	Head Overman's servant	0	8 0	3	8 0
7	Electrician's servant	0	7 0	3	1 0
7	Paniwala	0	6 0	2	10 0
7	Office boy	0	6 0	2	10 0
7	Sweeper	0	4 6	1	15 6

These two statements exclude the piece workers, who, in this mine, are the coal-cutters and loaders. They work in gangs, are paid in gangs, in the name of a gang-leader or mate, and, apart from the names in the attendance register, the mine authorities have no record of the number of miners or loaders, or their percentage of attendance, or their daily or weekly earnings.

CHAPTER III-B.—ADEQUACY OF WAGES

62. Having set out in detail the information which came to our hands on the subject of wage rates and earnings, we turn to the vexed question of the adequacy of the wages received. We deal in our next chapter with questions of prices, expenditure (as found from family budgets) and the cost of an adequate diet. In this section we deal with the matter from the stand-point of the workmen as a receiver of wages rather than as a spender of wages, but to do this, we have been compelled first to adopt, some rough standard of subsistence to act as some sort of guide, however imperfect, in assessing the adequacy of the wages and earnings as set out in section A.

63. What is an adequate wage?—The Railway Court of Enquiry last year found Rs. 35 in Bombay, Rs. 30 in other large cities, and Rs. 25 in the mofussil to be "subsistence wages" per month by which they indicated they meant a satisfactory diet for an average family plus normal percentages for fuel, clothing, housing and miscellaneous expenditure. Taking the Pench and Wardha valleys to be in the cheapest zone, and deducting the cost of housing, fuel and other concessions supplied, a figure of about Rs. 20 a month might be taken as being a wage not below the "subsistence level", at least at pre-war prices. This can only be a very rough and approximate figure, until checked up by a careful family budget enquiry, but we are satisfied that it will yield a sum of about Rs. 3 a week for expenditure on food, and sufficient for other expenditure, *i.e.*, clothes, utensils, tobacco and ordinary comforts to enable the average family to avoid running into debt in the absence of any extravagance or misfortune. The figure of Rs. 3 a week as the figure of expenditure on food we checked up by many enquiries from miners who had made their weekly purchases in the bazaar, from house-wives who had to manage on what the husband brought home from market, from managers and others interested in the workman's standard of living, and by making direct enquiries and purchases ourselves in the coal-field markets and shops. We feel that for the average or "normal" family of husband, wife and three children (three children are the minimum for "replacement" size) Rs. 2-8-0 per week on food is too small, and that Rs. 3 will scarcely buy the "Aykroyd" well-balanced and adequate diet mentioned in the next chapter. For a family of this size we have made an assumption (which may not be wholly justified) that such a family will have some supplementary income from the earnings of the wife, or eldest child, or other sources. A prudent man provides during his early years of married life for the heavier expenditure necessary when his family is at its maximum. Indian coal-miners are not noted for prudence, but if we postulate imprudence as a basis for drawing up subsistence levels that will lead us nowhere. To this figure of Rs. 20 thus adopted as subsistence level at pre-war prices, we need add a sum not less than Rs. 3 and probably not more than Rs. 5 to represent the increase in prices since the outbreak of war. We deal with this in our next chapter.

Taking our average and rough figure as a "norm", we find that some miners, if they work a full week, will earn sufficient, but even their earnings, if they fall much below the average for a full week, will be inadequate to support an average family. (Loaders do not earn enough on our standard to support an average family, neither do the majority of unskilled labour.) Possibly by adding the earnings of female labour, and assuming rather more than one earning

member per family, it may be said that the families of loaders have incomes not below our standard: that can only be shown by a family-budget investigation. Most skilled workers earn enough, or more than enough, to maintain the standard we have set down as "subsistence level". (Some "hazri" labour, for instance, plate-layers or timber men on 8 annas a day, do not earn enough, even by working a full month, to maintain our standard, and we feel that the level of wages among this class is too low.) We wish to say, without being unduly dogmatic on the subject, that no adult male worker, who has no reasonable chance of promotion by due diligence to a superior grade, should be compelled to spend his working life on a wage which will never exceed Rs. 25 a month (assuming present prices) if he is to give his family that standard of living which is necessary to produce an efficient future generation for industry. On the other hand, wages below this level may be paid when the normal recipient is a young man learning a job who has a prospect of drawing above this figure on achieving proficiency. And, except in the cases where a standard minimum output may be fixed, it cannot be expected that any wages fixed should provide subsistence level standard for any one who does not put in a full week's work, throughout the year, excluding normal holidays. It should be added as a caution that in a period of rapidly fluctuating prices such as the present any or all of the above figures may very rapidly become out of date. In addition, information of dietary norms and existing standards, and current ideas on expenditure on such items as clothing and tobacco, pan, etc., are liable to undergo sudden changes, so that any estimates as given above cannot be said to have more than a very temporary and local validity in assessing the adequacy of existing wages. But (taking the average wage per shift, as found for the Central Provinces coal-mines of Re. 0-8-10 in the year 1940, it will be apparent that the average monthly wage of the vast majority of coal-mine workers falls below the subsistence figure taken above, even if they work a full month of 25 or 26 days.)

64. Additions to earnings.—The picture of earnings would remain incomplete in the absence of any reference to other additions to earnings. Miners receive certain goods and services free of charge over and above their cash earnings. They get free houses; free fuel, sometimes free tools, free medical aid, free water, free education, sickness allowances in some cases, free kerosene oil for some workers. Advances are given and not recovered in all cases, inducements of a tangible kind—feasts, payment of debts, payment of railway fare, etc.—are given by recruiters to induce villagers to come to the coal-mines (this more particularly in the Chanda field). In a family-budget enquiry in 1938 in the Jharia coal-field, the value of these additions was calculated to be Rs. 4 per worker per month, or Rs. 4-15-7 per family. The details were as follows:—

	Per worker			Per family		
	Rs.	a.	p.	Rs.	a.	p.
Housing	1	8	0	1	8	0
Fuel	0	14	0	0	14	0
Free conveyance	0	8	0	0	12	0
Water-supply	0	7	6	0	12	0
Bakshis, maternity benefit, sickness allowance	0	4	0	0	6	5
Medical aid	0	3	6	0	5	7
Kerosene oil	0	3	0	0	4	10
Total	4	0	0	4	15	7

According to calculations made for us by Messrs. Shaw Wallace and Company, the following is the cost of certain services to their employees:—

Cost per employee per week.

Free fuel	..	..	..	3 annas.
Water-supply	..	..	..	3 pies.
Sanitation	..	..	..	6 pies.
Housing construction	..	..	..	2 annas.
Housing repairs	..	..	..	6 pies.
Communication (road cess)	..	..	..	9 pies.
Hospital, medical and anti-malarial scheme	..	..	..	2 annas.
Education, etc.	..	..	..	1 pie.
Total	..	..	..	9 annas 1 pie.

(The value of some of these services to employees is of course in some cases higher than the cost. For example, the weekly value of a house will not be below 6 to 8 annas a week, although the cost to the company is 2 annas 6 pies.) In any case, the net addition to weekly wages on account of the cost of services supplied to the employees by Messrs. Shaw Wallace and Company is some Re. 0-9-1 equal to about 16½ per cent of the average earnings per head in 1940

In addition we are aware of certain charity and ex-misericordia payments, to disabled or elderly employees, towards school fees for religious purposes, to help widows and orphans, etc. These are made sometimes out of the fine fund, sometimes debited simply to "contingencies". In the case of elderly employees, we are suggesting that what is now often done ex-misericordia should be placed on a regular basis in the form of gratuities or pensions.

The calculations above apply in the case of Messrs. Shaw Wallace's employees only. Other firms spend under these heads, but the service rendered is less satisfactory in the case of housing, water-supply, hospital and anti-malarial work. The expenditure on free fuel, sanitation and road cess is probably as much per head in all mines. Housing will also be a major item in all mines, since inferior housing costs more in repairs, and needs more frequent renewals. It may be that some of the smaller mines spend larger per capita sums on miscellaneous items connected with recruiting, or charity, or religious payments, or education.

65. Other non-mine additions to earnings.—Among these are included income from agriculture, keeping cows, pigs, goats, fowl or buffaloes; collecting forest produce, particularly mahua; rent from houses or land; shop-keeping, money-lending; working at one's usual occupation in spare time, e.g., blacksmith or carpenter or electrician; working at another occupation in spare time, e.g., as barber. We have no information how extensive are these sources of supplementary income, though many workers in answer to our questions have given us particulars. We have, in calculating the adequacy of wages, ignored all these additions. In the case of any workers whose attendance is so irregular that they are in practice only part-time workers at the mines, they probably make up their income to a substantial extent from supplementary sources as indicated above, but in the majority of cases the additions are not substantial in extent; family-budget enquiries in other parts do not show large percentages as additional income from other sources.

66. Living wage.—From the trend of the above discussion on what constitutes an adequate wage, it will be easily gathered that we are no more competent than any other similar enquiry, in the present state of knowledge on the subject in India, to give a categorical answer to the question: (“Do the wages found by enquiry being paid and received constitute, for the people who receive them, a living wage?”) Some employers answer the question promptly by pointing to the high percentage of absenteeism among miners and other piece-workers, and say: “Certainly they are paid enough, otherwise, if their wages were not sufficient, they would work harder, and attend six days in the week instead of five or even four. If wage rates are increased, earnings will not increase, but attendance will diminish, for the miner does not wish to improve his standard of living.” The labour leader’s retort to this is: “The miner cannot work harder because his physique is poor: his physique is poor because his diet is poor; his diet is poor because his income is low: to break this vicious circle the employer must first raise wage rates, and wait for the inevitable return in increased efficiency after the physique of the miner has been improved by his higher standard of living.”)

The facts we have brought together in this chapter go to show that the miner’s earnings are low, even after allowing for the cash value of all his concessions in the shape of free housing, etc. (Certain individual miners earn well and spend freely, such as Pathans. What they can do, others should be able to do, given the incentive, and the only future for the industry is to build up a labour force in which this incentive is present, and the efficiency high.) We doubt if this can be done at present by any sudden or sharp raising of wage rates: (the experience in the past is that sudden increases in wage rates lead more often to extravagance and waste, not to a better diet, a higher standard of living, and greater efficiency.) On the other hand, earnings, by any objective standard are too low, and in the interests of the industry, as well as on general grounds, a sustained effort to raise earnings is essential. (The most hopeful way of achieving this is by providing various types of incentives and more security such as bonus, profit-sharing schemes, provident funds, provision for old age and sickness, and by increased expenditure on welfare work. To the employer who says: “Why should I spend on these?” we say: “Because you will in the long run reap the return in a more efficient labour force, and an efficient labour force is more economical than an inefficient one.”) Keeping the argument on this plane of economic advantage, we can press very strongly for expenditure on welfare to be regarded as long-term capital development. (We feel that any money available from the somewhat diminished profits from coal-mining should be devoted to welfare rather than to increasing wage rates, and that reliance be placed on the long-term results of such a policy, in raising earnings, and so bringing the present wages nearer to an adequate living wage.) These considerations, of course, mainly relate to piece-workers, who form the bulk of mine workers. Those on fixed daily, weekly or monthly rates are best dealt with by rationalisation, *i.e.*, a careful survey of the jobs and the people holding them with a view to reducing the number of jobs, by eliminating inefficient hands, and increasing the emoluments of those retained.

CHAPTER IV.—PRICES, EXPENDITURE AND DEARNESS ALLOWANCE

67. In this chapter we deal first with prices, giving such information as we have been able to collect on prices prevailing at different times in the coal-fields, and detailed lists of recent prices. We give present prices as against pre-war prices, and come to the conclusion that taking prices as in March 1941 (*i.e.*, during our enquiry) there has been increases of some 20 per cent in food prices and about one-third in cloth prices over pre-war rates. There have naturally been further increases in the period that has elapsed since we visited the coal-mines, but of these and of any measures taken by the employers to meet them, we have no record..

68. We then described the dearness allowance schemes as we found them in different mines, and give our suggestions. To reinforce these we deal with the miner's diet, compare the cost of a bad diet with a well-balanced diet, and conclude with a rough guess at the change in real wages. In one appendix we give details of the expenditure of 30 mining families on food, at different dates, and in another we give details of the cheap grain scheme formerly in force in the mines controlled by Messrs. Shaw Wallace.

69. Prices—Chhindwara—*Historical*.—According to the Chhindwara Gazetteer, wheat is the staple foodgrain in the open parts of the Chhindwara plateau, and juar in Sausar, while the forest tribes subsist mainly on kodon and kutki. Juar is taken as the staple foodgrain of the district. Prices of these four staples, in pounds to the rupee, from 1854 onwards (Mr. Montgomerie's Settlement Report, page 44, quoted in the Gazetteer) are—

Years	Lb. per rupee		
	Kodon and kutki	Juar	Wheat
1854—60	.. 178	120	74
1861—66	.. 116	42	35
1867—76	.. 116	62	44
1877—80	.. 116	52	30
1881—85	.. 115	66	49
1886—94	.. 34	49	31

These last rates were assumed at the settlement of 1892—94. After the settlement juar fluctuated between 51 lb. per rupee in 1894 and 21 lb. in 1897: the average for the decade ending 1900 was 35 lb. It then cheapened and sold at 48 lb. per rupee in 1905, the average rate for the years 1900—05 being 44 lb. Wheat was 25 lb. to the rupee during most of the decade ending 1900 and the average for the years 1903—05 was 31 lb. Kodon and kutki ranged between 25 lb. and 33 lb. from 1892 to 1902. It fell to 40 lb. in 1904 and 32 lb. in 1905. Rice was about 20 lb. to the rupee from 1890 to 1903, fell to 26 lb. in 1904 and was 23 lb. in 1905. Rice, says the Gazetteer, is a luxury in Chhindwara and has to be imported, hence its price is always higher than that of the grains grown in the district. The price of gram fluctuated from 37 lb. in 1891, 47 lb. in 1894 to 40 lb. in 1903—04 and 36 lb. in 1903.

Salt ranged between 10 and 15 lb. per rupee during the years 1861—74. Between 1874 and 1900, it varied between 16 and 19 lb. On reduction of the duty, the rate was 20 lb. in 1904 and 23 lb. in 1905. Sea salt from Bombay is generally consumed, says the Gazetteer. The Chhindwara gur or unrefined sugar sold at about 9 lb. to the rupee against 11 to 13 lb. for that imported from Northern India and Hyderabad. Ghee rose from 3 to 4 lb. to 2 lb. to the rupee, and in the hot weather sometimes reached $1\frac{1}{2}$ lb. per rupee. Milk sells at present at 8 seers to the rupee", says the Gazetteer, writing in 1907, "as against 16 seers a few years ago".

Mr. Ditmas.—Mr. Ditmas of the Pench Valley Coal Company, writing in 1910, gives the following information about the purchases made by the miner, and the prices paid, in the Pench Valley coal-field in his day :—

"The daily food for adult labourers does not cost more than two annas for males, that for women and children costing less. At the collieries where men earn higher wages one can safely estimate this as costing more like 4 annas. An ordinary labourer spends the noble sum of 13s. 4d. yearly on his clothes, the men in higher position naturally spending more. The cost of a house to one of the labouring classes is about £2, and the furniture another £1, this amount depending on the number of brass cooking-pots used. The bazar supplies lamps, matches, and kerosene oil, which are very generally used, and tobacco and cigarettes. The former is locally grown, but the latter are imported and much smoked. Imported cloth is also sold (both European and Indian), and the local weaving industry has almost ceased. It is curious to note that the higher native officials drink soda-water, but, as it is considered expensive the common people do not drink it. Meat, which costs two pence a pound, is usually goat's flesh, and excellent fish, caught in the Pench river, costs the same. Eggs are very small and are sold at four a penny; and one can also buy mangoes, bananas, cucumbers, potatoes, chillies, etc. The butchers have a small building slightly removed from the main part of the bazar. Besides grain-sellers, there are metal-merchants, sellers of brass cooking-pots and earthen water-pots, shoemakers, basketmakers, and a variety of others.

"About 23 pounds of salt, which is sea-salt from Bombay, can be bought for a rupee. The local 'gur' or unrefined sugar is generally preferred to that imported from Northern India, and sells at 9 pounds to the rupee, against 11 to 13 pounds for the imported article. Ghee or clarified butter costs one rupee for 2 pounds, and in the hot weather $1\frac{1}{2}$ pounds only is received for the same sum. Two gallons (approximately) of milk cost a rupee. Firewood brought in the bazar for sale in the towns costs 2 rupees, 4 annas for a load of 800 pounds. Grass for thatching houses costs 1 rupee 8 annas a cart-load, and manure 1 to 2 rupees a cart-load. The hide of a bullock fetches 5 rupees, and that of a buffalo double that amount. Wheat is 30 pounds to the rupee, and rice 23 pounds for a rupee, the price for the latter being naturally higher than for the grains grown in the district, as it has to be imported and is a luxury. The rate for gram was 36 pounds. Juar (a native grain) is regarded as the staple food-grain of the district, and average 44 pounds per rupee."

Annual Provincial Review on the working of the Mines Act.—The Annual Review (of the Central Provinces Government) contains a paragraph on the prices of foodstuffs and clothing. In the 3 years

prior to 1930 no appreciable fluctuations were observed in the prices of food-stuffs or cloth in the mining areas. In 1930 the abnormal fall in the prices of foodstuffs proved beneficial to labourers, it was stated, as it was not accompanied by a corresponding reduction in wages. The prices of cloth were also cheaper than in the previous year. Prices in 1931 were slightly cheaper again, and in 1932 there was a further reduction, accompanied by ample supplies. In 1933 prices continued to be low, and also in 1934, when it was observed that the low prices helped the labourers to maintain themselves within their earnings. In 1935, also, the prices of foodstuffs and clothing continued to be low, and enabled (so it is stated) the miners to maintain themselves and their families. There was no appreciable change either in 1936 or 1937. The price level continued to be low in 1938 and labourers obtained their supplies as usual from the neighbouring weekly markets or from the markets in the mining camps. In 1939 prices were low during the greater part of the year but after the outbreak of war rose. Messrs. Shaw Wallace and Company and the Hirdagarh Collieries Limited are mentioned in the 1939 report as having made laudable efforts to counteract the effects of high prices by importing and distributing grain at economic rates.

1934 enquiry.—In 1934 during the course of a non-official investigation into coal-mine labour the following were reported to be the prices prevailing (Seth: "Labour in the Indian Coal Industry", page 264), as compared with prices in the main Bengal coal-fields:—

*Retail prices of some imported articles of daily consumption in the Pench Valley (C. P.), Giridih, Jherria, Ranigunj and Bokaro coal-fields in the first half of 1934.**

Articles	Pench Valley	Giridih	Ranigunj	Jherria	Bokaro
Rice, seers per rupee	10 to 13	14 to 15	15	15 to 16	14
Whea flour, seers per rupee	15	10	10	10 to 11	11
Pulses, annas per seer	1½ to 2½	2	1½	1½ to 1¾	2
Potatoes, annas per seer	1 to 1½	1	¾	¾ to 1	1
Meat, annas per seer	5 to 6	6	5	5 to 6	5
Other vegetables annas per seer	½ to ¾	1	1	¾ to 1	¾ to 1
Salt, annas per seer	1½	1½	1½	1½	1½
Oil, annas per seer	5	6½ to 7	5	4½	5½
Ghee, rupees per seer	1 to 1½	1½ to 1¾	1-5-0 to 1-6-0	1-6-0	1-6-0
Sugar, annas per seer	4	6	5	6 to 7	6 to 7
Milk, annas per seer	3 to 4	4	3 to 4	3 to 4	3/5 to 4
Drink, annas per bottle	..	4 to 8	2 to 8	1 to 2	2 to 3
Sari	Re. 1 to Rs. 1½	Re. 1½	Re. 1 to Rs. 1½	Re. 1 to Rs. 1-1-0	Rs. 1½ to Rs. 1-4-0
Shirts, annas each	10 to 14	9 to 11	6 to 8	6 to 12	10 to 12
Angochas, annas each	2 to 3	2 to 3	3	4	4
Dhoti	A. 1	As. 12 to 13	As. 10 to 12	As. 12	As. 14
Cholies or Bodices annas each	3 to 4	5	3 to 5	4 to 5	4 to 6

It will be seen that living in the Pench Valley in 1934 was not appreciably dearer than in other coal-mining centres.

*All these figures were personally collected from the main bazaar and colliery bazaar of these coal-fields.

Present enquiry.—We made efforts to collect prices both pre-war and at the time of our enquiry, by taking the help of mine managers, and also by personal enquiry in the main bazars of Chandametta and Jamai, in the Pench valley. The following tables were drawn up as a result of our enquiries:—

TABLE A. — Chandametta market.

Article	Pre-war	2nd March 1941	23rd March 1941
Wheat, pails per rupee	10—11	7—8	8—9
Rice, pails per rupee	6½—9	6—7	6 & 6—7
Tur dal, pails per rupee	6—½	6—6½	6½
Masur da, pails per rupee	7—8	6—½	7
Urad, pails per rupee	9—10	7—8	9
Jowar, pails per rupee	14—15	13—14	13—14
Gram, pails per rupee	7—8	8—9	9
Gram, pails per rupee	10—11	9—10	9
Ghee, rupee per seer	annas 15	1½	annas 15
Vegetable oil, annas per seer	10 to 12	12 to 14	6
Sweet oil, annas per seer	4	5	4½
Sugar, annas per seer	3½	3½	3½
Jaggery, annas per seer	2½	1½	1½
Tea, annas per pound	8½	9	9
Match boxes, annas per dozen	2½	5½	..
Meat and fish, annas per seer	6 to 8	8 to 10	6½
Dhoti each	1-6 to 2-12	1-12 to 3-10	Rs. 2
Shirting, annas a yard	2 to 5	3 to 6	..
Coating, annas a yard	5 to 8	6 to 11	..
Sari, each	1-6 to 2-4	1-12 to 3-4	1-8
Potatoes, annas per seer	1½ to 2	½ to 1	¾ to 1
Brinjal, annas per seer	1 to 1½	½ to 1	..
Onions, annas per seer	1	2	¾
Garlic, annas per seer	4	5	2 to 3
Wheat meal, annas per seer	..	..	2
Ku ki, pails per rupee	..	..	7
Mung dal, pails per rupee	..	..	6
Tiwara, pails per rupee	..	..	10½
Salt (crystal white), seers per rupee	..	..	10½
Chillies (raw dried), seers per rupee	..	..	3½ to 4
Turmeric, seers per rupee	..	..	2½
Bandi, annas each	..	..	4
Pencha (about 2' x 3'), annas each	..	..	3
Quit cover (made of Khadi and dyed in designs), rupees each	..	..	2
G. n. thi cap (ordinary), annas each	..	..	1
Angiya (ordinary), i.e., breastcover for women, annas per	..	..	3
Choi, annas each	..	..	8
Tobacco (powder for smoking), annas per seer	..	..	4
Tobacco (leaves for chewing), annas per pair	..	..	1
Bidi (No. 7), pails per packet	..	..	6
Bidi (No. 77), pails per packet	..	..	6
Supari (Rotha), annas per seer	..	..	8
Pan (Bangala, i.e., Calcutta), annas per 100	..	..	4
Chimney made of tin to contain ¼ seer of kerosene oil, annas each	..	..	3½
Chimney made of tin to contain about 3/16 seer of kerosene oil, annas per	..	..	1
One broom (ordinary), pails each	..	..	6
Shoes (country), annas per pair	..	..	14
Sandas (made of rubber tyre) annas per pair	..	..	2½
Soap (five ounce), annas per cake	..	..	1
Washing soda, annas per seer	..	..	3
Talkie show, Third class, annas per ticket	..	..	2
Talkie show, Second class, annas per ticket	..	..	4
Talkie show, First class, annas per ticket	..	..	8

TABLE B.—*Jamai bazar.*

Commodity	June-July 1938	June-July 1939	Highest prices in 1940	On 2nd March 1941	On 30th March 1941
Rice, pallees per rupee	10	10	7	5½	5 to 6
Whea, pallees p r rupee	11	11	8	7	8 to 9
Ata (flour), seers per rupee	9	9½	8	8	8
Dal Masur, pallees per rupee	6½	6½	5	6½	6½
Dal C'aura, aillees per rupee	6½	6½	6	6½	6½
Dal Moong, pallees per rupee	6½	6½	5	6½	6½
Dal Tiwara, pallees per rupee	6½	6½	5	6½	6½
Juar, pallees per rupee	12	12	9	13	13
Chillies, annas per seer	4	3½	4	3½	5
Salt, annas per seer	1½	1½	1½	1½	1½
Ghee, Re. per seer	15 annas	15 annas	1	1	1
Gur, annas per seer	1½	2	2½	1½	1½
Sugar, annas per seer	4	5	6	5	5
Sweet oil, annas per seer	4½	4½	6	4½	5
Tea, annas per pound	8½	8	9	8½	8½
Mutton, annas per seer	6	6	6	6	6
Fish, annas per seer	8	8	8	8	8
Milk, (buffalo's), seers per rupee	8	8	8	8	8
Plantains, annas per dozen	1½	1½	1½	1½	3
Oranges, annas per dozen	3	3	3	3	3
Potatoes, annas per seer	1	1½	1½	1½	1
	(March) to 3 (June).				
Onions, annas per seer	6½	6½	6½	6½	1
Radish, annas each	3½	3½	3½	3½	..
Cabbage, pies each	6	6	6	6	..
Cauliflower, pies each	9	9	9	9	..
Bhajee (methi), annas per seer	1½	1½	1½	1½	..
Liquor, annas per seer	5½	5½	5½	5½	5½
Liquor (rashi), annas per seer	4	4	4	4	4
Pan, annas per 100	3	3	3	3	3 to 5
Supari, annas per seer	6	6	6	6	6
Tobacco (smoking), annas per seer	4	4	4	4	4
Tobacco (eating), annas per seer	12	12	12	12	12
Bidis, pies per packet	6	6	6	6	6
Matches (small), pies per packet	3	3	3	4½	6
Hair oil, annas er seer	5	6	7	6	6
Soap, annas per cake	1	1	1	1	1
Dhania (spice), annas per seer	2	2	2	2	..
Jheera (spice), annas per seer	8	8	8	8	..
<i>Clothing.</i>					
Dhoti (ordinary 5 yards), rupees per pair	1½	1½	1½	2	2½
Dhoti (good), rupees per pair	2½	2½	2½	2½	3
Angoocha, annas each	2½	2½	3	3½	3
Shirt (re.dy-made, adult), annas each.	9	9	9	9	9
Saluka, annas each	12	12	12	12	12
Waistcoat, annas each	8	8	8	8	8
Coat, rupees each	1½	1½	1½	1½	1½
Hat, annas each	6	6	6	6	6 to 8
Shoes (ordinary), annas per pair	8	8	8	8	8
Shoes (good), rupee- per pair	2	2	2	2	2
Banyan (ready-made, adult), annas each.	6	6	6	6	6
Handk rchief (ordinary), annas each	2	2	2	2	2
Gulaband (ordinary), annas each	6	6	6	6	6
Pancha (. ½ yards), annas	10	10	11½	13	8
Dhoti (5 yards female), rupees each	1½	1½	1½	2	1½
Sari (c.loured good, 8 yards), rupees each	3½	3½	3½	4½	3½
Sari (ordinary), rupees each	2½	2½	2½	2½	2½
Polka (ready-made, adult), annas each.	8	8	8	8	8
Choli (ready-made, adult), annas each.	2½	2½	2½	2½	2½

We had a careful enquiry made by a Government officer at Chandametta market on Sunday, the 23rd March 1941, and checked the prices and qualities collected ourselves, with the following results:—

TABLE C.—Statement showing prices of commodities in the Chandametta market on the 23rd March 1941.

Commodity (with quality)	Rate per seer	Remarks
(1)	(2)	(3)
	Rs. a. p.	
Wheat (pissi), pailees per rupee	8 to 9	Pailee—1.25 seers of 80 tolas each.
Wheat (do.)	0 2 0	Seer—8½ tolas.
Juar (ordinary), pailees per rupee	13 to 14	Birra—Gram and wheat grains mixed.
Birra (ordinary)	9	
Rice (luchai)	6	
Rice (coarse)	6 to 7	
Pulses—		
Tur	0 2 6	Per pailee.
Gram	0 2 3	Do.
Masur	0 2 3	Do.
Urad	0 2 0	Do.
Mung	0 2 0	Do.
Tiwara	0 1 6	Do.
Gur	0 1 3	Per seer.
Sugar (powder crystal)	0 5 0	Do.
Tea (cup)	0 0 6	Per cup.
Tea (Brooke Bond)	0 9 0	Per lb.
Fish (dried and smoked)	4 as. to 6 as.	Per seer.
Fish (live)	6 as. to 8 as.	Do.
Mutton	0 8 0	Do.
Milk, seers per rupee	6 to 8	Seers—80 tolas each.
Ghee	14 as. to Re. 1	Do.
Salt (crystal white)	0 1 6	Do.
Onillies (raw)	0 1 6	Do.
Chillies (dried)	4 to 5 as.	Do.
Turmeric	0 6 0	Do.
Garlic	2 to 3 as.	Do.
Onion	0 0 9	Do.
Potatoes	9 p. to 1 a.	Do.
Oils—		
Jagani (pure)	0 6 0	
Jagani (mixed)	0 4 6	
Dhoties (coarse)	2 0 0	Per pair, 5 yds. each.
1 Shirt (full)	0 8 0	Ready-made of Model Mills khadi.
1 Bandi	0 4 0	Do. do.
1 Sari	1 8 0	Khadi or mil'-made, about 7 yards.
1 Pancha	0 3 0	About 2' x 4'
Quilt cover	2 0 0	Made of khadi and dyed in designs.
Gandhi cap (ordinary)	0 1 0	Each.
Angiya (ordinary)	0 3 0	Breast cover for women.
Choli	0 8 0	
Tobacco (powder)	0 4 0	For smoking.
Tobacco (leaves)	1 0 0	For chewing.
Bidis (No. 7)	0 0 6	Per packet of 25. Mohanlal Hargovind, Jubbulpore
Bidis (No. 777)	0 0 6	Per packet of 25. Ramkrishna Ramnath, Kamptee, district Nagpur.
Supari (Rotha)	0 8 0	Each cut into two.
Pan (Bangala, Calcutta)	0 4 0	Per hundred leaves.

TABLE C.—cont.

Commodity (with quality) (1)	Rate per seer (2)	Remarks (3)
	Rs. a. p.	
1 lamp (made of tin with spout) ..	0 3 6	To contain about $\frac{1}{2}$ seer of kerosene oil.
1 lamp made of tin (without spout) ..	0 1 3	To contain about $\frac{3}{16}$ seer of kerosene oil.
Broom (ordinary) ..	0 0 6	Per one broom.
Shoe (country, ordinary) ..	0 14 0	Per pair.
Sandals (rubber) ..	0 2 6	Per pair, made of tyre rubber.
Soap (one cake) ..	0 1 0	Per five ounce, of Kamdar Soap Works, Nagpur.
Soda (washing) ..	0 3 0	
Talkie show—		
Third class ..	0 2 0	} Per ticket.
Second class ..	0 4 0	
First class ..	0 6 0	

It will be seen that these prices confirm those supplied to us by the management for the same market.

To summarize the information thus collected, we give a short table of the commonest articles of food, showing the changes of prices in the Pench valley in the years 1911, 1939 and 1941. We have reduced the unit of quantity to pailees in the case of grains and pulses, and seers in other cases:—

TABLE D. Changes in prices (Pench Valley).

Commodities	1911	1934	1939	1941
<i>Pailees per rupee—</i>				
Rice ..	9	8 to 10	9 to 10	5½ to 6
Wheat ..	12	12	10 to 11	7 to 8
Juar ..	17	..	12 to 15	13 to 14
Gram ..	14½	..	10 to 11	9
Pulses ..	..	6 to 7	6½	6½
<i>Per seer—</i>				
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Salt ..	0 1 4½	0 1 6	0 1 6	0 1 6
Gur ..	0 2 6	..	0 2 0	0 1 3
	to		to	
	0 4 0		0 2 6	
Sugar ..	..	0 4 0	0 5 0	0 5 0
Ghee ..	1 0 0	1 0 0	0 15 0	0 15 0
	to	to	to	to
	1 5 0	1 4 0	..	1 2 0
Milk ..	0 2 0	0 3 0	..	0 2 0
		to		to
		0 4 0		0 3 0
Sweet oil ..	..	0 5 0	0 4 0	0 5 0
		to	to	to
		0 4 6	0 4 6	0 6 0
Meat (goat) ..	0 4 0	0 5 0	0 6 0	0 6 0
		to	to	to
		0 6 0	0 8 0	0 8 0
Fish ..	0 4 0	..	0 8 0	0 8 0
Eggs (each) ..	0 0 3	..	..	0 0 4½
				to
				0 0 6
Potatoes ..	..	0 1 0	0 1 0	0 0 9
		to	to	to
		0 1 6	0 3 0	0 1 0
Other vegetables..	..	0 0 3	0 0 6	0 0 9
		to	to	to
		0 0 6	0 3 0	0 1 0

70. Changes in prices—Wardha valley—*Historical*.—According to the Chanda District Gazetteer (written in 1908), the prices of the three principal food crops raised in the district varied as follows:—

Years	Rice	Seers per rupee	
		Juari	Wheat
1859—61	.. 22.89	59.82	33.33
1871—77	.. 14.50	28 00	19.00
1881—85	.. 15.90	33.70	24.50
1886—90	.. 13.40	25.20	18 00
1891—96	.. 12.50	20.30	16.15
1903—06	.. 10.74	20.73	13.74

The prices relate to Chanda town only. These rates are average rates for normal years, and conceal very sharp fluctuations in price in years of famine and plenty. Gram in 1907 sold at 9 seers, salt 36 lb. (18 pailees) country liquor (bottle holding approximately 60 tolas or $\frac{3}{4}$ seer) 10 annas or Rs. 1-4-0 according to strength, gur 6 seers, sugar $2\frac{1}{2}$ to 4 seers, potatoes 8 to 10 seers, brinjals 2 pice and onions 4 pice per seer, chillies 3 seers in the rupee, cloves 14 annas a seer, cardamums 20 tolas to the rupee, cocoanut oil 12 annas and linseed, til and castor oil 10 annas a seer. Milk was 8 seers to the rupee, and ghee Re. 1 to Rs. 1-4-0 per seer, kerosene oil sold at Rs. 2-8-0 per tin or 2 annas a bottle. Common cloth sold at 3 to 4 annas a yard, a pair of ordinary dhoties Rs. 2 to Rs. 3-4-0 and coarse khadi cloth at Rs. 1-4-0 per *than* of 20 by $1\frac{1}{2}$ cubits.

Present prices.—The Ballarpur Colliery Company kindly supplied us with the prices prevalent at the markets adjoining their Ballarpur, Ghugus and Rajur coal mines, in the years 1938-39, 1939-40 and 1940-41. We reproduce their figures below:—

PRICES OF COMMODITIES

Ballarpur Colliery.

Commodities	1938-39 Pailees per rupee	1939-40 Pailees per rupee	1940-41 Pailees per rupee
Rice ..	10	9	7 to 6
Wheat ..	11	10	8
Jawari ..	19 to 20	16	12 old and 16 new crop.
Moong ..	16	12	10
Til oil pailees per rupee.	..	As. 6	As. 6 to 7
Dhoti per pair ..	..	Rs. 2	Rs. 2-8
Saries each ..	..	Rs. 2	Rs. 2-8

Ghugus Colliery.

Rice ..	8½	7	6
Wheat ..	10	8½	9
Tur dal ..	8	8	6½
Jawari ..	13	16	16
Oil ..	2	2	2
Salt ..	12	13	11
Chillies, pailees per rupee.	3	3	2½
Dhoti per pair ..	Rs. 2	Rs. 2-2	Rs. 2-4
Sari each ..	Rs. 2-12	Rs. 2-12	Rs. 3

Rajur Colliery.

Commodities	1938-39 Pallees per rupee	1939-40 Pallees per rupee	1940-41 Pallees per rupee
Rice	.. 8 to 10	7 to 8½	5 to 6
Wheat	.. 9 to 11	7½ to 8½	9½ to 10
Pulse	.. 9 to 10	8½ to 9	7 to 7½
Moong (dal)	.. 12 to 12½	7 to 7½	5 to 5½
Jawari	.. 18 to 20	15 to 16	16 to 18
Groundnut oil, per paille	.. As. 7	As. 7	As. 6
Dhoti each	.. As. 12 to 14	As. 14 to Re. 1	Rs. 1-4 to 1-6.
Sari each	.. Rs. 2-4 to 2-8	Rs. 2-8 to 2-12.	Rs. 3 to 3-8.
Pancha each	.. As. 5 to 5½	As. 6 to 6½.	As. 6½ to 8.

71. **Dearness allowance.**—According to the prices quoted by us, which were furnished by mine managers and, for present prices, checked by us in the local bazars, the cost of food has gone up since the outbreak of war by some 20 per cent, and of clothes by nearly one-third. To meet the consequent hardship to mine workers, most mine-owners have had recourse to various methods to increase earnings. Sir M. B. Dadabhoj has granted a 10 per cent war allowance to his employees: all those on piece rates and daily rates and monthly pay have 10 per cent of their earnings added. Other mines have increased rates by roughly 10 per cent. In the Pench valley cheap grain schemes have been more popular. The scheme that existed in the mines under the control of Messrs. Shaw Wallace provided for the sale of one rupee's worth of rice and one rupee's worth of wheat (or less at the discretion of the manager) to each employee per week. The total purchases might rise to Rs. 2-8-0 a week in the case of large families. The rice was sold at the concession price of 7 pallees per rupee and wheat at 9 pallees per rupee. We were shown figures to prove that the company were sustaining a loss of about 25 per cent on this scale; in other words that to each employee they sold, taking the maximum case, grain worth Rs. 2-8-0 each week for Rs. 2, bearing a loss of Re. 0-8-0 per employee per week. On an average weekly pay of Rs. 3, this represented an addition of 16½ per cent to wages, and obviously covered most of the increase in the cost of living. The figures shown to us were of a loss of over Rs. 40,000 on sales of 40,000 maunds in six months, July 1940 to January 1941. Spreading this amount over Messrs. Shaw Wallace and Company's 5,500 employees, the loss comes to rather less than 4 annas per employee per week, on a supply of about 4 to 5 pallees of grain per week per employee, against 16 pallees eligible as a maximum. It follows that, whether owing to employees not taking advantage of the cheap grain facilities or to any restrictions imposed by the management in distribution, the loss to the companies, and consequently the gain to the employees, was only about half of that envisaged at the time the scheme was launched. The benefit of the concession comes down from 16½ of wages to 8½ per cent, on the average of the whole body of employees. An allowance of 8 annas a week per employee in cash would have cost the companies about Rs. 2,750 per week, and in a full year about Rs. 1,40,000.

72. **Dearness allowance recommended.**—The scheme has since been withdrawn, at the time of granting the concessions to miners last January. This has caused some considerable hardship and heart-burning. The withdrawal of the cheap grain scheme has hit every employee, but the concessions granted have benefited only the miners of Messrs. Shaw Wallace, who are under 2,000 of the 5,500 employees of the seven mines. We have roughly estimated the value of the concessions made to miners to be of the same order as

the maximum individual value of the cheap grain concession, *i.e.*, about 16½ per cent addition to pay, and so the miners cannot grumble that they have not been compensated for the rise in prices. We suggest that something be now done for the loaders and hazree labour, and that unless the cheap grain scheme is restored it be in the form of a weekly dearness allowance granted to those who have worked six days in the week (unless the absence has been for circumstances not under the control of the employee) and should be a flat rate of 8 annas a week per employee. Allowing for a fairly high percentage of failure to work a six-day week on the part of loaders, it may be anticipated that the cost to the companies will be very little over Rs. 1,000 weekly, or something over half a lakh per annum. In the case of loaders an additional qualification for the allowance in the form of a minimum number of tubs to be filled per week may be insisted on. This allowance has two objects in view. The first is to compensate for the increased cost of food due to the war: the second is to level up a little the wage rates where they stand most in need of it. Loaders, partly owing to their own lack of diligence but partly owing also to causes outside their control, receive considerably smaller average daily earnings than loaders in the Jharia and Bengal fields; and in our opinion some of the daily rated staff are underpaid.

73. Diet of the miner.—Cereals form the basis of the miner's diet, as of all Indian labourers. The Central Provinces is partly a rice, partly a wheat and partly a millet consuming area, and this is reflected in the diet of the miners. The Telegu workers in the Chanda coal mines consume little or no wheat, prefer a rice diet, but eat juar if they cannot afford rice. The Chhindwara miners prefer a mixture of wheat and rice in about equal proportions, but more wheat is generally consumed than rice, and the aboriginals who form the bulk of the loaders eat juar and kutki, a grain. We saw little bajra in the markets in the coal-field. The various cheap grain schemes that are in operation generally offer the miners the chance of purchasing weekly two rupees' worth of cereals, one rupee's worth of wheat and one rupee's worth of rice. The general measure is the paylee (locally called pai) which is in these areas equal to 1½ pukka seers, or 100 tolas (40 ounces). Under the cheap grain scheme lately in force at Messrs. Shaw Wallace's mines, and still in force at Newton Chickli, 9 paylees of wheat were supplied for one rupee, and seven paylees of rice for one rupee. The wheat was pissi, of the kind generally consumed by labourers, but of a good quality, freer from dirt than most wheat (wheat is generally recognized in the trade to contain at least 3 per cent. dirt) and the rice the best coarse rice, parboiled and hand-pounded, slightly reddish in colour. The measure given was generous (not open to question as in the bazars) and the grain was delivered on the collieries, thus saving the cost of transportation from the bazar.

74. Size of the family in consumption units.—Sixteen paylees of grain per week were generally accepted as sufficient for the average family by both employers and miners. Sixteen paylees contain 640 ounces, and allow just over 90 ounces of cereal per family per day. But authorities generally allow that 25 ounces per day per adult give satisfaction, in the case of Indian labourers engaged in manual labour and supply more than enough carbohydrates for the average diet. Diet surveys show that 25 ounces per day is about the maximum intake of cereal that the (adult) labourer desires, and even this figure is only reached at the lower income levels, when the consumption of milk, flesh and vegetables is relatively small. There are

of course minimum levels of income where the cereal intake is smaller, and the families on these levels go hungry. Twenty-five ounces per adult mean that 90 ounces are sufficient for $3\frac{1}{2}$ adults. An average family consisting of husband, wife and two to three children, will in terms of adult units amount to roughly $3\frac{1}{2}$ consumption units. It is of course impossible with any precision to give the size of the average miner's family in the absence of a proper family-budget enquiry (which we recommend should take place), but on the experience of other family-budget enquiries in different places, a figure of $3\frac{1}{2}$ consumption units will be found somewhere near the truth. Although it scarcely allows for a family of "replacement size" (3 children as a minimum), it is slightly larger than the family found by family-budget enquiries in Bombay (about 3) or Nagpur or Jubbulpore or Jharia.

75. Cost of existing diet.—In 1911 Mr. Ditmas found that in the Pench valley coal-field the daily food for adult labourers did not cost more than 2 annas for males, and less for women and children. At the collieries he added where men earn higher wages, the daily diet could be safely estimated as costing more like 4 annas. Annual expenditure on clothes by an ordinary labourer he estimated at Rs. 10, the cost of a house Rs. 30, and the furniture Rs. 15. The prices quoted by him in 1911 do not differ, for most articles, very widely from those prevailing today, except in the case of cereals, in which there has been a heavy war-time increase.

In the 30 budgets given in Appendix I to this chapter the total weekly food expenditure for some 80 people (dependants plus earning members) is practically Rs. 80, *i.e.*, Re. 1 per head per week, or just over 2 annas per head per day. The 36 wage earners may be taken to be spending about Re. 0.2-6 per head per day, and the remainder Re. 0.2-0 or slightly under. There has thus been no increase in expenditure on food per head in the last 30 years, but probably a decrease, though we should be cautious in placing any great weight on these figures.

76. Cost of well-balanced diet.—Dr. Aykroyd, Director of the Nutrition Research Laboratories at 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. He first analyses the bad and inadequate diet he found to exist in South Indian villages by diet survey, and, after exposing its deficiencies, he indicates what elements in his opinion need to be added to convert it into a well-balanced and adequate diet. We have, substituting wheat for rice as the principal staple in his diets, calculated the cost in the Pench valley of his bad and well-balanced diets, and found them to amount to Re. 0.1-0.37 pies per head per day in the case of the bad diet, and Re. 0.2-3 per head per day in the case of the well-balanced diet. For those who are interested, we give the details:—

	Bad diet in ounces per day	Well- balanced diet
Wheat and rice	15	15
Milk	Nil.	8
Pu'ses (arhar)	1	3
Brinjal	1	6
Ladies fingers	1	
Amaranth leaves and oth r sag	1	2
Ginjili oil	Nil.	2
Fruits	Nil.	2

Cost of bad diet.

	Ounces per day	Pies
Wheat ..	15 oz. × 0.6 pie per oz.	9.0
Pulse ..	1 oz. × 0.67 pie per oz.	0.67
Vegetables ..	1½ oz. × 0.4 pie per oz.	0.7
Oil ..	½ oz. × 2.0 pie per oz.	1.0
Salt and spices ..	..	1.0
Fuel ..	..	<i>Nil.</i>
		12.37

Cost of well-balanced diet.

	Ounces per day	Pies
Wheat ..	15 oz. × 0.6 pie per oz.	9.0
Milk ..	8 oz. × 0.75 pie per oz.	6.0
Pulse ..	3 oz. × 0.67 pie per oz.	2.0
Vegetables ..	10 oz. × 0.4 pie per oz.	4.0
Fruit ..	2 oz. × 0.5 pie per oz.	1.0
Oil ..	2 oz. × 2.0 pie per oz.	4.0
Salt and spices ..	..	1.0
Fuel ..	..	<i>Nil.</i>
		27 pies = Re. 0-2-3

77. *Adequacy of food expenditure.*—The weekly cost of the well-balanced diet is Re. 0-15-9 which corresponds very nearly to the figure of actual expenditure given by averaging the 30 family budgets collected. It does not follow that our 30 families enjoy a well-balanced and adequate budget, since it is improbable, that they all spend their Re. 1 per head per week on food wisely, and some may be living well above Dr. Aykroyd's standard while others may be equally far below it. In any case we must be extremely cautious, in the absence of a proper family-budget enquiry among coal-mine labour, in applying results drawn from such a few budgets gathered by amateurs at different dates under somewhat haphazard circumstances. But, after giving these cautions, it does appear as if the miner can afford, and does spend, in bulk, sufficient on food to keep himself and his dependants reasonably satisfied and healthy.

78. *Other expenditure.*—It is doubtful whether this can be said of clothes and the other necessities of life at the standard of living of the industrial labourer in India. Our own visual observations incline us to the opinion that the miner in the Pench valley is more poorly dressed than miners in other areas, and that his belongings are fewer, and his expenditure on petty comforts and luxuries less. This statement must be treated with the caution necessary for a purely personal reaction in the absence of any proper investigation. Expenditure on drink seems to be more than in the Jharia coal-field, which is now officially "dry", but less than in the Raniganj field. Gambling is prevalent in this as in all other mining fields.

79. *Level of real wages.*—There is little information available sufficiently detailed and reliable for use in constructing an index of changes in the level of real wages, by correlating prices and wages. Taking the Chhindwara Gazetteer prices we learn that in 1905-06, when the Pench valley coal-mine began, wages earned by men in

mines were 8 annas a day and by women as carriers 4 to 5 annas a day. The average price of wheat was 12 paylees to the rupee; juar, 18 to 20 paylees; rice, 9 to 10 paylees and gram, 15 to 16 paylees. Salt was Re. 0-1-3 to Re. 0-1-6 per seer; gur, Re. 0-2-6 to Re. 0-3-6 a seer; and sugar, 5 to 6 annas a seer. Ghee was Re. 1 a seer and more in the hot weather, and milk 2 annas a seer: both had recently become dearer, presumably with the opening of the coal-mines.

Comparing these prices with those we have found in 1941, salt, gur, sugar, ghee and milk are much the same price: indeed gur of an inferior quality is cheaper. Wheat, juar and gram are about 50 per cent dearer, and rice is almost double. Wages on a very rough calculation have risen by about 50 per cent. Certainly there has been no increase in the level of real wages: there may have been a decrease, since 1905-06. We deprecate the drawing of any firm conclusions from figures so rough and liable to error, but feel that they support the case of asking for a specific dearness allowance in cash or in kind during the continuance of the present period of high prices. Many firms are paying one already, and to others who are not yet doing so, we would say: "Consider the above facts, and the typical budgets in the appendix to this chapter and we think you will agree that the case for a dearness allowance is established."

APPENDIX I.—*Family budgets.*

In the statement given below we give particulars of the expenditure on food of about 30 employees in the Chhindwara coal-mines. The first six budgets were collected from Chandametta and Datla in 1934 by a non-official investigator; they will be found at pages 262-63 of "Labour in the Indian Coal Industry" by Seth (1940). The next fifteen are from the same two mines in the year 1941 collected by the management. The remaining budgets were noted down by us during our visits to coal-mines, mainly from smaller mines.

The following points may be noted: (1) Every budget shows expenditure on wheat, and the expenditure is nearly always a round figure, indicating that quantities purchased each week are approximate and may last for slightly more or slightly less than a week. (2) Some people spend equal amounts on rice and wheat; some people eat no rice. One person we found eating another cereal, kutki. We saw plenty of jowari being purchased in the bazaar but none of these budgets happen to show expenditure on jowari. (3) Dal (pulse) is nearly always a paylee, or half a paylee for a single person, and is more often than not arhar (tur) dal. Again it seems that the quantities purchased each week may last for rather more or rather less than one week.

STATEMENT

Caste or home	Weekly wages	No. in family	Rice	Wheat	Pulses	Vegetables	Salt and spices	Oil	Ghee	Milk	Sugar	Meat	Total food
	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.
1934													
<i>Data—</i>													
Wagon loading coolie (Sagar)	3 0 0	3	0 8 0	0 8 0	0 2 6 0	1 6	0 1 3 0	1 0	..	..	..	..	1 6 3
Carpenter (U. P.)	7 0 0	3	0 12 0	1 0 0	0 3 0	0 6 0	0 2 0	0 2 0	0 8 0	..	0 7 6	0 3 6	3 12 0
Coal cutter (Panthan)	7 0 0	7	1 0 0	1 8 0	0 3 0	0 12 0	0 2 0	0 3 0	1 0 0	0 12 0	0 12 0	0 12 0	0 7 0 0
<i>Chandametta—</i>													
Loader (Kayestha)	2 8 0	2	0 8 0	0 6 0	0 2 6 0	4 0	0 1 0	0 1 0	0 4 6	..	0 1 0	..	1 12 0
Coal cutter (Kole)	6 0 0	3	2 0 0	0 8 0	0 4 0	0 6 0	0 2 0	0 2 0	0 8 0	0 7 0	0 2 0	0 3 0	4 10 0
Clerk (formerly coolie) (Kole)	8 12 0	3	0 8 0	1 0 0	0 8 0	0 8 0	0 3 0	0 4 0	0 8 0	0 8 0	0 3 0	..	4 2 0
1941													
<i>Data—</i>													
A (Local)	3 0 0	2	0 12 0	1 0 0	0 3 0	0 2 9	0 2 3 0	1 6 0	4 0	..	0 1 0	..	2 10 6
	to												
	6 0 0												
B (U. P.)	4 0 0	..	0 8 0	0 8 0	0 2 6	..	0 0 6	..	0 8 0	..	..	0 4 6	1 15 6
	to												
	8 0 0												
C (Local)	3 0 0	2	0 8 0	1 0 0	0 2 6 0	1 3	0 1 0	0 2 0	0 4 0	..	..	..	2 2 9
	to												
	6 0 0												
D (2 loaders)	5 0 0	*2	0 5 0	1 0 0	0 5 0	..	0 1 6 0	1 6 0	4 0	..	..	..	2 1 0
	(6 days)												
E (2 loaders)	..	..	0 8 0	1 0 0	0 3 0	..	0 2 6 0	3 0	0 12 0	..	0 10 0	0 12 0	2 4 6

*Sent home each week, none at colliery.

Caste or home	Weekly wages	No. in family	Rice	Wheat	Pulses	Vegetables	Salt and spices	Oil	Ghee	Milk	Sugar	Meat	Total food
	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.
<i>1941—cont.</i>													
<i>Chandametta—</i>													
Sakharam, haulage driver.	3 9 0	4	1 0 0	0 12 0	0 2 6	0 2 0	0 3 3	0 0 9	0 4 0	..	..	..	2 8 6
Ganesh, blacksmith	3 0 0	4	1 0 0	1 0 0	0 2 6	0 2 0	0 2 6	0 1 6	..	..	..	..	2 8 6
Dulley, plate-layer.	4 8 0	2	0 6 0	0 8 0	0 2 0	0 1 0	0 3 0	0 1 6	0 4 0	..	0 2 6	..	1 12 0
Faggoo, plate-layer coolie.	2 4 0	1	0 8 0	0 4 0	0 1 3	0 1 0	0 3 3	..	0 4 0	..	0 0 9	..	1 5 6
Bhaddi, shot firer.	3 6 0	1	0 8 0	0 4 0	0 2 6	0 1 0	0 3 6	0 1 6	0 4 0	..	..	0 6 0	1 14 6
Nanhey Singh, banksman	3 0 0	4	0 8 0	1 0 0	0 5 0	0 4 0	0 3 0	..	0 4 0	..	..	..	2 8 0
Halkey, hammerman.	2 10 0	4	1 0 0	0 12 0	0 2 6	..	0 3 9	0 1 6	0 4 0	..	..	..	2 7 9
Sumeri, miner ..	..	3	0 12 0	0 8 0	0 2 6	..	0 2 6	0 1 6	0 8 0	..	..	0 4 0	2 6 6
Mulloo, filler	..	1	0 8 0	0 8 0	0 2 6	..	0 2 6	0 1 6	0 4 0	..	..	0 3 0	1 13 6
Manik Mehra, filler.	..	2	0 8 0	0 10 0	0 2 6	0 2 0	0 2 3	0 2 6	0 4 0	..	0 1 6	..	2 0 9
<i>Junnordeo No. II—</i>													
Dayaram Kotwal, loader (Multai).	2 0 0	1	..	1 0 0	0 5 6	0 2 6	0 1 9	0 2 0	..	..	..	..	1 11 9
Kotwar, banksman (Hoshangabad).	3 6 0	1	0 8 0	0 8 0	0 1 9	0 1 9	0 1 7½	..	..	..	..	..	1 4 7½
<i>Palachauri—</i>													
4 Allahabad miners* living together.	6 8 0	..	1 4 0	2 0 0	0 3 9	0 7 6	0 3 3	..	0 6 0	0 14 0	0 6 0	0 4 0	6 7 6
<i>Junnordeo No. II—</i>													
Ramprasad Pandian, miner (Narsinghpur).	4 6 0	4	1 0 0	1 0 0	0 3 6	0 1 9	0 2 0	0 0 9	..	..	0 1 0	..	2 9 0

10	<i>Barku</i> — Phaggu Gond, baaksman (Jubbulpore).	3	0	0	1	0	8	0	0	8	0	0	4	0	0	2	0	0	2	0	..	0	4	0	0	3	6	0	1	6	..	2	1	0		
	<i>Palachauri</i> — Anjan Gond, Gitter (local).	3	0	0	4	..	0	8	0	..	0	2	0	0	3	0	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	0	13	0	
	<i>Yuniordeo No. II</i> — Munshi Khan, depillaring miner (Pun- jab).	2	8	0	1	..	1	0	0	0	2	6	0	2	0	..	..	..	..	0	8	3	..	..	..	..	..	..	..	..	1	12	9		
	† <i>Kolha</i> — Gudhan Teli, water bailer.	2	3	0	15	1	0	0	1	0	0	0	2	6	0	6	6	0	2	3	..	..	..	..	..	..	..	..	0	3	0	3	9	3	
	<i>Ambava</i> — Ramsarup Kahar, miner (Rewa).	2	0	8	0	1	0	0	0	1	6	0	3	0	0	1	7½	0	2	3	..	0	3	6	0	2	0	0	4	0	2	12	0
	Grand Total—30 budgets ..	19	3	0	24	4	0	5	14	9	5	3	6	4	2	0	2	6	3	7	14	6	3	9	3	2	5	9	3	1	1	0	78	14	3	
	Average ..	0	10	3	0	13	0	0	3	2	0	2	9	0	2	2	0	1	3	0	4	3	0	1	1	0	1	3	0	2	0	2	10	1		
		Per cent			Per cent			Per cent			Per cent			Per cent			Per cent			Per cent			Per cent			Per cent			Per cent			Per cent				
		24			31			7			6			5			3			10			5			3			5			100				

*There are two additional items .. Sweets Fruit
 †Here also two additional items .. Rs. a. p. Rs. a. p.
 0 4 0 0 3 0
 0 5 0 0 1 0
 0 9 0 0 4 0
 Per cent Per cent
 †

†Father earning

APPENDIX II.—*Cheap grain scheme.*

The cheap grain scheme at the collieries under Messrs. Shaw Wallace and Company was introduced during the past year; it provided for the distribution of wheat and rice to labour force (and other employees) at prices well below market rates and fixed on the basis of 7 paylees of best common rice to the rupee and 9 paylees of "white pissi" wheat per rupee. In the course of the last six months of 1940, 30,194 maunds of grain were distributed as follows:—

	Wheat		Rice	
	Mds.	srs.	Mds.	sts.
17th July 1940	1,869	20	1,801	10
14th August 1940	2,521	20	2,156	0
28th August 1940	1,276	30	968	0
25th September 1940	2,898	20	1,940	20
23rd October 1940	2,878	0	2,462	10
20th November 1940	2,858	30	1,985	0
18th December 1940	2,728	20	1,849	20
Total	17,031	20	13,162	20

On this the companies bore nearly 25 per cent of the cost as representing the loss incurred under the distribution scheme. Roughly speaking the sale proceeds of the above amounts of wheat and rice were Rs. 60,000 plus Rs. 60,000 = Rs. 1,20,000, or Rs. 20,000 a month, on which the loss was some Rs. 5,000 monthly. The practice was to distribute to each of the 5,000 employees of the company 1 rupee's worth of rice and 1 rupee's worth of wheat each week; these amounts were given to employees with their families; single men were given Re. 0-8-0 worth of rice and Re. 0-8-0 worth of wheat per week. Presumably only one member in each family was given the concession. In practice a good deal was left to the discretion of managers. The scheme worked well, and had the following advantages besides the saving in cost of grain, which forms nearly two-third of the miner's expenditure on food:—

- (1) Grain of good quality, free from dirt, stones, insects, etc., was supplied;
- (2) grain was supplied in correct measures;
- (3) the employees were saved the trouble (or the expense) of carting grain home from the bazar each week.

The scheme at its maximum benefit of, say, 8 annas (Rs. 2-8-0 cost of grain minus Rs. 2 sale price) per week addition to income of a man on Re. 0-8-0 a day or Rs. 3 weekly, served as an addition of 16½ per cent to his income; in the case of a single man the net addition was Re. 0-4-0 a week, a 8½ per cent calculated on a Rs. 3 weekly wage. Cost in a full year would have been Rs. 80,000 on a total wage bill of somewhere in the neighbourhood of 10 lakhs, i.e., 8 per cent addition. This was cheaper than the 10 per cent war allowance granted in the Jharia coal-field, or in Sir M. B. Dadabhoy's collieries in the Wardha valley. A cheap grain scheme similar to that of Messrs. Shaw Wallace and Company has been adopted by Newton Chickli and Ghorawari collieries, the next largest concerns in the Chhindwara coal-field. The schemes at these collieries are still in force, but the scheme in the Pench Valley and Amalgamated Companies was discontinued in February last, on the

ground that "bazar prices of grain are practically on a par with the prices at which grain is sold to the workers". Whether this was true in February last or not, it is no longer true. Prices of rice during March and April, of a quality probably slightly inferior to that supplied at the concession rate, sold in Chandametta and Jamai bazars at 5½ to 6 paylees per rupee; and wheat of the "white pissi" variety sold at prices varying between 7 and 8 paylees per rupee. These figures were supplied to us by the managers of the various collieries. The case for restoring the cheap grain scheme seems to us very strong. The previous scheme was withdrawn on the understanding "so long as bazar merchants do not take advantage of the greater demand on them to raise prices". It would be cheaper than a 10 per cent war allowance, and probably give more general satisfaction. The only objection that we can see to it is that miners, who have already been given concessions in January last amounting to some 10 to 15 per cent increase in net earnings, would benefit twice. But miners form only about one-quarter of the total labour force, and we feel that the withdrawal of the cheap grain scheme has involved the remaining three-fourths of the labour force in real hardship.

If the scheme is revived, we would urge that its administration be tightened up, with a view to minimizing the cost to the companies. We have heard that quite a number of highly paid staff availed themselves of the concession; it is obviously not meant for them, and we advocate an upper pay limit to the grant of the concession, say Rs. 30 monthly. We also heard rumours of a certain amount of leakage in distribution; and we were not satisfied that the purchasing was being done in the most economical market.

CHAPTER V.—WELFARE

80. Welfare is a term capable of very wide extension, and in this chapter we have grouped together what we have to say on the subject of sanitation, first-aid, water-supply, education, housing, indebtedness, drink and workmen's compensation. We have also mentioned the work done by the local bodies whose work we were invited to see, and in appendices among other things give accounts supplied to us by two of the principal employers of the welfare work they undertake.

81. Sanitation.—Section 17 of the Mines Act says that there shall be provided and maintained for every mine latrine and urinal accommodation of such kind and on such scale as may be prescribed. Section 30 (c) of the Act gives power to make rules for prescribing the scale of latrine and urinal accommodation to be provided at mines. (We presume "at" includes "in".) Central Provinces rules Nos. 22 to 25 at pages 246-247 of the Provincial Mining Manual prescribe the standard of sanitation and accommodation. Rule 22 says in general terms that at every mine arrangements shall be made for keeping all the underground working places and travelling roads clean from excreta. Nothing is laid down as to the number of sweepers to be employed, or which mine official under the manager is responsible for seeing that this rule is enforced. (In the course of our visits we found reason to complain of the insanitary smell underground in most of the mines that we visited, and occasionally had to pick our way carefully along travelling roads and in working places because of their insanitary condition.) There is probably some truth in the plea of the managers that the average miner is lazy and will not be bothered to find a gallery some way from the working place and off any travelling road in which to defecate. In this respect he is very often repeating his insanitary habits in the village of soiling the village paths. No latrines are provided underground in any mine so far as we are aware. Under Central Provinces rule 23, if the Local Government so directs, latrine or urinal accommodation shall be provided in the case of any mine or class of mines, either on the surface only or both on the surface and in the underground workings of the mine, and in the case of the latrine, the accommodation shall not be less than one seat for 50 employees. Orders have been passed in the case of surface but no standard laid down. We are not aware of any orders under this rule regarding underground sanitation. (Some years ago in Bengal and Bihar orders were issued under a similar rule in respect of surface latrine accommodation, but were subsequently withdrawn in the face of strong objections from mine-owners.)

Since 1933 Civil Surgeons of mining districts in the Central Provinces have been appointed as *ex officio* Inspectors of Mines under section 4 of the Mines Act. In paragraph 19 of the Supplementary Instructions at page 262 of the Mining Manual it is laid down that Civil Surgeons should inspect all the mines under their jurisdiction once a year; the Civil Surgeons' inspection should be confined to matters relating to health and sanitation; a Civil Surgeon should see that Central Provinces rules 21 to 25 are being observed properly and report on the following among the other points:—

- (b) cleanliness of underground working places and travelling roads in mines,
- (c) latrines and urinals, adequacy of accommodation and sanitary condition.

Thus, although the Inspector of Mines and the Deputy Commissioner have powers to see that the rules relating to sanitation are enforced, the primary responsibility is laid on the Civil Surgeon. As already stated, no scale of latrine (or urinal) accommodation has been so far laid down for provision underground in mines. (As to the necessity for latrines, in particular, every manager we spoke to was emphatic on the subject: no miner would use them, even if provided. We are not so sure; in the absence of any experiment, it is difficult to see how anyone can be so positive of the miners' reactions. Underground latrines are provided in the manganese-mine at Bharweli, and are used. A sweeper stands by to empty the bucket at once.) We are inclined to think, from what we have seen and heard elsewhere, that there is room for experiments with bucket latrines, at least two or three buckets together in one place, in holes in unused galleries, to be removed to the surface and emptied at fairly frequent intervals, and certainly twice in each shift. The work should be specifically supervised and in charge of some one mine official. In addition, miners should be informed that if voluntary persuasion on the part of the management fails, powers will be taken under the byelaws of the mine to compel workers to defecate in particular places. Possibly a model byelaw could be drawn up for the guidance of mine-owners.

But, it may be asked, why bother to change the habits of simple village folk, by driving them unwillingly to take unfamiliar sanitary precautions? Most doctors and managers in reply to our question denied the prevalence of hookworm, both in the Pench and Wardha valleys. Apparently there has been no survey in recent years, but we quote from the Provincial Report on the Working of the Mines Act for the year 1921 (paragraph 7) in which it is stated: "A preliminary examination was made with the object of determining the severity of hookworm disease amongst the labourers in the Ballarshah coal-mine and the Bharweli manganese-mine. 75 per cent of the labour was found to be infected in the former and 25 per cent in the latter." 75 per cent is a very high percentage to find on a preliminary examination, and we suggest that the Director of Public Health be asked to take up the subject again (we can find no trace of anything having been done in the intervening 20 years) and, if a substantial incidence of hookworm is found, he should frame draft rules for the consideration of Government, tightening up considerably the provisions for keeping travelling roads and working places in mines clean and sanitary. We suggest, however, that in any case Civil Surgeons be reminded of their duties under the instructions at page 262 of the Mining Manual. (We doubt very much whether inspections by Civil Surgeons are as thorough or as frequent as they should be.) A typical inspection note by a Civil Surgeon is given in Appendix V to this chapter.

Quoting further from the 1921 Provincial Report: "After a visit to the Pench mines the Director of Public Health considered it useless in the light of the experience in the two mines mentioned to attempt any operations there. Even if the labour raised no objections (they had at Ballarshah and Bharweli) the prosecution of scientific investigation would be very difficult and curative measures impossible amongst a population which belongs mainly to the least sophisticated classes in the province who cannot be persuaded to use latrines." Perhaps after the enquiry suggested into the incidence of hookworm the Director of Public Health may feel more disposed to depart from the somewhat complacent attitude adopted in 1921.

We quote again from the Provincial Report for 1921: "Messrs. Shaw Wallace and Company are about to instal underground latrines on a septic tank principle, which, if the miners can be made to use them, should improve sanitary conditions below ground." Either these were never installed, or, more probably, the miners could not be made to use them; we found no trace of the "underground latrines on a septic tank principle" in any of the mines controlled by Messrs. Shaw Wallace and Company, nor for that matter in any other coal-mines in the Central Provinces. The need to improve underground sanitation in mines was thus realised 20 years ago, and although nothing concrete resulted from the experiments made at that time, we feel the time is ripe for the Public Health Department to take up the matter again.

82. Surface sanitation.—Most of the inhabitants of the mine quarters and camps have told us in no unmistakable terms that they prefer to defecate in the neighbouring jungle rather than in the latrines provided by the management. If pressed, they say that the latrines are not kept clean. The overwhelming testimony is that even when the latrines are kept clean they are still not used to any extent. Habit is here strong, and we are not convinced that it is more deleterious to health to defecate in the large patches of jungle found round nearly all mining camps in this province than in the average latrine. But this is subject to one proviso. In villages it is customary for certain known places to be used for sanitary purposes. This practice is probably also followed in the mining camps. But a camp populated by 500 to 600 people will soon foul a patch of jungle despite the activities of that natural scavenger—the domestic pig. Therefore in large camps surface sweepers should receive strict instructions to clean excreta from the known patches of jungle at fairly frequent intervals. The camp chaukidars should see that this is carried out.

The mines under the control of Messrs. Shaw Wallace and Company provide ash pits near the dhowrah lines, emptied by the camp sweepers when necessary. We consider that these should be adopted in all mining camps, and recommend that a rule to this effect be inserted in the Central Provinces Rules after rule 25 and Civil Surgeons instructed to see these during their inspections. We are also impressed by the need for proper latrines and urinal accommodation and ash pits in the Chandametta and Jamai bazars.

We have also considered whether the number of sweepers in each mine in proportion to the number of workers in that mine should be prescribed. Certainly in some of the largest mines the number of sweepers seems inadequate. Two underground sweepers for such large mines as Barkui and Chandametta can scarcely be expected to keep all the travelling roads and working places clean as directed in the rules. But we have refrained from suggesting the framing of a rigid scale for the present. After the enquiry by the Director of Public Health, if he deems this to be essential, he may ask for it to be done.

83. First-aid.—While many of the mine officials are trained in first-aid, usually no ordinary miner is given at present any opportunity of taking first-aid training. The Royal Commission on Labour in 1931 recommended (page 131) that ordinary miners should be encouraged to qualify in first-aid, and suggested that managers should grant inducements to this end. We have not come across any case during our tours in which this recommendation has been given effect to, and we now suggest that suitable rules be framed for the purpose, under section 30 (c) of the Mines Act, Central

Provinces rules 26 to 28 are in all probability being fully observed, and inspection notes by Civil Surgeons that we have seen confirm this, but we would like to see some ordinary miners trained in first-aid, and not only the mine officials. We feel that first-aid classes for the miner, especially if in practice a kind of compulsion were used to make him attend, but, once having attended, inducements in the shape of cups of tea or bidis after the lesson were given, the general effect in preventing him from indulgence in less useful occupations in the evenings, and the impression left on his mind that the management were interested in his welfare, would be valuable. The rule might read somewhat as follows:—

“Every mine shall hold, once in each year at least, a training class in first-aid, particularly for the training of miners, loaders, timbermen and other underground workers in the principles and practice of first-aid.”

84. **Water-supply.**—Section 17 of the Mines Act says that there shall be provided and maintained for every mine latrine and urinal accommodation of such kind, and on such scale, and such supply of water fit for drinking, as may be prescribed.

The kind and scale prescribed for drinking water in the Central Provinces rules is not defined with any exactness, which say only that at every mine a sufficient supply of wholesome drinking water shall be provided on the surface, and if the Provincial Government so directs in the case of any mine or class of mines, also below ground at points reasonably accessible to the persons employed.

The scope of “sufficient” and “wholesome” as interpreted by different mine-owners is very elastic. Some provide chlorinated and piped supplies; some rely on wells, which may be or may not be regularly disinfected; some leave the labour to take their water from nalas, reservoirs and pools scooped in the sand, or expect them to walk distances up to a mile or two, to obtain drinking water. Drinking water-supply in most (not all) of Messrs. Shaw Wallace’s pits has been rendered satisfactory by the installation of chlorinators very recently; previously supplies were liable to contamination, and on examination were found to be unsatisfactory. In other mines, it can be said that the supply varies from definitely unwholesome to tolerable; none can be described as good. Our standard of good may be taken to be supply of water from sealed and tested wells (or river water properly disinfected) through pipes to taps at or near the living quarters, the provision of taps to each set of quarters being on a sufficiently liberal scale. We recommend that the Director of Public Health be asked to lay down a definite scale of provision of water taps, and that the Department of Public Health be instructed to enforce, over a reasonable period of time, complete installation of a proved wholesome and adequate supply of drinking water to all mine quarters and at all pit heads. Equipment may be difficult to obtain in war time, but orders can be issued to draw up plans for approval by the Public Health Department, who will then proceed to lay down a definite period for completion of the water-supply in each mine. Samples of water from each mine (not only from a few of the larger ones) may be tested in the Public Health Laboratories and instructions for immediate compliance, regarding disinfection by chlorination or potassium permanganate, and protection of the source of supply from pollution, may be issued to individual mines. It should not involve much extra work for the Public Health Department to complete this in the case of the 33 coal-mines in the Central Provinces. Until

this is done and coal-mine-owners know exactly what orders they have to obey in order to comply with the provisions of section 17 of the Act, it will neither be advisable to prosecute for breaches of the Act, nor would prosecutions stand much chance of succeeding.

85. **Mine doctors.**—We were not much impressed by the standard of doctors employed in some of the smaller mines. Their pay is small, their qualifications poor, and the tenure of their posts is too insecure for them to be able to risk their employer's displeasure by giving medical opinions adverse to the company's interests. We doubt if some of the colliery doctors we saw can be trusted (1) to certify children or adolescents, (2) to give impartial opinions in accident cases, (3) to supervise properly first-aid equipments and ambulance work. We advocate a system of compulsory pooling by small mines of the services of well-paid and fully qualified doctors and compounders with well-equipped dispensaries, at places conveniently situated.

86. **Jamai dispensary.**—While on this point, we may mention that repeated complaints were made to us about the location of the Jamai dispensary maintained by the local board. This is approached from the Jamai bazar either by a circuitous route by means of a level-crossing about one-fourth of a mile distant, or by people making their way direct from the bazar across the railway goods yard, where shunting operations are almost continuously in progress. Apart from the question of trespassing on railway property, there is a real danger of accidents. One such fatal accident occurred shortly before our visit to the coal-field. We visited the dispensary, and were convinced that the present site is unsuitable. The dispensary ought not to have been located there, and we suggest that the local board be asked to take up the question of removing the dispensary to a more central site. The present dispensary building can either be sold or converted to another use such as a dak bungalow.

87. **Education.**—Education in the Pench valley is in the hands of the Independent Mining Local Board, which has its headquarters at Chhindwara. It receives a grant from Government for educational purposes of nearly Rs. 7,000, and raises nearly Rs. 4,000 by means of a special school rate on non-agriculturists. It spends on education nearly Rs. 25,000 each year. Two middle schools are maintained, one at Parasia and the other at Jamai, and some 14 primary schools, mainly in or near the mining camps or bazars in the mining area. The schools are well run, and the teachers, being on time-scale, are above the average. The Pench Valley Anglo-Vernacular Middle School, started at the instance of a former Deputy Commissioner, is doing particularly useful work. (We found a general complaint throughout the valley that all the schools were overcrowded, and there is an undoubted demand for more school buildings, more class rooms, more teachers and more new schools.) The present schools have some 1,500 pupils on the rolls, and this must represent a substantial proportion of the boys of school-going age in the valley, but still the clamour for more facilities for primary education goes on. Some of the mines have done what they can. It is quite common for a mine to provide a school building, run the school for a short time, and then, when it is a going concern, hand it over to the board. (While at Datla we were informed that the company were willing to spend Rs. 1,200 on a building for a new school, but the board was unable to accept this offer as it has no funds available at present for expansion of primary education.) We

think this is a great pity, particularly when the demand for education for the children, mainly from illiterate parents, is there. There is one obvious way in which funds can be provided. At present the board levies a coal tax of one pice (three pies) on each ton of coal despatched from the valley. It has the power to enhance this rate, and indeed those of the coal-mine-owners with whom we discussed this question were not averse to seeing the rate raised, provided the money were well spent. On what could the proceeds of such a tax be better spent than in making the miners of the future literate, able to read the instructions for their own safety, and not so much at the mercy of every wandering rumour-monger? We commend heartily this proposal to the Independent Mining Local Board, and suggest that the rate of the coal tax be raised from one pice to two pice, which was the original rate proposed to be imposed by the board, by resolution passed at its first meeting in May 1926. The Hazaribagh board takes 14 pies on each ton of coal, and the other boards in mining areas proportionately; so even at two pice the taxation is not heavy. At present coal-mine-owners have six members on the board, against one nominated member representing labour. We suggest a modification of the composition of the board to give more equal representation to members who will advocate the miner's interests. An addition to the board's income of some Rs. 23,000 (the proceeds of one pice per ton) would enable the board to carry through a complete programme of primary education for boys, and we suggest that the recommendation of the Royal Commission on Labour in 1931, that compulsory primary education be introduced in mining areas, be implemented so far as the Pench Valley is concerned. It can be done, in the way we have suggested, without any further burden being laid on provincial finances.

We give below a table showing the total income of the Independent Mining Local Board in the Pench Valley, and particulars of its schools, from the year 1926-27 onwards. It will be seen that great strides have been made in opening schools and enrolling pupils; though, as we point out above, much still remains to be done:—

Year	Total income of the Independent Mining Local Board	No. of schools	No. of teachers	Total expenditure on education	Out of Government grant	Out of Board's fund	Percentage of expenditure on education out of board's total income	No. of enrolment of boys
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Rs.			Rs.	Rs.	Rs.		
1926-27	9,058	7	17	3,800	1,009	1,952		
1927-28	11,508	8	21	5,380	1,508	3,472	46.7	610
1928-29	26,984	10	27	21,323	6,903	14,415	79.02	..
1929-30	27,216	11	27	14,812	6,722	8,090	54.42	696
1930-31	27,603	11	32	18,395	6,243	12,52	6.01	685
1931-32	25,529	12	35	17,355	5,858	11,497	67.97	791
1932-33	28,657	12	36	18,625	5,606	13,019	73.85	841
1933-34	28,032	12	39	19,216	5,758	13,458	72.22	963
1934-35	28,373	12	40	20,004	5,758	4,247	75.73	994
1935-36	28,590	12	40	19,251	6,117	13,134	71.08	1,049
1936-37	44,856	12	41	19,349	6,117	13,222	43.14	1,084
1937-38	43,339	12	43	21,437	6,613	14,824	49.5	1,078
1938-39	51,048	15	0	24,963	7,013	17,950	49.43	1,375
1939-40	50,621	15	50	2,629	6,835	17,74	47.71	1,451
1940-41	51,746	16	51	28,425	7,086	21,339	54.93	1,500

88. **Housing.**—The Pench Valley and Amalgamated coal companies have stated that a comprehensive scheme of housing spread over many years is in course of completion, and more units are being added every year. The type of dhowrah being built by the companies is, they say, fully up to the standard laid down by the Jharia mines board of health. They claim that it goes far beyond the standard generally provided at other collieries here. We accept these two claims. The sums spent on housing in the last few years have been considerable, and many blocks, up to the standards of the Jharia Board, have been completed and are now in use. Of the 3,650 quarters, of pucca and semi-pucca construction, now in existence, we have not been informed what proportion is of the type approved by the Jharia mines board of health and what proportion is of older type.

The new housing programme, up to the minimum standard of the Jharia mines board of health, has been undertaken only during the last few years, and will, at the present rate of progress, take many years to complete. The older quarters, built at different dates in the last 36 years, vary very considerably in size, accommodation and materials of which constructed. Most of these would be condemned in the Jharia coal-field. Particularly at the older collieries, Barkui and Chandametta, we saw property, built either by the companies or by the employees on companies' land, which was of a deplorably low standard. The companies cannot claim to have supplied housing up to the requirements of the permanent labour force while such quarters continue to exist. We are glad to be able to record that the companies are spending large sums now on capital account to improve housing conditions at the seven collieries. Though still below the newest quarters in the Jharia field, the new quarters are far in advance of those constructed by any other company in the Pench or Wardha valleys.

The Jharia mines board of health standard was laid down in 1923: this standard prescribes one room with a floor space of 100 s.ft., an air space of 1,000 c.ft., width of room 8 feet, and average height 7 feet; a verandah is to be provided with 40 feet floor space, width 5 feet. There is to be a door of 5' x 2' and windows. The roof is to be weather-proof and of concrete, masonry or tiles; the floor is to be pucca, and the room adequately ventilated. Not more than 10 rooms are to be built in a line or 20 back to back. The new rooms under construction by the companies conform to this standard; they are generally 12' by 10', have a verandah, and a ventilating tile in the roof. Most have a window in the front, and some end ones have side windows too.

These standards are low by any objective criterion. The Labour Commission in 1931, while realising the difficulties of the coal-mining industry, commented as follows on this type: "Most of the lines leave much room for improvement. . . . The single room 10' by 10' serves as kitchen, store room, living and sleeping room. . . . When dhowrahs are erected back to back, as is sometimes the case, these defects are further aggravated." And they added: "In one colliery small blocks of two to four houses have been recently constructed; each house has its compound wall and courtyard or private verandah. These partitioned units are not only more in conformity with the customs and desires of the miners but secure good natural light and ventilation, and we recommend a more extended use of this and similar types. . . . As

electric power is available in most of the collieries, it might be possible, without undue expenditure, to erect standard lights in and around the house lines."

A recent investigator in the coal-fields has laid down the following standards for housing labour. We quote with a few adaptations, from his recommendations: "The minimum standard of a house for the average family of four members should be as follows: There should be two rooms with a floor area of 160 square feet. Each room should be at least 8 feet wide. Both these rooms should have a verandah in front 16' x 5'. In addition to it, there should be a walled compound of 112 square feet or 16' x 7'. The room should be at least 8 feet high, the verandah 7 feet and the compound wall 6 feet. The doors of the room should be at least 6' x 2½'. Each room should have a window and roof ventilation, and the window should be in the back walls of the rooms. They should be not less than 3 square feet. The floor of the house should be cemented. The roof should be tiled or pucca. A kitchen should be provided in the corner of the compound, properly ventilated. There should be another type of housing, one roomed, for single men. The room should be not less than 10' x 10' x 8', with a door, a window, a roofed ventilator, and a verandah of 40 to 50 square feet. All these houses should be built in blocks of three to four houses instead of back to back or in long lines. Each block should have a pucca drain to carry away sullage water. In the vicinity there should be two taps, surrounded by a wall on all sides, serving the purpose of separate bath rooms for women and men, and also for water for cooking. One of the taps should be Pench river water, settled and chlorinated, and the other of pit water (or other supply) found suitable for washing and bathing purposes. There should be a sufficient number of flush septic-tank latrines; each block should be provided with a dust-bin cleaned daily. Between every three or four houses an electric or other light post should be installed. Each house, wherever possible, should be provided with a small plot of land for growing vegetables and flowers."

We recommend therefore that a specific scheme be drawn up, for family quarters on the above or some similar scale, over a reasonable period of years. The present "Jharia standard" houses could serve as single men's quarters, with certain improvements in the provision of drains, latrines, lights, etc., or as temporary quarters for families not permanently resident.

These standards, though they may be termed optimum standards, are not necessarily utopian. We wish to have them on record as a standard to which a company, assured of a reasonable term of life of its coal properties, could hope to aspire, at least for its better paid workmen. When the housing authority which we recommend is set up, we suggest that it does not rest content with approving as completely satisfactory, for a permanent employee resident with or without his family, anything less than the above.

We give, in an appendix to this chapter, the text of a bill to control housing and sanitation in the mining areas of the Central Provinces. This bill was, we understand, drafted some time ago, but has not yet been published or taken up for consideration. We recommend that legislation on this, or similar lines, be taken up, if not immediately, then certainly as part of a post-war programme of social legislation in the province.

89. **Welfare fund.**—In England, by the Mining Industry Act of 1920, there has been set up a Miners' Welfare Fund, which is fed by a levy of a penny per ton on coal, and one shilling in the pound on coal royalties. Joint district welfare committees have been set up, and they spend the money received on mining education, adult education (including cultural or recreational education such as music, literature, the arts, etc.), workmen's institutes, reading rooms, public libraries, swimming baths, playing fields, gymnasia, allotments to vegetable and flower shows, etc. In addition, under the head of public health, and social well-being in general, they may assist such objects as pit-head baths and drying rooms, the supply of drinking water to underground workers, planting of trees on disused pit heaps, etc., and under the head of safety, the establishment of ambulances, first-aid and home nursing classes, with colliery competitions in ambulance work, cottage hospitals and convalescent homes, massage centres, and facilities for miners disabled by accidents to learn other trades. We do not suggest that all, or even a large part, of these objects are suitable for adoption, at least within any reasonable time, in India, nor do we labour under any delusion that even in England much has been done apart from pit head baths, from the Miners' Welfare Fund, but still we feel it is time a beginning was made in India also, and would request Government, the employers, and such organizations of labour as exist, to lend their support to any proposal for legislation to set up a Miners' Welfare Fund in India, fed in the same way, by a small levy on coal and levy on royalties. Such legislation would have to be undertaken by the Government of India, but we would like to see the Pench Valley in particular making a joint application from all the interests involved for permissive legislation on these lines. The levies would not be difficult to assess and collect, and a joint welfare committee in the coal-field would give valuable training in the administration of funds and running of welfare activities both to employers and employees.

90. **Indebtedness.**—Advances are freely given by contractors and as far as we could find no interest is charged. They are given mostly at the time of recruitment, but sometimes also at other times, for example, at holidays or when work is slack. Reliable coal-cutters can get up to about Rs. 25, but other workers get much less. The cost of tools is also deducted in instalments. We found in our enquiry the following details of advances:—

- (i) 19 new recruits at Mahakali had received Re. 1 each.
- (ii) The contractor at Rawanwara gives up to Rs. 6 to loaders.
- (iii) Advances are given liberally at Eklehra owing to the unpopular thin seam.

Among "sirkari" workers the place of the contractor is taken, for this purpose, by the commission-holder, if any, and sometimes by the writer. The commission-holder also charges no interest, nor (so we were told) does the writer. The commission-holder is made responsible also for the cost of tools.

We have heard here and there of indebtedness to shopkeepers, who charge disguised interest in the form of higher prices for credit from bad payers. Reluctance, in some cases, to take advantage of cheap grain schemes may be due to indebtedness to shopkeepers.

Borrowing from pawnbrokers is fairly common and the usual rate of interest is half an anna per rupee, per month, or 37½ per cent per annum. We have asked the local authorities to see whether

certain pawnbrokers whose operations we came across are registered as moneylenders. (In no case do they give receipts for part payments, or render yearly accounts as required by the Moneylenders' Act. In fact this provision of law is unknown: this is because it can be enforced only by the civil court, and only by disallowing costs and interest above 6 per cent.) At Ghugus, we found the local opium licensee to be a pawnbroker.

We recommend the setting up of co-operative societies among permanent mine employees, and, as far as possible, extension of provident fund to lower paid employees, from which sums may be borrowed in time of need. Advances, especially to casual employees, are probably already on a sufficiently liberal scale, and it must be difficult, especially in the Wardha valley, to recover many of the sums advanced to employees who subsequently decamp. (That some amendment of the Moneylenders' Act is called for and tightening up of the administration of the Act, is obvious from the facts we have given above.)

91. Excise.—The Chhindwara coal-field is divided between Chhindwara and Jamai excise circles. The western part, including Jamai, is served by the Jamai warehouse at an issue price of Rs. 2-8-0 per proof gallon. The eastern part, including all the mines east of Jamai, has an issue price of Rs. 5. The retail rates are Re. 0-4-0 and Re. 0-8-0 per bottle for 60° under proof and Re. 0-5-6 and Re. 0-11-0 for 45° under proof. In the hills to the north of the mining area the issue price is Rs. 1-14-0, while in the open country round about Chhindwara it is Rs. 5.

From these figures it is clear that there is little danger of smuggling in the Jamai tract, but much is the eastern end of the field. Consumers there can get cheaper liquor from the Pagara shop (Rs. 1-14-0) (this shop is particularly convenient for Newton Chickli colliery) or from Jamai. With the construction of the new approach road from Jamai bazar to the Eklehra-Damua road smuggling will be facilitated, as the Ghorawari bus will be able to call at Jamai.

Mahua is plentiful throughout the coal-field and illicit distillation is rife. In Jamai it is carried on mainly by aboriginal villagers, who sell liquor (somewhat weaker than "rasi") to the miners at two to three annas a bottle. In the Chhindwara circle many cases have been detected in the mining camps, and there are some miners in Jamai too who distil in their quarters.

The mine managers are generally unsympathetic to the department, and one or two we hear are themselves mixed up in illicit distillation. This is because the activities of the department upset their labour. Sub-inspectors generally raid the camps without first taking the managers' permission. Otherwise the searches would almost certainly draw blank. But we suggest that excise officers should occasionally visit the camps without making raids, see the managers and talk to them about excise affairs. It would be advisable also to have one or two mine managers on the Excise Advisory Committee. After a little education of this sort they might gradually begin to realise their responsibilities.

There was recently a quarrel between a certain manager and an excise contractor, whose shop was in the mining camp. The contractor prosecuted the manager for assault. Such things could not happen if managers were in touch with the department and knew how to approach the district authorities to have a shop moved from an unsuitable place in a legal way.

The difference in issue price between two very similar tracts, connected by a metalled road, seems unjustifiable and likely to lead to smuggling. Illicit distillation could be controlled more easily if the price were Rs. 2-8-0 throughout the field. We realise, however, that smuggling to Chhindwara would thereby be facilitated.

At Rajur in the Wardha valley, the closure of shops in and near the dry Warora tahsil was found to upset the labour. They were in the habit of going in a body to the nearest shop (some ten miles distant) and spending the week-end and sometimes longer there. The miners came to us in a body to complain of this.

92. **Workmen's compensation.**—We looked into this question from the point of view of evasion, especially by the smaller owners, many of whom are in an involved financial position. The following statement (compiled from the returns in the office of the District Judge, Chhindwara) shows that suspiciously low percentages of accidents are reported from small and not very well-run mines:—

Name of mine	Average number of persons employed	Number of workmen in respect of whom compensation was paid in 1910				Compensation (for injuries only) per 1,000 persons employed	
		Death	Disablement		Total	Rs.	Rs.
			Per-manent	Tem-porary			
Pench Valley	1,551	4	1	33	38	25	433
Amalgamated Coal-fields.	3,937	3	6	198	207	53	979
Newton Chickli.	1,746	2	..	10	12	7	225
Hirdagarh Collieries.	1,291	1	..	45	46	37	154
Konhan Valley	627	..	..	52	52	83	510
South Panara	180	..	1	..	1	6	2,567
Central Provinces Syndicate.	477	..	..	63	83	174	241
N H Ojha (Ambara).	374	2	..	1	3	8	26
Kolhia ..	264	..	..	..	..	..	..
Waji Bhimji	120	..	..	..	..	..	..
Ghagri Barkui	120	..	..	..	..	..	..
Dhao ..	..	..	..	..	..	..	..

The widely differing figures in the last column of the statement are also noteworthy: we have omitted the amounts paid in fatal cases from the last column, as even one case swells the average disproportionately.

(In the course of our stay in the coal-fields we were informed of a number of cases in which compensation had apparently been improperly refused. Whatever be the basis of truth in these allegations, we are of opinion that the greatest weakness of the Workmen's Compensation Act is the lack of an officer to detect cases of evasion and assist injured workmen and dependants in putting up their cases.) These functions could be entrusted to our proposed Labour Officer.

Many complaints were made to us, especially by managers, of the evil of touting. (We were told that many lawyers get as much as half the compensation as fees in cases they take up.) It should not be difficult for mine managers to collect information about such mal-practices, and write to the District Judge for action under the Legal Practitioners Act. It would be desirable for the district authorities to give managers some simple instructions how to proceed in such cases. Our proposed Labour Officer could engage counsel on proper fees on behalf of workmen, or indeed himself appear for them in simple cases.

(The District Judge, Chhindwara (whose report on the administration of the Act in 1940 deserves study), points out the following difficulties in the Workmen's Compensation Act and its administration :—

- (i) There is no machinery for bringing claims to light.
- (ii) The Act is based on the assumption that the workman knows his rights: this is certainly not the case in the coal-fields.
- (iii) There is no provision for the expenses of witnesses, and travelling expenses of the claimant himself. Sometimes the claimant cannot even afford the railway or bus fare to Chhindwara.
- (iv) Unprofessional practices by lawyers.
- (v) When disobedience of orders is pleaded by the management, difficulty arises in the smaller mines: it is not clear what the standing orders are and there is generally evidence to show that the practice is different from the rule.

The majority of mine-owners insure against their liability under the Act. We recommend that this be made compulsory to prevent evasion of payment by small impoverished owners. The time taken to decide a claim is usually one month, which is not unreasonable.

93. Industrial disease.—We have been assured by all doctors and managers whom we have questioned on the subject that industrial diseases are entirely absent from the Central Provinces coal-mines. Certainly in no hospital or dispensary records have we seen any record of miners nystagmus or silicosis, or any other disease generally found among miners. On the other hand, the liability of the miner in other fields to tuberculosis and hookworm infection is well known, and we feel that the absence of information in the Central Provinces mines is due to lack of any proper investigation rather than to complete absence of these diseases. We recommend that the Department of Public Health, in co-operation with the colliery doctors, take up investigations, as time and funds permit, into the incidence of miners infected with tuberculosis and hookworm. The former can only be dealt with by segregating the patient for treatment and forbidding him to work underground; if the latter infection is found to be prevalent, the enforcement of the sanitary rules underground will have to be considerably tightened up, and the wearing of shoes as far as possible made compulsory.

APPENDIX I.—*Provision for labour welfare at collieries by Messrs. Shaw Wallace and Company.*

Housing.—The following particulars are supplied by the companies :—

Average daily strength of labour employed—

	Pench Valley	Amalgamated Coal Company
Male	1,501	3,705
Female	103	232
Children	..	..
Total	1,609	3,937

Accommodation provided for labour—

Number of quarters	1,140	1,856
Total available cubic space (say)	1,475,000	2,367,540
	c ft.	e. ft.
Actual number in residence	3,518	5,292

The claim is made that housing is up to the standard of a permanent labour force and of a standard well in advance of that generally provided in the area. The accommodation is pucca and semi-pucca. The size of rooms varies from 10' x 10' to 12' x 10' with a verandah. The rooms are built back to back. The total expenditure incurred up to date is between 5 to 6 lakhs. During 1940, 102 new quarters were constructed towards the completion of the scheme for housing up to the standard laid down by the Jharia Mines Board of Health. In February 1941, the total number of quarters, both pucca and semi-pucca, was reported to be 3,650. The excess over the previous number reported for 1940 (2,996) is possibly due to the inclusion of quarters for the labour employed in the power house, workshop, etc., which do not come under the head "mines". In addition, some 138 labourers are at present living on land provided by the company in huts of their own construction.

In the 2,996 quarters reported in 1940, 8,810 people were living, an average of under 3 per quarter. The air space per person works out at 436 cubic feet against a minimum permissible air space for adults of 360 cubic feet in Asansol and 333 cubic feet in Jharia.

Sanitation and water-supply.—Experimental flush latrines have been erected at some collieries, but are reported to be little used. Sweepers and conservancy staff are employed for cleaning the surroundings of the labour lines.

A filtered and chlorinated water-supply is provided through pipes of water pumped from the river Pench, to a reservoir on the top of a hill, at Barkui, Chandametta, Bhamori and Jatachappa. At Rawanwara the water-supply is from wells and is disinfected. At Datla the supply is from reservoirs, and is disinfected. At Eklehra pit water is pumped into a reservoir and disinfected. In addition, pit water is pumped for bathing purposes at some collieries.

Hospital.—A main hospital of 32 beds at Barkui and a branch hospital of 4 beds at Datla are provided, in charge of a Chief Medical Officer, with an Assistant Medical Officer at each hospital. There are in addition 8 compounders (one at each colliery dispensary and two at the main hospital) and a nurse. Thirty of the beds are for males and six for females. Maternity cases are conducted in the women's emergency ward of the hospital. There were 19 labour cases in 1940. A new operation theatre has recently been constructed, and several instruments added to the surgical and medical equipment. There are two family wards for superior Indian employees. In addition, Rs. 100 monthly is paid to the Women's Hospital in Chhindwara, and contributions made from time to time to the Civil Hospital in Chhindwara.

The number of in-patients treated in the past year was 436 and out-patients 20,954. In-patients are given free diet on a liberal scale, and diet is provided (or rations) for relatives of patients staying in the hospital. Treatment is, of course, free, and patients from outside collieries are also admitted at a small charge. The total expenditure under the head "hospital" (excluding the cost of medicines, on which Rs. 3,000 to Rs. 4,000 was spent) in 1940 was Rs. 29,326-6-7. Adding the expenditure on malaria control, this represents over two annas per employee per week on medical relief.

Malaria control.—This scheme has now been in operation some three years. The work began with the training of two men in anti-malaria work in Assam under the Ross Institute, and these two men have since been employed as full-time workers on malaria control in the Pench valley. There has, in consequence, been a reduction in

malaria cases, from 5,388 in 1939 to 1,084 in 1940. The spleen rate has come down from 35.38 per cent in 1939 to 15.4 per cent in 1940. The expenditure on malaria control was Rs. 7,091-2-6 in 1939 and Rs. 2,723-10-3 in 1940. This expenditure is borne entirely by Messrs. Shaw Wallace and Company, and in addition 19 lb. of quinine were supplied :—

Spleen tables 3 years ago and recently.

Plac.	Children examined	Number positive	Percentage	Children examined	Number positive	Percentage
Parasia ..	59	36	61.10	73	12	16.0
Chandametta ..	37	20	54.54	49	5	10.0
Eklehra ..	40	11	27.50	96	12	12.5
Barkui ..	70	16	22.75	130	16	12.0
Bhamori ..	63	27	42.85	180	40	22.0
Jatachappa ..	43	4	10.0			

The deaths from malaria dropped to 1 in 1940 from 35 in 1939. Other epidemics were absent. There was one attack of cholera but no death. There were 68 attacks of smallpox with 17 deaths. 2,206 vaccinations were performed. 3,524 cases of injury were treated, of which 9 proved fatal. 24 major operations were performed and 398 minor operations.

Education.—The companies have built school houses for the use of the Mining Local Board at Parasia, Chandametta and Barkui, and propose to provide another at Datla when the board can meet the cost of the staff, and they also pay the cost of seven stipends at the Industrial School for artisans. Employees of Messrs. Shaw Wallace pay about Rs. 1,500 annually as special school rate.

APPENDIX II.—*Description of labour welfare work at the mines controlled by Sir M. B. Dadabhoy and partner.*

(As supplied to us by the proprietor.)

“These MINORS are my future miners’. It was with this apt epigram, accompanied with an encircling sweep of his arm, that Sir Maneckji Dadabhoy pointed out a group of happy grinning Telegu urchins, who had collected round him with typical childish inquisitiveness to get a glimpse of the big MALEK SAHIB. This happened when Sir Maneckji was entertaining a party of guests at one of his collieries and showing them round the labourers’ living quarters.”

“This seemingly trivial pleasantry has a deep significance. It demonstrates the quiet confidence with which this great industrialist, the proprietor of the Ballarpur Collieries Company, the owner of half a dozen coal-mines, giving employment to thousands of men, expects his labourers to grow old in his service and further anticipates that their progeny shall also work for him when they are of age. That this confidence is perfectly justified, is easily believed by all who have had the pleasure of visiting any one of the Ballarpur Collieries Company’s coal-mines at Ballarpur, Sasti, Maneckpur, Rajur and Chirimiri.”

“At each and every one of these outposts of industry the most striking feature is the apparent contentment of the labourers. This is a very pleasant experience when you contrast it with the widely prevailing unrest amongst the labour classes all over the country and

particularly in the other coal-fields. The reasons for this are not far to seek. They are self-evident, as you will find that every aspect of labour welfare has been attended to."

"The labourers and their families live on well-selected sites in pucca-built, well-ventilated barracks, which are given them free of any rent whatsoever; if such accommodation is not sufficient or if the labourers prefer it, they are supplied with all the materials to build huts for themselves."

"For fuel, the labourers have been used to burning firewood, and experience has shown that they prefer to use this to coal. The firewood is obtained in abundance from the surrounding country-side. In places, however, where firewood is scarce and hard to obtain, or during the rainy season, the company supplies free coal."

"The labour files are kept in clean and sanitary conditions under the direct supervision of the company's medical officers, one of whose daily duties is to personally inspect the files and look to its cleanliness and drainage. Under the medical officer's charge is employed a gang of sweepers with a sanitary jamadar over them to carry out the work of keeping the files clean, remove and dump all the rubbish and trench the night-soil at a healthy distance from the living quarters."

"Adequate supply of water is maintained throughout the year by means of water-taps in the labour files, connected with a pipe line direct to the underground reservoirs. This water is fit for drinking as it is tested occasionally by the Government medical authorities and also the company's medical department. The water is permanganated and chlorinated at its source occasionally. The surface reservoirs (tanks) near the files are also kept in a hygienically cleaned condition by periodical washouts. This water is also used for bathing and washing purposes. For the miners, 'shower baths' have been provided near the pit-heads, for them to bathe and clean themselves after leaving their underground work."

"The most important feature of labour welfare, that of medical aid, is most efficiently catered for. At every colliery the company maintained a well-equipped dispensary with accommodation for two to four indoor patients, under the control of a qualified medical officer, and staffed with compounders, dressers, etc. Sir Maneckji Dadabhoj's philanthropic disposition and humanitarian outlook has prompted him to issue instructions to his officials to extend medical aid, in emergency cases, to all people, even if the patients are not the employees of the company or their dependants. As a result of this, when occasion demands, free medical aid is extended to all people including the railway staff and inhabitants of the neighbouring villages. In cases of emergency, the medical officers are enjoined to visit the non-employees' places of residence even if these are at a distance from the colliery."

"To safeguard against epidemics like cholera and smallpox, which have an annual recurrence, special stocks of vaccines and lymph are always kept ready for inoculation as a prophylactic measure. Special quarantines exist at all collieries for isolating cholera or smallpox patients, when such epidemics are prevalent and thus save the rest of the population from the danger of infection."

"First aid boxes are kept ready equipped with necessary medicines and dressings for use in cases of emergency."

"On medicine alone the company's annual expenditure is in the vicinity of Rs. 30,000."

"The education of the labourers' children receives special attention. Facilities are given to missionary societies, who desire to run schools within the colliery premises, by giving them rent-free buildings for school houses, or at nominal rents. Beside this, the company maintains at their private expense separate schools for Telegu-speaking children, wherever necessary. No distinction is made due to the difference of status of the children's parents, so that the children of the high colliery officials sit alongside of those of the poorest labourers and learn their 'Three R's' together."

"To prevent disturbances in the files, such as private quarrels, drunkenness and rowdyism, special file chowkidars are appointed to control such undesirable incidents, and, if necessary, to report them to the managers. When the labourers bring their grievances and other matters at dispute amongst themselves to the notice of the manager, he acts as an arbitrator in such cases and tries to make the disputants reach an amicable settlement."

"The labourers' wages are paid regularly by the company every week. The practice of taking loans from moneylenders, like Pathans and sahu-kars, has been discouraged and to help them in their need for extra money due to various reasons such as, marriages, prolonged illness or any other special cause, the company advances reasonable amounts in cash, which are recovered by small instalments from subsequent wages, free of all interest. Following are the average daily wages, as earned by the underground and surface labour:—

<i>Surface</i>			
		Maximum	Minimum
		Rs. a. p.	Rs. a. p.
Skilled males	.. ..	0 15 6	0 8 9
Unskilled males	.. ..	0 8 9	0 4 3
Unskilled females	.. ..	0 4 6	0 3 3
<i>Underground</i>			
Skilled men	.. ..	0 15 9	0 8 9
Unskilled men	.. ..	0 6 9	0 4 3

The above-stated wages include a special 'dearness allowance' which was granted to all the workers when it was found that due to the war, the prices of all commodities had increased considerably. The labour is well satisfied with this increase in their earnings."

"*There should be no work without play.* This ancient adage is well understood by the Ballarpur Collieries Company and it amply provides for its employees' recreation by giving annual grants to every colliery to pay for sporting activities and to provide opportunities for the children of the labour colonies to take healthy open air exercise. The playing-field atmosphere is quite informal, and the officials, the subordinates and the labourers, all engage each other in friendly rivalry and by their exertion strive to prove the truth of the old proverb: *A healthy mind in a healthy body.*"

Why should not the labourers feel happy and contented under such circumstances and is it strange or does it at all seem surprising that the one person, who is largely responsible for all the amenities they enjoy, should display his pride of possession in saying: "These MINORS are my future miners"?

APPENDIX III.—*Village Panchayat of Jamai.*

The panchayat's jurisdiction extends over the two villages of Jamai and Datla, with a population of about 9,000.

The panchayat's income in 1940-41 was Rs. 1,742-2-9, the main items of which were: (1) A grant from the Independent Mining Board of Rs. 400; (2) latrine tax, Rs. 659-8-0; and (3) house tax, Rs. 478-15-3. The expenditure totalled, Rs. 1,748-15-0, the main items being: (1) Sanitation, Rs. 1,428-13-0; (2) road repairs, Rs. 73-0-6; and (3) contribution to the Independent Mining Local Board, for new road to goods shed, Rs. 115. There are 16 sweepers, whose pay accounts for nearly all the expenditure on sanitation. It is not clear how much of the money goes on cleaning the roads and the open spaces, and how much on private latrines but it looks as though the cleaning of private latrines is done at a loss. With the exception of the road which is being built by the Independent Mining Local Board to join up with the Parasias-Ghorawari road, little has been done to improve the bazar.

The incidence of the panchayat's income is about three annas per head of the population. This is not enough to provide all the amenities needed by such a growing place, but the residents are taxed also by the Independent Mining Local Board. Moreover, the panchayat has not assumed all the responsibilities that a municipal committee would have to discharge. For example, the panchayat has nothing to do with the schools or the dispensary.

It is noteworthy that for the two villages of Jamai and Datla only one kotwar is provided. This shows the rapid growth of the town since the settlement began. There is no special kotwar for the mining camps but the kotwar gets Rs. 3 per month from the Amalgamated Coalfields Company. Apart from this, he receives nothing from non-agriculturists. *Prima facie* there is a case for several more kotwars, who would have to be provided for by a kotwar cess on non-agriculturists. Such a cess would be unpopular, as the residents would have to pay taxes to Government as well as to the Independent Mining Local Board and the panchayat. The kotwar is getting a good income and is satisfied. But it is clear that he cannot, and does not, fully discharge the duties of a kotwar. We were told that he is rarely seen at Datla except when Government officers go there and when he draws his pay from the company.

The panchayat is also a village bench and a village court with petty criminal and civil judicial powers. Eighty-six civil cases were instituted in 1940-41: they were promptly disposed of, the only delay being due to non-service of notices. It seems that the defendants evade service, and as the kotwar is overworked he cannot devote much attention to process serving. Many of the suits are for house rent and some for price of goods supplied on credit. The court has scrutinized the claims carefully in those cases in which the parties did not compromise. There are very few cases for money-lending debts. We understand that such cases used to be filed before the village court but that now the creditors usually go to Chhindwara. The village panchayat has never taken this matter up with the District Judge, but has advised debtors to file objections in the civil court. All such objections have been unsuccessful, although under section 34 of the Village Panchayat Act a civil court cannot take up a case which is cognisable by a village court. *Prima facie* there seem to be two loopholes by which the creditors can avoid the village court's jurisdiction: (1) The court's pecuniary jurisdiction is Rs. 100 only. Under

section 32 (2) of the Act, the Provincial Government can increase this limit to Rs. 200. The Deputy Commissioner might be asked to recommend this. (2) Under section 54 (1) a village court can take cognisance only within one year of the date on which the cause of action arises. It is easy for the creditors to wait till this period is over, and then sue in the civil court within the longer period allowed by the Limitation Act. The Provincial Government can exempt the village court from this restriction, and make the ordinary law of limitation applicable to it. We think this would be justified if creditors are deliberately making use of this loophole. The only possible objection is that the village court might have to decide knotty points of limitation. We think, however, that the Deputy Commissioner could supply the court with a simplified summary of the schedule to the Limitation Act, showing only the common types of cases with which the court has to deal, and advise it in cases of doubt to refer the matter to him under section 48 of the Act. If the village court gets cases of money-lending debts it should carefully study the provisions of the Moneylenders Act, which are at present almost a dead letter.

APPENDIX IV.—*The Central Provinces and Berar Mining Areas Housing Bill.*

A Bill to provide for the control and sanitation of housing of labour in mining areas.

Preamble.—Whereas it is expedient to provide for the control and sanitation of the housing of labour in mining areas;

It is hereby enacted as follows:—

1. *Short title, extent, commencement and application.*—(1) This Act may be cited as the Central Provinces and Berar Mining Areas Housing Act, 1939.

(2) It extends to the whole of the Central Provinces and Berar.

(3) It shall come into force on such date as the Provincial Government may, by notification, direct.

(4) It applies in the first instance to all mines as defined in the Indian Mines Act, 1923 (IV of 1923), and the same Act as applied to Berar, except those exempted from the operation of the provisions of the said Act.

(5) The Provincial Government may, by notification, extend the provisions of this Act to any quarry, or to a mine exempted from the provisions of the Indian Mines Act, 1923 (IV of 1923), or the same Act as applied to Berar, from a date not being earlier than three months after the date of the notification.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context,—

(a) the expressions “agent”, “employed”, “mine”, and “owner” shall have the meanings assigned to them respectively, in the Indian Mines Act, 1923 (IV of 1923), or the same Act as applied to Berar;

(b) “Board” means a Board of Health established under sub-section (1) of section 4, and includes the authority appointed under section 7;

(c) “prescribed” means prescribed by rules made under this Act.

3. *Declaration of area as mining settlement.*—(1) Whenever it appears to the Provincial Government that it is necessary to provide for the control and sanitation of any area within which persons employed in any mine reside, it may, by notification, declare such area to be a “mining settlement”:

Provided that if there are mining operations in any part of such area, that part shall not be deemed to be within the mining settlement so declared.

(2) Every notification issued under this section shall define the limits of the area to which it relates.

(3) The Provincial Government may, by notification, include or exclude any area in or from a mining settlement.

4. *Creation of Board.*—(1) The Provincial Government may, by notification, establish a Board for carrying out the purposes of this Act in respect of any mining settlement or a group of mining settlements.

(2) A Board shall consist of a Chairman and six members of whom—

(i) two shall be officials nominated by the Provincial Government;

(ii) two shall be elected by the owners of mines within the mining settlement or group of mining settlements or their representatives; and

(iii) two shall be elected by the labourers employed in mines and residing within the mining settlement or group of mining settlements.

(3) The election of members under this section shall be made in such manner and within such period as may be prescribed.

(4) The Provincial Government shall appoint such person as it deems fit to be the Chairman of the Board.

5. *Powers of Chairman.*—The Chairman may, for the transaction of business connected with this Act or for the purpose of making any order authorized thereby, exercise such of the powers vested by this Act in the Board as may, from time to time, be delegated to him by the Board.

6. *Board to be corporate body.*—A Board shall be a body corporate and shall have perpetual succession and a common seal with power to hold and acquire property, both movable and immovable, and subject to such conditions as may be prescribed, to transfer any such property held by it and to do all other things necessary for the purposes of this Act, and may sue and be sued in its corporate name.

7. *Appointment of authority.*—If in respect of any mining settlement no Board has been established, the Provincial Government may, by notification, appoint such authority as it thinks fit, to carry out the functions of the Board. The authority appointed under this section shall be deemed to be a Board for the purpose of this Act and may pass orders after previous publication with respect to matters enumerated in section 19 and such orders shall be deemed to be byelaws made under this Act.

8. *Power to execute measures.*—Subject to the prescribed restrictions, a Board may, on the recommendation of the Sanitary

Officer or otherwise, undertake such measures, not inconsistent with rules or byelaws framed under this Act, as it considers necessary—

- (a) to provide for and regulate the housing of labourers, whether permanent or temporary;
- (b) to provide for sanitation and conservancy; and
- (c) to provide for an adequate supply of wholesome water in the mining settlement.

9. *Appointment of Sanitary Officers.*—(1) The Provincial Government may appoint for a mining settlement or any part thereof as many Sanitary Officers as it may consider necessary and may by rules fix the salary to be paid to each such Officer by the Board established for such mining settlement.

(2) Every Sanitary Officer shall be deemed to be a public servant within the meaning of the Indian Penal Code (XLV of 1860), or the same Code as applied to Berar.

10. *Powers and duties of Sanitary Officers.*—(1) Every Sanitary Officer shall be subordinate to the Board established for the mining settlement and shall, within the area for which he has been appointed, exercise the powers conferred on him and perform the duties imposed upon him by or under this Act.

(2) It shall be the duty of every Sanitary Officer to report to the Board the measures which in his opinion should be taken by it to provide for—

- (a) the housing of labourers,
- (b) sanitation and conservancy, and
- (c) an adequate supply of wholesome water, in the mining settlement.

11. *House accommodation, etc., for labourers.*—Every owner of a mine shall, within a mining settlement, provide for the labourers employed in the mine such house accommodation, sanitary arrangements and water-supply as the Board may, by byelaw, require.

12. *Facilities to be afforded to Sanitary Officers.*—Every owner, agent or manager of a mine within a mining settlement shall give the Sanitary Officer, on requisition, all reasonable facilities for entering upon any premises of land, and for making any inspection, examination or inquiry in the discharge of his duties under section 10.

13. *Power to require owner of a mining settlement to execute measures.*—(1) If the Board is of opinion that owing to the neglect of the owner of a mine to comply with any byelaw framed under this Act, speedy remedy is necessary, it may, by a requisition, specifying the measures to be taken and the works to be executed, require such owner to comply with the requisition within such time as it may direct, and in the event of default it may itself take such measures or execute such works at the cost of such owner.

(2) If the Board is satisfied that speedy remedy is necessary to avoid loss of life, it may forthwith proceed to carry into effect such measures or execute such works as it may consider necessary at the cost of such owner.

14. *Objection against requisition.*—Any person who is required by a requisition under sub-section (1) of section 13 to do anything may prefer an objection in writing to the Board within fifteen days from the date of issue of the requisition, and the Board shall,

after considering the objection, record an order withdrawing, modifying or making absolute the requisition against which the objection is preferred.

15. *Recovery of cost.*—If any measure to be taken or work required to be executed under section 13 has been taken or executed by the Board itself and if the cost incurred in that behalf is not paid by the owner within the time specified by the Board, it shall be recoverable from the owner as an arrear of land revenue.

16. *Appeal from orders under section 13.*—Any person aggrieved by an order passed under sub-section (1) of section 13 may appeal to the District Judge having jurisdiction within thirty days from the date of such order :

Provided that the filing of such an appeal shall not operate, unless the Court so directs, to stay any action by the Board during the pendency of the appeal.

17. *Levy of fee.*—The Provincial Government may impose on any owner of a mine in a mining settlement such fee as may be prescribed to meet the expenditure incurred by or on account of the Board.

18. *Powers to make rules.*—(1) The Provincial Government may, after previous publication, make rules consistent with this Act, in respect of a mining settlement or any group of mining settlements.

(2) In particular and without prejudice to the generality of the foregoing provision, the Provincial Government may make rules—

- (a) regulating the manner of election under sub-section (3) of section 4 and prescribing the tenure of office of members of a Board;
- (b) regulating the powers and procedure of a Board, the delegation to, and exercise by, the Chairman of powers vested in a Board;
- (c) regulating the appointment, suspension, dismissal, leave, salaries and allowances of Sanitary Officers;
- (d) regulating the duties and powers of Sanitary Officers and providing for appeals from their orders;
- (e) regulating the imposition and recovery of fees payable under this Act and the allocation thereof to a Board;
- (f) regulating the expenditure to be incurred by a Board;
- (g) prescribing the manner in which a requisition under this Act may be served; and
- (h) generally, for the purpose of carrying into effect the provisions of this Act.

19. *Power to make byelaws.*—(1) A Board may, after previous publication, make byelaws—

- (i) regulating the duties of owners, agents, and managers of mines in respect of the mining settlement;
- (ii) regulating the matters in respect of which notices, returns and reports shall be furnished by owners, agents and managers of mines relating to the mining settlement, the form of such notices, returns and reports, the persons and authorities to whom they are to be furnished and the particulars to be contained in them;

- (iii) regulating the plans (if any), to be kept by owners, agents and managers of mines within the mining settlement and the manner and places in which they are to be kept for purposes of record;
- (iv) providing for the supply of filtered, boiled or other water and for sanitation and conservancy in the mining settlement;
- (v) providing for the taking of measures to prevent the outbreak or spread of and to combat epidemic and other diseases in the mining settlement;
- (vi) providing against the accumulation of water (other than water in mines) in the mining settlement;
- (vii) regulating the construction and sanitation of residential buildings within the mining settlement;
- (viii) determining the standard of accommodation in cases where accommodation is provided for persons employed in mines within the mining settlement;
- (ix) providing for the prevention or abatement of nuisances affecting the public health committed by any persons within the limits of the mining settlement; and
- (x) generally for the purpose of carrying out the purposes of this Act and for promoting the safety, health and welfare of persons employed in a mine within the mining settlement.

(2) Byelaws made under this section shall not take effect until they have been confirmed by the Provincial Government and published in the Gazette.

20. *Penalties.*—(1) Whoever assaults or obstructs any Sanitary Officer in the discharge of his duties or exercise of powers under this Act, or refuses or wilfully neglects to furnish him with the means necessary for entering upon any premises or land and for making any entry, inspection, examination or inquiry thereunder in relation to any mining settlement or withholds any information necessary for the purposes of such inquiry shall, on conviction by a competent magistrate, be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both.

(2) Whoever makes, gives or delivers any notice or return required by or under this Act which contains a statement, entry or detail which is not, to the best of his knowledge or belief, true, shall be punishable with fine which may extend to five hundred rupees.

(3) Whoever—

(a) fails to comply with any requisition or order made under this Act or of any rule, byelaw or order made thereunder; or

(b) contravenes any provision of this Act or any rule, byelaw or order made thereunder, for the breach of which no penalty is otherwise provided, shall on conviction by a competent Magistrate be punishable with fine which may extend to two hundred rupees, and, in case of a continuing breach of the provisions of clause (a), with fine which may extend to fifty rupees for each day after the first during which the breach continues.

(4) All fines recovered under this Act shall be credited to the provincial revenues and a grant equivalent to such fines shall be paid to the Board at whose instance the prosecution was instituted.

21. *Prosecution of owner, agent or manager.*—No prosecution shall be instituted against any owner, agent or manager of a mine within a mining settlement for any offence against this Act or any rule, byelaw or order made thereunder, except at the instance of a Board.

22. *Limitation of prosecution.*—No Court shall take cognizance of any offence against this Act or against any rule, byelaw or order made thereunder, except on the complaint made within six months from the date on which the offence is alleged to have been committed.

23. *Trial of offences.*—No Court inferior to that of a Magistrate of the First Class shall try any offence against this Act or any rule, byelaw or order made thereunder which—

- (a) is alleged to have been committed by any owner, agent or manager of a mine within a mining settlement, or
- (b) is punishable with imprisonment.

24. *Powers of Board for obtaining evidence.*—A Board shall have the powers of a civil Court for the purpose of enforcing the attendance of witnesses and compelling the production of documents; and every person required by any such Board to furnish information before it shall be deemed to be legally bound to do so within the meaning of section 176 of the Indian Penal Code (XLV of 1860), or the same Code as applied to Berar.

25. *Service of requisitions.*—A requisition under this Act shall be served in such manner as may be prescribed.

26. *Power of Provincial Government to alter or rescind orders.*—The Provincial Government may reserve or modify any order passed under this Act by any authority, other than an order passed in an appeal under section 16.

27. *Saving of acts done under this Act.*—No suit, prosecution or other legal proceedings shall lie against any person for anything in good faith done or intended to be done in pursuance or execution of this Act.

APPENDIX V.—*Inspection Note on Hirdagarh Collieries at Bamhanwara, by the Civil Surgeon, Chhindwara.*

These collieries are owned by Mr. Khambata of Bombay. They comprise of the following:—

- (1) West Ghorawari.
- (2) Purena Khalsa.
- (3) Gogra Dhana.
- (4) Nymdhana.
- (5) Kotideo.

Each of them has two inclines, one for travelling and the other for the haulage of coal. They are connected by 2½ miles of tram line. The underground of all the mines is clean and dry. Each mine has sufficient ventilation and is free from dust or smoke.

Labour camp.—There are about 800 labourers employed in these mines, 300 of them are housed in labour camp built between Nymdhana and Kotideo, at Ghorawari and at West Ghorawari. All of them are made of brick masonry. Each room is 10' x 10' and the height ranges from 8' to 14', as the roof is built on an incline plane. Country tiles are found on the roof. There are ventilating holes on the front walls instead of a window. There is enough ventilation in the rooms. The health of the labourers appeared to be good.

Water-supply is from five wells which are all pucca. One of them is 100 feet deep and supplies good and sufficient water. It has no platform and drain all round. It is reported that the water of all the wells is permanganated regularly.

Conservancy. There is a latrine for the old coolie line but none for the newly constructed line. One latrine for each of the camps appears to be a necessity. As in all other mines, people here also resort to the neighbouring jungle for the call of nature. This practice is most objectionable and every effort should be made by the management of the colliery to discourage it. There are two sweepers for each incline and eight are working on the surface.

Dispensary.—Dr. Banerjee is in charge of the dispensary. He was away on leave. It is run at present by the compounder, who is qualified. The dispensary building consisting of three rooms is kept in good order. The daily attendance is between 40 to 50 with an average of 5-6 new cases. As usual the malaria cases top the list. There is ample supply and stock of drugs, dressings and splints. First-aid boxes are kept at the dispensary and at the inclines. Those at the latter places require constant replenishing. Stretchers are also kept at the inclines and in the dispensary.

Sixteen persons have certificates in the first-aid to the injured.

CHAPTER VI.—ECONOMIC CONDITION

94. In a memorial presented by coal-owners of the Pench valley to His Excellency the Governor in 1940 they drew attention to the importance of the industry as an economic factor in the life of the province. They pointed out that the Pench valley produced $1\frac{1}{2}$ million tons of coal per annum, and gave employment to a labour force of 10,000; with their families, dependants and other employed on work ancillary to the production of coal, about 40 to 50 thousand souls were supported by the industry. It supplied the G. I. P. Railway with 60 per cent of its coal requirements, and the B.-N. Railway narrow gauge with 100 per cent of its coal requirements. From this industry the average daily earnings of miners were 12 annas, loaders 8 annas, trammers, etc., 8 to 10 annas, surface workers 6 to 8 annas and females 4 annas, the inference being that these were earnings which those employed would not have gained in their ancestral employment of agriculture. The labour force was one-third local and two-thirds outside, one-third seasonal and two-thirds permanent. For a labour force of some 5,239 (average for 1939) Messrs. Shaw Wallace, the largest concern, had supplied nearly 3,000 quarters free.

95. We have dealt in other chapters with the side and composition of the labour force, its earnings, amenities provided, and the economic benefits derived by the labour force from the growth and development of the industry. In this chapter we wish to break new ground by collecting materials for a picture—necessarily incomplete—of the industry as an economic unit, its financial structure, income, expenditure and profits, so that we may arrive at some assessment, however, tentative, of its ability to bear the cost of our proposals and recommendations in respect of its labour force. We have found ourselves confronted with one great initial difficulty, and that is, lack of information about the raising costs and profits of the smaller concerns in the industry. However we have collected published information for the larger concerns, and can make reasonable assumptions on the basis of our figures regarding output, prices of coal, and total wages bill, which will, we feel, afford some basis for not too erroneous estimates. First we deal with the basic questions, of the market for Central Provinces coal, and the selling prices, and then, after considering the important item of railway tenders, describe the economic structure of the important firms engaged in the industry, and arrive at some estimate of the total receipts and total profits, in short, some tentative approach to a consolidated balance sheet, and profit and loss account.

96. Export and import of coal.—No coal from the Central Provinces is exported to foreign countries, nor is any used as bunker coal. In fact, no attempt is made to have Central Provinces coal graded, for the purposes of export, by the Coal Grading Board. The reasons are that the railway freight from the Central Provinces coal-fields to any port is heavy, and the quality of the coal is inferior to that of its competitors in the ports of India. The latest (1937-38) figures available (Statistical Abstract for British India, 1940, page 707) for import and export of coal by rail or by river into and out of the province show that approximately 1,336,000 tons were exported from the province, and 306,800 tons imported from other coal-fields into the province. Thus there is a net export of over one million tons of coal a year from the province. It is not possible to say how far these statistics were complete, but they afford some indication of the extent of the traffic. Coal is mainly exported to the cotton-weaving centres of the Bombay Presidency other than Bombay City, and to such

industrial centres in the neighbouring States as Indore and Bhopal. The import of coal into the province is confined to Jubbulpore and areas north, which are nearer to the Rewa and Korea coal-fields, and to the area served by the B.-N. Railway main line from Nagpur towards Calcutta. These are, on the whole, the less industrialised parts of the province and Central Provinces coal can look forward to the continuance and extension of a steady market in Berar and the cotton areas generally, particularly for supply to ginning factories and cotton mills, and for an increasing market in western India as general industrial expansion continues under the stimulus of war.

In addition, the railways, in particular the Great Indian Peninsula Railway, take increasing quantities of Central Provinces coal and with the expansion of traffic on these lines the demand for coal will grow automatically. Thus while the market is entirely dependent upon the industrial situation, whether it is in a state of boom or depression, there is good reason to believe that the markets for Central Provinces coal will continue to grow in the future as they have in the past.

97. Prices of coal.—Upon the state of the coal market depends the prosperity of the industry; and upon its prosperity depends its ability to carry out improvements in wages and conditions of labour, and to conduct welfare work. This is very often forgotten but is a hard economic fact all the same. On the other hand labour and labour leaders cannot be condemned for making extravagant demands from a concern which they see to be in a prosperous condition year after year. There must be some principle of reciprocity in the division of available profits: it is not possible to maintain that shareholders and managing agents at the present day may claim all the surplus profits, leaving labour to get only its economic or "competitive" dues. What is a correct principle of division has not yet been established, but that there should be some measure of division, or allocation of surplus profits to labour as well as to capital, few will now dispute. The main difficulty is to establish the extent of the surplus profits, if any: the coal trade has been labouring under depressed conditions for many years, and only some individual concerns have enjoyed any marked degree of prosperity. Raising costs have not fallen appreciably, and have risen in war time, while prices realised have fluctuated considerably and been low for some years. The following table shows the average pit's mouth (or loaded into wagon) prices of coal in the Central Provinces coal-fields from 1919 onwards, gathered from various sources:—

Year	C. I. M's. Annual Report		Provincial Annual Reports		
	Average value per ton of coal put into wagons, in the Central Provinces	Annual "Coal Statistics"	Average pit's mouth value		
		Actual or estimated wholesale prices of Central Provinces coal at the pit's mouth	Chhindwara	Chanda	Central Provinces
			Rs. a. p.	Rs. a. p.	Rs. a. p.
1919	5 6 11
1920	6 7 3	5 13 2
1921	..	7 0 0	6 13 6	7 10 3	6 10 8
1922	..	7 11 0	7 7 8	7 14 4	7 11 5
1923	..	6 11 0	5 14 10	6 2 0	5 10 3
1924	..	6 1 0	5 8 11	5 15 8	5 6 9
1925	..	6 3 0	5 11 1	5 10 9	5 11 0
1926	..	5 4 0	4 13 4	3 10 9	5 4 5

Year	C. I. M.'s Annual Report	Annual "Coal Statistics"	Provincial Annual Reports		
	Average value per ton of coal put into wag ns, in the Central Provinces	Actual or esti- mated whole- sale price of Central Provinces coal at the pit's mouth	Average pit's mouth value		
			Chhindwara	Chanda	Central Provinces
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1927	..	4 7 0	..	..	Not available.
1928	..	4 3 0	..	..	Not available.
1929	..	4 4 0	4 3 5	4 1 10	..
1930	..	4 4 0	4 5 2	4 1 4	..
1931	..	4 1 0	4 2 3	3 9 0	..
1932	..	3 13 0	3 14 0	3 7 0	..
1933	..	3 13 0	4 7 7	3 6 0	..
1934	..	3 11 0	3 13 7	3 3 0	..
1935	.. 3 9 1	3 9 0	3 10 0	3 6 0	..
1936	.. 3 9 4	3 5 0	3 6 0	3 2 0	..
1937	.. 3 8 0	3 5 0	3 4 0	3 2 0	..
1938	.. 3 15 2	3 11 0	3 13 0	3 2 0	..
1939	.. 3 10 4	3 10 0	3 13 0	3 6 0	..
1940	..	..	3 14 0	3 10 0	..

These prices are as reported annually by mine-owners, and in general they represent the actual, or estimated, wholesale price of coal at the pit-head, or loaded into railway wagons at the nearest railway siding. The value at pit's mouth, as pointed out in "Coal Statistics" (page 4), is affected by many factors, such as the quality of the coal raised, its accessibility, the machinery in use, the nearness to the surface, etc., as well as the differences in the cost of labour and transport. "Indian coal has a lower value at the pits' mouth than the coal of any other country. The reason for this is that a large percentage of the coal that is now being worked is comparatively near the surface, while labour is comparatively cheap" (Coal Statistics, page 4). We are inclined to question whether labour in Indian coal-mines actually is cheap. The main points to bear in mind about the price of the Central Provinces coal are the distance from its markets, and the effect of the railway tender prices. We need not debate upon the distance factor, and the differential rates possible because Central Provinces coal is nearer to the cotton belt than Bengal or Central India coal. The ground has been worked over more than once in railway rates enquiries. But the second point—the railway tender prices—merits more consideration. The following table, supplied by coal-owners, shows the Central Provinces coal selling prices, f.o.r. colliery stations, for the year 1933—37 :—

Central Provinces coal selling prices f.o.r. colliery stations.

Year	Railways		Indore	Ahmedabad
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1933	..	4 6 0	4 3 0	4 8 0
1934	..	4 2 0	4 0 0	4 4 0
	..	to	to	4 0 0
1935	..	4 4 0	3 12 0	4 0 0
	..	to	4 0 0	
1936	..	4 4 0	3 12 0	3 12 0
	..	3 14 0	3 12 0	
1937	..	3 12 0	3 14 0	3 4 0
	to	
			3 8 0	

It will be observed that prices to the public tend to follow prices to the railway, at a slightly lower level. After the closing down of Mohpani mine in 1927 the G. I. P. Railway began to place contracts for its "loco" coal in the Pench valley (and to a much smaller extent in the Wardha valley). The B.-N. Railway also purchased its narrow gauge requirements from these fields. The G. I. P. Railway stated that they purchased 56 per cent of their requirements of loco coal in 1934-35 from the Pench valley, 56 per cent in 1935-36, and 55 per cent in 1936-37. The tender prices accepted in 1935-36 were Rs. 3-12-0 to Rs. 5-8-0 per ton, in 1936-37, Rs. 3-11-0 to Rs. 4 per ton (no coal was taken from Ghorawari in that year), and in 1937-38, Rs. 3-4-0 to Rs. 4-7-0 per ton. Mahakali mine in the Wardha valley states that it sold coal to the railway in 1934-35 at Rs. 4-12-0 per ton, in 1936-37 at Rs. 3-12-0, in 1937-38 at Rs. 3-4-0 and in 1938-39 at Rs. 3-12-0 per ton. The G. I. P. Railway themselves stated that the average pit's mouth price per ton of the coal produced or purchased by them for their broad gauge working was :—

Year and price per ton

			Rs.		Rs.	
1915-16	..	..	4.26		1920-21	5.78
1916-17	..	..	4.71		1921-22	5.88
1917-18	..	..	4.21		1922-23	7.41
1918-19	..	..	4.71		1923-24	7.72
1919-20	..	..	5.09		1936-37	3.68

The earlier prices include their own production from Mohpani, while the last price is entirely for coal purchased from private mines.

98. Coal purchased by railways.—The purchase of Pench and Chanda coal by the G. I. P. Railway began with an order of 26,000 tons in 1926-27 and amounted to 512,000 tons in 1936-37. The proportions of public and loco coal respectively are (for Central Provinces coal, Pench and Chanda as supplied in evidence before the Railway Rates Advisory Committee) :—

			Year	Sold to railway	Sold to public
				Tons	Tons
1927		115,000	551,758
1928		121,000	602,353
1929		143,000	739,331
1930		184,000	768,371
1931		202,000	771,040
1932		286,000	764,238
1933		373,000	861,520
1934		569,000	869,980
1935		589,960	937,960

Thus the policy of the Railway Board, in its acceptance of tenders for the purchase of coal, influences the market for Central Provinces coal vitally, since it is by far the largest customer, and purchases over one-third of the total production.

99. **Railway tenders.**—In the present year (1941-42) the tendered amounts (offered and accepted), and prices for coal to be supplied from the Central Provinces mines to the Railway Board (State managed railways only) are as follows, taken from the published figures :—

Concern	Mines	Tons offered	Tons accepted	Price per ton	Amount of tender accepted
				Rs. a. p.	Rs. a. p.
<i>Chanda field</i>					
Ballarpur	Ghugus, and Ballarpur.	50,000	55,000	3 12 0	2,06,250
Do.	Rajur and Ballarpur.	25,000			
Mahakali	Mahakali	30,000	10,000	3 12 0	37,500
P. S. Sial	Majri	24,000	5,000	3 8 0	17,500
Hindusthan	Lal-Lalpeth	30,000	Nil	3 14 0	Nil
<i>Chhindwara field.</i>					
Shaw Wallace (Pench Valley and Amalgamated.)	Datla, Chanda-metta, Bhamor, Jatachappa and Eknera.	342,000	317,000	4 10 0	14,66,125
Do.	Datla	5,400	5,400	2 8 0 (Slack)	13,500
Do.	Rawanwara	42,000	Nil	5 4 0	Nil
Newton Chickli	Newton Chickli	103,000	104,000	4 10 0	4,31,000
Do.	do.	5,500	5,500	3 0 0 (Slack)	16,500
Do.	do.	3,000	Nil	2 0 0 (Slack)	Nil
Hirdagarh	Ghorawari	66,000	40,000	5 0 0	2,00,000
Do.	South Panara	35,000	Nil	4 6 0	Nil
Budhoolal Jagannath.	South Panara	60,000	10,000	4 8 0	45,000
Central Provinces Syndicate.	Kalichappar	48,000	40,000	5 0 0	2,00,000
	Damua	12,000	12,000	5 0 0	60,000
	Junnardeo II	40,000	40,000	3 14 0	1,52,000
Kolhia Hirdagarh	Kolhia (Lower)	25,000	15,000	4 8 0	67,500
P. S. Sial	Ghogri	30,000	5,000	4 8 0	2,500
N. H. Ojha	Palacsauri, Ambara.	25,000	25,000	4 0 0	92,000
Do.	do.	5,400	Nil	2 12 0 (Slack)	Nil
Walji Bhimji	Ghogri (Barkui)	15,000	10,000	4 0 0	40,000
Jamai Datla	Jamai Datla	6,000	5,000	4 4 0	21,250
	Total	1,032,000	701,900		31,41,625

The average accepted price for all the Central Provinces coal, including slack, works out at Rs. 4-7-7 per ton.

Of the total amount, nearly 31½ lakhs of rupees to be paid out by the railway administration, Messrs. Shaw Wallace companies will receive nearly 15 lakhs, Newton Chickli nearly 5 lakhs, the Central Provinces Syndicate and its subsidiaries over 4 lakhs, the Ballarpur collieries over 2 lakhs, and the Hirdagarh Company 2 lakhs. The remaining 3½ lakhs are shared by half a dozen smaller concerns. Some 8 or 10 mines, mostly very small indeed, do not tender for supply of coal to the railways as they are not in a position to guarantee regular monthly supply during the monsoon. The reason why Barkui mine is not found among the list of the Shaw Wallace mines

supplying coal to the railway is that it supplies coal to the B.-N. Railway on the narrow gauge. This railway makes its own tender arrangements.

100. Railway coal inspecting officer.—The Railway Board maintains an officer in the Pench valley to inspect and supervise the quality and delivery of the tendered coal. We suggest that the Railway Board may be approached to permit of his services being utilised occasionally as a Conciliation Officer in any labour dispute in coal-mines in the Central Provinces. The officer posted here has usually had experience as a mine manager, and would therefore be in a very good position to grasp the technical points at issue in any dispute regarding conditions of work or wage rates. A precedent for such an appointment can be found in the appointment of the Chairman, Coal Mines Stowing Board, as Conciliation Officer for the Jharia coal-field.

101. Railway coal grades and prices.—A rough idea of the relative quality of coal in the various parts of the Central Provinces may be obtained from a comparison of the prices paid by the Railway Board. It has contracted to purchase 92,000 tons at Rs. 5 a ton, from the mines—Kalichappar, Damua, and Ghorawari, lying at the western end of the Chhindwara coal-field. It will purchase 421,000 tons at Rs. 4-10-0 a ton, of coal from the Pench valley and Jamai coal-fields. From the same areas, but from smaller mines (probably with fewer facilities for screening or picking coal) it will take 30,000 tons at Rs. 4-8-0, 5,000 tons at Rs. 4-4-0, 33,000 tons at Rs. 4 and 40,000 tons at Rs. 3-14-0, in addition to 5,500 tons of slack at Rs. 3 and 5,400 tons at Rs. 2-8-0, from the Pench valley. From the Wardha valley, the Railway Board will take 65,000 tons at Rs. 3-12-0 a ton and 5,000 tons at Rs. 3-8-0 a ton. We can distinguish in these prices three grades of coal—a “Kanhana” grade at Rs. 5 a ton, a “Pench” grade at Rs. 4-10-0 a ton, and a “Wardha” grade at Rs. 3-12-0 a ton; each grade has inferior qualities commanding a lower price. An attempt to secure a higher price for a “Rawanwara” grade seems to have been turned down by the Railway Board.

Comparing these prices with the average prices as returned by the companies, it will be seen that the railway prices rule some annas above the prices to the public:—

	Railway 1941-42	General (overall) 1940
	Rs. a. p.	Rs. a. p.
“Kanhana”	5 0 0	} 3 14 0 Chhindwara.
“Pench”	4 10 0	
Inferior “Pench”	3 14 0	
	to	
	4 8 0	} 3 10 0 Chanda.
“Wardha”	3 12 0	

Such a result is of course to be expected, since the average “run of mine” prices, being averaged from the prices of all classes of coal produced in a mine, must be less than the price for the prescribed quality sold to the railways.

102. Value of coal produced.—The statement (Appendix I to this chapter) for Chhindwara district gives particulars of raisings, stocks, despatches and total value for each mine in the Chhindwara district in the year 1940. The total value of coal produced was Rs. 57,70,048, at an average of Rs. 3-14-0 per ton.

In the Wardha valley (Chanda district plus Yeotmal district) the coal-mines produced 323,475 tons of coal in 1939, valued at Rs. 9,93,556, or Rs. 3-1-2 per ton. In 1940 they produced 290,630 tons valued at Rs. 9,42,012 or Rs. 3-3-10 per ton. The pit's mouth value was returned at Rs. 3-6-0 in 1939 and Rs. 3-10-0 in 1940: the difference may be accounted for by omitting the colliery consumption of coal, but in any case we adopt the lower valuation to be on the safe side.

For the whole of the Central Provinces in 1940 coal produced amounted to 1,777,411 tons valued at Rs. 67,12,060, or about Rs. 3-12-6 per ton. We must remember that this is pit head valuation and includes coal consumed in the collieries. The actual selling price may be more or less than this. We know it to be more in the case of railway coal, since in the year 1941-42 the State Railways have contracted to take 701,900 tons of coal for Rs. 31,41,625, at an average price of Rs. 4-7-7 per ton; the prices and amounts in the previous year were much the same.

103. Value of coal despatched.—Excluding, as far as possible, coal consumed at collieries or remaining in stock, and taking only coal despatched, we estimate the total value of coal for the year 1940 as—

			Rs.
Chhindwara district	..	..	52,95,602
Chanda district	..	..	8,38,428
Yeotmal district	..	..	1,03,584
Total			62,37,614

This is the figure we assume to be the total cash income of the Central Provinces mining industry in the year 1940. The real income may be more as the valuation per ton adopted in the annual reports is in some cases substantially lower than the actual selling price to the railways and other customers. On the other hand, the price obtained for slack coal would be much lower, if it were at all saleable, so that to be on the safe side we have accepted the valuation as given by the mine managements.

104. Capital outlay.—The following is the list of Joint Stock Companies as on the 31st March 1939 (Coal Statistics, 1939) which relate to the Central Provinces coal-mines:—

	When registered	Paid up capital	1940 Raising Tons (Our figures)
Rs.			
(1) Amalgamated Coal-fields	.. 12-5-24	10,68,060	5,61,186
(2) Pench Valley Coal Co.	.. 31-8-05	7,87,500	2,46,924
(3) Newton Chirkli Co.	.. 20-1-25	3,75,000	2,16,878
(4) Hirdagarh Collieries	.. 7-1-31	2,50,000	1,27,413
(5) Central Provinces Syndicate	.. 25-1-36	4,38,000	1,72,025
(6) Kanhan Valley Coal Co.	.. 19-10-29	2,01,000	
(7) N. H. Ojha Co.	.. 15-5-33	4,29,50	34,473
(8) Jarnai Majri Coal Co.	.. 8-2-32	20,160	Nil.
(9) Rai Sahib H. Verma and M. Kanhailal.	.. 10-8-22	1,96,000	Nil.
(10) Rawanwara Collieries	.. 7-7-39	Nil.	Nil.
(11) Kolhia Hirdagarh Co.	.. 16-11-39	Nil.	7,103
Total		37,65,220	13,66,002

The total tonnage produced by joint stock companies in 1940 is over three-fourths of the whole production of the Central Provinces coal-mines. In this proportion, total capital invested in the

Central Provinces coal-mines would be in the region of 50 lakhs. It is fairly obvious, however, that some of the larger concerns are undercapitalised, and we would suggest a figure much nearer a crore of rupees as representing the capital outlay in the Central Provinces mines. The figure may quite probably be even higher than this, but we have no means of determining the figure even approximately, and so make no estimate.

105. Description of certain firms.—We give below particulars of some of the largest firms, showing, from their printed balance sheets and half-yearly accounts for the last few years prepared under the Companies' Act and from other published sources, their total selling price realised, their total raising costs, their gross profit, amounts set aside by way of depreciation and reserves, their net profit, and the amount paid out in dividend. In table B for each firm, we repeat the same figures (except for dividend) expressed in rupees per ton of coal raised. From these tables we can see the fluctuations in the selling price of coal, compare the raising costs (in which are included all expenditure except that on depreciation, reserves and dividends), and follow the relative proportion to selling prices of net profit or dividends. We can also see whether the allocations to depreciation and reserves are small or large. It may fairly be presumed, in the case of well established firms such as these, that depreciation is charged at the full scale laid down by competent advisers, and that allocations are made to reserves whenever the profits earned allow of this being done. The figures in the tables support these presumptions. We note a steady increase in raising costs from the low levels of 1936, and a fall in profits since the outbreak of war. Prices realised for coal have not risen appreciably as a result of war, but are showing signs of rising in the second half of 1940. The prices are still far below the prices obtained in the boom years of 1916 onwards in the last war.

106. Pench Valley Coal Company Ltd.—The following description is taken from the Investor's India Year Book (compiled by Messrs. Place, Siddons and Gough):—

“The company was registered in 1905, and its managing agents are Messrs. Shaw Wallace Co. The authorized capital is 12 lakhs, issued and subscribed capital Rs. 7,87,500 in 78,750 ordinary shares of Rs. 10 each fully paid up.

“In June 1930 the issued and subscribed capital of the Company was increased from Rs. 3,50,000 to Rs. 5,25,000 by the capitalisation of Rs. 1,75,000 being a part of the Reserve Fund, and creating thereby 17,500 ordinary shares of Rs. 10 each. These shares were distributed as free bonus to the existing shareholders in the proportion of one such share for every two shares held.

“In June 1935 the issued and subscribed capital of the Company was again increased from Rs. 5,25,000 to its present figure by the capitalisation of Rs. 2,62,500, being a part of the Reserve Fund and creating thereby 26,250 ordinary shares of Rs. 10 each, ranking in all respects *pari passu* with the existing shares of the Company. These shares were distributed as free bonus to the existing shareholders in the proportion of one such share for every two shares held.

“The company's property consists of 3,256 acres of coal-bearing land in the Pench valley coal-fields in the Central Provinces, 70 miles due north of Nagpur and 450 miles from Bombay. The property is held on a lease for 30 years with the usual

clauses providing for renewal. Two collieries are at present working, at Chandametta and Barkui, and are equipped to raise a total output of 22,000 tons a month."

The managing agents take a remuneration of (i) an office allowance of Rs. 1,500 per month, and (ii) a commission of 5 per cent on the gross proceeds of all sales, etc.

The balance sheet on the 31st August 1940 is as follows:—

<i>Liabilities.</i>		<i>Rs.</i>	<i>Assets.</i>		<i>Rs.</i>
Capital	..	7,87,500	Gross block	..	15,67,350
Reserve funds	..	2,00,000	Less depreciation	..	12,26,350
Other funds	..	67,000	Net block	..	3,41,000
undry liabilities	..	1,74,256	Liquid assets	..	10,02,530
Profit and loss account	..	1,14,774			
Total	..	13,43,530	Total	..	13,43,530

The analysis of working for the past ten half-years yields the following statements:—

A

Pench Valley Coal Company, Limited.

		<i>Selling price</i>	<i>Raising cost</i>	<i>Gross profit</i>	<i>Depre- ciation and reserve</i>	<i>Net profit</i>	<i>Divi- dend</i>
		<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
1936 ..	First half-year	3,95,457	2,78,409	1,17,043	36,659	80,389	78,750
	Second half-year	4,03,954	2,97,082	1,06,872	21,655	85,217	78,750
1937 ..	First half-year	4,38,720	3,01,317	1,37,403	51,809	85,594	78,750
	Second half-year	4,07,853	3,24,958	82,895	16,383	66,512	78,750
1938 ..	First half-year	4,28,709	3,23,397	1,05,312	39,545	65,767	78,750
	Second half-year	4,50,772	3,32,127	1,18,645	33,990	84,655	78,750
1939 ..	First half-year	5,05,540	3,75,447	1,30,093	31,683	98,410	88,594
	Second half-year	4,77,252	3,54,840	1,22,412	30,382	92,030	88,594
1940 ..	First half-year	4,89,455	3,80,244	1,09,211	22,331	86,800	88,594
	Second half-year	4,99,978	3,87,430	1,12,548	21,943	90,605	88,594

B

		<i>Selling price</i>	<i>Raising cost</i>	<i>Gross profit</i>	<i>Depre- ciation and reserve</i>	<i>Net profit</i>
		<i>Rs. a. p.</i>	<i>Rs. p. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>
1936 ..	First half-year	3 9 9	2 8 8	1 1 1	0 5 4	0 11 9
	Second half-year	3 5 9	2 7 6	0 14 3	0 2 11	0 11 4
1937 ..	First half-year	3 8 1	2 6 6	1 1 7	0 6 7	0 11 0
	Second half-year	3 4 4	2 9 8	0 10 8	0 2 1	0 8 7
1938 ..	First half-year	3 8 3	2 10 5	0 13 10	0 5 2	0 8 8
	Second half-year	4 0 2	2 15 3	1 0 11	0 4 10	0 12 1
1939 ..	First half-year	3 15 0	2 15 7	1 0 3	0 4 0	0 12 3
	Second half-year	3 14 8	2 14 7	1 0 1	0 4 0	0 12 1
1940 ..	First half-year	3 13 6	2 15 9	0 13 9	0 2 10	0 10 11
	Second half-year	4 0 3	3 1 10	0 14 5	0 2 10	0 11 7

The dividend paid has been at the rate of 20 per cent in 1936, 1937 and 1938, 22½ per cent in 1939 and 1940, and again at the rate of 20 per cent in the first half-year of the present year.

The shares of Rs. 10 face value have fluctuated in price as follows during the last five years :—

		Prices	
		Highest	Lowest
1936	First half-year	34½	32½
	Second half-year	35½	32½
1937	First half-year	37½	33
	Second half-year	41½	35½
1938	First half-year	43½	34
	Second half-year	35½	29½
1939	First half-year	34	30
	Second half-year	31½	28
1940	First half-year	41	32½
	Second half-year	36½	32½

The company is obviously in a very prosperous condition, though raising costs in war time, and increased taxation, coupled with the failure of coal prices to rise, are bound to tell upon profits. In view of the strength of this company's position, we have no hesitation in asking them to take steps to examine our proposals and recommendations and see how far it is possible to carry them into effect.

107. The Amalgamated Coal-fields Ltd.—This company was registered in 1924. Its managing agents are Messrs. Shaw Wallace and Company and its authorised capital is Rs. 12 lakhs. The issued and subscribed capital is Rs. 11,75,000 in 117,500 ordinary shares of Rs. 10 each, fully paid up.

The Investor's India Year Book mentions as under :—

“During April 1940 the issued and subscribed capital of the Company was increased to its present figure by the issue of 10,694 new ordinary shares of Rs. 10 each, at a premium of Rs. 15 per share, to the existing shareholders in the proportion of (as near as possible) one new share for every ten shares held. These new shares rank for dividend from 1st April 1940, and are in all other respects *pari passu* with the existing shares of the Company.

“The Company's various properties, aggregating 8,662 acres in area (8,938 according to another published account) are situated in the Pench district of the Central Provinces, north of Nagpur and about 450 miles from Bombay. Owing to their situation, the Pench coal-fields are particularly well placed in respect of the requirements of the Bombay Presidency and Indore.”

The managing agents' remuneration is (i) a monthly office allowance of Rs. 2,500 and (ii) a commission of 5 per cent on the gross proceeds of sales, selami, premiums, rents, royalties, dividends, interest on investments, etc.

The balance sheet on the 31st March 1941 is as follows:—

Liabilities.		Assets.	
	Rs.		Rs.
Capital	.. 11,75,000	Net block	.. 12,55,000
Reserves	.. 6,97,910	Coal	.. 10,552
Debts	.. 2,59,499	Stores	.. 1,90,053
Profit and loss account	.. 95,521	Outstandings	.. 2,24,085
		Cash and investments	5,72,930
Total	.. 22,27,930	Total	.. 22,27,930

The analysis of working for the last ten half-years yields the following statements:—

A
Amalgamated Coal-fields.

	Selling price	Raising cost	Gross profit	Depreciation and reserve	Net profit	Dividend
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1935 .. { First half-year ..	8,07,048	6,36,123	1,70,925	81,205	89,720	80,104
{ Second half-year ..	7,16,351	5,85,646	1,30,685	56,700	73,985	80,104
1937 .. { First half-year ..	7,07,282	5,81,467	1,25,815	41,326	84,489	10,104
{ Second half-year ..	6,41,321	5,42,220	99,101	29,419	69,682	80,104
1938 .. { First half-year ..	8,30,275	6,90,475	1,39,800	64,527	75,273	80,104
{ Second half-year ..	9,20,877	7,19,623	2,01,254	90,166	1,11,088	93,455
1939 .. { First half-year ..	9,17,880	7,47,549	1,69,331	73,538	95,803	93,455
{ Second half-year ..	9,27,689	7,59,101	1,68,588	75,278	93,310	93,455
1940 .. { First half-year ..	10,92,540	9,13,417	1,79,123	83,912	95,111	93,455
{ Second half-year ..	10,79,251	9,21,118	1,57,313	71,429	85,884	1,02,812

B

	Selling price	Raising cost	Gross profit	Depreciation and reserve	Net profit
	Per ton				
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1936 { First half-year ..	3 8 8	2 12 7	0 12 1	0 5 10	0 6 3
{ Second half-year ..	3 6 0	2 12 2	0 9 10	0 4 3	0 5 7
1937 { First half-year ..	3 7 7	2 13 8	0 11 0	0 3 4	0 6 7
{ Second half-year ..	3 6 7	2 14 0	0 8 7	0 2 8	0 5 1
1938 { First half-year ..	3 8 9	2 15 2	0 9 7	0 4 5	0 5 2
{ Second half-year ..	4 1 3	3 3 0	0 14 3	0 6 5	0 7 10
1939 { First half-year ..	4 0 0	3 4 2	0 11 10	0 5 2	0 6 8
{ Second half-year ..	3 15 3	3 3 9	0 11 6	0 5 2	0 6 4
1940 { First half-year ..	3 15 10	3 5 4	0 10 6	0 5 0	0 5 6
{ Second half-year ..	4 3 2	3 9 4	0 9 10	0 4 6	0 5 4

The dividend paid has been at the rate of 15 per cent in 1936, 1937 and 1938 (first half) and 17½ per cent in 1938 (second half), 1939 and 1940. The dividend in the first half of the current year is at the rate of 15 per cent.

The shares of Rs. 10 face value have fluctuated in price as follows during the last five years:—

		Prices	
		Highest	Lowest
1936	.. { First half-year ..	22½	17½
	.. { Second half-year ..	24½	19
1937	.. { First half-year ..	28½	23
	.. { Second half-year ..	29½	24½
1938	.. { First half-year ..	29½	23
	.. { Second half-year ..	24½	21½
1939	.. { First half-year ..	26	22½
	.. { Second half-year ..	29½	20½
1940	.. { First half-year ..	31	27½
	.. { Second half-year ..	29½	24½

The company, though not in such a prosperous condition as the Pench Valley Coal Company, has been steadily building up reserves and making provision for depreciation. Its good dividend record has helped it to raise fresh capital on very favourable terms. The price of the shares shows that the market takes a favourable view of the strength and position and future prospects of this company. We feel we are therefore justified in asking the company to examine our proposals, and to take such steps as they find possible to carry them into effect.

108. Newton Chickli Collieries Limited.—The company was floated in 1925 to take over the coal-mine from the late Captain Leonard Newton in partnership with other shareholders. There are no managing agents: the managing director is Mrs. D. E. Jackson. The authorised, subscribed and paid up capital is Rs. 3,75,000, to which figure it was increased from Rs. 2,50,000 in 1939 by the issue of bonus shares. The following table shows the output, amount realised from sales, average selling price, profits, profit per ton, and the cost per ton, for each half-year as far as available from 1931 onwards:—

Date	Output in tons	Total amount from sales	Average selling price per ton	Total net profits	Net profit per ton	Average cost per ton
		Rs.	Rs. a. p.	Rs.	Rs. a. p.	Rs. a. p.
30-6-31 ..	61,851	2,36,305	3 13 1	42,361	0 10 11	3 2 2
31-12-31 ..	49,019	1,78,745	3 10 4	17,343	0 5 8	3 4 8
30-6-32 ..	57,235	2,05,071	3 9 4	31,957	0 8 11	3 0 5
31-12-32 ..	52,497	1,90,000	3 9 11	22,711	0 6 11	3 3 0
30-6-33 ..	55,970	2,07,379	3 11 3	20,688	0 5 11	3 5 4
31-12-33 ..	55,485	2,05,509	3 11 3	21,263	0 6 2	3 5 1
30-6-34 ..	59,080	2,17,33	3 11 0	18,611	0 5 0	3 6 0
31-12-34 ..	56,512	2,02,522	3 9 4	23,025	0 6 6	3 2 10
30-6-35 ..	69,603	2,37,892	3 6 8	21,702	0 5 0	3 1 8
31-12-35 ..	66,075	2,29,354	3 7 7	22,406	0 5 5	3 2 2
30-6-39 ..	76,233	2,51,055	3 4 8	26,658	0 5 7	2 15 1
31-12-36 ..	63,609	2,21,193	3 5 11	21,744	0 5 4	3 0 7
30-6-37 ..	77,618	2,44,745	3 2 6	30,297	0 6 3	2 12 3
31-12-37 ..	90,135	3,07,210	3 6 6	44,683	0 7 11	2 14 7
30-6-38 ..	209,645	3,75,757	3 7 8	96,569	0 13 8	2 10 0
31-12-38 ..		3,54,013		82,280		
30-6-39 ..	103,182	3,43,916	3 5 4	63,665	0 9 10	2 11 6
31-12-39 ..	102,412	3,93,881	3 13 6	68,885	0 10 9	3 2 9
30-6-40 ..	104,218	3,88,194	3 11 7	41,197	0 6 4	3 5 3
31-12-40 ..	103,794	4,01,789	3 13 11	..	..	..

The wages cost per ton for the last three years is as follows:—

		Raisings	Wages	Cost per ton
		Tons	Rs. a. p.	Rs. a. p.
1938 ..	First half-year ..	209,645	1,43,310 11 6	1 4 6
	Second half-year ..		1,25,316 2 6	
1939 ..	First half-year ..	103,182	1,37,813 8 0	1 5 4
	Second half-year ..	102,412	1,40,048 2 0	1 5 11
1940 ..	First half-year ..	104,218	1,65,135 13 6	1 9 4

The dividend distribution has been conservative in recent years:—

		Net profit	Dividend
		Rs. a. p.	Rs.
1938 ..	First half-year ..	96,569 0 8	25,000
	Second half-year ..	82,280 11 6	25,000
1939 ..	First half-year ..	63,665 6 2	18,750
	Second half-year ..	68,885 1 4	28,125
1940 ..	First half-year ..	41,197 8 7	82,125

In 1938 on 25,000 shares of Rs. 10 each face value a dividend of Re. 1 per share free of income-tax was distributed. In 1939 the shares were 37,500 in number, of the same face value, and dividend was distributed at annas 8 per share in the first half-year and annas 12 per share in the second half-year. In 1940 first half dividend at annas 12 per share was distributed.

The price obtained for railway coal increased from Rs. 4-6-0 per ton to Rs. 4-10-0 per ton from the 1st April 1940, but the prices at which coal was sold to the public fell during the first half of 1940, and during the second half varied from Rs. 3-12-0 per ton to Rs. 4-4-0 per ton.

Costs tended to rise during 1940 partly due to the dearness allowance granted to the workers, but mainly due to the increased extraction of coal by development and smaller extraction from pillars. There was also a considerable rise in the price of stores.

Under the head of general charges a loss of Rs. 1,161-15-0 in the first half-year of 1940 and Rs. 919-10-3 in the second half-year is set down on account of "grain purchased for labour". In the accounts for the second half of 1940 is found an item of Rs. 3,105-6-0 as "war donation".

The company's balance sheet is in a satisfactory position; necessary provision is made for depreciation, and reserves are being accumulated. We feel that the company is in a position entitling us to call upon it to examine our proposals and recommendations and to see how far they are capable of being put into effect.

109. Hirdagarh Collieries Limited.—The company was registered in 1931, and its paid up capital is Rs. 2,50,000. The managing agents are Messrs. S. C. Cambata & Co. of Bombay. The same managing agents have recently opened another mine, some miles west of the present Ghorawari mine, at Rakhikol. This firm was also for some time the receiver for South Panara mine. All these mines are situated in the Kanhan valley, where the coal is of superior quality, and for which the railway contract price is now Rs. 5 per ton (Rs. 4-8-0 at South Panara).

The raisings in 1940 were 127,413 tons valued at Rs. 6,37,065, *i.e.*, at Rs. 5 per ton. Wages paid out in the year amounted to Rs. 1,71,006-5-0 representing a labour cost of Rs. 1-5-6 per ton. These labour charges are not appreciably higher per ton than the average for the coal-field, while the value per ton of coal is much higher. After allowing for extra costs of transportation to the railway siding at Hirdagarh, and the effect of higher capital charges in development, it seems clear that the Hirdagarh Collieries Company is making substantial profits, and can well afford to examine our proposals, and if they are found to be practical, put them into effect.

110. The Central Provinces Syndicate.—The company was registered on the 25th January 1936, and carries on business as contractors, etc., mainly in mining, in other areas as well as the Central Provinces. Its paid up capital is Rs. 4,40,000 and its managing director is Sir Maneckjee Dadabhoy. The Central Provinces Syndicate owns the Kalichappar coal mine and is the managing agent for the Kanhan Valley Coal Co., which owns the Damua coal mine. These two mines lie side by side in the Kanhan valley, and raise coal of much the same quality as Ghorawari.

Kalichappar raised 64,323 tons of coal in 1940, valued at Rs. 2,05,030 and paid out in wages Rs. 89,062-10-6 which is a wage cost of Rs. 1-6-2 per ton. This rate is not much above the average for the coal-field. Damua mine is owned by the Kanhan Valley Coal Company which was registered on 19th October 1929 and has a paid up capital of Rs. 1,99,155. Its raisings in 1940 were 65,886 tons. Kalichappar has contracted to supply in the coming year 48,000 tons to the State railways at Rs. 5 per ton and Damua 12,000 tons at the same price. Damua paid out in wages in 1940 Rs. 48,157-12-0 representing a wage cost per ton of Rs. 1-4-5. This wage cost is below the average for the coal-field, and in spite of all extra costs on account of haulage to the railway siding, and extra capital cost because of difficult development, we hold that both Damua and Kalichappar are in a satisfactory financial position and able to meet the cost of our proposals. We therefore ask them to consider our proposals and if they are found to be practical, to put them into effect.

Sir Maneckjee Dadabhoy is connected with two major enterprises in the Central Provinces coal industry: (1) In partnership with Sir Bissessardas Daga, he owns and mines the Ballarpur, Ghugus and Rajur mines in the Wardha valley coal-field, and (2) he is the managing director of the Central Provinces Syndicate, which owns the Kalichappar mine, is the managing agent of the Kanhan Coal Company (Damua mine) and is at present the receiver of the Junnordeo No. II and Parasia mines of Rai Sahib H. Verma, Kanhaiyalal Coal Company. Each of these enterprises has other interests. The partnership in the Wardha valley has also a coal mine at Sasti, adjoining Ballarpur, but over the border in the Nizam's Dominions, and at Chirimiri in Korea State. This last mine has greatly increased its production in recent years very largely at the expense of the Central Provinces coal, and is admittedly a very profitable concern. The Central Provinces Syndicate, as contractors, are interested in manganese and iron mining, besides other enterprises. At the R. R. A. C. enquiry (case No. XLIX) in 1938, Sir Maneckjee made it clear that he was more interested in Chirimiri and that he was less concerned for his Central Provinces coal interests. The presumption we draw from this is that the profits from the Central Provinces coal mines, presumably those in the Wardha valley field, are less than those of Chirimiri. Admittedly, a lot of capital has been sunk in the Wardha valley mines: one estimate put it at as high a figure as nearly one crore of rupees; we can readily believe it to be 50 lakhs or more. The coal being raised and the price being obtained at present from the mines cannot give a very good return on the capital invested. There has probably been capital lost in unwise development, particularly at Rajur, and to some extent at Ballarpur. There are particularly heavy costs, for sand stowing, in the depillaring areas at Ballarpur mine. But against these facts can be set the developments at present in progress in the field, (1) dewatering the idle shafts at Ballarpur, (2) re-opening of Rajur, (3) driving a new incline at Mahakali, and (4) development of a new mine at Majri, which go to show that in general mine-owners believe that coal can still be raised profitably in the Wardha valley, and are prepared to risk capital in this belief. Although no accounts from enterprises in this field have been shown to us, we are prepared to hazard an assertion that the present price for Chanda coal should, under normal conditions of raising and capital expenditure, yield a profit. The market, though restricted, is within limits a monopoly, and by selling agreements, such as have been entered into at times in the past, we see no reason to doubt the future of the Wardha valley coal industry, and its ability to make at least a modest profit.

On this conclusion we base our recommendation that the Wardha valley mines should spend more on labour welfare, and particularly in improving the housing conditions of their resident labour. Ballarpur and Ghugus have a certain number of pucca quarters of an unsuitable old fashioned type: Lalpeth has erected one block of pucca quarters which would not be passed by the Jharia Mines Board of Health: Mahakali, Majri and Rajur have no pucca quarters.

In all the Wardha valley mines the majority of the labour are housed in flimsy temporary huts made of bamboos, branches, and leaves. These are obviously no protection against either cold or rain, and must be blown away every year by storms. Most of the mine-owners realise the inadequacy of their provision for housing their labour, and gave us assurances that they were making attempts to improve it. Two of the smaller mines, Mahakali and Majri, seem to be more willing to improve housing than the larger mines. We make a specific request to the authorities of the Rajur mine to give serious thought to this question: the provision for housing labour, in contrast to the large sums lavished on headworks and power-house, make a painful contrast. Under such living conditions the employer is neither getting efficient service at present, nor is he helping to raise an efficient future generation of workers.

Turning to the mines under the control of the Central Provinces Syndicate (of which Sir M. B. Dadabhoy is Chairman) in the Chhindwara field, we offer the following comments. Coal from the Kalichappar and Damua mines is being sold to the railway at Rs. 5 per ton. In spite of the faulted nature of the properties, and the heavy transport costs, this coal must be selling at a substantial profit, and we assume that the overall profit on all coal sold from these mines is not less than 8 annas per ton. In the case of Kalichappar the figure is probably over Re. 1 per ton. This is as near as we can get in the absence of accounts which we have not seen. At Junnordeo No. II there are old pucca quarters in a bad state of repair. At Damua and Kalichappar the quarters are mainly of bamboo mats, and are flimsy construction, suited only for purely temporary residence. For permanent mines better quarters are necessary, and in the absence of any voluntary move to provide them, we feel that Government should take powers to compel the making of improvements, at the expense of the mine-owner. It will be a task of many years to bring housing in these mines even up to the minimum standard of the Jharia Mines Board of Health, and the sooner a beginning is made the better.

111. Total wage costs and wage costs per ton.—Total wage costs in the Central Provinces coal industry, on the best estimate we can make, are in the neighbourhood of 23½ lakhs a year. The calculated figures of wages paid, based on the aggregate average attendances multiplied by the average shift earnings of each class of employees for the year 1940, are as follows:—

Chhindwara—Rs. 19,06,494-6-0.

Chanda and Yeotmal—Rs. 4,42,454-6-0.

Total—Rs. 23,48,948-12-0.

On the basis of the 1940 arisings of Chhindwara 1,486,781 tons, Chanda 255,649 tons and Yeotmal 34,981 tons, a total of 1,777,411 tons, the average wage cost per ton in 1940 was Rs. 1-5-6, i.e., Rs. 1-5-0 in Chhindwara, Rs. 1-6-0 in Chanda and over Rs. 2 in Yeotmal. The figure for the Wardha valley, i.e., Chanda and Yeotmal, is Rs. 1-7-0. In 1935 labour costs per ton in the Central Provinces, worked out by the same rough method, were Rs. 1-5-11, and in 1925, Rs. 2-8-2.

112. Essential economic facts.—To sum up the essential economics of the coal trade in the Central Provinces, we have coal despatched in the year 1940 valued at over 62 lakhs of rupees. Well over two-thirds of the coal is exported from the province, but the remaining quantity, plus a quantity imported of over 300,000 tons, form the Central Provinces market for coal: we may reasonably estimate a sum of 27,60,000 rupees as the present value of the Central Provinces demand for coal. Of this sum, some 16 lakhs is paid to Central Provinces coal mines. There is a further charge on account of stowing cess amounting to Rs. 2½ lakhs a year on the total of coal produced in the Central Provinces, but this is not included in the selling price, and falls on the consumer.

113. Total wage costs.—Wage costs, on the best estimate we can form, for the year 1940, are in the neighbourhood of 23½ lakhs of rupees of which about rupees 19 lakhs are paid out in the Chhindwara coal-field and the remainder in the Wardha valley coal-field. These figures are calculated from the aggregate average attendances returned by the mines, multiplied by the average wage per shift. We cannot claim any very near approach to accuracy for these figures, since the average wage is based on the figures for December 1940 only, but stated in round figures, we feel that they are substantially near the truth. The total works out to a figure of about Rs. 1-5-6 per ton as the wage cost per ton of coal raised; this agrees fairly well with the figures as worked out for individual companies. Government, in the shape of royakty, rent, etc., took a revenue of Rs. 2,42,562 in 1940 from coal mines, equivalent to a charge of Re. 0-2-10 per ton of coal raised.

Other costs are more difficult to determine, but from figures shown to us for four particular enterprises, three large and one small, we have seen that stores are a charge of between 5 and 8 annas per ton, and general charges plus head office expenses including commissions, etc., are between 12 and 15 annas per ton. Total costs per ton in 1940 vary from Rs. 3-2-7 to Rs. 3-10-4 and average roughly Rs. 3-4-0 over the whole industry, or, on the 1940 returns, to a total figure of about 55 lakhs of rupees on despatches. The figures given earlier in the case of three large enterprises show that for the first half-yearly returns of 1940 the output was 506,544 tons; the sale proceeds of the coal, Rs. 19,70,190 giving a selling price of Rs. 3-14-4 a ton. Net profit works out to Re. 0-9-7 per ton, and dividends distributed amounted to Rs. 2,10,174, *i.e.*, Re. 0-6-7 per ton. The total "expenses", including allocation to reserves, depreciation, commissions, sales, cost of raising, etc., amounted therefore to Rs. 3-4-9 per ton. Including undistributed profits the figure rises to Rs. 3-7-9 per ton. Thus, in a full year, on these figures, coal costing nearly 33 1/3 lakhs of rupees, sold for almost 39½ lakhs of rupees, enabling over 4 lakhs of ruppees to be distributed in dividends. The unknown factor is the cost of the remaining coal which sold for nearly Rs. 23 lakhs, and the profit earned on it. Taking a somewhat lower figure than the Re. 0-9-7 per ton which is the average for the three companies whose figures we know, to allow for a smaller margin of profit in the case of the smaller concerns, we may accept the figure of Rs. 3-4-0 per ton for total costs, and estimate a sum of nearly Rs. 7½ lakhs as the profit available for distribution, from the working of the Central Provinces coal mines in 1940, and a sum of about Rs. 55 lakhs, as the total "expenses" of raising the coal. Not all these "expenses" come within the strict definition of costs; on the other hand, dividends may include some profits earned in previous year, and so give an exaggerated idea of

true profits. This is certainly the case with two of the concerns whose figures we know, for their profits during the second half of 1940, and the first half of 1941.

There is, we should point out, evidence of profits per ton far in excess of the figure we have adopted. In a certain litigation before the Nagpur High Court, profits of up to and over Re. 1 per ton were claimed to have been earned by a sub-lessee of a mine: and in cases of receivership of coal mines in the Pench valley, the Courts have allowed Re. 1 per ton as a reasonable profit, after paying the expenses of receivership. In a mine in the Hyderabad State, adjoining the Ballarpur mine in the Wardha valley coal-field of the Central Provinces, the sub-lessee was willing to pay 6 annas per ton, in addition to a substantial royalty per ton to the State, for the lease of the mine. We feel therefore that the estimates we have adopted are, if anything, on the low side, and certainly do no injustice to the mine-owner. 1940 was not a boom year; although production was large, prices were low, and wagons were scarce at some periods. On the other hand, the industry had recovered from the depression period, and we may say with some confidence that the profits earned in 1940 give a fair average picture of normal profits.

114. Are wage costs high or low?—Two questions arise now from these figures. The first is, is a wage cost of 23½ lakhs of rupees on a total costs bill of some rupees 55 lakhs excessive or the reverse?

115. Wage cost per ton.—The wage cost per ton of commercially disposable coal in 1935, in various coal-producing countries was as follows:—

	Rs. a. p.		Share of wages in pit's mouth value of coal
			Percentage
			Rs.
Great Britain	5	9 9	63.3
Germany	5	2 2	46.7
Netherlands	4	8 3	53.4
Belgium	2	12 3	48.1
Poland	2	11 0	46.2
France	2	6 11	48.3
India	1	1 7	39.0
Central Provinces (1940)	1	5 6	35.5
Pench Valley (1940)	1	5 0	35.0
Wardha Valley (1940)	1	7 0	45.0

These figures go to show that the labour cost per ton of coal produced in the Central Provinces in 1940 was more than the average for India as a whole in 1935, which are the latest figures available. On the other hand, the labour cost in India is much less than in other coal-producing countries in that year. We have no means of telling whether the figures we give for the Central Provinces for 1940 are lower or higher than the cost per ton or share of wages in pit's mouth value in the whole of India in the same year. We have seen estimates for other coal-fields of under one rupee per ton as wages cost up to two rupees. The proportion of wages cost per ton to total costs in 1940 was said to be 65 to 70 per cent. This is certainly a higher figure than any found in the Central Provinces, where wages form a much smaller proportion of total costs (about 43 per cent).

The other question is whether a profit distribution, on the best estimate we can frame of some 7½ lakhs of rupees, on a total raising cost of 55 lakhs of rupees, can be regarded as adequate, inadequate or more than adequate. The percentage is about 14 per cent. We have no figures for capital outlay to determine the percentage of profit distributed to capital employed. We should add a caution that as coal is a wasting asset a somewhat higher level of profit is reasonable in this industry than in other industries better situated.

In the absence of any authoritative yard-stick for measurement of labour costs and taking into account also the sketchy nature of many of our estimates, we prefer to leave our two questions unanswered for the present, though, having posed them, we have no doubt that various attempts will be made to give replies. We content ourselves at present with a simple affirmation that in our opinion the industry is in a healthy economic position, and we see no reason to suppose that, apart from one or two weak and inefficient units, the industrial enterprises concerned cannot bear, and should not bear, without any great strain, any extra labour costs per ton brought about as a result of implementing the proposals and recommendations in this report.

APPENDIX I.—*Output and value of coal for the year ending on the 31st December 1940.*

Name of mine	Opening stocks on January 1	Raising including colliery consumption and coal used for coke making	Total value of raising "value" should be calculated upon actual or estimated selling price into wagons at the mine	Total of columns (2) and (3)
(1)	(2)	(3)	(4)	(5)
<i>Chhindwara district</i>				
	Tons	Tons	Rs.	Tons
1 Chandametta	.. 1,242	113,324	4,56,837	114,566
2 Barkui	.. 400	133,600	5,38,575	134,000
3 Bhamori	.. 165	90,018	3,71,773	90,183
4 Jatechappa	.. 50	57,153	2,36,754	57,203
5 Eklehra	.. 160	47,143	1,84,710	47,303
6 Datla	.. 1,035	285,058	11,77,349	286,093
7 Rawanwara	.. 1,690	81,814	3,37,909	83,504
8 Newton Chickli Collieries	.. ..	216,878	7,89,385	216,878
9 Ghorawari Collieries	.. 3,656	127,413	6,37,065	130,469
10 Panara	.. 465	42,296	1,69,184	47,761
11 Ambira (N. H. Ojha)	.. 460	26,242	82,006	26,702
12 Paachauri	.. 551	8,231	25,724	8,782
13 Sial Ghogri	.. 60	14,073	49,448	14,133
14 Kolhia	.. 547	32,757	90,443	33,304
15 East Barkui	.. 1,049	7,103	21,309	8,152
16 Dhao	.. ..	6,211	23,079	6,211
17 Ghogri Barkui	.. 905	10,526	28,008	11,431
18 Jamai Datla	.. ..	14,420	46,865	14,420
19 Ambara (Misrilal Meghraj)	.. ..	496	1,488	496
20 Damua	.. 2,553	65,816	1,76,677	58,439
21 Junnordeo No. II	.. 6,949	38,750	1,01,709	45,699
22 Kalichhappar	.. 3,433	64,323	2,05,030	67,756
23 Parasia	.. ..	3,066	9,381	3,066
Total	.. 24,770	1,436,781	57,70,048	1,511,551

APPENDIX I.—Output and value of coal for the year ending on the
31st December 1940—cont.

Name of mine	Des- patches	Colliery consump- tion	Closing stocks on 31st December 1940	Total of col: mns (6), (7) and (8)
(1)	(6)	(7)	(8)	(9)
<i>Chhindwara district.—cont.</i>				
	Tons	Tons	Tons	Tons
1 Chandametta	.. 106,217	5,082	3,267	114,566
2 Barkui	.. 130,518	2,847	635	134,000
3 Bhamori	.. 33,672	5,701	810	98,183
4 Jatachappa	.. 55,083	2,060	60	57,203
5 Ek'ehra	.. 44,065	2,468	770	42,303
6 Datla	.. 273,530	11,490	1,073	286,093
7 Rawanwara	.. 78,983	4,136	385	83,504
8 Newton Chickli Collieries	.. 208,015	8,863	..	216,878
9 Ghorawari Collieries	.. 104,780	2,061	3,628	130,469
10 Panara	.. 32,326	9,605	830	142,761
11 Ambara (N. H. Ojha)	.. 22,311	2,596	1,795	26,702
12 Palachauri	.. 4,612	1,200	2,940	8,782
13 Sial Ghogri	.. 13,001	907	225	14,133
14 Kolhia	.. 28,250	4,217	837	33,304
15 East Barkui	.. 5,511	922	1,649	8,152
16 Dhao	.. 6,211	..	..	6,211
17 Ghogri Barkui	.. 7,359	1,724	2,348	11,431
18 Jamai Datla	.. 10,677	..	3,743	14,420
19 Ambara (Misrilal Meghraj)	.. 64	150	282	496
20 Damua	.. 56,658	5,633	6,148	68,439
21 Junnordeo No. II	.. 32,199	6,108	7,392	45,699
22 Kalichhapar	.. 61,148	4,735	1,873	67,756
23 Parasia	.. 1,556	1,110	400	3,066
Total	.. 1,366,746	103,715	41,090	1,511,551

CHAPTER VII.—ADMINISTRATION

116. The administration of the Act, regulations and rules is almost entirely under the Mines Department of the Government of India, but certain rules were framed and issued (before Provincial Autonomy) by the Provincial Government and the supervision and enforcement of these rules mainly relating to health and sanitation, attendance and first-aid, is the task of the Deputy Commissioner and Civil Surgeon of the districts concerned. Inspections are undertaken and annual reports prepared by these officials under executive instructions to be found in the Central Provinces and Berar Mining Manual, pages 255—57, Part B, Chapter III, Supplementary Instructions. These deal with the submission of the annual returns relating to output and labour and instruct the District Magistrate to prepare a complete report for his district each year for submission to the Provincial Government.

117. We quote the instructions relating to the preparation of this annual report :

“In writing the annual report the District Magistrate should realize that the object of the report is to keep Government informed about the working of the Indian Mines Act and he should, therefore, consider the Act, chapter by chapter, giving information and offering suggestions on such points as seems to him to need remarks. The orders of the Government of India are that the district reports should deal with the following subjects in so far as they relate to mines and mining areas :—

- (1) The supply of labour.
- (2) Wages.
- (3) Relations between labour and employers.
- (4) The general health of the labourers.
- (5) Sanitation and housing accommodation.
- (6) Prices of food-stuffs and clothing.
- (7) Education.
- (8) Liquor consumption and its control.
- (9) Crime and moral conditions.
- (10) Accidents.
- (11) Prosecutions for offences.”

“4. The Government of India have, however, left it to the discretion of the Local Government to supplement or otherwise amplify the above list and under this discretionary power the Local Government has decided that the district reports should also deal with the following additional matters :—

- (a) Exercise by the District Magistrate of the powers of an Inspector under the Act;
- (b) limitation of hours of employment and the employment of women and children in mines, and
- (c) receipts from mines as per orders contained in the Commerce and Industry Department letter No. 2783-1559-XIII, dated the 25th November 1924.”

118. The Provincial Government in turn issues an annual review of the district reports, which is printed and published. The review formerly contained much statistical material about labour-supply, wages, output, etc., but now consists of short paragraphs with general comments under the principal heads detailed above.

119. It will be apparent from our report that we feel the material available to the Provincial Government on the subject of coal-mining labour in the Central Provinces is inadequate in quantity and what is available is unsatisfactory in quality. We have studied the annual returns from each coal-mine in the Central Provinces for the past two years, have read the District Magistrates' reports from the districts of Chanda and Chhindwara for several years, and the provincial reviews as far back as available (from 1919 onwards with one or two breaks).

120. The individual returns submitted are not subjected to any particular check or scrutiny, except that any obvious inconsistencies which come to notice (not all are noticed) are the subject of correspondence from the Deputy Commissioner's office. No attempt is made to check the accuracy of the returns from any of the mines' registers or other returns. The remarks submitted by most of the mines under the various heads detailed above are generally vague and uninformative, e.g., under sanitation some mines write only "satisfactory" or some similar phrase. Occasionally the remarks are positively misleading, e.g., strikes which we know (from other sources) took place are not mentioned and relations between labour and employer are simply described as "good", or fluctuations in prices such as those at the outbreak of war are totally omitted and the only reference made is that prices of food-stuffs and clothing showed no change. In the majority of reports are found stereotyped and sometimes jejune phrases, repeated several years running, indicating that no particular care or attention was paid to the preparation of the annual return.

121. In the preparation of the district returns there is much scope for improvement in the handling of the mass of information available. To take the figures of wages available, to find out the highest and lowest figures given in the individual returns, and to return these figures as showing the maximum and minimum wages paid, means that the figures given are of no help whatever in assessing the wage levels, since the limits are in all cases unduly wide. Either averages should be returned, or else frequency tables, or else tables giving the information as received in full. Although the sole responsibility for statistics is at present on the Chief Inspector of Mines (Mining Manual, page 255) and it is for him to "reconcile any differences and inaccuracies", still the present enquiry and recent labour troubles have shown the necessity for the Provincial Government and its local officials to be in possession of as much information as possible about labour and wages, to be able to intervene effectively in labour disputes and assist in bringing about a settlement. The present information is inadequate and unsatisfactory in presentation: but within the compass of the material already supplied by the mines, if it were checked by Government agency, compiled carefully to yield the maximum of information (preferably by some one agency) and published with appropriate commentary by the Provincial Government, this information would be of immense service to the parties concerned and Government officials, and public opinion in general, in helping to judge the issues involved in any particular labour dispute. Information is required mainly about the level of wages paid in individual mines in different classes of employees; average earnings of piece-workers from mine to mine; particulars of housing, medical treatment, number of latrines and bathing places, schools, etc., and fluctuations in prices of food-stuffs and clothing would all be of great help. In addition, particulars of labour turnover, castes and home districts and number of dependants would be

useful. When a family-budget enquiry has been completed, a cost of living index should be compiled and maintained by periodic collection of prices. For purposes of comparison figures of output, prices of coal, and information about profits from published returns of coal companies, would assist. All this information is already available in one form or another, and only needs more careful check and compilation, and publication with appropriate commentary. No extra work beyond being more careful about the accuracy of these existing returns, would be required from the individual mine offices. But the work of check and compilation, and the drafting of the commentary with due caution and without bias, could only be undertaken by a suitably qualified and experienced officer, and it is for this reason that we say that if Government wish to be in a position to keep itself informed, and to provide information on the subject of labour in coal-mines, the appointment of such an officer is essential. His cost and that of his office can be met from the existing Government revenues from royalties, or from enhanced royalties, or from any other levy on coal-mines, by way of fees or cess. We suggest, in view of the expansion in recent years of Government revenue from royalties on minerals, that for the present Government bear the cost of the establishment of such a post, but that the officer be given such powers and duties as are possible within the framework of the existing legislation, or by fresh legislation, to enable him to earn for Government some portion if not the whole cost of the proposal. Several small mine-owners informed us that they were willing to pay reasonable fees for expert technical advice in mining, survey or development from a competent Government official, and we have no doubt that Government in its capacity as owner of the mineral royalties, and custodian of the mineral resources of the province, should insist on such expert advice and guidance being taken. The insistence can be backed by the threat of forfeiture of the lease, or by refusal to grant a lease without previous consultation of an expert on questions of survey and trial boring.

122. It is implicit in our proposals that the printed annual review published by the Provincial Government should become much more comprehensive and informative, and that the statistics which were omitted some ten years ago should, in some form or other, be restored. It would be more convenient if the report, instead of being a review by Government, took the form of an annual report presented to Government by the official (whom we may term Mining Adviser to Government) whose appointment we recommend.

123. We have recommended the appointment of an official who must obviously possess the best possible qualifications, and whose experience and ability to give advice on technical subjects must be such as to command the confidence of Government, the mine-owners and technical mining people. Such a man will, we believe, more readily become available by dove-tailing the proposal into our second suggestion, which is that the Government of India be approached to consider the reorganization of the present arrangements for inspection, by the Mines Department, of mines, particularly coal-mines in the Central Provinces.

124. The present arrangements are that a junior inspector—generally an officer of few years' service—visits the Central Provinces twice a year for an extended tour. Each mine is usually visited once in the year, though large mines may be visited more than once, and some small mines may not be visited each year. At the time of visit, pending enquiries into cases of accident are taken up, and, after dealing with points outstanding from previous inspections, the general

application of the Act and regulations, and any rules under the Act, is seen and any defects found brought to the notice of the management for remedy. The Inspector's report on the mine to the Chief Inspector is confidential, and is not seen by the management. On the inspection report orders under various sections or regulations or rules are issued by the Chief Inspector to remedy defects. The Inspectors are available for discussion and advice at the time of their visits, and the enhanced powers now available since the last revision of the Mines Act, and the issues of the temporary regulations (now made permanent) mean that in practice the Inspectors are consulted at almost every step in mine-working. In addition many matters are disposed of on orders obtained by direct correspondence with the office of the Chief Inspector.

125. The drawbacks of this system are obvious, and if we set them out here, it is no spirit of criticism of the present working of the department, but to support our case for the appointment of an Inspector, of senior rank, resident in the Central Provinces.

126. The present system leads to delays in investigation of accidents, since it is only for very good reasons that the department can interrupt the normal programme, and incur the expense of deputing an Inspector specially from Bengal (the Central Provinces come under No. II Inspection Circle with its headquarters at Sitarampore in Bengal) for the purpose of enquiring into any particular case of accident. We were given particulars of cases in which delay in enquiry, until the next half-yearly visit, was said to have resulted in the enquiry being less complete than it would have been if it had been held promptly. It seems obvious that delay of any kind in an enquiry is bad, and may result in good evidence not coming forward.

127. A more serious criticism is that the Central Provinces mines seldom, if ever, get the benefit of a visit and advice on the spot from one of the more senior and experienced Inspectors of the department. Owing to other pre-occupations, in the larger coal-fields, and the increasing burden of legislation and committees of various kinds, it has not been possible for the Chief Inspector or the Deputy Chief Inspector to visit the Central Provinces mines for many years, and the increasing burden of legislation and committees of various of the circle. It is, in our view, desirable from many points of view that someone with the experience and authority of a Senior Inspector should be available for consultation and advice from time to time, and if it is not possible to provide for this within the present staff, the creation of another post of Senior Inspector must be faced.

128. Mining education suffers, in the Central Provinces, from the lack of a competent official on the spot to guide and direct the necessary activities. Many matters which now result in protracted correspondence could be disposed of by personal discussion if an Inspector were available. Complaints by labour of infringements of the Act and Regulations would be much more readily forthcoming if an Inspector were stationed in the Central Provinces. Mine-owners and managers would be much less tempted to evade their duties if they knew that an Inspector was near at hand to drop in for surprise inspections at any time. Under the present system no surprise inspections are possible, as the difficulties of travelling, and the lack of accommodation render it almost inevitable that an Inspector visiting from Bengal must, to secure accommodation, give notice in advance of his intention to visit the mine, and also, in some cases, accept the hospitality of the mine-owner owing to the

difficulty of rail communications with some mines. We ourselves felt the same difficulties in some cases, and can testify from personal experience that an Inspector stationed in the province, able to travel in his own car, would be in a much better position to carry out adequate inspections, and would undoubtedly lead to a higher standard of inspection in the coal mines in the Central Provinces.

129. We believe that the experiment of stationing an Inspector in the province was tried on a former occasion, but given up because of the lack of sufficient work for a whole-time Inspector in the Central Provinces, and the difficulty of stationing a junior officer on his own in a distant province, remote from adequate supervision by the Chief Inspector. We believe that these difficulties will be avoided if the Inspector is made a senior officer, and given part-time work under the Provincial Government as Mining Adviser. The necessary expenses of the creation of the post, and the office establishment involved, could then be shared by the two Governments, in an agreed proportion.

130. The two essentials of our proposal are (1) that the officer selected must be of sufficient experience and seniority to command the confidence of the mining community, and to be in a position to give authoritative advice to Government on technical problems, and (2) that he must work directly under the Chief Inspector of Mines, who should be responsible for any advice given to the Provincial Government on major mining problems in the province. We believe that these two conditions are compatible, and that their adoption will mean that the Provincial Government will always have at its disposal the whole resources of the Mines Department for consultation, and that the Central Government will have an officer of senior status in the Central Provinces ready to advise on any mining problem that may arise. The Chief Inspector will have a certain amount of extra supervision to perform, but will in return have the satisfaction of knowing that a senior and responsible officer is available for inspection purposes, and also for any urgent call, in the province. We recommend the appointment strongly because we believe that such an officer will by virtue of his presence and authority, be able to do much by quiet persuasion and practical suggestion to improve conditions of labour among mine workers, especially in the smaller and more backward mines, and thus assist in bringing labour conditions up to the standard of those in the larger coal-fields.

131. We have purposely refrained from discussing the financial and administrative details of such an appointment because an expert examination in the respective departments of the Government of India and the Central Provinces Government will have to be undertaken in any case, but we may add here that in the course of discussions during our enquiry the proposal as put forward in the above form was generally welcomed by all parties concerned, including many mine-owners.

132. Mining concessions.—We have the following suggestions to offer regarding the policy to be followed in granting mining concessions in coal-bearing areas. The present system is that, the limit for prospecting leases is three square miles, and for mining leases 10 square miles. We urge that in future leases ought to be granted only to public limited companies, and they should not be permitted to begin operations until a certain fixed minimum capital has been subscribed and paid up. The plans of development may be examined and approved by the Mining Adviser to Government whose appointment we have suggested. The Mining Adviser will receive from the

respective Deputy Commissioners applications for (1) certificates of approval, (2) prospecting licences, (3) mining leases, and forward them with his recommendations to Government for orders. He may be given authority to collect licence fees at prescribed rates, and to draw up development plans when requested, in addition to approving plans prepared by existing mine surveyors. He should be empowered to charge fees. For this work he will need a small drawing office with a suitable draughtsman. We suggest that this office be located in the Pench Valley, where most of the coal-mining operations in the province are now being conducted. If his work proves too heavy for one man, he may be provided with a Labour Assistant to look after that side of the work. The Mining Adviser should also in our opinion be placed in charge of mining education in the province. He will have frequently to inspect mines, to see how far the terms of the leases with Government are being observed, and to give general advice on mining development and labour questions, in addition to his duties under the Mines Act.

APPENDIX I.—*Provincial Revenues from coal.*

According to the latest budget statement, the receipts from quarries and mines and mineral products, in forests and lands not under the management of the Forest Department, are shown as follows:—

				Rs.
1939-40	..	Actuals	..	5,61,724
1940-41	..	Budget estimate	..	5,90,000
1940-41	..	Revised estimate	..	6,99,700
1941-42	..	Budget estimate	..	6,49,800

These figures include the revenue, whether by way of royalty, fees, auction, etc., from all minerals. For coal alone the provincial receipts for the last thirteen years have been as follows:—

	Rs.		Rs.
1928	.. 1,04,860	1934	.. [1,56,733
1929	.. 1,15,001	1935	.. 2,00,276
1930	.. 1,26,055	1936	.. 2,03,353
1931	.. 1,24,397	1937	.. 1,87,593
1932	.. 1,09,793	1938	.. 2,39,443
1933	.. 1,37,432	1939	.. 2,84,284
1940	..	Rs. 3,04,209 (provisional)	

CHAPTER VIII.—LABOUR ORGANIZATIONS

133. There are three labour organizations working among coai-mine labour in the Central Provinces. So far only one of them is registered under the Indian Trade Unions Act. All the three bodies are of recent origin, and have little more than one year of work behind them, and so it is difficult to express any opinion on their merits as labour organizations or their ability to organise labour successfully. We give some particulars of these three bodies.

134. Chanda—*The Mazur Seva Mandal*.—This describes itself as a public body with a paid organiser from the Mazur Samiti of the Gandhi Seva Sangh. The president is a Chanda pleader and two M. L. As. of Chanda are on the committee. At present it is in a moribund condition, though it still possesses a paid organiser. We were not able to get any first-hand idea of the working of this body, and the following particulars are taken from an inspection note written in November last by the Labour Officer, Nagpur. He reports it to have about 50 members, and to have had in the ten months of its existence an income of Rs. 425 and an expenditure of Rs. 440, of which hardly Rs. 200 had been spent on welfare direct. A fortnightly news-sheet in Marathi was being published, and lantern lectures were occasionally being given on prohibition and other subjects. A Telugu primary school was being maintained at Babupeth with an attendance of 15 boys, and an adult education class had 5 to 10 members. Common medicines were distributed free, and a yarn spinning class was being conducted for unemployed women, so that they could earn one to two annas daily. The absence of the secretary during the 10 days of our visit to Chanda, and the inability of the president to see us during that time seem to indicate a certain lack of enthusiasm for the professed object of the Seva Mandal. We do not see how a news-sheet in Marathi can be of much assistance to the work people who, being mainly Telugu, would not understand this language even if the paper were to be read over to them. However, so long as the secretary is willing to devote himself to these welfare activities, we consider that the organization deserves encouragement by the employers, and, provided it shows a record of useful work, by Government.

135. Chhindwara—*The Chhindwara District Collieries Workers' Union, Junn^ordeo*.—This is a trade union registered on the 10th of August 1940. It came into existence some time last year and now claims to have a membership of over 2,000. We inspected its books and papers and talked to the president and secretary at the union office in Jamai Bazar. The various registers were well kept, and the membership figures seem genuine, though many members are in arrears after paying only their initial subscription of one anna. The income of the union seems to be spent entirely on office expenses. No welfare work other than dealing with complaints and grievances is undertaken. The president of the union is a retired head master from Chhindwara, Rai Sahib B. B. Verma, and the secretary is his brother, Mr. S. B. Verma, a contractor of Jamai, and member appointed on behalf of labour of the Central Provinces Mining Board. The committee consists of seven miners and two assistant managers of mines, Mr. Gulati of Datla and Mr. Santram of Jatachappa. The union has been recognised by Messrs. Shaw Wallace and Company and did useful work in endeavouring to arrive at a settlement of the strikes which took place in several mines last December. Subsequently, it secured substantial concessions for its members in those

mines. It is fairly obvious what may be described as a company union, but may in spite of this be able to fulfil a useful purpose. It has shown little signs of activity in the last three months, but is being used by the Deputy Commissioner to enquire into complaints and grievances sent to him by individual workmen. We are not sanguine of the ultimate success of a company union, but think it may be of some service until a better union is organised to take its place. We have heard that company unions were successful among the disorganized cloth workers of Chicago, particularly in doing away with lightning strikes, but only because the employers were sufficiently forbearing to allow the unions to take up an independent stand on questions agitating the general mass of workmen and in addition gave timely concessions before other labour leaders could force a strike on any particular issue.

136. The Central Provinces Mine Workers' Union.—This is a body, not as yet registered as a trade union, formed under the auspices of Mr. Ruikar, advocate of Nagpur. When Mr. Ruikar saw us in February at Nagpur we stressed the advisability of his body being registered under the Indian Trade Unions Act, and he promised to have this done. Two months have elapsed since that time, and about one year since the formation of the union, but up to the time of writing, the union is still unregistered. We are, therefore, without particulars of its membership, finances, etc. When the assistant secretary, Mr. Haldulkar, saw us at Parasia in March, we asked to see the registers, receipt books, etc., of the union. He explained that these were in the union office at Chhindwara, and promised to bring them within a day or two for our inspection, but up to the time we left Parasia at the end of April, they were not produced. So we are not aware how many members the union has, what funds it has collected, how it has expended these funds, or what have been its activities on the welfare side. We are aware of certain public meetings from press reports—one meeting was held during the two months we spent in the Pench Valley—and we received a certain number of complaints and grievances, generally from individual work people, most of them relating to victimisation, written on note paper of the union. We investigated most of these complaints, and gave a hearing to all individuals who approached us whether from the union or not. One or two cases were found to be genuine, but the majority were cases which we did not feel inclined to pursue. Particulars of some of the complaints will be found in Appendix I.

It is a pity that there is no strong and responsible trade union among mine workers; there is so much for such a body to do. We realise the difficulties of organising a strong trade union among such an illiterate and floating labour population, but until such a body comes into existence, no permanent improvement can be expected in labour relations. We deplore equally the lack of a strong organization of the employers in the coal-mining industry. There is great and indeed urgent need for a body which will speak with one voice for the employers, giving their reasoned views on various questions affecting labour as they arise, and taking responsibility for uniform action in labour matters. The existence of such a body would have facilitated our task immensely, and, we believe, would be in the best interests of the industry as a whole.

137. Trade disputes.—We have found several references to previous strikes in the Central Provinces coal mines though none is recorded in the official records before the strikes of last December. "Although there are no Trade Unions, strikes are not uncommon at

Indian Collieries", said Mr. Ditmas writing in 1911 about the Pench Valley coal mines.* According to the annual report of the Chief Inspector of Mines for 1931, page 4, "the rates of wages of piece-workers in the Pench Valley coal-field were reduced by 10 per cent, but the wages of monthly paid staff were not reduced as they had not benefited by increases of wages in former years. In the first quarter of the year there was a strike at Chandametta colliery. It lasted for seven days at the end of which the reduction of 10 per cent was introduced without trouble". The Provincial Mining Report for 1931 mentions neither the reduction in wages nor the strike. We have also heard from more than one manager accounts of past strikes which have not found their way into Government statistics. This is in general because they have not lasted more than one or two shifts, and hence have not been reported. Indeed the manager of one mine informed us that a strike of a day or two's duration over some petty matter or another was almost an annual occurrence.

The 1940 labour troubles began with a conference held at Junnordeo in June 1940. At this conference certain demands were put forward by the organizers on behalf of mining labour. The following is an extract from one of the speeches delivered at this conference: "The wages of the miners are low, their housing is scandalous, ignorance and disease reign supreme among them, bribery is rampant. There are innumerable deductions from their wages. Even Sunday is a half holiday. The miners are highly indebted. The evils of drink and gambling are deep-rooted. Medical relief is a mere white-wash. Compensation for accidents is more often evaded than granted. The mine worker is a wage slave, in the literal sense of the term. Security of service, there is none." After these somewhat sweeping statements the ten demands put forward in a resolution passed at this conference were—

- (1) Adequate increase of wages,
- (2) improvement of housing and sanitation,
- (3) medical aid,
- (4) stoppage of bribery,
- (5) adequate rest,
- (6) leave with pay,
- (7) stoppage of all deductions from wages,
- (8) 35 per cent dearness allowance,
- (9) security of service, and
- (10) proper facilities for education.

These demands, along with others, were put forward during the succeeding months in a series of meetings held by the newly formed Central Provinces Mine Workers' Union. Leaflets were distributed, and by these and other forms of propaganda, the agitation which began with the Junnordeo conference in time culminated in strikes at several mines in December. The strikes quickly collapsed, and certain concessions, designed to improve the earnings of miners in particular, were announced by the employers.

These included revision of the price of gunpowder and kerosene oil, the abolition of payment by miners for shot-firers, and certain other small concessions.

*Transactions of the North England Institute of Mining and Mechanical Engineers, Volume LXI, Part 3, issued March 1911, pages 115-146.

The effect of the concessions granted on the average miner's pay may be seen by taking the example of two miners who cut 6 feet in a gallery, by hand, in a week of 5 days (the example is taken from Datla). The rate per foot is Rs. 2 and for 6 feet the amount credited will be Rs. 12. From this is to be deducted $9\frac{1}{2}$ lb. powder (19 shots) and $2\frac{1}{2}$ seers kerosene oil: formerly the powder cost 6 annas a lb., now the price is 5 annas: kerosene oil cost Re. 0-4-0 a seer and now costs Re. 0-3-6. There is another item—one anna in the rupee to pay for shot-firers, which was formerly deducted and now has been abolished. This is how these two accounts will look before and after the concessions:—

	Before	After each.
	Rs. a. p.	Rs. a. p.
<i>Deduct—</i>	12 0 0	12 0 0
Powder	3 9 0	2 15 6
Kerosene oil	0 10 0	0 8 9
Commission	0 8 0	Nil
Total	7 5 0 or 3 10 6 each	8 7 9 or 4 3 10½

Assuming they worked 5 shifts, this works out to Re. 0-11-8 a shift formerly, and Re. 0-13-7 a shift now. But formerly the miner enjoyed the cheap grain concession which has now been withdrawn. This in effect gave him Rs. 2-8-0 worth of grain for Rs. 2, under the most favourable conditions. Then we should add 8 annas to his former net earnings of Rs. 3-10-6, raising it to Rs. 4-2-6, or Re. 0-13-4 a shift, which is 3 pies a shift or Re. 0-1-4½ per week, less than his present earnings.

Thus these miners are 1 pice per day (about 2 per cent) better off now than before the grant of the concessions. We believe this to be a typical case of the average miner's earnings in the mines under the control of Messrs. Shaw Wallace and Company. Of course a miner who works six shifts instead of five, or make greater progress than 6 feet per week for 2 miners, will earn more: conversely, a miner who cannot or does not work so much as 5 shifts per week, due to disinclination, sickness, lack of orders, lack of working places, shortage of wagons, etc. will earn less.

138. Government Labour Officer.—We are convinced from our own experience that there is a crying need for a resident Government Labour Officer in the Pench Valley. We ourselves were approached by many individual workmen and ex-workmen with complaints: we heard each one, and investigated all those which were deemed to deserve further enquiry. Most of the complaints turned out to be based on misapprehension, or frivolous or *mala fide*, but a few were genuine cases, either of hardship in the application of rules, or of genuine injustice. But even in the cases where nothing was possible, the very fact that a hearing was given was a source of satisfaction, and operated to reduce the amount of floating discontent in the valley. A permanent officer, able to listen and enquire into such grievances as are brought to him, would be of incalculable assistance in reducing the volume of discontent and ill-feeling. After the "old lags" and long-standing grievances had been dealt with, the volume of work, among some 15,000 miners, should not be large, and our other suggestions should operate to reduce it still further. In particular, if Messrs. Shaw Wallace and Company engaged a Labour

Officer in their concerns, he could be a great source of help to the labour in having petty grievances redressed, and so be of great assistance to the proposed Government Labour Officer.

139. Conciliation.—In England conciliation boards have been set up, with independent chairmen, by regional agreements between representatives of the employers and workmen. We believe that what has been done in England on a large scale, could be done in the Pench Valley on a small scale. As a beginning, could not employers negotiate a joint conciliation board with the Jamai Trade Union which has been recognized? The setting up of regular machinery would, we believe, be useful in settling certain classes of disputes, and in providing valuable training in negotiation for both sides.

APPENDIX I.—*Summary of certain of the complaints received and action taken thereon.*

I.—Application, dated the 26th March 1941, from Khuman Gaoli, ex-shot-firer of Chandametta. The applicant's grievance was that his left leg was fractured near the ankle and he got no workmen's compensation. His leg is badly set and permanently deformed. He walks with difficulty. It was found on enquiry that the accident happened about 8 or 9 years ago, during which time the applicant had never approached the proper authority. On being advised to have his leg amputated he ran away from the hospital. The then manager took advantage of his absconding to avoid responsibility. Nothing can be done now.

II.—Application, dated the 29th March 1942, of Saiyed Md. Ali, formerly earth-work contractor of Rawanwara (with connected applications of his labourers). The applicant complained to us that his work had been wrongly measured by the surveyor and that his pay for two weeks had been withheld. As a result he could not pay his labourers. He brought the labourers with him and obtained their signatures on an application to the same effect. The manager told us that the applicant had in fact been overpaid owing to wrong measurement, and that he had been paid up to date. The manager could not show the receipts, which had been sent to Calcutta. The applicant could not produce any accounts. The manager showed us a statement, prepared by himself, showing the amounts due to the labourers (two or three weeks' pay in each case). He said he would find them other employment and pay the arrears, in part at least, at the company's expense. He had stopped the applicant's work. We heard that the applicant had worked for several other managers, all of whom were dissatisfied with him.

III.—Application, dated the 1st April 1941, from Sopchand of Rawanwara. This is a complaint against the surveyor for not measuring some work done on contract by the applicant's relative. We spoke to the manager, who promised to get the work measured if the contractor himself turned up.

IV.—Application, dated the 1st March 1941, and addressed to the Deputy Commissioner, Chhindwara, but presented to us on the 1st April 1941, of Ajodhya Prasad of Jatachappa. This is a general complaint (i) that the surveyor measures the width of the gallery incorrectly, making it a foot less than it is, (ii) that Re. 0-1-0 in the rupee is deducted from wages and (iii) that the miners are harassed by petty officials. We spoke to the manager during our visit to this mine and he undertook to look into the system and tighten up control over subordinate officials.

V.—Application received on the 1st April 1941 from Ajodhya Prasad against the manager of Rawanwara. (The applicant is the same as in serial No. IV.) The applicant worked at Rawanwara up to about June 1940, and in his application he claims some arrears. The manager says the applicant was a commission-holder and miner and was dismissed for making trouble. He did not—either then or later, when he came and asked to be reinstated—claim any arrears. The case is old and doubtful and calls for no further action.

VI.—Application of Kamala Prasad, dated the 11th April 1941. The applicant came with Ajodhya Prasad on the 1st April 1941, and later on the 6th April 1941. He stood up in the meeting addressed by Mr. R. S. Ruikar and stated his grievances. They were of a general character, low wages, bad housing, bad water-supply, and the stoppage of the cheap grain scheme. As a result, he was dismissed by the manager. Presumably the applicant was entitled to notice, or to pay in lieu thereof, but he seems to be a discontented man. It was not found possible to get him reinstated.

VII.—Application, dated the 15th April 1941, from Damdu Khan, complaining against Mr. Ledwich, Mechanical Engineer, for dismissal from his workshop. The applicant says he was dismissed because he could not say who wrote a certain application against the subordinate staff. On enquiry we found that the applicant had previously been dismissed by the manager of Chandametta—under the Chief Mining Engineer's orders—for making allegations of bribery against certain subordinate officials (an enquiry by the union showed that the complaints were unfounded). He got work, under a contractor, in the workshop unknown to Mr. Ledwich. This came to light when another application was received, which was suspected to be written by him and purported to be signed by a man who is actually illiterate. Accordingly, after questioning him about this second application, Mr. Ledwich dismissed him. There are instructions that one manager shall not employ a workman dismissed by another manager.

No action is possible. We, however, think it inadvisable to suppress complaints by dismissals. Bribery is undoubtedly prevalent, and such action will discourage even genuine complaints. It is, moreover, doubtful whether the applicant should have been dismissed without notice.

VIII.—The labourers of the Parasia mine came to us in a body on the 13th April 1941 and complained that they had been paid nothing for several weeks. The mine had been taken over by a liquidator under the orders of the District Judge. We wrote to the District Judge, giving him particulars (obtained from the manager) of some debts due to the mine, and he immediately issued orders to recover these debts and apply the proceeds first to pay the arrears to wages.

CHAPTER IX.—RECOMMENDATIONS

140. Why recommendations?—We were not specifically asked to put forward recommendations, and we understand our task to be mainly that of furnishing Government with a picture, as comprehensive as possible under the circumstances of the enquiry, of the coal industry and its labour force. But in the course of our enquiry we have been asked to advise on certain proposals, *e.g.*, the extension of the Payment of Wages Act to the coal-fields, and we are aware of certain other proposals in the field, *e.g.*, the possibility of a Coal-fields Maternity Benefit Bill, in the Central Legislature. We have, therefore, thought it proper to set down in the course of our discussions in the earlier chapters our recommendations on the various topics arising out of the foregoing chapters. Some of them are more in the nature of suggestions for further examination and experiment rather than specific recommendations, and we have at all times been chary of insisting on our own ideas of what ought to be done as being the only possible solution to problems which have baffled solution in the past. But we trust that our suggestions will be examined, and if found practicable, given a trial, by the industry, whether on general grounds, or else on the narrower ground of increased efficiency, leading to greater economy. Unfortunately, no one in these days, by advising greater emphasis on labour welfare, can promise as a reward immunity from labour troubles: but there is little doubt that English experience has shown that in the long run labour does respond to better treatment, and if human understanding and sympathy is forthcoming from the employer's side, his employees will not be behind hand in displaying consideration for his difficulties in return.

141. Royal Commission on Labour.—In addition to the various recommendations scattered through the earlier chapters, we place here our views on certain recommendations of the Royal Commission on Labour, as being the starting point of all subsequent labour policy. Although the Royal Commission did not visit the Central Provinces coal-mines, and although it did not deal with these mines in its report, still the majority of its observations are relevant to the mines in this province, and its recommendations, apart from one or two which have lapsed with the efflux of time, still bear examination.

142. Mining Industries Act (1926).—Recommendation 89 (Report, page 114): We support the suggestion that the English Mining Industries Act of 1926 should be examined for the purpose of considering how far similar provisions in India would help to systematize mining leases. We have seen the Act, which is of an extremely technical nature, and would suggest that the Central Government be asked to have it examined by their Mines Department, with expert legal advice available. We have already indicated how necessary we feel a reform of the present system of granting mining leases by the Provincial Government to be, and we suggest that this be tackled in two ways, on the legislative side by the Central Government and on the administrative side by the Provincial Government in its capacity as owners of the mineral rights.

143. Sanitation.—Page 115: We have elsewhere stressed the need of improving sanitation.

144. Recruiting costs.—Recommendation 90—Elimination of recruiting costs (Report, page 118): The position has substantially

improved in the Pench Valley, but there are still expenses paid here which could, we feel, be dispensed with, and still more in the Wardha valley. The solution in the Wardha valley would be a Government recruitment bureau, whose expenses are met by a small levy on the mines in the valley. However, this would require legislation, and we have not devoted sufficient time to this proposal to say whether it is completely practical or not. But, in the two valleys, we suggest that employers devote themselves to a strict examination of recruiting costs to see if they cannot cut out the various payments now made under this head, whether in the form of payments to sirdars or to labour contractors or by direct employment of recruiters, and apply the amounts thus saved to increasing wages or amenities.

145. Raising Contractors.—Allied to this question is that of raising contractors (Labour Commission Report, page 119). These are not popular in the Central Provinces and we found not more than 2 or 3, but here, as elsewhere, we support the recommendation that they should be superseded by sarkari working, if necessary by legislation in the interests of safety. As the Commission observe: "We believe that, whatever the merits of the system in primitive times, it is now desirable, if the management is to discharge completely the complex responsibilities laid upon it by the law and equity, that the manager should have full control over the selection, hours of work and payment of the workers." In their place, they recommend the appointment of Labour Officers. "If the raising contractor is eliminated, it will ordinarily be necessary to strengthen the management in order to carry out the functions he performed. There are very few mines employing raising contractors where the time of the manager is not fully occupied already, and we recognise that his other duties would normally make it impossible for him to give adequate personal attention to labour matters. In some cases we fear that the manager is imperfectly acquainted with the languages native to the workers. This may be one of the reasons for the survival of the raising contractor, but it does not make him indispensable. We recommend that in every important mine there should be a salaried officer directly responsible to the management for the supervision of labour, both in and outside the mine. There may be some among the existing labour contractors who are qualified by experience and temperament for such positions; but, whoever is appointed, it is essential that he should be able to secure and maintain the confidence of the workers." (Report, page 120.) We also urge that the larger mines should now seriously contemplate the appointment of Labour Officers.

146. Labour Officers.—Recommendation 93, Report, page 120: The extra expense involved by the appointment of a competent man would, even over a period of years, not be as large as the loss caused by a single strike in that period, and so if he can avert only one strike, his appointment will have been justified on the ground of economy alone. There are many other grounds for the entertainment of Labour Officers. Managers find plenty to do under the Mines Act and Regulations. Labour legislation is growing in complexity, and demands more study on the part of the management; welfare work, such as housing, sanitation, water-supply, etc., take up more time in supervision; and it is more and more important that absentee employers, such as most of the Central Provinces mine-owners, are, should be kept in intimate touch by frequent and detailed reports on labour topics. These duties can only be adequately performed by a whole-time officer working under the manager. The Labour Officer will, in addition, be expected to deal with questions of appointment

and dismissal of workmen, dealing with works committees, and keeping the management in touch with any attempts to work up agitation by outside labour leaders. We consider the case for employers' labour officers to be conclusive, and lay great stress on their appointment.

147. Payment on a working day—Recommendation 94.—Wages not to be paid on a rest day (Report, page 121): “There is one other factor contributing to irregularity to which attention should be drawn and which might easily be removed. In most of the coal-mines Sunday is the weekly rest day, and it is the common practice in the Jharia field, if not elsewhere, to pay wages on that day. In some mines payment is a lengthy process, and the last miners are not paid out till the afternoon. If, amongst the latest, there are some who have many miles to walk to their village, most of their rest day may be wasted. In these circumstances it is not to be expected that the miner will appear for work on Monday. We consider that payment of wages should be made on a working day, preferably Saturday. There need be no difficulty in finding time for the calculation of wages, as, if necessary, the week for which payment is made can end on Friday or earlier. The matter is one that might be left to the initiative of the managements, but if, after a reasonable time, payment on a rest day has not been discontinued, Government should take steps to prohibit the practice.” Though some mines in the Central Provinces begin payment on Saturdays, many of them pay only on Sundays, and nearly all of them make some payments on Sundays. The normal practice is to pay, in the case of piece-workers, for work done up to the close of work on the previous Wednesday or Thursday. We see no particular inconvenience in pushing forward the date of payment by one day in such cases, if necessary, by also pushing forward the date, up to which wages are calculated, by a day. We were not impressed by other arguments raised to defend the practice of paying on a Sunday, and feel that the time has now come to enforce payment on a working day by extending the Payment of Wages Act to coal-mines.

148. Standard output.—Standard Output (Recommendation 95, Report, page 122): “. . . there are many causes lying outside the worker's control, which may prevent him from securing an adequate day's wage. Examples of such causes are deficiency of tubs, difficult working places, long leads, stone and shale and mechanical break-downs. An allowance on these grounds is sometimes paid, but this is by no means universal. For example, we found in the Giridih field instances where a miner in a day of 12 hours could produce no more than one small tub of coal. Statutory provision is necessary to ensure that the worker, whose wages fall short from causes outside his control, shall not be penalised. We recognise the difficulty of making provisions of this kind without offering encouragement to the slack or incompetent worker, but our conclusion is that statutory distinction between the causes of short output is impracticable and that the management is in a position to protect itself against deliberate idling. Our recommendation is that every worker on piece-work who goes underground shall automatically be credited, for purposes of payment, with a certain minimum output for every shift of eight hours or more worked. Under the present system this minimum output would be expressed in tubs. We should leave to an authority well acquainted with local conditions, the amount of this guaranteed minimum output and also the determination of the area over which the same rate should apply. The standard fixed should in no case exceed the normal daily output of a man of average skill and industry. Being anxious to avoid setting up new authorities where existing bodies will

serve the purpose, we consider that the Mining Boards might be utilized for this purpose over the areas which they cover, provided that, whatever the constitution of the Boards for other purposes, they contain an equal number of representatives of employers and workers when sitting to determine standards. It will be necessary for these Boards to frame rules to prevent abuse of the provision recommended in this paragraph."

149. Payment for minimum output.—This is a somewhat controversial topic, and we hesitate to do more than point out that no mine in the Central Provinces has, so far as we are aware, even experimented with the idea of a standard minimum output for underground piece-workers, if only to see where the eminently practical reasons given by the Commission for their recommendations fail or are insufficient. The question is bound up with the general question of a minimum wage, which organised industry in India will undoubtedly be called upon to face in the next few years. We, therefore, bring the recommendation of the Royal Commission to the notice of the Central Provinces mine-owners, and suggest that at least some attempt be made to tackle the question seriously. We have ourselves received complaints from miners that they were unable to earn a reasonable day's wage owing to causes beyond their control, such as breakdowns, deficiency of loaders or tubs, or interruptions for timbering, pumping, baling, etc. Some of these causes are beyond the control of the management. Some of them, such as permitting too many workers to descend, are within their control. In some cases, such as lack of railway wagons, or lack of orders, it is difficult to expect a manager to employ people for sitting idle, but we ourselves feel that a manager anxious to have a contented labour force will find as regular employment as possible for his miners, by raising coal in anticipation of orders or wagon supply, or, if there is no reasonable anticipation of orders or wagons, by putting men to work on dressing, stone-cutting or other of the innumerable jobs about a mine. Mine work is much like agriculture, in that there is always something to be done in and about a mine, and a miner, like an agricultural labourer in England, could be provided with work for the twelve months by careful thought and organisation of jobs. In return a miner must be expected to turn his hand to many jobs that now he is disposed to refuse: we heard of cases of miners refusing to load, when loaders were scarce and miners were sitting idle by their heaps of coal. With an ignorant labour force persuasion is not easy, but industrial progress is not possible unless such prejudice is combated and overcome, by a mixture of persuasion, cajolery and threats.

150. Difficulties not insurmountable.—We would add that we are not convinced by the arguments put forward by Sir Alexander Murray (Report, pages 122-23) against the idea of payment for a minimum standard output. He is correct in saying that difficulties due to hard working places are generally met by special rates or allowances. In our experience, however, this is not invariably the case, and we found in most mines that there were better working places and worse working places, and complaints were made with monotonous frequency that favourites of the sirdar or overman got easy working places and others were put to work in the more difficult and unremunerative places. The grumbling workman is not unknown even in Great Britain, and no amount of consideration for his difficulties will prevent him grumbling, but we believe that in this matter the grumbles have some substance and could be met to some

extent by the device of a standard minimum output suggested by the Royal Commission. We cannot agree with Sir Alexander when he says that the cases where piece-workers in mines are prevented from earning normal daily wages on account of deficiency of tubs are comparatively few. We found these conditions chronic, especially in the less well-organized mines. Sir Alexander has not dealt with the other cases of shortage of output, *e.g.*, mechanical breakdowns, breakages of haulage ropes, withdrawals from dangerous places, delay in bringing up the coal-cutting machine, shortage of shot-firers, all of which were brought to our notice during our inspections. In short, we feel that the proposal, carrying as it does the great weight and authority of the Royal Commission behind it, deserves much more consideration than it has hitherto received, and we advocate its adoption, at least on an experimental basis, in the Central Provinces coal-mines. We suggest that the determination of standard outputs should be one of the functions of the works committees which we propose should be set up in mines. If the system, as experimented is successful, then we advise that the Central Government be asked to legislate to make statutory provision for the introduction, at the instance of the Provincial Government in any particular mine, of the system of a guaranteed minimum output for every piece-worker who goes underground.

151. Uniform size in tubs.—Recommendation 96: "We recommend that Mining Boards should examine the question of securing greater uniformity in the size of tubs and of insuring that remuneration bears a closer relation to output. The introduction of a system of check-weighing may be practicable in the larger mines and the possibility of instituting such a system should be explored." In the Central Provinces mines all gallery driving is paid for by measurement and so no question of dispute over the number and contents of tubs arises: it can only arise in depillaring, where the miner is paid by the number of tubs. We heard a few complaints about underpayment; some related to excessive deductions for alleged underloading, *e.g.*, a quarter or a half or a whole tub being deducted for underloading: but in some mines the practice prevails of making a uniform cut from each wagon, or payment for fewer wagons than those filled, on the ground of shale being found in the coal, or the percentage of slack being too high, or the weight as found in railway wagons not corresponding to the calculated weight from the number of tubs. These cuts are a source of confusion at the time of payment, and give rise to a suspicion, however unjustified, that unauthorized cuts are being made and create a good deal of irritation and friction among miners. This is further exacerbated by the strange reluctance in many mines to disclose the details of calculation of their weekly earnings to miners. We suggest that it should be the invariable practice to show on the "wage ticket" how the net amount was arrived at, *e.g.*—

Wage for week ending—Wednesday, July 16.

Gang—Salim Khan—

Number of workers—4.

Coal cut—32' × 12' × 5', rate Rs. 1-2-0.

Gross amount due—Rs. 34.

Deductions—

Explosives—32 lb. at 5 annas per lb.—Rs. 10-0-0.

Kerosene 6 seers at 3 annas 6 pies per seer—Rs. 1-5-0.

Cuts for—

(i) Shale, (ii) short filling as per separate chit—Rs. 1-11-0.

Net amount payable—Rs. 21-0-0.

Net amount payable per man—Rs. 5-4-0.

The separate chit should be an order by a competent officer to cut so much from such and such wagons for shale or short loading or whatever the offence is. A copy of this order should be given to the gang leader, and he should be given an opportunity to represent against it to the superior of the official passing the order.

152. Check weighment.—We feel that the time has come for the Royal Commission's recommendation about check weighing to be tried out. So far as we were able to ascertain, no mine has made any attempt to see if it will work. We suggest that a senior sirdar, with a reputation for honesty, be put on to supervise the tub weighing, and to see that the weights are credited to the correct tub numbers and in the name of the correct gang. The system in England is worked, we understand, through trade union officials, but that is impracticable at present in India, and we consider the next best proposal to employ a sirdar, not a clerk, for the work. The system has been very successful in England in reducing complaints about loading, and we feel that, backed as it is by the authority of the Royal Commission, the recommendation should now be tried.

153. Permissible loads.—Recommendation 101 (Report, page 129): "Permissible loads for women should be prescribed in quarries where depth and lead exceed a certain standard. Both load and standards of depth and lead should be fixed by the Mining Board." "The exact standards", add the Commission, "are a matter for expert consideration, and we would leave them to be fixed by the Mining Boards on the advice of their technical and medical experts. We recommend that the Boards, having fixed the standards, should register those workings in which they find they are exceeded, and require the manager of them, by regulation, to serve out to women in their employ baskets of a size not to exceed, when loaded, the maximum weight prescribed."

154. Excessive loads for women.—This eminently practical suggestion of the Royal Commission was not adopted: in its place we have regulation 69-B, which merely lays down in general terms that "when women are employed in carrying loads, the weight of the loads, and the height and distance to which they have to be carried shall not be such as to involve risk of injury to the health of the women." The regulation adds that "if any dispute arises as to whether risk of injury to health is involved, the decision of the Chief Inspector shall be final." We feel this to be a much less satisfactory method of dealing with excessive loads than the system advocated by the Royal Commission. In two quarries that we visited, we were convinced that women were carrying loads under conditions far more arduous and far more dangerous, than in the underground workings where they have been prohibited from working. We are not competent to say specifically that regulation 69-B was being infringed, but it is difficult to see who can express any definite opinion in the absence of definite standards, such as recommended by the Royal Commission. The other weak point of the regulation as it stands is that it requires a dispute before the Chief Inspector can give a decision. Who is to dispute? Either an Inspector, on his annual (or biennial) visit or the women workers. The latter are not likely to, and the duties of an Inspector are

already so many that in the course of one inspection lasting three hours or so, he is quite likely to overlook this point, or, finding no complaints from the women, give the benefit of the doubt to the employer. The recommendation is important because of the possible effect it may have on the physique of the next generation, and we accordingly suggest that the Central Government be now requested to amend the regulation on the lines recommended by the Royal Commission. While on this topic, we recommend that more attention be paid (both by owners and inspectors), to the provisions of regulation 69-A defining the size of footpaths and steps in quarries. One of us slipped and fell on a path which clearly infringed the regulation, and we saw other such cases.

155. Training.—Recommendation 105 (Report, page 131): The ordinary miner should be encouraged to qualify in first-aid. We quote the paragraph on the training of the miner. "The incidence of accidents is closely related to the character and skill of the labour employed. For instance, in Indian mines the untrained cultivator may be allowed to work at the face on his first day underground and, in the best of mines, the worker's illiteracy increases the difficulty of protecting him against danger. A large staff of trained men is maintained at most mines to look after the safety of miners, but conditions at the face change quickly and safety depends to a great extent on the skill and experience of the miner himself. We would invite the attention of employers to this factor in the safety of the mine and, while we do not think that statutory regulation is possible at the present stage, we suggest that owners and managers should ensure the newcomer not being started at work except under skilled supervision. More adequate practical training is specially important in view of the illiteracy and lack of education of the miner, for whom written warnings and instructions are of little use. In stone and similar quarries increased supervision of the use of explosives is especially necessary. First-aid classes are held in the major coal-fields and, with the support of inspectors a fair number of men have been trained by this means. The ordinary miners should be encouraged to qualify in first-aid, and we suggest to managers the grant of inducements to this end. Apart from the practical use of such a qualification, the training in itself has an educative value which makes it especially worthy to be recommended." We endorse the suggestion that untrained cultivators should not be allowed to work at the coal face immediately, and suggest that the Central Government be asked to explore the possibility of making statutory regulation against this. Our impression is that in no mine have any steps been taken to carry out the suggestion of the Royal Commission, that owners and managers should ensure the newcomer not being started at work except under skilled supervision. We talked to miners who had come straight underground from the village with no previous experience and were given coal-cutting or loading jobs at the face. Their fellow-workmen are too busy to train them, and we do not believe that sirdars devote much time to training unskilled hands at the coal face. The newcomer is left to hew coal by the light of nature, and this largely accounts for the poor technique of the Indian miner. We believe that in the interests of safety some statutory provision for elementary training should be made before a miner is allowed to work at the coal face.

156. Encouragement to qualify in first-aid.—We have already supported in the chapter on welfare the recommendation that ordinary miners should be encouraged to qualify in first-aid, if necessary by ~~the grant of inducements~~ and other inducements. We found that in

practice first-aid knowledge was confined to sirdars, overmen, clerks and other supervisory staff, partly, we suspect, because no effort is made to organize classes for workmen as such. We would go so far as to ask for a rule prescribing that a certain percentage of the miners and loaders in a particular mine must have qualified in first-aid, in addition to the percentage already laid down in rule 27 of the Central Provinces rules. We suggest that the organization of such classes should be made one of the duties of our proposed Labour Officer, who should be supplied with a small grant for expenses for this purpose.

157. Compulsory primary education.—Recommendation 112 (Report, page 134): Compulsory primary education should be introduced in the coal-fields. We have advocated this in our chapter on welfare, and only mention it here to point out that the Royal Commission singled out this as the most important step to be taken and one to be taken particularly in the coal-fields. They were partly influenced by considerations of safety, for an illiterate miner cannot read the instructions provided for his safety. We have pointed out how easily compulsory primary education can be enforced in the Pench valley with the existing machinery and if necessary without any extra expense to Government, and so we urge that Government sanction the scheme that the local board has prepared and sent up, and insist on it being financed by an increase in the cess. We put in a plea here for a more practical bias in educating miners' children: many of them will look forward to becoming miners. Why not train them from the beginning in handling a pick, a spade and a basket correctly, in excavating with the minimum fatigue, and illustrate to them by means of models the nature of coal seams and the layout of a mine? Some educationists may condemn this as premature specialisation, but we believe it would produce more efficient miners, who, by increasing their earnings, would obtain the opportunity of living a fuller life than their parents, and in time would have a greater desire to give further education to their children. Mine-owners and managers have generally shown much zeal in encouraging the spread of primary education in various ways, and we believe that they would co-operate enthusiastically in practical education on the lines we have suggested.

Our other recommendations will be found scattered through the pages of this report. A list of them will be found as an appendix to this chapter. We repeat that we have no wish to dogmatise on what must be done and what not done: we invite all who have an interest in the industry to study the materials set out in our pages and consider to what extent our proposals and suggestions will add to the smooth and effective working of the industry and hence to its efficiency. We cannot do better than repeat in conclusion the words used by the Royal Commission on Labour in closing its chapter on mines: "Before we leave mines, we wish to emphasize the fact that many of our recommendations, while designed to benefit labour, should equally benefit employers. In India, minerals and especially coal are so disposed that a large output per head should be possible. Such output is not obtained, nor can workers with a low standard of life be expected to produce it. Improvement in the standards and efficiency of the workers will solve many of the difficulties of the mining employer and must be secured by better health, shorter and more regular hours, and more mechanical assistance. We are convinced that our proposals and better organization will bring about a substantial improvement in the economic position of all engaged in the industry."

APPENDIX I.—*Main recommendations.*Chapter I—*Nil.*

Chapter II.—(1) Hours of work—Powers should be taken at the next revision of the Mines Act to enforce an eight-hour day underground in mines. P. 16.

(2) There should also be power to prohibit overlapping shifts (*vide* section 49, Factories Act). P. 16.

(3) The proposed Government Labour Officer should be empowered as an *ex officio* Inspector for the purposes of Chapters V and VI of the Mines Act. P. 16.

(4) Sections 26 and 26-A of the Mines Act relating to children and young persons require most strict enforcement. P. 16.

(5) Dry packing might be considered as a safety measure in Datla mine. P. 20.

Chapter III.—(1) The proposed Labour Statistics Bill of the Central Government should include coal-mines. P. 25.

(2) The proposed Government Labour Officer should look into and check the accuracy of the wages returns given in the annual returns submitted to the Chief Inspector of Mines. P. 33.

(3) Measurement slips should be given to miners. P. 40.

(4) Expenditure on welfare should be increased. P. 57.

Chapter IV—Prices, etc.—(1) Dearness allowance for loaders and hazree labour recommended. P. 67.

(2) The cheap grain scheme in Messrs. Shaw Wallace and Co.'s pits should be restored. P. 75.

Chapter V—Welfare—(1) Sanitation.—Experiments may be made with bucket latrines underground. P. 77.

(2) Civil Surgeons should be reminded of their duties regarding inspection. P. 77.

(3) The Director of Public Health may hold an enquiry into the incidence of hookworm. P. 77.

(4) Ash pits near dhowrahs recommended. P. 78.

(5) First-aid—Provision for training ordinary miners in first-aid should be made. P. 79.

(6) Water-supply—There should be a definite scale of provision of water taps at or near living quarters. P. 79.

(7) Doctors—There should be compulsory pooling of doctors for small mines. P. 80.

(8) Education—Compulsory primary education should be introduced in the Pench valley, and financed by an addition to the existing local board cess and special school rate. P. 81.

(9) Housing—A specific scheme for housing shall be drawn up. There should be legislation on the lines recommended. P. 83.

(10) Welfare fund—Any proposal to set up a Miners' Welfare Fund may be supported. P. 84.

(11) Indebtedness—Co-operative societies and provident funds recommended. P. 85.

(12) Excise—Mine managers should sit on the Excise Advisory Committee. P. 85.

(13) Workmen's compensation—The proposed Labour Officer to

(14) Employer's liability insurance should be made compulsory. P. 87.

Chapter VI—(1) Economic condition of the industry.—The Railway Board Coal Inspecting Officer in the Pench valley might occasionally work as a Conciliation Officer. P. 105.

(2) Housing in the Wardha valley mines needs special treatment. P. 114.

Chapter VII—Administration.—(1) A Government Labour Officer recommended. P. 121.

(2) The Provincial Annual Review should be improved. P. 12

(3) The proposed Government Labour Officer may be combined with a post of Senior Inspector of Mines, and termed Mining Adviser to Government. P. 123.

(4) The proposed Mining Adviser to deal with the grant of mining concessions. P. 123.

Chapter VIII—Labour Organizations.—(1) The proposed Government Labour Officer to take up complaints. P. 128.

(2) A joint conciliation board may be tried where possible. P. 129.

Chapter IX—*Vide* body of chapter.

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