
MEMORANDUM
FOR THE
ROYAL COMMISSION
ON
LABOUR

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MEMORANDUM
FOR THE
ROYAL COMMISSION
ON
LABOUR

from the Central Govt

NOTE.

This Memorandum is based mainly on the official records of the Government of India in the Department of Industries and Labour ; but the Government of India should not be understood as accepting responsibility for every particular statement of fact or expression of opinion in it.

S. LALL,

Joint Secretary to the Royal Commission on Labour.

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APPENDICES.

APPENDIX I.

THE ASSAM LABOUR RECRUITMENT BILL.

A Bill to consolidate and amend the law relating to recruitment to the Labour-Districts of Assam.

WHEREAS it is expedient to consolidate and amend the law relating to recruitment for the labour-districts of Assam ; It is hereby enacted as follows :—

CHAPTER I.

PRELIMINARY.

1. (1) This Act may be called the Assam Labour Recruitment Act, 19 .
- (2) It extends—
 - (a) to the Presidencies of Madras and Bengal and to the United Provinces, Bihar and Orissa (including the Santhal Parganas), the Central Provinces and Assam ; and
 - (b) to such other parts of British India as the Local Government may, subject to the control of the Governor General in Council, by notification in the local official Gazette, direct.
- (3) It shall come into force—
 - (i) in the territories mentioned in clause (a) of sub-section (2), at once ; and
 - (ii) in any territories to which it may be extended by a notification under clause (b) of the said sub-section, on such day as may be specified in that behalf in the notification.
2. (1) In this Act, unless there is anything repugnant in the subject or context,—
 - (a) "Board" means the Assam Labour Board constituted under Chapter III :
 - (b) "dependent" includes any woman (not being a labourer), any child and any aged or incapacitated relative or friend accompanying any labourer with the consent of a garden-sardar or recruiter or the local agent under whose control the garden-sardar or recruiter may be working :
 - (c) "employer" means the chief person for the time being in charge of any estate :
 - (d) "Estate" means land used for purposes of tea plantation upon which labourers have been engaged to labour and may, if so notified by the

Governor General in Council, include land used for purposes other than of tea plantation :

- (e) "garden-sardar" means a person employed on an estate and deputed by his employer to recruit labourers :
- (f) "labour-district" means any of the districts of Lakhimpur, Sibsagar, Nowgong, Darrang, Kamrup, Goalpara, Cachar and Sylhet in the Province of Assam :
- (g) "Labourer" means any person (not being a native of a labour-district) of the age of sixteen years and upwards who is recruited, engaged or assisted to proceed from any part of the territories in which this Act may for the time being be in force, to a labour-district for the purposes of performing manual labour for hire on an estate otherwise than as a domestic servant.

Explanation.—If any such person having proceeded from an Indian State into such territories is assisted to proceed therefrom for the purpose aforesaid, he shall be deemed to be a labourer within the meaning of this definition :

- (h) "local agent" means a local agent licensed under this Act :
- (i) "magistrate" means a District Magistrate or other person appointed by the Local Government to perform the functions of a magistrate under this Act :
- (j) "native district" in the case of a person who, having proceeded from an Indian State into territories in which this Act is in force, proceeds therefrom, includes such Indian State :
- (k) "recruiter" means a person who is not a garden-sardar and is deputed by an employer to recruit labourers :
- (l) "recruiting-district" means a district in which this Act is for the time being in force, other than a labour-district.

3. (1) The Local Government may, with the previous sanction of the Governor General in Council, by notification in the local official Gazette, prohibit either absolutely or subject to such exceptions, conditions and restrictions as may be prescribed in the notification all persons from recruiting, engaging or assisting any native of India, or any specified class of natives of India, to proceed from the whole or any specified part of the Province, to any labour-district or any specified portion of any labour-district otherwise than through the agency of garden-sardars.

(2) The Local Government may with the previous sanction of the Governor General in Council by notification in the local official Gazette direct that garden-sardars shall work under the control of local agents duly licensed under this Act :

Provided that a notification under this section shall not take effect until the expiry of six months from the date of its publication in the Gazette, unless for any special reason the Local Government thinks it necessary to direct otherwise.

4. (1) The Local Government may appoint so many persons as it thinks necessary to be officers for the administration of this Act, and, with respect to any such officer, may declare the local area situate in the Province within which he shall exercise the powers and perform the duties conferred and imposed upon him by this Act or any rule thereunder.

(2) Every person so appointed shall be deemed to be a public servant within the meaning of the Indian Penal Code.

CHAPTER II.

GARDEN-SARDARS AND RECRUITERS.

5. The Government of Assam may prescribe by rules the conditions for and the procedure to be observed in the grant of a certificate of authority to a garden-sardar or recruiter by his employer for recruiting labourers in recruiting districts. The certificates shall be in such form and contain such particulars as may be prescribed.

6. (1) The Local Government may authorize any District Magistrate to grant licenses to suitable persons to be local agents, for the purpose of representing employers within a specified area and for a specified period, in all matters connected with the supervision of garden-sardars and recruiters under this Act.

(2) Any employer, or on behalf of an employer, any association or firm duly authorised by general or special order of the Local Government for the purpose of this clause, may apply for a license as aforesaid to be granted to a specified person.

(3) A local agent shall furnish such information and make such returns as the Local Government may, by rules, prescribe.

7. (1) The District Magistrate of any district within which a local agent acts as such may, by order in writing, cancel or suspend for a specified period a license granted to a local agent,

(a) if he is satisfied that the conduct of the local agent justifies such a course, or

(b) on an application made for the cancellation or suspension of the license by an employer, association or firm at whose instance the license was granted under Section 6.

(2) A local agent may, within three months from the date of any order of a District Magistrate cancelling or suspending his license under clause (a) of sub-section (1), appeal against the order to the Local Government, and the decision of the Local Government thereon shall be final.

8. The Local Government may subject to the control of the Governor General in Council prescribe by rules the procedure to be adopted and the duties to be performed by garden-sardars and recruiters working independently, and, by garden-sardars and recruiters working under the control of local agents, respectively, and by local agents, for the recruitment of labourers, their registration, medical inspection (if necessary), accommodation, removal to labour-districts, and provision of escort.

9. (1) Subject to any orders which the Local Government may make in this behalf, the District Magistrate (or any other magistrate empowered by the Local Government in this behalf) may, if he thinks fit, detain and send back to his native district any labourer found within the jurisdiction of the said magistrate, together with his dependants (if any), on the ground that the labourer was recruited by any coercion, undue influence, fraud or misrepresentation, or of any irregularity in connection with his recruitment.

Any expenditure incurred under this sub-section may be recovered from the employer on whose estate the labourer concerned was working or was proceeding to work.

(2) The magistrate may provide an escort or make such other arrangements as he may think necessary for ensuring that the labourer or other person is actually conveyed to his native district. Any expenditure incurred under this sub-section may be recovered as part of the amount expended in sending the labourer or other person back to his native district.

10. (1) Every employer shall keep such registers of all labourers and other persons employed on the estate of which he is in charge, and of their dependants, in such form, and shall make to the District Magistrate within the local limits of whose jurisdiction the estate is situate, such periodical returns in writing, as the Local Government may, by rule, prescribe.

(2) The District Magistrate or any other magistrate authorised by him may examine the registers so kept and muster all labourers and other persons employed on any estate within the said local limits, and may verify the accuracy of the entries in the registers, or in any prescribed periodical return.

CHAPTER III.

ASSAM LABOUR BOARD.

11. (1) There shall be a Board, to be called the Assam Labour Board, for the supervision of Local Agents, and of the recruitment and engagement of natives of India under this Act.

(2) The Assam Labour Board shall be a body corporate, and have perpetual succession and a common seal, and may by that name sue and be sued.

(3) The Assam Labour Board (hereinafter called the Board) shall consist of nine members, including the Chairman, who shall be an officer in the service of Government, to be appointed by the Governor General in Council by notification in the Gazette of India. Four persons shall be nominated by the Governments of Madras, United Provinces, Bihar and Orissa and the Central Provinces, respectively, to represent the interests of labour. The remaining members shall be elected by the following bodies, namely:—

(a) two by the Indian Tea Association, Calcutta, as representatives of that Association and of the Indian Tea Association, London ;

(b) one by the Assam Branch, Indian Tea Association ; and

(c) one by the Surma Valley Branch, Indian Tea Association.

(4) The election shall be made in such manner as may be determined by the electing bodies subject to the approval of the Governor General in Council, and the name of every person so elected shall be published in the Gazette of India.

(5) If within the period prescribed by rules made under this Chapter any of the aforesaid bodies fails to elect representatives or to elect the full number of representatives to which it is entitled, the Governor General in Council may nominate persons to be members of the Board as representatives of the said bodies.

(6) No act done by the Board shall be questioned on the ground merely of the existence of any vacancy in or any defect in the constitution of the Board.

12. (1) The Governor General in Council may fix the salary of the Chairman of the Board.

(2) Such salary shall be paid in such proportions by the Governor General in Council and the Board as the Governor General in Council may from time to time determine.

13. (1) The Board may appoint so many persons as it thinks necessary to be Supervisors, with such powers and duties in respect of the supervision of Local Agents and the other matters mentioned in section 11 as may be conferred and imposed on them by rules made under this Chapter.

(2) Subject to the control of the Governor General in Council, the Board may fix the salary to be paid to Supervisors.

(3) The Local Government may, subject to the control of the Governor General in Council, declare the local area in the Province within which Supervisors shall exercise the powers and perform the duties conferred and imposed upon them by rule under this Chapter.

(4) Every Supervisor shall be deemed to be a public servant within the meaning of the Indian Penal Code.

14. (1) Subject to the provisions of rules made under this Chapter, the Board may levy a cess on employers for the purpose of meeting expenditure incurred in carrying out its functions under this Act, and in particular for the payment of the salary of the Supervisors and of such proportion of the salary of the Chairman as may be determined under section 12.

(2) Such cess shall be payable on every garden-sardar or recruiter deputed by an employer to recruit or engage labourers and on every labourer assisted to proceed to a labour district :

Provided that the rates at which the cess is levied shall not exceed the following rates, namely :—

- five rupees a year on each garden-sardar or recruiter so deputed ; and
- five rupees on each labourer assisted to emigrate.

(3) On the failure of an employer for the space of one month after the receipt of a notice in such form and served in such manner as the Governor General in Council may, by rule under this Chapter, prescribe to pay any sum due under sub-section (1), the same shall be recoverable from him.

15. (1) The Governor General in Council shall, after previous publication, make rules to carry out the purposes of this Chapter.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may, subject to the provisions of this Act, provide—

- (a) for the powers to be exercised and the duties to be performed by the Board in carrying out the purposes for which it is constituted, and for the powers and duties of the Chairman ;
- (b) for the period within which elections to the Board must be made ; and for the appointment of temporary or acting members of the Board during the absence of any member ;
- (c) for the times and places of meeting and procedure of the Board ;
- (d) for regulating the rate of the cess, the method of levying and collecting the cess, the purposes to which the cess may be applied, and the accounts to be kept and the audit thereof ; and
- (e) for the powers and duties of Supervisors appointed under section 13.

CHAPTER IV.

RULES.

16. (1) In addition to the powers hereinbefore conferred, the Local Government may make rules to carry out any of the purposes and objects of this Act in the Province.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may—

- (a) define and regulate the powers and duties of the several officers appointed by it under this Act ;
- (b) prescribe the returns and reports to be made under this Act by any such officers as aforesaid or by any local agent within the Province and the form in which they shall respectively be made ;
- (c) prescribe the forms of all registers, licenses, certificates, permits and notices required under this Act with respect to the Province ;
- (d) prescribe the fees to be paid for any license granted under this Act and for the registration of labourers or their dependants in any district in the Province ;
- (e) regulate the provision of the accommodation, food, clothing and medical treatment of all labourers and their dependants detained on account of sickness by order of a magistrate at any place within any district in the Province ;

(3) Where any employer, local agent or other person fails to perform any act which he is by any rule made under sub-section (2) required to perform, the Local Government may cause the act to be performed and the cost may be recovered from the employer, local agent, or other person, as the case may be.

(4) In making any rule under this Act the Local Government may direct that every breach thereof shall be punishable with fine not exceeding in any case five hundred rupees.

(5) All rules made by the Local Government under this Act shall be published in the local official Gazette, and, on such publication, shall have effect as if enacted by this Act.

CHAPTER V.

PENALTIES AND PROCEDURE.

17. Whoever knowingly recruits, engages or assists, or attempts to recruit, engage, or assist, or abets the recruitment, engagement or assistance of any person to proceed to a labour district in contravention of any of the provisions of this Act or of any rule or notification for the time being in force thereunder, shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to five hundred rupees, or with both.

18. Whoever, being an employer, refuses or wilfully omits to keep such registers or to make such periodical returns in writing to the District Magistrate as may be prescribed by any rule made under this Act, or knowingly keeps an

incorrect register or makes an incorrect return, shall be punishable with fine which may extend to five hundred rupees.

19. Whoever, being an employer, or acting under the orders or on behalf of an employer, wilfully obstructs any entry, inspection or inquiry, or omits to comply with any requisition made under section 10 shall for every such offence be punishable with fine which may extend to five hundred rupees.

20. Whoever commits any offence under this Act or under any rule framed under this Act shall be triable for the offence in any place in which he may be found, as well as in any other place in which he might be tried under any law for the time being in force.

CHAPTER VI.

MISCELLANEOUS.

21. Every sum recoverable under this Act from any person may be recovered on application to a magistrate having jurisdiction where the person is for the time being resident, by the distress and sale of any moveable property belonging to that person and situated within the limits of the magistrate's jurisdiction.

22. The Assam Labour and Emigration Act, VI of 1901, and the Assam Labour and Emigration (Amendment) Acts, XI of 1903, VIII of 1915, XXXI of 1927, are hereby repealed.

APPENDIX II.

UNEMPLOYMENT.

LETTER FROM THE GOVERNMENT OF INDIA IN THE DEPARTMENT OF INDUSTRIES AND LABOUR, TO ALL MAJOR LOCAL GOVERNMENTS, NO. L-1373, DATED THE 26TH MAY 1926.

I am directed to forward, for the information of the Local Government, a copy of the debate which took place in the Legislative Assembly on the 28th January 1926 on the subject of unemployment. A Resolution was passed in the Legislative Assembly in the following terms :—

“ This Assembly recommends to the Governor-General in Council that he may be pleased to appoint a Committee with a non-official majority to investigate into the problem of unemployment in general and among the educated classes in particular, and devise suitable remedies, whether by a system of industrial and technical education, or by a revision of the existing system of education, or by offering encouragement to the starting of new industries, or by opening new avenues of employment, or by the establishment of employment bureaux, or by all these or any other means ; and that the said Committee do make a report on the latter problem as early as possible.”

2. A perusal of the debate will show that two different and, in the view of the Government of India, distinct problems came under discussion. A portion of the debate had reference to the question of unemployment in the sense in which it is understood in Western countries, *i.e.*, unemployment among industrial workers. The Government of India are aware that such unemployment occurs sporadically among particular classes of workers, and is possibly a regular feature in a few industries, such as shipping. They do not believe, however, that, either at the present time or normally, general unemployment, as it is known in Europe, is a feature of the Indian Industrial system. It is certainly true that in a number of industries at any rate, the demand for labour is generally greater than the supply. Widespread unemployment in the ordinary sense of the term is probably confined to seasons when the occurrence of scarcity or famine produces partial or complete stoppage of agricultural activity over considerable areas, and thus throws out of work not only agricultural labour but labour employed in industries subsidiary to agriculture. A situation of this character is met in India by a system of famine relief which probably has no parallel in other countries, but to which no reference was made in the course of the debate.

3. The Government of India do not desire to pursue this aspect of the question. For it is clear, both from the actual wording of the Resolution and from the general course of the debate, that the majority of Members who supported the Resolution in the Legislative Assembly had principally in mind a problem of an entirely different character, namely, the problem of unemployment among the educated classes. But for certain statements to the contrary made in the course of the debate, it would be unnecessary to say that the Government of India have never attempted to minimise the gravity of this problem, which they believe to be one of increasing urgency and importance. There is ample evidence of the fact that in almost every part of India the openings for employment in clerical and professional occupations are few in proportion to the numbers seeking such employment. The economic stress resulting from this state of affairs is responsible in no small measure for political discontent, and it is obvious that, even if the Governments in India were, as some critics incorrectly alleged, indifferent to the humanitarian side of the problem, self-interest alone would impel them to do what they can towards securing an improvement.

4. It is no part of the intention of the Government of India to attempt in this letter either to analyse the causes of, or to suggest remedies for, this state of affairs. The present trade depression is an incident, possibly temporary and certainly by no means the most important, contributory to this form of unemployment. The root causes lie far deeper, and are far more complex. The educational system, the state of industrial development, the changes that are being slowly wrought in the social structure, such as the gradual disintegration of the caste system, which at one time operated to prevent middle-class unemployment by restricting admission to the clerical professions, and at the bottom psychological factors inherent in the habits and customs of the people are all contributory causes to a state of affairs for which from the nature of the case no Government can find a panacea. The people alone can produce a change, and the change must necessarily take time to accomplish.

5. These considerations, however, must not stand in the way of the adoption of any measures, which would tend to alleviate the situation, and the opposition of the Government of India to the Resolution in the Assembly was based not on these considerations, but on their conviction that the problem is one which must be tackled in the first instance by Local Governments and local bodies. It is not merely the case that the problem differs both in nature and extent in different parts of India, but it seems to the Government of India that such remedies as may be found practicable are remedies which only Local Governments, and more particularly the Transferred sides of Local Governments, can apply. Industrial development and changes in educational policy are the direct concern of Ministers, and the immediate appointment of a Committee by the Central Government could not, in the view of the Government of India, serve any useful purpose. The Government of India are, of course, fully aware of the fact that the subject is one which has not been neglected either by Local Governments or local Legislative Councils. On the contrary, it has already been discussed by Legislative Councils in the majority of the major provinces, and in some it has been, or is at present, the subject of investigation by Committees appointed by the Local Governments. The deliberations of these committees should indicate the extent to which Government action can provide a means of ameliorating the existing situation. It is not apparent to the Government of India that there is any present need for a Central Committee to co-ordinate local efforts, and unless and until it becomes clear that such co-ordination would be of real value, the Government of India are not prepared to give effect to the Resolution of the Assembly for the appointment of such a committee. They can only for the present ask that the problem, the gravity of which they fully recognize, should receive the most careful consideration of the Local Government.

APPENDICES.

APPENDIX III.

Ventilation and humidification in cotton mills.

LETTER TO ALL LOCAL GOVERNMENTS (EXCEPT BURMA, BIHAR AND ORISSA AND ASSAM) AND THE CHIEF COMMISSIONERS OF DELHI AND AJMER-MERWARA, No. L-843, DATED THE 26TH APRIL 1924.

I am directed to address you regarding the regulation of ventilation and of humidification in cotton mills.

2. The question has been the subject of discussion for many years and has been investigated on several occasions during that period. As early as 1891 local Governments were empowered to make rules for the ventilation of factories and for the protection of the health of the operatives. In most factories the regulation of the atmospheric conditions has presented no great difficulty. But in the majority of cotton mills the necessity for the employment of artificial humidification has proved a serious obstacle. It is unnecessary here to recapitulate the history of the question, because in spite of the attention given to the subject by Governments and employers and by more than one Committee, no satisfactory solution was reached. It has hitherto proved impossible to introduce regulations which would adequately secure the comfort and health of the operatives in cotton mills and which would not injure very seriously the cotton mill industry and, in consequence, the operatives themselves.

3. The Government of India accordingly instituted a special enquiry in 1921. The investigation was entrusted to Mr. T. Maloney, M.C., A.M.C.T., who was instructed :

- (1) to obtain accurate observations regarding the method of humidification and ventilation employed in cotton mills and their effect on working conditions ; and
- (2) to evolve recommendations designed to effect a marked amelioration in conditions without serious detriment to the industry.

His enquiries covered a period of 16 months and the detailed results, together with his recommendations, were embodied in his Report entitled " Humidification in Indian Cotton Mills " which was presented to the Government of India in 1923. Printed copies of this report have now been in the hands of local Governments, of employers and of the public for some months and the Government of India therefore trust that local Governments are now prepared to give their views on the questions involved.

4. The need for improved ventilation and for the control of humidification in a number of cotton mills has never been seriously disputed. It has long been admitted that the conditions of work were the cause in many cases of serious discomfort, and occasionally of impaired health among the operatives, Mr. Maloney's general conclusion is that " while it has not been definitely proved that health is materially affected in every case, it is significant that the physique of the average cotton operative is much lower than that of workers of similar castes and wage-earning capacity in other trades, and that weight decreases after a few months' continuous service." He further adds " There is also abundant evidence to show that when high temperatures were combined

with a high degree of humidity, conditions were most distressing and uncomfortable, and on humanitarian grounds, even though health may not be permanently affected, something should be done to improve conditions." These conclusions do not differ from those generally held in the past, but, as a result of the investigations made, they now rest on full scientific inquiry. Mr. Maloney's report gives for the first time, a detailed and accurate survey of conditions in all the important centres; it contains full statistics summarising his observations in Bombay, Ahmedabad, Cawnpore, Madras, Coimbatore, Sholapur, the Central Provinces, Calcutta and Delhi. The conditions in each of the more important centres are discussed at some length, and local Governments will no doubt devote special attention to those parts of the report dealing with centres for which they are responsible. The Government of India do not propose, therefore, to pass in review here the detailed analysis given in the Report, but I am to add a few general conclusions that follow from the facts which have been ascertained.

5. It is clear in the first place that there are wide differences in working conditions between centre and centre. In view of the climatic variations, some such differences were inevitable. Thus in some centres there is no serious difficulty in maintaining comfortable conditions of work, and the report, while indicating the possibility of minor improvements, suggests that the operatives in such centres do not stand in pressing need of protection. In most centres, however, there appears to be considerable room for advance, and in some a strong case has been made out for insisting on radical alterations in the working conditions. For example, Mr. Maloney's description of conditions in Ahmedabad weaving sheds on page 16 of his report reveals a state of affairs which cannot be regarded with equanimity.

6. It is evident, however, that in addition to the inevitable variations between centre and centre, there are unexpectedly wide differences in conditions in different mills in the same centre. For example, in Bombay Mr. Maloney shows that the conditions in one weaving shed in December approximate to those in another in May—the worst month of the year—and that between the two mills there is an average temperature difference of 8° all the year round. In Ahmedabad, the statistics show equally large differences; it is clear that both here and in the Central Provinces, where climatic conditions must be regarded as unfavourable, there are individual mills where conditions are markedly superior to the average. In practically every case in which comparisons are possible, conditions vary considerably from mill to mill. This conclusion is especially significant, as it indicates that conditions in the mills, while they are not, of course, independent of the climatic conditions, do depend to a large extent on factors lying within the control of factory owners and managers.

7. The problem can thus be reduced to one of standards. But there are two difficulties to be surmounted before standards can be laid down. In the first place, a system must be selected which will render possible a fairly accurate measurement of the air conditions in any factory, viewed from the standpoint of the health and comfort of the operatives. These conditions must be expressed in some numerical form which will enable the inspector, employers and all who are concerned to compare without undue difficulty conditions in one mill with those in another, and conditions on one day or at one period with those on another day or at another period. The scale or scales evolved must be such that a movement in one direction or the other does correspond more or less accurately to a change for the better or for the worse in the conditions under which the operatives work. In the second place, if such a scale can be successfully constructed, there remains the difficulty of determining in the light of the needs of the operatives and the requirements of the industry, the actual standards to be fixed—i.e., the minimum position or positions on the scale to which mills or departments are to be required to conform.

8. The method of measurement proposed in Section 15 of the Report has as its basis the cooling power of the air, as ascertained by the kata-thermometer. A full description of this instrument is given in the Report, with clear instructions for its use. It is sufficient to say here that it is an alcohol thermometer graduated from 95° F to 100° F, and that the cooling power of the air is measured by observing, subject to certain precautions, the time taken for the temperature of the thermometer to fall from 100° to 95°. The cooling power is obtained by dividing the fixed number recorded on the instrument by the number of seconds of time occupied by the thermometer to fall. The kata-thermometer can be used either "dry or wet", i.e., the bulb of the thermometer may be either exposed in a dry state to the air or it may be covered by a small thread bag which is moistened with water before an observation is taken. It is the latter method which Mr. Maloney proposes to employ.

9. The theory underlying the use of the kata-thermometer is that, by registering the cooling effect of the air on the bulb when that bulb is approximately at blood heat, it indicates the cooling effect with the air conditions exercise upon the human body. The dry kata-thermometer gives an approximate measurement of the cooling power of the air on a person who is not losing heat by evaporation, i.e., who is not perspiring. When heat is being lost by evaporation, the wet kata-thermometer gives a more reliable index. The measurement is always approximate, for the effect of clothes has to be considered, but where, as in Indian cotton mills, the workers are very lightly clad and the temperature is high, the wet kata-thermometer should give a very reliable estimate of the index of comfort. For other reasons, also, the dry kata-thermometer cannot suitably be used in Indian mills. It would be out of place here to enter into a technical discussion of the theory of the subject; reference may be made to the results of recent researches as given in such publications as the two Reports of the Medical Research Council on "The Science of Ventilation and Open Air Treatment" and the more recent Report entitled "The Kata-thermometer in studies of Body Heat and Efficiency". The Government of India observe that the conclusions reached independently by various researches in England and elsewhere have been confirmed by Mr. Maloney's extensive observations in India. In particular, to quote from the last of the Reports cited above, "In the judgment of all observers in all parts of the world, atmospheric conditions classified by one of us on the objective basis of kata-thermometric readings as unsatisfactory are, when tested by the subjective sensations of the observer, hard to endure."

10. The basis proposed—the cooling power of the air as measured by the kata-thermometer—is not as yet statutorily employed in any country in the world. But the existing standards in other countries date from a period before the recent researches were undertaken, and, in fact, before the kata-thermometer had been designed. Further, in addition to the strong case for the use of this method, there are serious objections to the use of any other method which has been suggested. The first method proposed in India was the prescription of the size of lateral openings in the factory walls or roof: an attempt to enforce such standards in Bombay more than thirty years ago was abandoned almost at once. The mere existence of openings of a certain size affords no guarantee to the workers of suitable conditions, while it may make the continuance of some processes impossible at certain seasons. The measurement of the content of carbon dioxide which has been used in England and other countries and which was contemplated by the Textile Factories Labour Committee of 1907 is now generally admitted to be thoroughly unsatisfactory: such a standard gives no measurement of comfort of the operative. The prescription of standards depending on the dry bulb and wet bulb temperatures and the difference between them is of more value but it fails, like the standards just mentioned, because it takes no account of the vital factor of air-movement. The adoption

of wet and dry bulb scales on the lines of those laid down in Great Britain as necessary for the protection of the operatives would practically extinguish the cotton mill industry in India. Even if full allowance were made for the fact that the Indian operative does not undergo discomfort in conditions in which an English operative would find it difficult to work, any such system would act arbitrarily in preventing humidification when its use was not objectionable, and in permitting its use when it should be forbidden. A system so prepared would, in fact, show little correspondence to the actual needs of the operative or to the legitimate requirements of the industry.

11. If the method of measurement is approved, the remaining question is the standard of cooling power to be adopted. Mr. Maloney suggests that the standard of cooling power as measured by the wet kata cooling power should be 11 (milli-calories per sq. cm.) at head level. He notes that a considerably higher standard would be advantageous but, as a result of his observations, he considers that the standard proposed if applied, would prevent danger to health and serious discomfort among mill operatives. The standard is certainly a low one : it is far below the minimum suggested by Dr. Leonard Hill for sedentary work (18) and still further below the standards suggested for manual work (25 and 30). But Mr. Maloney has given grounds for the conclusion that standards regarded as suitable in Europe should not be applied unaltered to Indian conditions. And it is evident that the attainment of this standard would mean a vast improvement in existing conditions ; it would probably fail to eliminate discomfort, but it would certainly prevent the continuance of conditions seriously detrimental to the operatives. While, therefore, this standard need not be regarded as an ideal one, its attainment would go far towards the solution of the problem. I am therefore to suggest that efforts during the next few years should be concentrated on making its enforcement practicable.

12. There remains the important question of the reconciliation of the demands of the industry with the standards to be introduced. Unfortunately, it is only too clear from Mr. Maloney's observations that the immediate introduction even of the low standard discussed in the preceding paragraph is impracticable at present. In some centres, *e.g.*, Madras, the standard is exceeded for most of the year and there would probably be no great difficulty in conforming to the standard continuously. But it is evident that in most of the mills in Ahmedabad and Bombay, the cooling-power seldom remains above the standard for the whole day, and frequently fails to attain the standard at any time in the course of the day. In some centres, such as Cawnpore, the standard is maintained only when the weather is cold. Mr. Maloney therefore proposed to allow the mills a period of about two years to enable them to introduce adaptations and arrangements capable of producing the required standard of cooling. Assuming that the standard is generally approved, the Government of India doubt if the period suggested will prove adequate for the purpose and on this question I am to request that in reply an opinion may be expressed.

13. I am now to invite attention to the regulations proposed by Mr. Maloney for immediate application. These will be found on pages 87 to 90 of the Report ; they are designed to effect as much improvement as is immediately practicable in existing conditions and to enable mill-owners to prepare for the introduction of the standard of cooling-power already discussed. Mr. Maloney's proposal, in essence, is to permit, as a temporary alternative to a standard of cooling-power, a standard based on the difference between the wet bulb and dry bulb temperatures. The schedule of temperatures suggested by Mr. Maloney naturally allows much wider latitude than the schedule at present in force in England. Mainly in order to meet monsoon conditions, Mr. Maloney further proposes to allow humidification so long as the wet bulb temperature inside the

mill does not exceed the corresponding temperature outside in the shade by more than a small fixed amount. The result would be that artificial humidification would only be prohibited if the conditions in a mill violated each of three different standards. If the mill satisfied the regulations either by maintaining an adequate difference between the dry bulb and wet bulb temperatures, or by preventing the wet bulb temperature inside the mill from rising by more than a fixed amount above the wet bulb temperature outside, or by providing the necessary standard of cooling-power, no restriction would be placed on artificial humidification. It is further proposed that, where steam is used for the purpose of artificial humidification its introduction should cease when the dry bulb temperature of the room exceeds 85° F. There is abundant evidence to prove that the most distressing conditions are associated with use of live steam for humidification. As Mr. Maloney observes, the great objection to its use is that "it increases the wet bulb temperature, but unlike cold water humidification does not at the same time decrease the dry bulb temperature." The evidence which Mr. Maloney has adduced affords, in the opinion of the Government of India, strong support for the immediate introduction of a regulation of the type proposed.

14. Mr. Maloney's examination of the application of his rules to existing conditions in the mill suggests that these regulations could be introduced without much difficulty. The existence of the alternative standards he suggests appears to afford considerable latitude, and as steam humidification when used in mills appears to be invariably supplemented by water humidification, the prohibition of steam humidification when a temperature of 85° is reached should not prove impracticable. It is, of course, obvious that the present unsatisfactory conditions cannot be improved without placing a certain initial burden upon some mill-owners. The Government of India are reluctant, more especially at a time when the industry is not in a particularly flourishing condition, to impose any unnecessary burdens, but they feel that the existence of conditions disclosed by Mr. Maloney's investigations justify them in demanding that, in a number of cases, measures shall be taken to effect material improvements in working conditions. No factory should be permitted to conduct its work in conditions which constitute a serious menace to the well-being of its workers, and if the conditions regarded as objectionable are eliminated in other mills working under exactly similar climatic conditions, the argument for bringing pressure on the mills in which the worst conditions are found is extremely strong.

15. There are, however, reasons for believing that the benefits which will accrue from an improvement in working conditions will not be confined to the operatives. Researches in England and elsewhere have shown that an improvement in cooling-power results in an increase of efficiency, and the experiments described on pages 60 to 73 of Mr. Maloney's Report indicate clearly that similar results may be anticipated in India. It is indeed only natural to expect that, where the operatives have to carry on their work under conditions involving extreme discomfort, their efficiency should be temporarily, if not permanently, impaired, and there is every hope that an improvement in atmospheric conditions will be accompanied by an increase in output which may compensate for the extra expense incurred.

16. Mr. Maloney further proposes to insist on (a) the provision of an adequate number of hygrometers in departments where humidity is likely to be excessive and (b) the maintenance of humidity registers containing records of the wet and dry bulb temperatures. The regulations requiring the maintenance of a number of hygrometers and the corresponding regulations for their proper care are obviously necessary. It is also evident that if accurate registers can be maintained in the form prescribed by Mr. Maloney, the data provided will be of great value. The statistics so collected would not merely provide information regarding any particular mill: they would furnish material for

estimating the effect of any regulations introduced, and for enabling Government to modify unsuitable rules and to introduce fresh rules when required. There is considerable fear, however, that the entries in the register will be inaccurate, more especially in mills where the prescribed standards are being contravened, and it is clear that the register, if maintained, cannot be expected to provide a check on breaches of the regulations, or to take the place of adequate inspection. But the better mills may be expected to maintain reliable records and in all mills the maintenance of the registers will ensure that the hygrometers are kept in working order; the work of the Inspectors may be largely nullified if no such precaution is taken. On the whole, therefore, the Government of India are inclined to support Mr. Maloney's proposals.

17. Finally, it is proposed to empower Inspectors to insist on the adoption of methods designed to reduce temperature and to place restrictions upon the methods of construction in the case of new mills. Rule 8 of the draft rules framed by Mr. Maloney contains certain proposals of this nature, and a number of other suggestions are made on pages 74 to 84 of the Report. So far as existing mills are concerned, it may be advisable to empower Inspectors to insist on the whitewashing of roofs or on spraying them with water when temperatures are excessive. It is also worth considering whether Inspectors should not be empowered to insist on the introduction of suitable devices, where these are necessary, to mitigate unusually high temperatures. It should not be difficult for the Inspector to select the mills or departments where abnormally high temperatures prevail, and general orders might then be applied to these cases.

18. As regards new mills, there appears to be no reason why effective control should not be maintained over their construction. As Mr. Maloney points out, a considerable amount of the discomfort suffered at present is due to the faulty construction of mills. Municipalities have usually the power to control the construction of new buildings in certain respects, but the considerations which weigh with such authorities in granting or refusing permission to construct are usually unconnected with the internal temperatures likely to prevail in the mill after it has been built. The Government of India are inclined to the view that, subject to the control of the local Government, the sanction of the Factory Inspector should be necessary to the construction of a new factory or the conversion into a factory of an existing building used for some other purpose. The Factory Inspector would thus be able to prevent the erection of mills in which, by reason of the details of their construction, the operatives would be unable to work under humane conditions. This principle, if adopted, might apply equally to cotton mills and to other types of factories. If this suggestion is adopted, it will be necessary to ensure that industrialists are not subjected to unavoidable delay or unnecessary interference. It might be advisable for the local Government to issue and to publish for general information instructions for the guidance of Factory Inspectors specifying the particulars (e.g., as regards class of building, roof material, height, etc.), which should render a proposed building above question.

19. In conclusion, it may be convenient to set down the main questions upon which the Government of India desire the views of the local Government.
your views.

These are :

- (1) Should cooling-power, as measured by the kata-thermometer, be adopted as the most satisfactory basis for ultimate control of the humidification and ventilation in cotton mills ?
- (2) If so, should the standard suggested by Mr. Maloney be approved ?
- (3) What period must be allowed to elapse before a standard of this kind can be enforced ?

- (4) Is it advisable to introduce immediately the alternative standards suggested in Rules 1 and 2 on page 87 of Mr. Maloney's Report ?
- (5) Should the use of steam be prohibited when the temperature of a department exceeds 85° F ?
- (6) Should mill managers be required to maintain humidity registers ?
- (7) Should Inspectors be empowered to insist on whitewashing, roof-spraying, or other measures to reduce excessive temperatures ?
- (8) What measures should be taken to control the construction of new factories with a view to ensuring healthy conditions of work ?

LETTER TO ALL LOCAL GOVERNMENTS (EXCEPT BURMA, BIHAR AND ORISSA AND ASSAM) AND THE CHIEF COMMISSIONERS OF DELHI AND AJMER-MERWARA, No. L-843, DATED THE 11TH DECEMBER 1925.

The Government of India have considered in detail the opinions expressed on their circular letter No. L-843 of 26th April 1924 and I am to forward for the information and guidance of the local Government their provisional conclusions.

2. In respect of one of the proposals put forward by Mr. Maloney, there is practically complete unanimity. This is the suggestion that the use of steam for the purpose of humidification should be prohibited when the temperature in a department exceeds 85° F. It is generally admitted that the worst conditions are associated with the use of steam for humidification at high temperatures, and the Government of India consider that prohibition of this practice will be attended with little difficulty and will constitute an important reform. They desire therefore that rules should be issued by local Governments to secure this end after allowing such period as is considered reasonable to enable the management of the mills affected to make the necessary alterations. Suggestions have indeed been made that a lower temperature standard might reasonably be insisted on and, if the local Government consider that it is feasible and wise to insist on a more stringent standard than is suggested by Mr. Maloney, the Government of India have no objection to their so doing. I am to request that copies of the draft rules and of the rules as finally framed may be forwarded to the Government of India after their publication.

3. On the first four questions formulated at the close of this Department's previous letter, there is some divergence of opinion. The importance of effecting an improvement in conditions is generally recognized and the method of regulation suggested by Mr. Maloney has not been seriously questioned by competent critics. But there is in many quarters some reluctance to adopt the definite standards suggested without further investigations. In at least one province, further inquiries are being conducted by the local Government. Considerable stress has been laid on the wide climatic differences prevailing between province and province; and, while the Government of India are anxious that advance in one province should not be delayed by inaction in another, they recognize that it is probably impracticable, at present at any rate, to prescribe minimum standards applicable to the whole of India.

4. They therefore approve the suggestion that further inquiries and experiments should be made and they consider that the scope and nature of these inquiries can best be determined by local Governments, with full regard to local conditions and local needs. They believe that, in nearly all cases, the maintenance of humidity registers in the more important mills will be an essential preliminary. And they are inclined to think that in most cases it will be neces-

ary to proceed as Mr. Maloney has suggested, by the introduction of intermediate standards before final standards can suitably be prescribed. The Government of India consider that the necessary steps should now be taken by the local Government to obtain any further information which they require to enable them to formulate final conclusions. I am to request that a special report embodying the results of any inquiries made together with an account of the working of any rules, experimental or otherwise, which may have been introduced in the period, may be submitted to the Government of India not later than 31st October 1927. The Government of India consider that the period allowed should be sufficient to permit of a full investigation, and it may then be possible, by examining the results obtained in different provinces, to secure some co-ordination in the rules relating to the subject.

5. Paragraph 17 of this Department's previous letter raised the question of the control of temperature in factories generally. The Bill to amend the Indian Factories Act, 1911, introduced in the Legislative Assembly in September 1925, contains clauses which, if adopted, will place Inspectors in a position to secure that reasonable temperatures are maintained. This Bill has been separately circulated to local Governments for their opinions, and no further reference to this question is necessary here.

6. The question of the control and inspection of new factories, which were discussed in paragraph 18 of this Department's previous letter, will form the subject of a separate communication.

APPENDIX IV.

Rules issued by the Punjab Government for regulating humidification and ventilation in Cotton Mills.

(NOTIFICATION No. 18495, DATED THE 20TH MAY 1929.)

In exercise of the powers conferred by section 37, sub-section (2), clause (g), of the Indian Factories Act, 1911, as subsequently amended and with reference to Punjab Government Notification No. 36696, dated the 12th December 1928, the Governor in Council is pleased to make the following rules for regulating humidification and ventilation in cotton factories. These rules shall remain in force for a period of one year in the first instance from the date of this notification :—

RULES.

VENTILATION AND HUMIDIFICATION IN COTTON MILLS.

1. (a) Artificial humidification means the introduction of moisture into a room by any artificial means whatsoever, except the use of gas or oil for lighting purposes, or the unavoidable escape of steam or water vapour into the atmosphere directly due to the treatment of the fibre by water or steam in its passage through a machine.

Provided that the introduction of air directly from outside through moistened mats or screens placed outside open windows and ventilation openings at times when the temperature of the room is 80 degree fahrenheit or more shall not be deemed to be artificial humidification.

(b) Hygrometer means an accurate wet and dry bulb thermometer conforming to the prescribed conditions for hygrometers and approved by the Inspector of Factories.

(c) Degrees of temperature means degrees on the fahrenheit scale.

(d) Cooling power means the cooling power of the air in millicalories per square centimeter per second as measured by a kata thermometer approved by the Inspector of Factories.

(e) Kata thermometer means the instrument invented by Professor Leonard Hill, M.B., F.R.S., and manufactured by John Hicks and Company, Hatton Gardens, London, for measuring the cooling powers of the air.

2. There shall be no artificial humidification in any room of a cotton spinning and weaving mill whenever the wet bulb reading of the hygrometer is higher than that specified in the following schedule in relation to the dry-bulb temperature of the same hygrometer at the same time ; or as regards a dry-bulb temperature, intermediate between any two dry bulb readings indicated consecutively in the schedule, when such a reading does not exceed the wet bulb reading permissible at the lower of these two dry bulb readings :—

SCHEDULE.

| Dry Bulb. | Wet Bulb. | Dry Bulb. | Wet Bulb. | Dry Bulb. | Wet Bulb. |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 60.0 | 58.0 | 80.0 | 78.0 | 100.0 | 89.5 |
| 61.0 | 59.0 | 81.0 | 79.0 | 101.0 | 90.0 |
| 62.0 | 60.0 | 82.0 | 80.0 | 102.0 | 90.0 |
| 63.0 | 61.0 | 83.0 | 80.5 | 103.0 | 90.5 |
| 64.0 | 62.0 | 84.0 | 81.0 | 104.0 | 90.5 |
| 65.0 | 63.0 | 85.0 | 82.0 | 105.0 | 91.0 |
| 66.0 | 64.0 | 86.0 | 82.5 | 106.0 | 91.0 |
| 67.0 | 65.0 | 87.0 | 83.0 | 107.0 | 91.5 |
| 68.0 | 66.0 | 88.0 | 83.5 | 108.0 | 91.5 |
| 69.0 | 67.0 | 89.0 | 84.0 | 109.0 | 92.0 |
| 70.0 | 68.0 | 90.0 | 84.5 | 110.0 | 92.0 |
| 71.0 | 69.0 | 91.0 | 85.0 | 111.0 | 92.5 |
| 72.0 | 70.0 | 92.0 | 85.5 | 112.0 | 92.5 |
| 73.0 | 71.0 | 93.0 | 86.0 | 113.0 | 93.0 |
| 74.0 | 72.0 | 94.0 | 86.5 | 114.0 | 93.0 |
| 75.0 | 73.0 | 95.0 | 87.0 | 115.0 | 93.5 |
| 76.0 | 74.0 | 96.0 | 87.5 | 116.0 | 93.5 |
| 77.0 | 75.0 | 97.0 | 88.0 | 117.0 | 94.0 |
| 78.0 | 76.0 | 98.0 | 88.5 | 118.0 | 94.0 |
| 79.0 | 77.0 | 99.0 | 89.0 | 119.0 | 94.5 |
| | | | | 120.0 | 95.0 |

Provided, however, that this rule shall not apply, when—

- (i) the difference between the wet bulb reading, as indicated by the hygrometer in the department concerned, and the wet bulb reading taken with a hygrometer outside in shade is less than 3.5 degree fahr. or
- (ii) the cooling power of the departmental air as measured by the wet reading of a Kata-thermometer at a height of 5 feet in all usual working places is greater than 11 millicalories per square centimeter per second.

3. The introduction of live steam as a means of artificial humidification shall cease when the dry bulb temperature of a department exceeds 85 degree fahr.

This rule will come into operation after the expiry of one year from the 12th December 1928.

4. In all departments of cotton spinning and weaving mills in which artificial humidification is employed, hygrometers shall be provided and maintained in such positions as approved by the Inspector and on the following scale :—

- (a) *Weaving department.*—Two hygrometers for departments with less than 500 looms, and one additional hygrometer for every 500 or part of 500 looms in excess of 500.
- (b) *Other departments.*—One hygrometer for each room of less than 300,000 cubic feet capacity and one extra hygrometer for each 200,000 cubic feet, or part thereof in excess of this.
- (c) One hygrometer shall be provided and maintained outside each cotton spinning and weaving mill practising artificial humidification and in a position approved by the Inspector, for taking true shade temperatures.

5. If it is proved to the satisfaction of the Inspector that the limits of humidity allowed by the foregoing Schedule are never exceeded, the Inspector may, for any department, other than the weaving department, grant exemption from the maintenance of the hygrometer. The Inspector shall record such exemption in Form J in the Inspection Book.

6. A legible copy of the foregoing schedule shall be affixed near each hygrometer.

7. At each hygrometer maintained in accordance with rule 4 correct wet and dry bulb temperature shall be recorded thrice daily during each working day by competent persons appointed by the manager and approved by the Inspector. These temperatures shall be taken between 7 A.M. and 9 A.M., between 11 A.M. and 2 P.M. and between 4 P.M. and 5-30 P.M. In extraordinary circumstances, such additional readings and between such hours as the Inspector may specify shall be recorded. The temperatures shall be recorded into a chart approved by the Inspector and affixed close to the hygrometer and entered into a humidity register in Form P appended herewith and maintained in the factory. At the end of each month the person taking the readings shall sign the register and certify the correctness of the entries. The charts and register shall always be available for inspection by the Inspector, and copies of the entries made therein shall be sent to him whenever he so requires.

8. The entries made in the register shall be deemed as a *prima facie* evidence of the temperature and humidity of any department, but an Inspector may at any time check the correctness of the readings by personal observations.

9. The cooling power of the atmosphere in each department shall be measured by taking reading of the wet Kata-thermometer in the close proximity of each hygrometer maintained in the department and at a height of five feet from the floor. These readings shall be recorded on Tuesdays and Fridays of each week in a month at the times specified for taking hygrometer readings and shall be entered in the humidity register referred to in rule 7. The reading of the Kata-thermometer shall be taken by a competent person appointed by the manager and approved by the Inspector.

10. (a) Every hygrometer shall comprise two mercurial or alcohol thermometers similar in construction, and equal in dimensions, scale and divisions of scale. They shall be mounted on a wooden or metallic frame with a suitable receptacle containing water.

(b) The wet bulb shall be closely covered with a single layer of fine muslin, kept wet by means of a cotton or woollen wick attached to it and dipping into the water in the reservoir. The muslin covering the wet bulb and the wick shall be suitable for the purpose and free from greasy substances.

(c) No part of the wet bulb shall be within three-and-a-half inches from the dry-bulb or within three inches from the surface of the water in the receptacle, and the water receptacle shall be placed below it and on the side away from the dry bulb.

(d) The bulb shall be spherical and of suitable dimensions and shall be freely exposed on all sides to the departmental atmosphere.

(e) The bore of the stem shall be such that the top of the mercury or alcohol column shall be readily defined and correct readings made at a distance of two feet.

(f) Each thermometer shall be graduated so that accurate readings may be taken up to 120 degree fahr.

(g) Every degree from 50 degrees fahr. up to 120 degrees fahr. shall be clearly marked on the glass stem, each fifth and tenth degree shall be marked by longer marks than intermediate degrees and the temperature marked opposite each tenth degree, *i.e.*, 50, 60, 70, 80, 90, 100, 110, 120.

(h) The marking shall be accurate to within 0.2 degree at all readings between 50 and 120 degrees fahr.

(i) A distinctive number shall be conspicuously marked upon each hygrometer employed in a department.

(j) The accuracy of each hygrometer shall be certified by the National Physical Laboratory, London, or the Industrial Laboratory, Delhi, and such certificate shall be attached to the humidity register.

11. Every hygrometer shall be maintained at all times during the period of employment in efficient working order, so as to yield accurate readings, and

(a) the muslin covering and the wick of the wet-bulb shall be renewed once a week ;

(b) the receptacle shall be filled with distilled, boiled or pure rain water which shall be renewed once a day ;

(c) no water shall be placed in the receptacle or applied directly to the wick or muslin during the period of employment.

12. If an Inspector gives notice in writing that a thermometer is not accurate, it shall not after one month from the date of such notice, be deemed to be accurate unless and until it has been re-examined as above and a fresh certificate secured, which certificate shall be kept attached to the humidity register.

13. (a) No hygrometer shall be affixed to wall pillar or other surface unless protected therefrom by wool or other non-conducting material at least half an inch in thickness, which shall be separated from the wall, pillar or other surface by an air space of at least one inch.

(b) No hygrometer shall be affixed at a height of more than five feet-and-a-half from the floor at the top of the hygrometer or in the direct draughts from a fan, window or ventilating opening.

14. No observations of the readings shall be taken for record on any hygrometer within half an hour of the renewal of water in the receptacle.

15. The pipe employed for the introduction of steam into the air in a department shall be effectively covered with non-conducting material, subject to the approval of the Inspector, in order to minimise the amount of heat radiated by them into the department.

FORM P.

Humidity Register.

Name of factory _____ Name of Manager _____
 Place _____ Name of Controller _____
 Department _____ Number of operative employed in the Department _____
 Year _____ Number of hygrometers _____
 Month _____ Hygrometer position _____

| Date | 1st readings. | | | 2nd readings. | | | 3rd readings. | | | Averages. | | | Wet Kata readings. | | | Average. | Remarks. |
|------------------|---------------|-----------|--------------------|---------------|-----------|--------------------|---------------|-----------|--------------------|-----------|-----------|--------------------|--------------------|--------------|--------------|----------|----------|
| | Dry bulb. | Wet bulb. | Relative humidity. | Dry bulb. | Wet bulb. | Relative humidity. | Dry bulb. | Wet bulb. | Relative humidity. | Dry bulb. | Wet bulb. | Relative humidity. | 1st reading. | 2nd reading. | 3rd reading. | | |
| | | | | | | | | | | | | | | | | | |
| Monthly Average. | | | | | | | | | | | | | | | | | |

I certify that the above hygrometrical and Wet Kata readings recorded during the month of _____ 192 _____ are correct.

Signature of Controller _____

APPENDIX V.

Sickness Insurance.

LETTER TO ALL LOCAL GOVERNMENTS, No. L. 1518, DATED THE 20TH SEPTEMBER 1928.

The following Resolution was adopted by the Council of State and the Legislative Assembly on the 20th and 27th March respectively :—

“That this Council|Assembly having considered the Draft Conventions and Recommendation adopted by the Tenth International Labour Conference recommends to the Governor General in Council that he should not ratify the Draft Conventions nor accept the Recommendation.”

2. The Government of India are satisfied that the introduction in India of any comprehensive scheme on the lines of the Conventions is not a practical proposition in existing conditions. The reasons for this conclusion were indicated in the course of the debates in the Legislative Assembly and Council of State and the Government of India do not think it necessary to enlarge upon them. They are of opinion, however, that the possibility of introducing some provision for sickness insurance requires further examination. Sickness insurance laws are now in force in nearly every leading country and the Government of India are in entire sympathy with the ideals that underlie these laws. They are satisfied that the need of Indian workers for some provision is in no way less than the need of workers in other countries, and the problem as it presents itself to them is one of determining the extent to which the serious practical difficulties that must attend the introduction of any scheme can be overcome. I am to request that this matter may kindly be investigated by the local Government and I am to suggest for their consideration that it might be advisable to entrust the examination to a small and informal committee including a few representatives of employers and employees.

3. The Government of India do not desire to put forward any particular scheme for consideration at this stage. They recognize that conditions differ widely throughout India and they would prefer to await suggestions from those who are familiar with the working conditions in different centres. Certain features, however, are common to practically every scheme of compulsory sickness insurance. These include the provision both of medical attendance (including medicines, etc.), and of a regular allowance to the worker who is prevented by sickness from earning a regular wage. Ordinarily benefits are withheld from persons who have not contributed for a specified minimum period before falling sick and a minimum period of sickness is necessary to qualify for benefit.

4. Laws relating to sickness insurance are generally national in their application ; but the workers covered are ordinarily distributed for the purposes of insurance among a number of groups, each of which is responsible, under State control, for its own fund. These groups may be organized in various ways ; they are commonly formed on a regional or an industrial basis, i.e., they may cover the workers in a particular local area or the workers in a particular division of industry. The benefits due to the workers in any group are met from the fund pertaining to that group ; and to this fund insured workers are required to contribute regularly ; their contributions almost invariably provide at least one-half of the income required. The remainder of the income is ordinarily met by a contribution from the employer, supplemented in a considerable number of cases by a contribution from the State. The levy of a contribution from the employer is justified both by the extent to which the conditions of employment contribute to produce sickness and by the benefit which the industry derives from a healthy and regular labour force.

5. It will be evident therefore that in any consideration of the problem there are certain factors which must receive attention. These include :

- (1) the extent to which it is possible to provide medical facilities ;
- (2) the extent to which medical facilities are likely to be acceptable to the persons insured ;
- (3) the extent to which insured persons suffering from sickness are likely to remain within the area within which the organisation applicable to them can effectively operate ;
- (4) the proportion which the expense of administration (which includes the provision of some machinery for the settlement of disputes) is likely to bear to the total cost of the scheme ;
- (5) the extent to which the classes whom it is proposed to insure are willing and able to meet the charges falling upon them ;
- (6) the extent to which State assistance can be granted.

6. The Government of India anticipate that an examination of the questions will lead to the conclusion that if sickness insurance schemes can be successfully introduced, they must, in the first instance at any rate, be applicable only within well defined limits, either regional or industrial, or both. If this anticipation is fulfilled and if the local Government consider that the introduction of compulsory sickness insurance is practicable, they will doubtless consider whether legislation should be provincial or central. On this and the other questions raised in this letter the Government of India are anxious to receive the views of the local Government and they will be prepared to consider sympathetically any constructive proposals that may be put forward.

LETTER FROM THE GOVERNMENT OF BOMBAY, NO. 5131-D., DATED THE 15TH FEBRUARY 1929.

In the opinion of the Government of Bombay a scheme of sickness insurance is not a practical proposition at the present time and assuming it were, if it involved contributions from the funds of the Local Government, the latter would be unable to find them. If the Whitley Commission, after hearing evidence in all parts of India, comes to the conclusion that a scheme of sickness insurance is desirable and is practicable and indicates the lines upon which such a scheme can be started, then the Government of Bombay will give the scheme its hearty support to the extent of the resources which may be made available.

LETTER FROM THE GOVERNMENT OF BENGAL, NO. 1719-COM., DATED THE 6TH MARCH 1929.

In view of the impending appointment of a Royal Commission on Indian labour, the Government of Bengal propose to take no further action in the matter until the subject is dealt with by the Royal Commission.

LETTER FROM THE GOVERNMENT OF MADRAS, NO. 903-L., DATED THE 10TH MARCH 1929.

The Commissioner of Labour was asked to entrust the examination of the question to a small and informal committee as suggested by the Government of India, but the Committee so formed has not been able to suggest any satisfactory method of introducing a scheme of sickness insurance and is of opinion that actual experiment is the only way to arrive at a definite appreciation of the practical difficulties involved and possibly a solution. This Government doubt whether any committee could within a reasonable time arrive at any result reasonably conclusive. A survey would have to be made of the wages paid in a large number of industries. Some knowledge also would have to be gained of the profits which those industries make in order to ascertain how far any particular industry would be able to bear the cost of the contribution which the employers would have to make. Extensive enquiries would also be necessary amongst the labourers themselves as to their willingness to contribute a portion of their wages for the scheme. All this would take time and the Government do not consider it either expedient or necessary to have such an experiment made.

2. His Excellency the Governor in Council has carefully considered the question and entertains grave doubts whether compulsory sickness insurance is at present feasible in the existing conditions in India. In the first place, the most authoritative opinion amongst those consulted is to the effect that the labourers themselves would be unwilling to share the cost which the scheme would entail and the Government concur in this view. In a large proportion of the tea and coffee plantations and in all well organised industrial concerns medical attendance is now given free and in such cases in particular labourers would object to pay a contribution for what they now get for nothing. Secondly, in a large number of industries the labour population is floating and the Government anticipate great difficulty in applying a compulsory scheme of sickness insurance to such men. This is particularly the case in the tea and coffee plantations in this Presidency where labourers leave the estates for several months in the year and return to their villages in order to cultivate their own lands or often merely to revisit their own homes.

As regards medical facilities to work the scheme it might be possible to provide them, but the real difficulty would be that the labourers who are mostly illiterate would very often look askance at the allopathic system of medicine and would prefer to be treated by those who have a knowledge of the indigenous systems. This factor will greatly increase the difficulty of introducing any compulsory scheme, for the number of persons qualified in the indigenous systems who could reasonably be trusted would be quite inadequate to meet the demand and the Government are opposed to the idea of allowing workmen coming under the scheme to be treated by people who in the large majority of cases may be little more than quacks.

Further, it is almost impossible on the data available to calculate what the cost of the scheme would be particularly in reference to that portion of it which the State would have to bear. This Government have no funds at present to finance any such scheme and the resources of the Province are required to provide more important services such as elementary education and increased medical facilities and sanitary measures which would benefit the whole population and not privileged sections of it. This is essentially an agricultural province and the Government see no reason why they should go further to confer more privileges on the small section of industrial labour which already enjoys far greater amenities in respect of education, medical attendance, water supply and other sanitary requirements than the general tax-payer in the rural tracts whose equipment in those respects lags behind that of those in towns. Illiteracy, which generally

elementary education alone can break down, would be a fatal obstacle to the working out of any general scheme of sickness insurance and even if a scheme restricted to industrial labour alone were attempted, the Government see no reason why they should bear the financial burden in respect of the large volume of industrial labour employed in undertakings in this Presidency directly or indirectly under the control of the Government of India, such as railways under company management. This Government also see no reason to suppose that the local Legislative Council would assent to the additional taxation required to meet the expenditure from Provincial funds nor would it agree to funds which are required for other general purposes being diverted to such a scheme which attempts to impose on India measures which ignore Indian conditions and are based on western practice and conditions.

3. In the above circumstances, this Government are opposed to the introduction of any scheme of sickness insurance in this province.

LETTER FROM THE GOVERNMENT OF ASSAM, NO. IMMGN. 320-1674-G.J., DATED THE 23RD MARCH 1929.

In the opinion of the Governor in Council no compulsory sickness insurance scheme would be practicable in Assam at present. The tea and mining industries already provide free for their employees all the benefits that could be obtained by any such scheme, and the introduction of any compulsory insurance to which the employees must contribute would be greatly resented by the labour force. The labour employed in these industries is illiterate and excitable. The labourers would not understand the merits of such insurance. They would certainly regard the contribution levied from them as an impost by their employers and their resentment might lead to serious trouble and violence.

Outside the tea and mining industries labour in Assam is casual and migratory and it would be impossible to bring such labour within any scheme of sickness insurance.

2. The question might be examined by the Royal Commission which is to be appointed to investigate labour conditions in India, but the Governor in Council sees no chance of success in Assam for any compulsory sickness insurance scheme on a contributory basis, until the spread of education and the general uplift of the labour population have changed the conditions now prevailing.

3. If conditions in other provinces are so far different as to justify such a scheme and it is decided to introduce central legislation, the Governor in Council must urge that such legislation should not at present be applied to Assam.

LETTER FROM THE GOVERNMENT OF THE UNITED PROVINCES, NO. 110-C., DATED THE 28TH MARCH 1929.

This Government appointed a small committee to examine the problem of sickness insurance.

The terms of reference of the committee and a copy of its proceedings are attached. It will be observed that the committee's views recorded in the proceedings represent those of employers of labour and Government officials only.

2. In 1927 the number of operatives in factories in the United Provinces under the Indian Factories Act was 88,319. Of these 19,331 were employed in

Government and local fund factories. The number of perennial factories was 206, and of seasonal factories 126. The number of employees in the latter was about 12,000. There is little or no immigration of labour from outside the province to the provincial factories, so that provincial arrangements might be self-contained in regard to medical treatment as far as workers insured in this province are concerned. There is however considerable emigration of labour to other provinces, and the questions of transfer of insurances from province to province, and of provision here of benefits for men insured in other provinces would cause difficulty.

3. The Government agree with the committee that any legislation on the subject should be all-India rather than provincial. They also agree that at first, at any rate, a scheme could only be applied to factories under the Indian Factories Act; and that its application to domestic servants and other employees would be impracticable. They further agree that if it is decided to apply such a scheme to factories of a certain class only, as an experiment, the application should be an all-India one rather than local, in order that the factories in one locality may not be penalised in competition with those in others. The Government consider that if such a scheme is to be introduced at all, experiments should first be made; and they think that the Government and local fund factories, and particularly the railway workshops offer a suitable field. They are further of opinion that it will be difficult to finance any part of such a scheme from provincial finances, and more especially so as the committee consider that Government will have to make a direct contribution as well as bear a share of administration expenses.

4. As regards the provision of medical facilities, they consider that it will be possible to arrange medical facilities for factory workers in this province in the places of their employment in view of the small numbers affected; but quite impossible to do so if they leave those places and return to their homes. If the payment of benefit is made contingent on acceptance of medical treatment it is possible that there will be less tendency to such migration. The question of certification will present great difficulties. The provincial scheme for subsidizing medical practitioners to settle in the rural areas has so far proved a failure, and those areas are still very scantily provided with medical aid. The popularity of the various indigenous systems of medicine will add another complication. It will hardly be possible not to provide treatment by such systems for those who prefer it.

5. The Government can give no estimate of the expenses of administration. The figure in England is stated by the committee to be 1/9th of the total subscriptions. In the opinion of the committee, with which the Government agree, the funds must at the start be administered by a Government organisation, even though separate accounts and separate funds may be maintained for the workers in separate industries or in smaller units. The Committee could not come to a clear finding on the point whether the separate funds should be on a basis of industries, or of locality, or both, but apparently they prefer a basis of industries. The Government think that a scheme should allow some flexibility in this matter.

6. The opinion of the committee that in the case of workers, drawing under Rs. 40 p. m., the burden would be shifted to the employers by a demand for increased wages is important. A three per cent. contribution from the workers, as in Japan, would mean six pies in the rupee, and might well produce a demand for an increase in the case of workers on daily or piece rates of Re. 1 per day or less. The committee in general consider that the introduction of sickness insurance is likely to be burdensome to the provincial industries in present circumstances and to hamper their expansion. The Government do not consider that there is yet any strong demand for such a scheme among the workers or the

public of the province ; and they think that its introduction is surrounded with such difficulties as to make it doubtful if it is worth while making an attempt at present to do so. Any such attempt should be on a small scale.

7. The Director of Industries put before the committee an outline alternative proposals of his own for a compulsory provident fund system as opposed to compulsory insurance. The idea has certain attractions in view of the industrial conditions of the country. It lends itself easily to extension for provision for old age, maternity, unemployment and so forth ; and its administration would be easier ; since the risk of fraud is less. A person who draws from his provident fund under false pretences is at any rate only damaging himself, and not defrauding others. The disadvantages are that such a scheme cannot provide the same protection, for an equivalent contribution, and would not entail compulsory medical treatment, and thus encourage the extension of facilities for medical relief. The Government do not therefore endorse the committee's approval of this scheme.

Copy of terms of reference.

To consider the practicability of introducing some provision for sickness insurance for industrial workers and to make recommendations. In particular, and without detracting from the generality of the above, the committee should examine the following questions :—

- (i) should such insurance first be made applicable to all industries or to certain selected industries only and if so to which ;
- (ii) should it be first made applicable all over the province or only in certain local areas (whether to all industries or only to some) and if so in which ;
- (iii) should separate insurance funds be formed for the workers in certain industries or groups of industries ; or for those in certain local areas ;
- (iv) the extent to which medical facilities (a) can be provided and (b) will be acceptable to the insured ;
- (v) the extent to which insured persons suffering from sickness are likely to remain within the area within which the organisation applicable to them can effectively operate ;
- (vi) the proportion which the expense of administration (which includes the provision of some machinery for the settlement of disputes) is likely to bear to the total cost of the scheme ;
- (vii) the extent to which the classes whom it is proposed to insure are willing and able to meet the charges falling upon them ;
- (viii) how far the existing industrial structure of the province can afford to bear the burden involved without being seriously handicapped ;
- (ix) the extent to which State assistance can be granted ;
- (x) how far certain practical difficulties, *e.g.*, in connexion with the obtaining of medical certificates, the extent of the reliability of such certificates, compulsion to undergo medical treatment, the administration of the insurance funds, etc., can be met.

PROCEEDINGS OF THE COMMITTEE APPOINTED BY THE UNITED PROVINCES GOVERNMENT TO CONSIDER THE PRACTICABILITY OF INTRODUCING SICKNESS INSURANCE FOR INDUSTRIAL WORKERS.

Date of meeting, 4th February 1929.

PRESENT :

1. Mr. S. P. Shah, I.C.S., M.L.C., Director of Industries, United Provinces—*Chairman.*
2. Mr. E. M. Souter, M.L.C., *Member.*
3. Mr. W. R. Watt, M.A., B.Sc., *Member.*
4. Lala Padampat, *Member.*
5. Sardar Kirpal Singh Majithia, Sarava Sugar Factory, Gorakhpur, *Member.*
6. Lieutenant-Colonel H. Ross, I.M.S., Civil Surgeon, Cawnpore, *Member.*
7. Mr. W. G. Mackay, M.B.E., Chief Inspector of Factories and Boilers, *Secretary.*

1. Mr. W. Vernon of the Elgin Mills could not attend, as he had to go away from Cawnpore. Mr. Ganesh Shanker Vidyarthi, President of the *Mazdoor Sabha*, too could not attend, but sent a written note. This note was read out to the committee at the very outset. The committee thought it was a case based on the same arguments as Messrs. Joshi and Chaman Lal had used in the debates in the Assembly, and contained very little original matter needing special attention.

2. Before the committee proceeded further, Mr. Souter raised the question, whether in view of the announcement by His Excellency the Viceroy of the appointment of a Royal Commission to inquire into the problems relating to industrial labour, it would be desirable for this committee to proceed. The chairman explained, that he had already ascertained that the United Provinces Government did intend the committee to examine the problem as defined in the terms of reference to it. The committee thereafter proceeded with its work.

The question whether in the present industrial structure of the province sickness insurance was needed at all, was raised. The chairman explained that a consideration of this question would be outside the scope of the reference to the committee.

3. The chairman explained in brief outline the history of the case and the scope of the terms of reference. The ten particular terms were, he said, intended to be a fairly exhaustive detailed analysis of the first sentence which was the basic term of reference. The members present were asked if any of them had any other particular points to suggest. No member had any. The chairman, however, said he had two such points for the committee's consideration, *viz.*, (i) whether any other more practicable scheme for insuring against sickness can be suggested. He added that he had such a scheme in view, which he would bring up for the committee's consideration later on ; (ii) whether such scheme as might be introduced should

apply to all classes of industrial labour or to only certain selected ones. The committee proceeded to consider this second point.

4. The committee unanimously accepted the proposition, that it will be difficult to supervise the actual working of any scheme except in the case of labour employed in factories under the Indian Factories Act. Messrs. Watt and Souter further held that it would be unfair to introduce a scheme not applicable to non-factory labour. Colonel Ross proposed, that the scheme should, in the first instance, embrace only skilled and semi-skilled but not unskilled labour. The reason for the restriction proposed by him was, that unskilled labour would be more migratory (not only from factory to factory but from one industrial centre to another), and being normally in receipt of lower wages would not be able to bear the burden so well as skilled and semi-skilled workers. Mr. Souter said, that in practice it would be difficult to define in precise terms the distinction between skilled, semi-skilled and unskilled labour. Mr. Watt said, that being poorer the unskilled labourer was in even greater need for a provision against sickness than his skilled and semi-skilled confrere.

After some discussion, the committee could not arrive at a unanimous resolution. Sirdar Kirpal Singh was for restricting the scheme to only skilled labour, Colonel Ross and the chairman to skilled and semi-skilled labour and the other three members were for applying it to all three classes simultaneously. Even Sirdar Kirpal Singh, Colonel Ross and the chairman made it clear, that their proposal to restrict the operation of the scheme was conditional on satisfactory and generally acceptable definitions of skilled, semi-skilled and unskilled labour being practicable.

The committee were unanimously of opinion, that no industrial employee—
(i) whose engagement is on a genuinely temporary basis, or (ii) whose aggregate annual income as a wage-earner in a factory or factories exceeds a thousand rupees a year (or if his wages are regulated on a monthly, weekly, daily or other periodical basis, then such amount as represents a proportionate fraction thereof) should be brought under the operation of such scheme. The difficulty of defining the word "temporary" in (i) came up for some discussion. But the committee decided, that it would not be possible for it to go into such details and it preferred to leave the definition of this term to Government in the light of such material as the proposed industrial labour commission will, in all probability, make available. In connection with point (ii), the committee suggested, that in case full annual income is not actually earned, the calculation for the purpose of ascertaining, whether the scheme is applicable to that case or not, should be based on an estimate of what the aggregate annual income would, at the rates applicable and in force, be.

5. The committee then considered the terms of reference seriatim, but it desired, that its views on the question and especially on terms of reference No. 1 and 2 should be taken as an organic whole.

(i) In the committee's opinion it would not be quite fair to pick out certain industries and accord them differential treatment from the rest; this would amount to undesirable discrimination. On the other hand, some members emphasised, that a universal application of the scheme to all industries was utterly impracticable, and indeed in some cases unnecessary and even undesirable. In this connection, the distinction between seasonal and non-seasonal industries was discussed, and in spite of the difficulty of drawing it in every case, it was decided to adopt it on the ground, that—generally speaking, it is well-understood, and is already officially recognised. Ultimately the following resolution was adopted—

"In principle any such scheme should be applied to all industries and all areas not only in the province but in the country. In the present

stage of industrial evolution however it is impossible to apply it to seasonal industries."

As to non-seasonal or perennial industries, Messrs. Souther and Watt were, for the reasons stated above, for bringing all of them under the operation of the scheme. All the other members of the committee however were in favour of restricting the scheme to selected non-seasonal industries. Consistently with their view as just stated, Messrs. Souther and Watt would not specify the non-seasonal industries, which should, in the first instance, be put under the scheme. Colonel Ross thought that the workshops run by the State railways furnished "the most excellent places for experimenting with such a scheme"; he was not prepared to go further. The Secretary explained, that the railways already have got systems which provide *inter alia*, some insurance against sickness. But Colonel Ross still thought, that as regards any formal scheme of sickness insurance, the State should first, experiment with the workshops. Sardar Kirpal Singh and Lala Padampat agreed with him. The chairman's view was, that in the light of the Secretary's remarks regarding the system already generally in force in the workshops and also because the numbers of those benefited would in such case be a small fraction of the total industrial population of the country and even of the province, some other non-seasonal industry would also have to be brought under the scheme. He thought, that from the points of view of the organization of the industry, the stability of labour-supply and the genuinely "industrial" character of the labour employed, the textile industry furnished another suitable field for experimenting. But he added, that the application of the scheme to any private as distinguished from State industry should, in any case, be subject to similar industries in the other provinces being treated in an essentially similar manner; otherwise he thought, there would be unfairness in the internal competition among the units of the industry or associated industries in the different provinces. To this the committee unanimously agreed.

(ii) The committee unanimously accepted the proposition that in the application of the scheme no discrimination between various local areas should be made, whether such application be merely experimental or substantive. In fact, as explained towards the close of the discussion on point (i) the committee agreeing with the chairman went a little further.

(iii) The committee felt that a decision on this question would to a large extent depend upon the character of the scheme adopted and the extent of its applicability. The chairman explained the various systems prevalent in European countries, and classified them into three groups. Colonel Ross explained in brief outline the scheme in operation in one of the Cawnpore Mills. These formed the basis of the discussion that ensued. The propositions (i) that if and when reliable private enterprise (in the form of insurance companies or of associations of employers in general or in specific industries) is or becomes available, it should be utilised, but (ii) that for the present and subject to the above proviso the State should undertake the administration of all such insurance funds through a central organization located at Cawnpore but with local representatives at important centres, were both unanimously agreed to. The committee thought, that in the present circumstances of the country, especially of this province, this was the only sound way of securing stability, solvency and efficiency. The committee had, however, no objection to accounts and actuarial tables and other similar material and information being maintained industry-wise; in fact this was, in its view, the only way of securing a fair distribution of the burden of the scheme in force among the various component units, e.g., textiles, engineering, tanning leather-working, etc.

(iv) and (v) Before the committee proceeded to discuss these points, the Chairman remarked, that terms Nos. (iv) and (v) would have to be taken together.

He explained, that the United Provinces Government had accepted, and to some extent even applied, certain schemes for the extension of medical relief in the rural areas. Colonel Ross said, he did not have the latest information or figures about these schemes. These schemes were kept in view throughout the discussion from the standpoint of their bearing on the practicability of sickness insurance. Colonel Ross had already made it clear, that the question of surgical treatment would have to be dealt with separately from that of medical treatment as the problems and solutions were not identical. The committee felt, that it could not advise in any precise terms on the extent to which medical facilities can be provided, unless it had much more material, especially that relating to provincial finances and Government's intentions in the matter of rural medical relief. Ultimately the following resolutions were unanimously adopted.

- (a) "Barring the towns, the existing medical facilities (even making an allowance for such schemes of expansion as Government have accepted) are in the committee's opinion utterly inadequate to deal with any scheme of sickness insurance. This is particularly so in the rural areas. It will not be possible to introduce and work any such scheme, unless and until such facilities are very greatly augmented."
- (b) "In view of the facts, that the western scientific (or 'allopathic') system of medicine is not universally acceptable in this country, and that many other systems, *e.g.*, homeopathy, bio-chemistry, unani, ayurvedic, etc., co-exist, and that some workers will prefer one or the other of these and will have a legitimate right to that which he prefers, such extension of medical facilities, as the province consistently with its financial capacity is likely to be able to undertake in the near future, will still be utterly inadequate for the purpose of applying any scheme of sickness insurance on western lines. In the committee's opinion, however, it is possible, though not without difficulty, to work such a scheme in the more important towns."
- (c) "It is impossible to state in precise terms the extent to which the insured persons suffering from sickness are liable to remain under continuous medical treatment. But the committee endorses Colonel Ross' view, that if any scheme is introduced, enabling workers to draw sickness insurance benefit for such time as they remain under medical treatment, it should considerably alter the normal worker's present attitude towards (a) going to or remaining in hospital or other medical relief centre, and (b) going away to his own or to his friend's or relation's home."

"Beyond this it is impossible to that the extent to which such facilities as can be provided will be acceptable to the insured."

(vi) There was not sufficient material available for an adequate discussion of this question. The committee thought that it would be necessary to obtain relevant statistical information from other countries, specially Japan, where such schemes are in operation. In its opinion, any estimate or alternative estimates would involve considerable labour and would still be of very hypothetical value. It noted the Secretary's statements, that in Britain the cost of administration amounts to 1/9th of the total subscriptions, but that he was not sure whether this includes the expense of settling disputes.

(vii) The committee considered, that all employees would be able to bear their share of the burden of sickness insurance. But it thought it likely, that while industrial employees drawing approximately Rs. 40 per mensem and over will

be willing to bear it, the great majority of employees drawing less than about Rs. 40 per mensem, will not be so. In case a system of compulsory contribution is, as it should be, introduced, the committee thought, that there will probably be a demand for increased wages. The incidence of the burden will, in the committee's opinion, be shifted to the employers. It was, however, emphatically of opinion, that if any such scheme is introduced, compulsory contributions levied both from employers and employees should be its essential feature, the employers' contribution being equal to but in no case exceeding the employees'.

(viii) The committee reviewed the salient features of the industrial situation in 1929 and contrasted them with those during the period 1919 to 1922. The effect of the 1/6 ratio of exchange came in for a lively attack. The severe competition of foreign industries, especially continental ones with their depreciated currencies was reviewed. Ultimately the following resolution was unanimously adopted—

“ In the existing condition of the country's industrial system any burden, which the inauguration of any such scheme must necessarily entail, will be found intolerably heavy, and will aggravate the handicap already imposed by the 1/6 ratio. The committee does not consider this an appropriate time even for experimenting with such schemes.”

(ix) The principle underlying State assistance towards the introduction of sickness insurance schemes was next discussed. The non-official members were unanimous in their view, that the State must contribute. The chairman thought, that the State in India had already so many schemes on hand, that it could not, in its present financial condition, be legitimately expected to make a contribution other than the cost of administering the scheme as contemplated by the committee in sub-paragraph (iii), towards a scheme, which would benefit the employer and the employee but not in any specific manner the general taxpayer. The committee did not accept his contention, and adopted the following resolution :—

“ Some State assistance not only administrative but also financial is essential. Having considered the system in force in Japan the committee consider, that this is just about the system, which would suit the circumstances of this country.”

(x) The committee considered it impossible to work any such scheme, unless a system for medical relief and other matters corresponding to the one, which prevails in Britain (*viz.*, “panel doctors”), is simultaneously introduced. Having regard to the existing circumstances, especially the failure of the scheme of subsidised medical practitioners settling in the rural areas to achieve even a modest measure of success, the committee thought it would be impossible to introduce any scheme for sickness insurance as such ; it could not see how more medical practitioners could or would settle for practice in the rural areas.

Holding this view the committee could not think of any practical scheme for rendering medical certificates, especially in respect of workers leaving the towns, more reliable. Yet, the committee thought, the reliability of such certificates would be the pivot of any specific sickness insurance scheme.

As regards compulsion to undergo medical treatment, the committee held, that no scheme lacking this feature would be practicable, and yet in view of the co-existence of numerous medical systems, they could not devise or even think of any practicable and reasonably economical scheme whereby such compulsion can be enforced.

As to the administration of insurance funds, the committee had already in (iii) above held, that at present and subject to a proviso therein stated, such funds should be administered by the State through a central organisation located at Cawnpore. Even in case it was decided to make over their administration to private agency (other than regular insurance companies or associations), whether such agency be under the control of, and responsible to, employers or employees or both, the administering agency should be made subject to the effective supervisory control of the State.

6. The chairman then proceeded to explain his scheme for a practical solution of the problem of provision against sickness (see paragraph 3). The committee endorsed his views, that sickness insurance was only the thin end of the wedge and that the claim of accident, unemployment and old age insurance would, in all probability, be put forward by Geneva for India's acceptance. He thought that on actuarial principles every specific scheme for insurance must entail a certain proportion of dead loss to society, and he held it to be far more practicable and economical for India, in her present condition, to adopt a general scheme, which would meet all reasonable needs arising from sickness, accidents not covered by the Workmen's Compensation Act, unemployment and old age. He thought a scheme for a general provident fund (based on compulsory deductions of certain proportions whether uniform or progressive or declining) would not only provide general insurance but would eliminate the problem of the difficulty of obtaining medical certificates, the risk of corruption and chicanery, the need to apply compulsion, etc. It would also have the important elements of self-help and self-interest. He added, that the railways and government and public bodies and some private firms have such system in operation already. It would also provide for expenditure on "social events" *e.g.*, marriages, funeral and post-funeral ceremonies, religious rites, festivities, etc.

The committee unanimously agree, that this would be an easy, economical and practical solution not only in respect of sickness but also accident, unemployment, old age and "social events". The committee did not think they were called upon to go into further details, and preferred to leave them to be worked out by Government with or without the assistance of any other general or expert committee.

7. Before declaring the meeting over the, the chairman thanked, on behalf of Government and himself, all the gentlemen, especially the non-official ones for the valuable assistance and advice which, at personal inconvenience and sacrifice, they had given to the department.

COPY OF NOTE BY BABU GANESH SHANKAR VIDYARTHI, M.L.C., PRESIDENT, MAZDOOR SABHA, CAWNPORE, DATED THE 3RD JULY 1929.

The introduction of the sickness insurance benefit for the industrial workers in these provinces, if undertaken will not be a bit little too soon. Under the present circumstances, it will really be unmanageable to put the scheme in work as regards the workers who are in domestic and agricultural services. Some optional scheme can, however, be sketched out for these classes of persons, but as we have to take into consideration only the scheme of the sickness insurance for the industrial workers, I shall confine my remarks to that item only. The Hon'ble Sir Bhupendra Nath Mitra, while moving in the Assembly on 27th March 1928 not to ratify the Draft Conventions and accept the recommendations of the International Labour Conference regarding the sickness insurance scheme for the workers of all sorts, raised certain objections against the scheme. He held that owing to the migratory nature of the labour in India, the absence of qualified doctors in

the interior, and compulsory contribution to the Insurance fund by the workers, the scheme for the sickness insurance for the workers could not work in this country. He was also very much afraid of the great expenses which would have to be incurred by the State, if a sickness insurance scheme was put into practice. I think that the fears of Sir Bhupendra Nath Mitra are too imaginary. He has not gone deeper in the matter, and had he taken the trouble to base his arguments on the data which were at his disposal in the form of the Health Insurance Act of Japan, he would have reached the conclusion that the things would be managed safely in the same way as they were being managed in that Eastern country. The first objection that the labour in India is migratory, and a worker when ill, is in the habit of leaving his place of work and going to his village, holds good, as long as the conditions remain as they are at present. The worker comes from the village. He works at the Industrial centre. As soon as he falls ill, his income stops and expenses increase. He has no resources at the centre to fall back upon. He has to leave the centre and fly back to his village, where, of course, he has no good medical aid, but at least he finds his people and a sympathetic atmosphere. If there be a sickness insurance scheme working at the centres, the worker will have its benefit in full, partial wages for some weeks, and good medical aid. Under these circumstances he will rather like to remain at the centre, when sick instead of going to his village where he will have no such benefits. The industry will also gain immensely thereby. They will have no longer to complain of the unstable character of the Labour. Every worker will like to resume his duties, as soon as he is cured. There is a dissatisfaction among the workers at present that when after illness, they come back to their work, they have to bribe the higher staff to be readmitted. But under the Insurance scheme, the worker will have the satisfaction that there is nothing to hold him back from his job, and this satisfaction will also contribute to the gain to the Industry.

The main centres of industry at present in the provinces are :—Cawnpore, Lucknow, Gorakhpur, Jhansi, Allahabad, Agra, Aligarh, Firozabad and Hathras. There can be no difficulty of having proper medical aid for the workers at these places. The insurance societies can have the assistance from properly qualified vaidyas and hakims as well. Sir Bhupendra Nath's objection as regards the absence of sufficient number of qualified medical men does not hold good as regards the industrial centres of our provinces, and I am, sure that we shall have no difficulty on that account here.

There is a reasonable misgiving that the workers themselves will not like the Insurance scheme, when they will feel the pinch of compulsion of paying their contributions. Most of the workers are illiterate and ignorant, and it is possible that they may raise objections, if the scheme is suddenly harnessed upon them. But, if an earnest effort is made to get the workers understand what the scheme will mean for them, they will be very glad to come forward, and offer their contributions. I had a talk with a number of ignorant and illiterate workers of Cawnpore, and after giving them to understand what the sickness insurance scheme would mean to them, I found each and every one of them ready to get a part of their wages cut for this purpose. Much depends upon the part of the wages to be cut, as well as the time after which the worker will be benefitted by the Insurance. In Japan they do not cut more than 3 per cent. of the wages of the workers. This works out to be half-an anna per rupee. I found these men with whom I had the talk ready to get their wages cut at this rate for the benefits to be accrued from the sickness insurance.

Will it be a burden on the finances of the State if the scheme is put into action ? I think, no. At least not to any appreciable degree in these provinces. Here we have about 70,000 persons working permanently at the industrial centres of the provinces. The State in Japan contributes 10 per cent. to the Funds of

the workers insurance. If we put Rs. 25 as average monthly wage of a worker—I think this amount is by no means a low estimate—we find that the monthly wages for the industrial workers amount to about $70,000 \times 25 \text{ Rs.} = 17,50,000$. 3 per cent. of this amount $\frac{70,50,000 \times 3}{100} = \text{Rs. } 52,500$. A similar amount accord-

ing to the system in Japan will have to be contributed by the employers. The sum will then come to $52,500 \times 2 = \text{Rs. } 1,05,000$. The Government will have to contribute to this 10 per cent. of it which is $\text{Rs. } 10,500 \times 12 = \text{Rs. } 1,26,000$. It is a paltry sum for such a cause and I think that the local Government should have no objection to make this contribution for the welfare of the industrial workers. I do not know what made Sir Bhupendra Nath raise a false alarm of great expenses if Mr. Joshi's amendment to the main resolution was to be carried. Sir Bhupendra thought that the Government would thereby have a fresh burden of six crores annually. I think that his estimate was totally wrong and alarming. The Government of India while working on the line of the Government of Japan, would have to spend only Rs. 90 lakhs annually if they would have accepted the amendment of Mr. Joshi.

In the end I think that the Sickness Insurance will do much good to the workers, give stability to the migratory labour and benefit the employers too. The local Government will act wisely if they adopt a scheme of sickness insurance for the industrial workers of the provinces at once.

The replies to the questions sent to me with the agenda are as follows :—

- (1) Insurance should be made applicable to all the Factory workers in the whole of the provinces. No particular industry need be selected.
- (2) It should be made applicable to the whole of the province.
- (3) Separate Insurance Funds be formed on the basis of locality. If the place is small, two such places be amalgamated for the formation of Insurance Funds.
- (4) (a) I think that in all the industrial centres of the provinces we have sufficient number of qualified medical men and if there is a dearth anywhere I am of opinion that proper qualified vaidyas and hakims should be asked to co-operate.
- (b) The medical assistance by the proper medical men will be acceptable to the insured worker. I cannot think of any hitch, and if there be any hitch, it will not be difficult to bring the worker round.
- (5) The worker will not move out of the area to his village if he gets the benefits of the insurance. It is definitely advantageous to him to remain at his place of work at the time of sickness. If he moves he is bound to lose the advantage.
- (6) I have no knowledge of the expenses of an Insurance business and its administration. In Japan the insured person and his employer each bears one half of the amount of insurance and sometimes the proportion of the insurance contribution to be borne by the employer is increased by the State in an undertaking of the kind in which danger occurs frequently to the insured employee. The State makes a contribution of 10 per cent. on the whole. It seems that the insurance machinery and its administration keep themselves well within the limits of this income and meet all their expenses and liabilities. However, I think that it is necessary to call for an expert advice on this item.

- (7) All the classes of workers will be willing and able to meet the charges when they will be allowed to properly understand what insurance will be to them.
- (8) I can't say how far the existing industrial structures of the provinces can afford to bear the burden, but they should try to bear it as it is bound to prove beneficial to them as well.
- (9) At least 10 per cent. of that which comes out from the employers and employees.
- (10) They are minor details and can be worked out very easily when the Government earnestly desire to come forward with an insurance scheme for the industrial workers. Administration of insurance fund will need a very watchful supervision and the State with the co-operation of the employers and the representatives of labour will always have to keep an eye on its proper working.

LETTER FROM THE CHIEF COMMISSIONER, DELHI, No. 2985-INDUSTRIES, DATED THE 2ND APRIL 1929.

In Delhi, for the purposes of the present reference, labour may be divided into two classes, (1) factory labour and (2) contractors' labour, i.e., labour employed by contractors in New Delhi.

2. As regards factory labour, about 33 per cent. of the workers in factories are said to live in Delhi with their families. Most of the remaining two-thirds come from outside the province, principally from the United Provinces. The biggest employer of factory labour in Delhi tells me that probably nearly 50 per cent. of the workmen in his employ at any given time have been with him for less than 12 months. These figures give some indication of the proportion of casual labour in Delhi factories.

3. Some of the Delhi employers are alive to the importance of making medical facilities available to their workmen. The management of the Delhi Cloth and General Mills has made arrangements with three neighbouring medical institutions for the treatment of their employees. In serious cases which necessitate medical attendance on patients in their quarters, the fees are paid by the employers in the case of the workmen who live in the quarters provided by the millowners. These number about 1,800 out of a total of about 5,500.

4. Wages stop as soon as a man goes off work, and the only sickness benefit the workmen get is that they are generally permitted to remain on in their quarters (provided they are living in the Mill quarters) during temporary illness.

5. It seems to me impossible at present to provide either for adequate medical attendance or for sickness benefits in the case of workmen who live in the villages. No system of sickness insurance can be worked without adequate safeguards against malingering and the first safeguard must be an adequate supply of doctors to tour the villages where the workmen live. I cannot think that a sufficient number of competent practitioners would be available at present.

Further, no system of sickness insurance would be worth maintaining for the 50 per cent. or so of casual labour.

6. It would seem therefore that the problem narrows itself down to a regional one, that is, whether any system of sickness insurance could be devised for the factory employees who live in Delhi or other areas where proper medical supervision is available. Even within these limits there will be a considerable number of casual workmen who will complicate the problem.

7. I am informed that the workmen are in favour of a compulsory system and the employers of a voluntary. It is hardly possible to imagine a system which would be voluntary as regards the employers, and I am disposed to agree with the workmen that if a system of health insurance is to be introduced, it should be compulsory, both for them and for the employers, within the regional limits suggested above. Within these limits, I am in favour of the scheme being tried.

8. As regards contractors' labour, this is almost entirely migratory and casual, and is drawn from a very wide area in Northern India. I do not think that any system of health insurance could at present be applied to this class of labour, or would be appreciated by them.

9. The position will no doubt be thoroughly examined by the Labour Commission and it is therefore hardly necessary for me to say more. I shall therefore deal very briefly with the questions set forth in paragraph 5 of Mr. Clow's letter of the 20th September 1928 to all local Governments—

- (1) There will be no difficulty provided the regional scheme suggested above is adopted.
- (2) It will probably be found necessary to put *hakims* and *vaidis* on to the panels as many of the workmen are accustomed to employ them in preference to practitioners of western medicine.
- (3) All those whose homes are in Delhi are likely to remain in Delhi when suffering from sickness.
- (4) It is impossible to say what proportion the cost of administration is likely to bear to the total cost of the scheme. In Great Britain, I understand, it is about 12½ per cent.
- (5) Neither the workmen nor the employers would be willing to meet any heavy expenditure. There is a feeling against paying for medical relief in India, and it would be to the sick-pay that the employees would look for a return for their contributions. In England the average cost per head insured appears to be about 50 shillings, but I have not been able to ascertain how this is divided between the State, the employer and the employed. If the average cost in India were 25 shillings, and the cost were equally divided, the workers would I think be able and willing to pay their share.

LETTER FROM THE GOVERNMENT OF BURMA, No. 311-V.28, DATED THE 28TH MARCH 1929.

The question has been subjected to a preliminary examination by a conference assembled for the purpose by the Financial Commissioner (Transferred Subjects). At this conference employers of labour were well represented, but owing to the almost entire absence of properly organized Trade Unions in Rangoon, only one

representative of labour was present. The conference was also attended by the Inspector-General, Civil Hospitals, the Chief Inspector of Factories, the Labour Statistics Officer, and Professor Jevons, Professor of Economics in the Rangoon University. At this conference the various points raised in paragraph 5 of your letter were carefully discussed, but it is unnecessary to give in detail the conclusions arrived at on each point, for the general conclusion arrived at by a majority of the conference was that in present circumstances the immediate introduction even of a limited scheme of sickness insurance was not practicable and the Financial Commissioner considers that action must be postponed until further progress has been made with the organisation of work people in Burma. He points out that at present there is only one registered union. This union (the Motor Drivers Union) moreover is hardly concerned with sickness insurance. At any rate it would be very difficult to apply any scheme of sickness insurance to Motor Drivers in Rangoon. And the final conclusion of Mr. Dunn, the Financial Commissioner, is that nothing should be done until the report of the Royal Commission on Labour has been received. He believes that this Commission's enquiries will ventilate a subject about which little is known—particularly among those for whose benefit it was raised—and will give us a clearer understanding than is at present possible both of the difficulties in the way of introducing even a limited scheme of sickness insurance and of the best way of surmounting those difficulties.

2. The opinion of the Conference however was not unanimous. The representative of labour thought that a scheme should at once be introduced, but he considered that the cost of the scheme should be borne by Government and the employers and that wage-earners should not be required to contribute. Professor Jevons considers that a workable scheme of sickness insurance for skilled workers could be devised, and he has drawn up an outline of the sort of scheme he recommends, a copy of which is enclosed for the information of the Government of India. As will be seen from the scheme itself, it is suggested that in the first instance this scheme should be applied only to skilled regular employees in a limited number of industries in specified towns, but that as experience is gained, it should be extended to other occupations and to unskilled workers.

3. The Government of Burma are disposed to take the same view as Mr. Dunn, though not altogether for the same reasons. They do not doubt the desirability of introducing some provision for sickness insurance for workmen, but they are impressed by the practical difficulties in the way, and they believe that those difficulties are even greater in Burma than they are in India. Clearly if a scheme is to be introduced, it can be made applicable, in the first instance at any rate, only to certain well defined areas, only to specified industries within those areas, and only to some of the workmen in those industries. These limitations themselves indicate the difficulty of the subject. The conference thought that any scheme which might be thought practicable should be introduced only in the ports of Rangoon, Akyab, Bassein and Moulmein, and Professor Jevons would omit Akyab. The Government of Burma would go further still. It seems to them obvious that any scheme which is introduced must be introduced by way of experiment, and that the experiment should be tried in the place where it has the best chance of success, where medical men are comparatively numerous, and where existing hospital accommodation is reasonably adequate. In other words they consider that in the first stage any experiment which may be tried under the auspices of the Government of Burma should be tried in Rangoon. But even in Rangoon the difficulties are very great. The principal one arises from the fact that labour in Rangoon is entirely Indian labour. Much of it indeed is purely migratory and seasonal, and even when the labourers are more or less settled in Rangoon, they are constantly going back to India whether for a holiday or by reason of sickness or for other reasons. Any system which might be introduced would inevitably be a merely partial system and would leave large bodies of labour entirely untouched. And even in respect of those labourers to which it would be applied, the system

probably would not work very satisfactorily. For periodically they would go off to India, and presumably they would thereby lose the benefit of payments made by them to the fund. The second difficulty arises from the fact already noted, namely, that the organisation of labour into Trades Unions has hardly begun. This fact is no doubt due mainly to the different parts of India from which the Rangoon labour supply is drawn. Many come from Chittagong, many are Uriyas from Ganjam, and many are Telegus from Coconada. The different languages spoken by these three classes—which incidentally would complicate any system of medical attendance under a sickness insurance scheme—are a difficulty in the way of combination, but the fact that in spite of this handicap, there has been little attempt at combination indicates that the level of intelligence is not high, and lends point to the apprehension expressed by the conference that any contributory system of sickness insurance would be resented by the wage-earners. Whatever the cause may be, however, the fact remains that hardly any properly organised Trade Unions exist. Nor is there anything in Rangoon corresponding to the Friendly Societies of England, and the whole burden of organising, supervising and working a system of sickness insurance would probably fall on the Government. Finally there is the practical difficulty that in all probability no scheme can be introduced with any hope of success unless the Government, as Professor Jevons proposes, contributes to the cost. Professor Jevons indeed suggests that Government's share of the cost of the scheme outlined by him should be borne by the Government of India. But the Government of Burma do not suppose that the Government of India will accept this liability. Probably indeed there are constitutional difficulties in the way of their doing so, and the plain fact is that the Government of Burma are not in a position themselves to undertake the liability. It must be remembered that the liability is an indeterminate one. In the first place no information is available as to what the direct cost to Government would be of a scheme such as that outlined by Professor Jevons even if that scheme were confined in the first instance to Rangoon. Nor is it certain whether the inception of such a scheme would not necessitate the provision in Rangoon of additional hospital accommodation. Finally the scheme is put forward merely as an experiment. If that experiment is successful, the idea is that it should be extended to other industries, to other places and to other classes of workers. And as it is extended, obviously greater expense direct and indirect will fall upon the Government. And as has already been stated, the Government of Burma are unable to face this expenditure.

4. These last remarks indicate what is a real difficulty—probably not only in Burma but also in other provinces—in the way of any scheme which proceeds on the basis that the local Government will bear part of the cost. At the Conferences of the International Labour Organisations great pressure is put—quite naturally—on India to introduce measures for the amelioration of labour conditions which have been worked successfully in Western countries. Those measures are usually in themselves desirable, but apart from other differences between conditions in the West and conditions in the East, it is often forgotten, especially by those who speak for labour in the Central Legislature, that Western countries are very much richer than India and that they are able to finance measures which, however desirable they may be, are not practicable in India merely by reason of the fact that the local Governments cannot afford to pay for them. In the view of the Government of Burma, it would serve little purpose to experiment with a modest limited scheme such as that proposed by Professor Jevons unless the Government were prepared to face the expenditure involved in extending that scheme in the event of the experiment being successful. And apart from the difficulty of financing in present circumstances even the limited scheme proposed by Professor Jevons, the Government of Burma are quite clear that an extended scheme would involve additional taxation, and they are equally clear that there is no hope of their Legislative Council agreeing to this additional taxation for the benefit of imported labour—particularly as that imported labour already commands much higher wages than it can hope to obtain in India. That indeed

is the reason why there is such a continuous flow of labourers from India into Burma.

5. On the other hand, if Government does not contribute to the cost of sickness insurance, the prospect of the successful introduction of any scheme is diminished. Heavier contributions would be required from wage-earners, and already doubts are felt whether wage-earners would pay the contributions necessary under a scheme to the cost of which Government would contribute. Heavier contributions would also be required from employers of labour, and some industries are not in a position to bear this addition to the cost of production. The cotton mill industry of Bombay is one case in point. The rice milling industry of Rangoon is another.

6. Nor again are the Government of Burma satisfied that sickness insurance is the first subject that should be attacked in any comprehensive campaign for the amelioration of conditions of labour. Speaking for Rangoon indeed—and the same remark is probably true also of the cotton mill industry of Bombay and the jute mill industry of Bengal—they are inclined to think that the housing problem is more urgent. But it does not matter much whether this statement is correct or not. It will generally be admitted on the one hand that much remains to be done for the amelioration of conditions of labour, and on the other hand that the funds at the disposal of local Governments are strictly limited, and that there is also a limit to the burdens which can be placed on employers of labour in addition to those considerable burdens which have been placed on them by labour legislation in the course of recent years. These two last factors are the governing factors of the problem. It has now been decided that labour conditions in India should be subjected to a comprehensive survey by a Royal Commission specially appointed for the purpose. This Commission will no doubt have many recommendations for the improvement of those conditions, and it may be assumed that even if the Commission does not arrange its recommendations in order of urgency, it will stress some more than others. The subject of sickness insurance, as the Government of India themselves admit, is one of peculiar difficulty in India. As has already been pointed out, it is of little use to embark on limited schemes of partial application unless local Governments are prepared subsequently to extend those schemes in the light of the experience gained. In other words the introduction of a partial scheme must necessarily involve local Governments in a liability the extent of which it is impossible to foresee. It is a step therefore which should not be taken until the whole ground has been thoroughly explored. This exploration will be undertaken by the Royal Commission on Labour, and the Government of Burma consider that no further action should be taken on the subject of sickness insurance until the report of the Commission has been received. For it may well be that the Commission may report that there are other matters in connection with labour which should be taken up before the question of sickness insurance is attacked.

A SCHEME OF SICKNESS INSURANCE FOR SKILLED WORKERS DRAWN UP BY PROFESSOR JEVONS.

General.—This scheme is proposed as a workable system of assistance for skilled workers who may become ill for more than a few days. It is purposely limited in scope, the idea being to gain experience in administering a small scheme, which could afterwards be extended to other occupations, and to unskilled workers. The figures of rates of wages, contributions and benefits are given merely for the sake of illustration; and would need adjustment on the basis of data to be collected.

Persons to whom applicable.—Skilled regular employees paid at a wage rate equivalent to Rs. 24 per mensem or more up to Rs. 80 per mensem in certain

organised industries, e.g., rice mills, saw mills, engineering and contractors, workshops, printing, petroleum oil refining and packing, vegetable oil mills, flour mills, match factories and aerated water factories in Rangoon, Moulmein and Bassein, and within five miles of municipal limits of these towns. After two or three years the scheme would be extended to all industrial establishments coming under the factory act.

Contributions.—The workers' contributions to be annas four per mensem for persons earning Rs. 24 per mensem and over up to Rs. 30 per mensem, annas five per mensem for those earning over Rs. 30 and up to Rs. 40 per mensem, and annas six per mensem for those earning over Rs. 40 per mensem. The contributions to be paid by affixing special insurance stamps to a card which lasts the year. Whilst a man is in employment the card will be with the employer : and the latter must deliver the card duly stamped to date to the employee on the latter giving notice of his intention to quit, or being dismissed.

The Insurance Fund will be made up of the workers' contributions and equal amounts paid in by the employers and by Government, i.e., each party pays one-third. Assuming for the sake of illustration that 16,000 persons would be insured in the above towns, and that the average rate of contribution be annas five, the income of the fund would be Rs. 15,000 per mensem from all sources.

Benefits.—An insured person will be entitled to free medical attendance and medicines, and to free treatment in hospital, including food for himself, or cost thereof, if supplied otherwise than by the hospital.

A person who does not go to hospital because he cannot be admitted must be attended at his home and receive a food allowance immediately. Should he be unwilling to go to hospital, or should the doctor consider the illness not serious enough to require it, he will be entitled only during the first seven days to an allowance in kind of milk or other invalid food which may be prescribed.

Should the illness continue, or the man be unfit for work after seven days, he will become entitled from the eighth day to a maintenance allowance, at a rate equal to 64 times his monthly contribution. This will give Rs. 16 per mensem to the lowest class (up to Rs. 30 wages), and Rs. 24 to the highest class. The benefit at this rate to continue until the man is fit for work, or for six months, whichever is less.

For the protection of the fund at the commencement there should be a special rule that the total benefit which may be drawn during the first twelve months will not exceed 64 times the total of contributions paid by the insured before he fell ill, or six months whichever is less. Thus, if he has paid contributions for four months he will be entitled to benefit for four months, and so on.

Maintenance allowance will be paid either through the employer or if employer or worker so demands, by an office maintained by the Fund in each town. The worker should have an identification card besides his stamp card, and may send a relative for the money or have it delivered by postal Money Order.

Medical Attendance.—There will be a panel of doctors, amongst whom those employed by companies as wholtime medical officers will be included. Insured persons will be assigned to doctors ; and if a company keeps a works doctor, all the employees of that company would be assigned to that works doctor, in the absence of any special reason to the contrary. Each panel doctor would receive one rupee per quarter (Rs. 4 per annum) in respect of each insured person

assigned to him. In the case of employees of companies who maintain doctors, this payment, or most of it, would go to the company.

Administration.—The Government of Burma must make itself responsible for the administration of the scheme, though the Central Government should pay the Government contribution to the fund. There should be a Board of Control, consisting of three employers' and three employees' representatives, and three Government officers, one of the latter being Chairman. There would be a whole-time Superintendent of the scheme on about Rs. 1,000—50—1,500 per mensem, with necessary clerical assistance, and general supervision by the Labour Statistics Officer of Government.

LETTER FROM THE GOVERNMENT OF THE PUNJAB, No. 13600-REV., DATED THE 9TH APRIL 1929.

A small and informal committee including two representatives each of employers and employees was appointed by this Government to examine the question of Sickness Insurance, and also the difficulties that must attend the introduction of any such scheme. A copy of the report submitted by the Committee together with a note by Mr. Ghani, M.L.C., appended thereto is forwarded herewith for the information of the Government of India.

2. The Punjab is not the home of any large industry excepting the seasonal cotton and ginning factories and the localised salt, coal and oil concerns. Accordingly the question of the introduction of provision for sickness insurance is not of much practical importance for this province for the present at any rate and from a provincial point of view there is no need for any legislation on the subject. Should the Government of India, however, decide to take up central legislation, this Government will not oppose, provided that it is made elastic enough to leave this province sufficient powers to adopt any such legislation to suit its local conditions.

3. The Governor in Council commends for consideration the recommendation of the Committee that the scheme should be applicable to all permanently employed workers, which term should include within its scope the classes specified by the committee, while he would at the same time suggest that primarily a beginning should be made only with the workers coming under the Workmen's Compensation Act, the Factories Act, and the Indian Trade Unions Act.

4. The Governor in Council would dissociate himself from any acceptance of the suggestions in the committee's report defining the measure of State assistance which should be given to any scheme affecting any class in the classification of permanently employed workers. On the other hand he would have no objection to accepting liability for the cost of administration.

I am also to make it clear that this Government and the Punjab Legislature would be unwilling to make any direct contribution to a Sickness Insurance Fund. They would be ready however to levy any rates that may be approved from the institutions and others concerned to spend on them.

5. The Governor in Council has no other comments to make on the recommendations of the Committee.

Report of the informal committee appointed by the Punjab Government to examine the question of Sickness Insurance. The committee consisted of the following members :—

1. DR. R. C. RAWLLEY, Chairman.
2. W. H. ABEL, Esq., Inspector of Factories, Punjab.

3. N. A. LILLEY, Esq., of the New Egerton Woollen Mills, Dhariwal.
4. Dr. CURJEE WILSON, M.D., D.P.H.
5. R. B. L. DHANPAT RAI, M.L.C., Lahore.
6. M. A. GHANI, Esq, M.L.C., Bar.-at-Law, Lahore.
7. JIWAN LAL KAPUR, Esq., Bar.-at-Law, Lahore.

1. The committee met in the office of the Director of Industries, Punjab, on the 12th February at 2-30 P.M. and on 2nd March at 11-30 A.M. All members except Mr. Jiwan Lal Kapur who was absent on the 12th February attended both the meetings. After a brief preliminary discussion the chairman placed before the Committee the various points mentioned in the Government of India letter referred to above for consideration and suggested that these points might be regarded as an agenda for the meeting. This suggestion was accepted by the committee, and the following items were discussed in detail :—

1. The extent to which it is possible to provide medical facilities.
2. The extent to which medical facilities are likely to be acceptable to the persons insured.
3. The extent to which insured persons suffering from sickness are likely to remain within the area within which the organisation applicable to them can effectively operate.
4. The proportion which the expense of administration (which includes the provision of some machinery for the settlement of disputes) is likely to bear to the total cost of the scheme.
5. The extent to which the classes whom it is proposed to insure are willing and able to meet the charges falling upon them.
6. The extent to which State assistance can be granted.
7. Whether the scheme can be made applicable to either regional or industrial limits or both.
8. Whether legislation should be provincial or central.

2. The committee were definitely of the opinion that not only from the industrial or labour point of view, but also from the point of view of public health, it was necessary to introduce some system of Sickness Insurance in the Punjab.

3. Before proceeding with the principal items on the agenda, the committee considered it advisable to define the occupations to which the proposed Sickness Insurance Scheme should apply. The committee were of the opinion that all permanently employed workers should come within the scope of the Sickness Insurance Scheme. As regards the term "permanently employed workers" they decided that it should include the following :—

- (a) All those workers to whom the provisions of Workmen's Compensation Act are applicable.
- (b) All those workers to whom the provisions of the Indian Trade Unions Act are applicable.

- (c) Permanent workers in educational institutions, in particular women teachers, drawing salaries below the income tax limit.
- (d) Domestic servants.
- (e) Such other workers as are working for registered employers or are themselves licensed workers.
- (f) All Government servants receiving a salary below the income tax limit.

Item 1.—As regards item 1 on the Agenda, it was felt that it would not be difficult to provide medical facilities for the workers. The committee held that the existing facilities were not complete and for this reason it was necessary to provide extended medical aid to all workers coming under the categories defined above.

Item 2.—The committee felt that there could be no two opinions on the subject of acceptance of medical facilities by workers. It was, however, difficult to determine the extent to which the insured workers were likely to take full advantage of the medical facilities provided under the new scheme. Past experience indicates that wherever adequate medical facilities were provided by the employers, the workers took reasonable advantage of these facilities.

Item 3.—The committee were of the opinion that the present tendency of the workers was to go to their homes during illness on account of economic reasons, that is, they could not support themselves away from their homes and friends when ill. This tendency was, however, not so very marked in the case of workers coming under the categories at (c) and (f). The committee believed that with the benefits accruing from Sickness Insurance Schemes this tendency on the part of the workers would gradually disappear.

Item 4.—The committee were unable to estimate the proportion which the expense of administration (which includes the provision of some machinery for the settlement of disputes) was likely to bear to the total cost of the scheme, as no concrete instances were before them from which they could draw conclusions. From a consideration of the various heads under which this type of expenditure was likely to be incurred, the Committee felt that the proportion would be in the neighbourhood of 5 per cent. It was impossible for the committee to estimate even roughly the expenditure involved in the entertainment of administrative staff, in the setting up of tribunals, and in the engagement of supervising staff to enforce the provisions of the law.

Items 5 and 6.—Both of these items were taken up for consideration together, as at this stage the main discussion centred round the question of contribution by the workers, the employers and the State. Mr. Abel presented a note to the committee, in which he discussed the question of contribution on the assumption that the average wage of a worker employed permanently was Rs. 40 per mensem. If this assumption were to be accepted, he suggested, that the worker should have to pay five annas per month, the employer five annas and the State two annas six pies. Messrs. Kapur and Ghani considered this proportion much too high for the worker and suggested that the employer should contribute twice as much as the worker. Other members of the committee were of the opinion that any increased contribution required from the employer would make the scheme prohibitive, as the increased cost would be borne by the consumer or would be met by cutting the wages of the employee to the detriment of the concern. After a prolonged discussion the committee came to the conclusion that the contribution towards the Sickness Insurance funds should be borne equally by the employer, the employee and the State. This proportion would no doubt place an additional burden on the State as the State would have in any event to provide medical assistance and the administrative charges of the scheme.

The committee were of the opinion that the employer and the employee would be willing and were able to meet the charges falling upon them under the proposed scheme. It was also realised that the burden of the State's contribution would be rather heavy in the beginning ; but it was felt that the advantage to the State would be the increase in health and working power of its industrial workers which would counterbalance the cost of administration and contribution by the State.

Item 7.—The committee decided to recommend to Government that the scheme should be made applicable to the whole of the Punjab with a central administrative authority in Lahore. All payments should be made through the Post Office on a certificate being presented by the worker and countersigned by the qualified medical authority appointed under the proposed law.

Item 8.—The committee were definitely of the opinion that for any scheme of Sickness Insurance to be a success the legislation should be central.

Note by Mr. M. A. Ghani, Bar.-at-Law, M.L.C., Lahore.

I agree generally with the report of the Committee but I would like it to be modified in the light of the following :—

1. I think it will be better if to the list of the workers to whom the scheme is proposed to apply, the following may also be added :—

- (a) All workers or employees who are members of a Trade Union registered under the Indian Trade Unions Act.
- (b) All workers and employees who are employed in a factory or workshop coming under the Indian Factories Act.
- (c) All workers and employees working in a mine to which the provisions of the Indian Mines Act are applicable.
- (d) All workers and employees employed by the Government irrespective of their being "Government servants" or not.
- (e) All workers and employees employed by a contractor in contract with the Government or some local body or some limited liability Joint Stock Company.
- (f) All quasi Government Servants, *e.g.*, Village servants and so forth.
- (g) All Municipal and District Board employees.
- (h) All workers and employees employed in a scientific educational or in a charitable institution registered under the Act, 1860.
- (i) All workers and employees employed in an educational institution not registered under 1860 Act but recognised by the Government or some Local Body whether receiving any grant-in-aid or not.

I would of course limit the above workers and employees to those receiving a salary below the income tax limit.

2. It will be readily seen that the above list extends the scope of the scheme of the sickness insurance so far as the different classes of workers are concerned. The list prepared by the committee is too limited and is too narrow. No reason has been given why the benefits of the scheme should be made applicable to a limited class of workers. Why should we favour certain classes of workers and

deprive the others of the benefits of the scheme however deserving they may be ; " what is good for the goose is also good for the gander " is an old aphorism and in applying the scheme we should not overlook it. In preparing the list of workers, I have not lost sight of the principle so rightly cherished by the Committee that the scheme should be applied to those workers only who are reasonably permanently employed and whose whereabouts can easily be known and who belong to such organisations and institutions through whom the scheme can easily be worked.

3. The list as prepared by the committee is not quite clear and is open to objection in more ways than one. As regards (b) of the list I submit that the Indian Trade Unions Act as such is not applicable to the workers as such. It is applicable to the Unions of the Workers only. Hence I think it will be better if we apply the scheme to those workers who are members of a registered trade union. This will also help the Labour Leaders to organise the workers generally. It is of no use to particularly mention the women teachers in (c) of the list. They come under " workers in Educational Institutions ". Similarly the use of the word " permanent " in (c) of the list seems to me to be merely redundant.

4. I think that it is not only " the more or less rigid atmosphere of an ordinary hospital " as the committee has rightly pointed out but it is also the most unsympathetic and unkindly (demoralised to the verge of cruel) treatment that is meted out to the workers there that deters them to be treated there and thus compels them to go to their homes. This is due to the beastly capitalistic mentality of the people generally and to the conservative indifference and repugnance to the poor workers and labourers. A little labour propaganda and greater sympathy of the Government with the cause of labour will surely change the atmosphere to the great success of the Insurance scheme.

5. So far as the much vexed and most important question of the contributaries to the Insurance Fund is concerned, I agree that the state should pay 1/3 but as between the employer and the employed, I am strongly of the opinion that the contribution by the employer should be a little higher than that by the employee. For this, my reason is that the relevant advantages to the employer are certainly and admittedly much greater than those to the employee. Moreover even from the economical point of view, it is not right and just to place the rich capitalist and the poor wage-earner on the same footing. Moreover the nature, extent, and value of the sickness insurance are closely related to the progress of industrialism and to the evolution of economic conceptions and of political and social forces. In this progress and evolution the employer is certainly more interested than the poor employee. Again the state as guardian of public health and national prosperity should contribute liberally to the Insurance fund. In times of sickness, wealthier classes can look after themselves. It is only the poor classes that suffer most. On account of their poverty, they are more exposed to the risk of sickness than their rich neighbours. The occurrence of sickness entails for the poor wage-earner and their dependents an increase of expenditure on the one hand (e.g., cost of medical treatment and drugs) and reduction and even cessation of income on the other. To their rescue, under the circumstances, the State must come and help. I would therefore suggest that the following proportion would meet the justice of the case :—

| | |
|-------------------------|------|
| 1. The State | 1/3 |
| 2. The employer | 5/12 |
| 3. The employee | 1/4 |

It is no concern of ours to consider from where the employer would get funds to pay the contribution. It is his concern. It is his lookout. He would bear the consequences if " the increased cost would be borne by the consumer or would be

met by cutting wages of the employee " as remarked by the committee. No reasonable employer in his own interest as marked above, would and should grudge to pay a little more than the employee.

6. I think we ought to insist on the compulsory form of insurance. It is true that the question was not referred to us but in order to make the scheme a success we should give our opinion on this point too. To my mind, voluntary insurance will be a mere farce. The workers are not organised. They are illiterate to understand the value of the scheme. Their conservatism, their fatalism and the general apathy of the employers will surely stand in the way of voluntary insurance. Nothing but compulsion will make the scheme a success. The Government as guardian and well-wisher of public health should in duty bound impose compulsion in sickness insurance. In almost every civilised country compulsory sickness insurance is in vogue. There is no reason why the same should not be in this poor country. Taking into consideration the chronic poverty of the masses and their proverbial illiteracy, the compulsion is all the more necessary here.

With the above remarks, I would respectfully urge on the Government to bring in a legislation promulgating a scheme for the compulsory sickness insurance of the labourers and workmen at a very early date.

LETTER FROM THE GOVERNMENT OF BIHAR AND ORISSA, No. 1537—XL-5|29-Com.,
DATED THE 16TH APRIL 1929.

The local Government after careful consideration decided that the appointment of a committee was not advisable. Owing to the fact that labour is almost entirely unorganized, except at Jamshedpur where serious trouble then existed between the workers and employers, it would have been impossible to represent labour properly on an informal committee. They considered further that in the present disturbed industrial conditions, the operations of a committee would be likely to arouse false hopes and upset labour. They have, therefore, restricted themselves for the present to ascertaining the exact position in the principal industrial areas, as regards the provision of medical relief and sick pay, and to instituting an inquiry in the smaller industrial concerns scattered up and down the province to ascertain the extent of available medical facilities and the extent to which the labour of these factories is seasonal, migratory or stable in character. Appended to this letter is a memorandum summarising briefly the results of this examination up to date.

2. These investigations go to show that in the main industrial areas, medical relief is organized and, generally speaking, is fairly adequate. At Jamshedpur, Jamalpur and in the Giridih coalfields a complete system of medical relief with well equipped hospitals and an adequate staff of doctors is provided by the employers. In the main coalfields medical relief is organized under the statutory supervision of the Jharia Mines Board of Health ; it is as complete as the economic conditions of the industry permit and it is generally satisfactory. Some collieries have their own hospitals, a considerable number of them have dispensaries and all of them except few specially exempted collieries employ either jointly or individually qualified medical officers to look after their workers. Any individual deficiencies are supplemented by the public hospitals under the District Boards. In the factories lying outside the main industrial areas medical relief is less fully organized. But a general survey indicates that something over one-third of the workers receive medical relief from their employers and that public hospitals or dispensaries are available for the treatment of all except a very small percentage of the industrial population. It is clear that the smaller industrial employer cannot be expected to provide any considerable amount of medical relief directly ; but the inquiry already made shows that factories are generally so situated that medical treatment can be provided for almost the whole industrial population at existing public institutions.

The local Government have not thought it necessary at present to investigate particularly the extent to which medical relief is likely to be acceptable to the workers. The prejudice against dispensaries and medical treatment is breaking down even among the aboriginal peoples who form a large part of the mining population, and there is no reason to believe that medical facilities, if provided, will not be generally acceptable.

3. The information collected by the local Government regarding the payment of sick pay and allowances is less complete. In the coalfields, it is fairly common, though not at all general. In the Jharia and Raniganj coalfields, out of 214 working mines, 58 pay both sickness and accident allowances and another 10 pay sickness allowances only. Among the Indian owned mines a number of the owners pay a daily allowance or a *bhatta* roughly equivalent to pay during short illnesses. But this is not paid during prolonged illnesses and in many cases is afterwards deducted from the earnings when the worker rejoins. The grant of sick pay is in fact mainly confined to the larger mines which give it regularly and on organized basis while in the smaller mines, it is sporadic and undefined. In Jamshedpur accident pay is always given and the staff employed on a permanent basis is entitled to sick leave with pay ; but cooly labour receives no sick benefits as it is all employed on a purely weekly basis. In the Jamalpur Railway Workshops and the Giridih coalfields, which are owned by the East Indian Railway, sick pay is on a fully organized basis. In the first the employees receive sick leave, in the second the miners have a benefit fund from which allowances are paid. This is the only instance in the province in which a fully organised contributory insurance scheme on a self-supporting basis exists. It shows that the difficulty of making the worker contribute willingly is not insuperable. But in this case the conditions are unusually favourable, because the labour force is largely permanent and settled and the whole area is under the control of one employer. The persons affected, therefore, remain within the area within which the organization can effectively operate. These conditions are not found to anything like the same extent in other industrial areas.

4. The first essential in any investigation of the possibilities of industrial sickness insurance is to ascertain for every area the proportion of stable and unstable labour. The local Government have not attempted to do this for the major industries owing to the magnitude of the task. They have attempted to make a rough survey for the minor factories outside the main industrial areas. But the results obtained were entirely unreliable and have merely proved that before any useful investigation into the possibility of insurance schemes can be undertaken, a detailed and expert investigation of the whole question of labour turnover is necessary. This is a task which would take some considerable time and requires an expert agency. The local Government have material to show that the percentage of seasonal and migratory labour is generally high even in the biggest industrial areas. But they are unable, at present, to furnish any reliable data as to the extent of that unstable labour. In the mining areas, in particular, a very high proportion of the workers are really agriculturists and follow a dual occupation. Large numbers also are seasonal workers and the labour force employed in the mines fluctuates within wide limits. Similarly at Jamshedpur, the very large cooly force is fluctuating in character. In both South and North Bihar most of the factories are oil, sugar and rice mills or indigo factories which are themselves seasonal in character and the greater part of the labour forces is employed only for a portion of the year. It can probably be said with safety, therefore, that throughout the province the stable labour force is distinctly in the minority. This in the opinion of the local Government adds enormously to the difficulties of propounding any insurance scheme. The only big industries in which conditions favourable to an insurance scheme exist already make some provision on their own account. There is, in the case of the coalfields, the further difficulty that the industry generally is in a state of depression from which it is not likely to recover for some

years. The creation of an insurance scheme presumably involves a contribution from the employers, and a large number of the employers are at present not in a position to shoulder any additional burden. Many of the owners of small factories throughout the province are probably in the same position. If, therefore, an insurance scheme were to be undertaken, the question of State assistance would inevitably arise, and the local Government must make it clear that in the present state of their finances they cannot undertake any liability whatever in this matter. Their revenues have ceased to expand and they are only able with difficulty to maintain their existing institutions and services. They have had to cut down increases in recurring expenditure to the very narrowest limits. Further, the local Government do not receive directly any revenue from the proceeds of industry. The District Boards are empowered to tax certain industries by the imposition of road cess. The duty of subsidizing insurance could not be laid upon the District Boards, while the provincial revenues derive no benefit from this cess. Lastly, the local Government do not consider that they would be justified in undertaking to subsidize insurance and medical relief for a small class of the community at the expense of the rest even if they could afford it, until such time as they are able to provide adequate medical relief for the population in general. If State aid is necessary for the creation of an insurance scheme, the local Government are of the opinion that the liability must fall upon the central Government.

5. In view of the results of this survey of the situation, the local Government consider that further investigation of the problem in Bihar and Orissa at the present stage is premature and is unlikely to be profitable. They have, therefore, not appointed a committee.

Summary of information collected.

The result of the inquiries made to ascertain the present extent of medical relief provided by the employers in the industries of this province are summarized below.

Major Industrial areas.

1. *Jamshedpur, Tatas and allied factories.*—Complete medical relief is provided for all employees free of charge both at the Co.'s hospital and at the workers' home. The Co. maintains a hospital with 144 beds, an isolation hospital with 36 beds and a segregation ward, 5 dispensaries and 2 first-aid stations. The medical staff consists of 27 doctors, 19 nurses, 31 compounders, 21 dressers and 40 sanitary inspectors.

Accident allowances are paid to all persons injured while incapacitated. Persons absent owing to sickness count their absence against leave under the Co.'s rules. But no sick leave or allowances are paid to the coolie force. This force is engaged on a purely weekly basis and is paid when actually working.

2. *The Imperial Tobacco Co.'s factory at Monghyr.*—The Company maintains an out-door dispensary. Medical treatment is given free to all employees. But there is no indoor hospital. No reports have been received regarding sick pay.

3. *Jharia and Mugma coalfields, Manbhum.*—At present 214 collieries are working. The medical and public health organization of the collieries is under the statutory control of the Jharia Mines Board of Health appointed under the Bihar and Orissa Mining Settlement Act of 1920. The collieries own 11 hospitals (owned by European firms), 72 equipped colliery dispensaries for out-door and accident relief. All collieries which do not possess dispensaries keep a prescribed stock of drugs and medical equipment. There are, in addition, district board dispensaries and a central hospital at Dhanbad. The collieries maintain 68 qualified doctors and 5 principal medical officers. These doctors are employed by 156 collieries;

APPENDIX V.

58 collieries are exempted from employing the medical officer as they employ a labour force of less than 30 persons.

Fifty-eight collieries pay sickness benefit regularly for both sickness and accident cases at rates varying from 2 as. to Rs. 1-8-0 per diem. Ten collieries pay accident benefit only at 3 as. to Rs. 3 per diem and 7 others provide diet during illness. The Indian Mining Federation reports that it is practice of its members to pay a *bhatta* roughly equivalent to daily wages during short illnesses. But nothing is done in cases of prolonged illness as the labourers themselves leave the mines and return to their villages. Generally speaking organized sick benefits are paid principally by the big collieries while the benefits in the smaller concerns are sporadic and not on any defined basis.

4. *Giridih coalfields.*—The proprietors of the East Indian Company provide complete medical relief. There is also a self-supporting Miners Benefit Fund which is maintained from contributions from the workers, men's subscription being one pice a week and the women's half a pice. From this sickness allowances and bonuses for births, marriages and deaths are paid. The fund has been in existence since 1892 and is self-supporting. The proprietors, in addition, provide both injury and old-age pensions to their miners.

5. No reports have been received regarding the *smaller coalfields* in Hazaribagh *i.e.*, Ramgarh, Bokharo and Karanpurah. These are also owned by State railways and presumably provide medical relief.

6. *The Jamalpur Railway Workshops, E. I. R.* maintains a large railway hospital fully equipped and staffed by one European Medical Officer, one Assistant Surgeon and three Sub-Assistant Surgeons. There is also an out-door dispensary. The workers receive free treatment in hospital. The employees are entitled to sick leave on pay under the Company's rules.

7. *In the Mica mining area* only one concern, Chrestien and Co., maintains a hospital and provides medical relief. The other mines are practically all owned by Indians on a small scale.

Industrial concerns outside the main Industrial Areas.

An inquiry was made by the Director of Industries with regard to (a) the extent of medical relief provided, and (b) the proportion of stable to seasonal employees in small factories scattered throughout the province.

The reports indicate that 39 per cent. of the total factory population outside the main industrial centres dealt with above receive medical relief at dispensaries provided by the employers; 57 per cent. are able to obtain medical treatment at public dispensaries within which the factory lies, while 4 per cent. are unprovided with any medical facilities. Relief provided by the employers occurs mainly in the Champaran and Darbhanga districts and in the Manbhum and Singhbhum districts of Chota Nagpur. The percentages given above are not altogether reliable because, firstly, a part of the mining area has been taken into consideration which should have been excluded from the inquiry and, secondly, the percentages have been calculated not on the total turnover of workers but on the maximum number of workers employed at the busy season.

The statistics on the subject of stability of workers are not given in this note because the results received have proved to be unreliable.

LETTER FROM THE GOVERNMENT OF THE CENTRAL PROVINCES, No. C-22[652-XIII,
DATED THE 17TH APRIL 1929.

The possibility of introducing some provision for sickness insurance was examined by a small informal committee including a few representatives of employers and employees. The report of that committee together with the forwarding letter of Director of Industries, Central Provinces, accompanies this letter.

2. It will be observed that the members of the committee with the exception of the representatives of the employees are emphatically of opinion that any scheme of compulsory insurance is unworkable in practice. The local Government agree that the introduction of such a scheme must be attended by greater difficulties in a country where the path to compulsion has not been made easier by the existence of voluntary schemes of insurance, which are found where the system of Trade Unions is more developed. The extent of these difficulties cannot however be accurately estimated until an attempt has been made to put a scheme into operation, and the local Government is not prepared to accept the contention that they are insurmountable. It will, however, be conceded that, if an experiment is to be made, it must in the first instance be confined to industries in which labour is reasonably stable, that is to say, so far as the Central Provinces is concerned, to the Textile, Coal and Managanese Industries. Nor is there any valid reason that the scheme should not equally apply to labour employed on public or quasi-public enterprises such as the railways or under departments of Government such as the Public Works Department. It follows that the sickness insurance must be organised on an industrial and not a regional basis.

3. I am further to point out that the time for the introduction of an innovation affecting the relations of capital and labour must be carefully chosen. At present labour is in a state of unrest—more so perhaps in other parts of India than in the Central Provinces. The introduction of a scheme of compulsory insurance would at the present moment in all probability be accompanied by organised attempts on the part of labour to shift the whole of the burdens to capital. Should these attempts be successful, the scheme would in effect lose one of its essential features that contributions should be levied alike for employers and employees. While therefore there is no objection to the preparation of a complete scheme, the local Government feels considerable doubt as to whether the present time is propitious for its introduction.

4. The Government of India has directed attention to certain factors which must receive attention in any consideration of the problems. The provision of adequate medical facilities acceptable to the workers obviously is of paramount importance. The Director of Industries has suggested in paragraph 8 of his letter that in urban areas the labourer should have the option of applying to reliable indigenous practitioners. Considerable practical difficulties would arise if there were two separate authorities to which the labourer desiring a certificate of sickness could apply; indeed it might result in such certificates of sickness being obtainable with insufficient justification. The local Government would therefore suggest that for all industries, both urban and rural, the western system of medicine should be utilised. Any prejudice that exists against that system would probably disappear in due course as a result of the benefits to labour resulting from sickness insurance. It is clear that the difficulties of administration from a medical point of view would be enhanced if the persons insured do not remain in the area within which the organisation applicable to them can effectively operate. These difficulties will be minimised by the application of the scheme to industries with a stable labour force, but the local Government agrees with the Director of Industries that in order to simplify the administration, sickness benefits should be confined to persons who remain within specified areas.

5. It is not possible in the absence of statistics as to the number of workers who would be incapacitated by sickness to compute the cost of the scheme, even if the scale on which benefits are to be granted were laid down. It follows that it is equally impossible to assess the proportion which the expense of administration bears to that cost. In the initial stages of the scheme the administrative machinery for the settlement of disputes could probably be the same as that already provided under the Workmen's Compensation Act, but in order to prevent disputes either party should have the right of obtaining a second opinion in addition to that of the panel doctor before recourse is had to a tribunal for the settlement of disputes. This opinion should be that of a Government medical officer.

6. No demand has hitherto been put forward by the workers of this province for a contributory scheme of compulsory sickness insurance, and the local Government accepts the view of the Director of Industries that employees as a class will be opposed to making any contribution. It is only when benefits are realised that this opposition can be expected to decrease. Labour, however, as a whole will obtain an indirect increase in its earnings to the extent of the contribution by the employers less any overhead charges borne by the fund. Provided, therefore, that contributions are not pitched unduly high, there is no reason to suppose that the classes whom it is proposed to insure will be unable to meet those charges.

7. The question as to the extent to which State assistance can be granted is an important one. The demand for the augmentation of this assistance whether directly or indirectly is certain to be insistent, and the finances of the province are not in a position to bear the addition of what may prove to be a large and growing liability. It is, therefore, necessary that at the outset the contribution of the State should be clearly defined. If this proposition be accepted, the most practical solution is for the State to bear the cost of administration. This will include the keeping of accounts, the provision of Government medical officers to give a second medical opinion, and the provision of the machinery for the settlement of disputes. Ultimately when the financial liability can be more exactly determined it might be possible for the State to contribute a portion of the remuneration of panel doctors representing the cost of giving certificates of sickness leaving the fund to bear the cost of treatment.

8. In conclusion I am to point out that labour welfare is a provincial subject though subject to legislation in the Central Legislature. The local Government is fully alive to the necessity of co-ordination in matters affecting the conditions of labour, but considers that co-ordination can and should be secured by joint deliberations between the provinces at which the main principles can be settled. Control by the Central Legislature over a provincial subject should be exercised as rarely as possible. Moreover constitutional changes are now under consideration, and the local Government would deprecate the initiation of legislation in the Central Legislature in connection with a provincial subject, when there is a possibility that the provincial legislature may have unfettered control before that legislation has reached its final stage.

COPY OF LETTER No. C|12, DATED THE 22ND MARCH 1929, FROM R. N. BANERJEE, ESQ., I.C.S., DIRECTOR OF INDUSTRIES, CENTRAL PROVINCES, TO THE SECRETARY TO GOVERNMENT, COMMERCE AND INDUSTRY DEPARTMENT, CENTRAL PROVINCES.

I have the honour to forward herewith copy of a memorandum of the proceedings of the meeting of the special committee appointed to consider the proposals for Sickness Insurance contained in Government of India's letter No. L-1518, dated the 20th September 1928.

2. It will be seen that all the members of the committee except the two representing the organised workers of Nagpur consider any scheme for Sickness Insurance impracticable at the present stage of the industrial development of these provinces.

3. Although there is no sort of formal provision for any kind of sickness insurance in the industrial concerns of the province at present it is not accurate to say that large scale employers are entirely unmindful of their duties in this respect. A few of the large industrial concerns, *e.g.*, the Empress Mills of Nagpur, the Pench Valley Coal Co., Ltd., Parasia (Chhindwara district), provide free medical attendance and treatment for their employees as part of the welfare organisation attached to their works. The Pench Valley Coal Fields Co., Ltd., extend such free medical facilities even to the dependents of their employees and also grant a subsistence allowance or half wages to their employees so long as they are not fit for duty through illness.

4. I agree in the Committee's view that no such scheme can be applied to agricultural labour as it is far too unorganised and migratory at present in these provinces. For similar reasons I differ from the other members of the Committee and think no such scheme will be workable in respect of seasonal factories like the ginning and pressing factories in the cotton areas of the provinces.

5. I however think that there is a strong case for making obligatory such provision for the insurance of the workers against sickness as some of the larger industrial concerns have found it to their interest to organise on their own initiative. This provision should include both medical attendance and an allowance for the period of sickness as suggested in paragraph 3 of the Government of India's letter. Formal provision for Sickness Insurance should be made in all industries in which the labour employed may be said to be more or less stable. In these provinces the only such industries are the textile mills, oil mills and a few isolated perennial factories or works like the Katni Cement Works. To these we might also add the railway. The workers in these concerns remain attached to them more or less permanently. For example, out of some 8,000 employees in the Empress Mills, Nagpur, nearly 5,000 have been there for more than two to three years and nearly 4,000 for more than five years. It is easy to compile a list of such perennial works in the provinces.

6. Assuming that such a scheme will be applicable to concerns of the nature indicated above, my view is that insurance must be made compulsory. The average Indian labourer has not as yet developed the foresight and commonsense to realise the advantages of such a scheme. The Empress Mills, Nagpur, for example, have had a very liberal scheme of voluntary Sickness Insurance in force for the last eight or nine years; but out of 8,000 employees not more than 50 have cared to take advantage of it in any one year. This may be taken as a fair indication of what would happen to any optional scheme of this kind in these provinces.

7. I am at one with the majority of the committee in the view that the funds necessary for giving effect to any insurance scheme must be raised by contributions from the employers and the employed; and that Government should be responsible for the organisation and financing of the machinery that will be necessary for administering these funds and the scheme very much on the same principle on which the Government now entrusts to its officers the function of the Commissioner under the Workmen's Compensation Act.

8. I now touch on the several points raised in paragraph 5 of the Government of India's letter.

(1) The perennial works in which the labour is comparatively permanent are mostly in urban centres and it is possible to provide the necessary

medical facilities. Special arrangements in the mining areas are quite feasible.

- (2) Only a negligible minority may object to medical facilities according to the Western system. A panel of reliable indigenous practitioners (Hakims and Vaid) in the urban centres will be available. For areas like the coal fields provision must be included that workers insisting on indigenous medical facilities will forfeit the benefits of any such scheme.
- (3) The great majority of the stable element of labour in such works are likely to remain within the local area of the works. In any case, it would be quite fair to provide in the scheme that workers leaving that area during sickness will forfeit the benefits of the scheme.
- (4) It is difficult to indicate this accurately without a closer study of the question. But roughly I am inclined to put the expense of the administration at one-fifth of the total cost of the scheme.
- (5) The proportionate deduction from the wages of the classes to be insured will not entail any real hardship ; but in their present frame of mind, they will strenuously oppose all such deduction. One can easily imagine what will be the first effect of the introduction of any such scheme, say, three years hence. All the workers will immediately demand an increase of their pay to the extent of the amount of their contribution to the scheme.
- (6) *Vide* paragraph 7 above.

9. I agree with the committee that a regional organisation for the administration of the insurance funds would be more suitable to these provinces ; and that, as in a matter like this uniformity is desirable, legislation should be central with provision for the local Government making rules.

10. For drawing up more detailed constructive proposals a much closer study of the question than I have been able to make is necessary. At present I can offer my views only on the general principles involved in the proposals indicated in the Government of India's letter. I may, however, add that the Japanese Act of 1922 appears to be a suitable model for India.

Proceedings of the meeting held on the 20th February 1929 of the Committee appointed for the consideration of Government of India's proposals on Sickness Insurance.

PRESENT :

- (1) Director of Industries (*Chairman*).
- (2) Director of Agriculture.
- (3) Mr. J. BOYD, Manager, Katni Cement and Industrial Co., Ltd., Katni (Jubbulpore district).
- (4) Mr. A. H. PARRY, Manager, Pench Valley Coal Fields Co., Ltd., Parasia (Chhindwara district).
- (5) Mr. SHYAM SUNDER BHARGAVA, M.L.C., Malguzar, Jubbulpore.
- (6) Rao Bahadur G. R. KOTHARE, President, Factory Owners' Association, Khamgaon (Buldana district).

- (7) Mr. L. H. BARTLETT, M.L.C., President, C. P. and Berar Manganese Ore Co., Ltd., Nagpur.
- (8) Mr. R. W. FULAY, M.L.C., Press Employees' Association and Model Mills Textile Union, Nagpur.
- (9) Mr. R. S. RUIKAR, General Secretary, Provincial Trade Union Congress Committee and Secretary, Nagpur Textile Union, Nagpur.

All except Messrs. Ruikar and Fulay think that such a scheme is not practicable at the present stage of the industrial development of the province, and if introduced, would lead to unnecessary complications and would probably result in the workers being deprived of the minor benefits that are now already provided in some of the larger mining and textile concerns. Messrs. Parry, Bartlett, Boyd and Rao Bahadur Kothare lay special stress on this point.

Assuming that some sort of scheme of Sickness Insurance should be introduced all agree that it should be compulsory and contributory.

Mr. Fulay's views are that compulsory insurance should be introduced only when a certain percentage of the workers in any factory or works ask for it; and that workers drawing Rs. 30 or less per mensem should not be made to contribute anything towards the insurance funds and only workers earning more than Rs. 30 per mensem should be made to contribute.

All agree that the State should bear the entire administrative cost, that is to say, the cost of the organisation that may be necessary for administering the insurance funds and scheme and that the State should not make any contribution towards the insurance funds proper. Mr. Ruikar dissents and adds that in addition to bearing the total cost of the administration of the funds the State should also contribute towards the insurance proper. The worker should contribute one-fourth and the remaining three-fourths should be shared by the employers and the State, half and half.

2. *What Industries can the scheme be applied to?*—All agree that agricultural labour is far too unorganised for the scheme. It should therefore be ruled out. The scheme should be applied to mines, textile and other mills and factories, railways and P. W. D. workers whether departmental or in the employ of contractors.

There was much discussion on the feasibility of applying the scheme to seasonal factories. It was agreed that any scheme, if introduced, should also be extended to seasonal factories even though the employees might benefit only during the period of 6 or 7 months during which they would work in the factories. Even in the mines only 60 or 70 per cent. of the labour at most may be said to be stable and the rest migratory. If the scheme is thus applied to mines there is no reason why it should not be applied to other seasonal factories like cotton ginning and pressing factories.

Mr. Fulay however adds that it would not be worthwhile applying any scheme to seasonal factories employing less than 100 persons. It is suggested that the exclusion of the seasonal factories would cause hardship to such workers as would join some other industrial concern after leaving them. The number of such employees would not however be appreciable as most of these workers in the seasonal factories go back to their villages and very few of them join any other industry.

Only Mr. Plymen was keen on the insurance of domestic servants as well. Others do not think that it is worthwhile extending any such scheme to them.

3. It emerges during the discussion that the migratory element of the labour in these industries mostly goes back to the villages presumably for agriculture.

4. The great majority of the workers would take advantage of the medical facilities provided.

Mr. Ruikar suggests that the Government should draw up a list of Hakims and Vaidis in the villages of which the employees may avail themselves in the off-season. This to some extent would meet the difficulties arising from the lack of medical facilities in the interior. The lack of such facilities is admitted by all.

5. All agree emphatically that the employees would not agree to the deductions from their pay. Messrs. Fulay and Ruikar say that they will agree if the benefits of the scheme are properly explained to them.

6. A territorial or regional organisation for administering the insurance funds would be better than occupational one.

7. Legislation should be central with provision for the Local Government making rules.

8. In conclusion all repeat that the scheme would be impracticable. Messrs. Fulay and Ruikar dissent. Messrs. Plymen and Boyd suggest that money would be better spent on providing general medical facilities which would also benefit agricultural workers.

APPENDIX VI.

Mr. Joshi's Maternity Benefit Bill.

A

BILL

TO

Regulate the employment of women in factories and mines and on those estates to which the Assam Labour and Emigration Act, 1901, applies some time before and some time after confinement, and to make provision for the payment of maternity benefit.

VI of 1901. WHEREAS it is expedient to regulate the employment of women in factories and mines and on those estates to which the Assam Labour and Emigration Act, 1901, applies some time before and some time after confinement, and to make provision for the payment of maternity benefit during the period of absence from work due to advanced state of pregnancy and confinement ; It is hereby enacted as follows :—

Short title, extent and commencement. 1. (1) This Act may be called the Maternity Benefit Act, 192 :

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on the first day of January, 1926.

Definitions.

2. In this Act,—

- (a) "factory" means a factory as defined in the Indian Factories Act, XII of 1911. 1911 ;
- (b) "mine" means a mine as defined in the Indian Mines Act, 1923 ; IV of 1923.
- (c) "estate" means an estate as defined by the Assam Labour and Emigration Act, 1901 ; VI of 1901.
- (d) "qualified medical practitioner" means a qualified medical practitioner as defined in the Workmen's Compensation Act, 1923 ; VIII of 1923.
- (e) "benefit" means benefit as provided for by this Act ;
- (f) "employer" includes an "occupier" of a factory as defined in the Indian Factories Act, 1911, or the "manager" of a factory, or an "owner" of a mine or his "agent" as defined by the Indian Mines Act, 1923, or the "manager" of a mine, or the "chief person" for the time being in charge of any "estate" ; IV of 1923.
- (g) "Inspector of Estates" means an Inspector as defined by the Assam Labour and Emigration Act, 1901 ; VI of 1901.
- (h) "Inspector of Factories" means an Inspector as defined by the Indian Factories Act, 1911 ; XII of 1911.
- (i) "Chief Inspector of Mines" means a Chief Inspector as defined by the Indian Mines Act, 1923 ; and IV of 1923.
- (j) "Inspector of Mines" means an Inspector as defined by the Indian Mines Act, 1923.

3. In any factory or in a mine or on an estate to which the Assam Labour Employment of women at and Emigration Act, 1901, or any section thereof VI of 1901. the time of confinement and applies, a woman—
payment from Maternity Bene-
fit Fund.

- (a) shall not be knowingly employed during the six weeks following her confinement ;
- (b) shall have the right to leave her work if she produces a medical certificate from a qualified medical practitioner stating that her confinement will probably take place within six weeks ;
- (c) shall, while she is absent from her work in pursuance of clauses (a) and (b) of this section, be paid by the Local Government in accordance with rules made for this purpose, out of a fund to be established for this purpose and called the Maternity Benefit Fund, benefit sufficient for the full and healthy maintenance of herself and her child, the amount of which shall be determined in accordance with rules made by the Local Government.

4. If a woman dies at her confinement or during the period for which she is entitled to benefit, the remaining sums due as during period of confinement. maternity benefit shall be paid to the person who undertakes the care of the child in accordance with rules made by the Local Government.

5. Where a woman is absent from her work in accordance with clause (a) or clause (b) of section 3, it shall not be lawful for her employer to give her notice of dismissal during such absence or at such a time that the notice would expire during such absence.

6. An employer contravening any provision of this Act or any rule made thereunder shall be punishable with fine which may extend to five hundred rupees.

Powers of Local Governments to make rules.

7. Every Local Government shall make rules—

- (a) for the establishment of a Maternity Benefit Fund ; for fixing the amount of contribution to be paid to it by each factory or mine or estate ; for the collection of the contributions and for the management and safe custody of the fund ;
- (b) for determining the manner of payment of the benefit to the person entitled to receive it ; and
- (c) for fixing the amount of benefit to be paid under this Act.

XII of 1911, IV of 1923, VI of 1901, tors.

8. The Inspector of Factories or the Chief Inspector of Mines or an Inspector of Mines or an Inspector of Estates shall have and perform the same powers and duties for the purpose of clauses (a) and (b) of section 3, and section 5 as they have and perform for the purpose of the Indian Factories Act, 1911, the Indian Mines Act, 1923, and the Assam Labour and Emigration Act, 1901, respectively.

STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is twofold :—Firstly, it is intended to prohibit the employment of women in those industries the work in which is regulated by law, six weeks after confinement, to enable them to leave work six weeks before confinement and to prevent them from being dismissed from service during the days of their absence from work due to their advanced state of pregnancy and confinement. Secondly, during the period of her absence due to the above-mentioned reasons a woman worker should be provided with financial help sufficient to maintain herself and the child in a healthy condition. The money necessary for this purpose is to be raised by the Local Government by levying contributions upon the industries covered by the Bill in the form of a small cess on the products of the industries or in some other convenient form to be decided by the Local Government. The amount to be given to each woman entitled to receive the benefit and the manner of payment and other matters connected with the Bill are left to be settled by the Local Governments by rules made by them.

The Bill seeks to carry out some of the proposals contained in the Draft Convention passed at the first International Labour Conference held at Washington in 1919. If India desires to secure her proper place among the civilised nations of the world she cannot plead her inability to treat her women workers in the way in which civilised nations are expected to do. Moreover, there seems to be a natural desire in the country for rapid industrialization. But if Industrialism is to be an unmixed blessing to the working classes, timely provision must be made to avoid and counteract the evils incidental to the introduction of the new system. There is no doubt that if women continue their long and arduous work in factories, mines and other organised industries even in an advanced state of pregnancy and immediately after confinement their health and the health of their children will not fail to suffer.

Provision of maternity benefit during the days of enforced absence is necessary as without such provision, mere prevention of work will be a measure of doubtful utility. It is but fair that the financial burden of the provision of the maternity benefit should fall upon industries that employ women with their natural sex

disabilities. Moreover, as only a small proportion of women out of the total number of women employed will be eligible for the maternity benefit during the course of the year, the incidence of the burden will be very small. To prevent women workers from being dismissed some time before they become entitled to the maternity benefit it is necessary that the maternity benefit should be paid out of the general fund and not by individual employers. As the welfare of labour is a Provincial subject it is only proper that the working out of the scheme for the maternity benefit should be left to Local Governments.

N. M. JOSHI.

BOMBAY,

The 2nd July, 1924.

APPENDIX VII.

Bombay Maternity Benefit Act, 1929.

An Act to regulate the employment of women in factories some time before and some time after confinement and to provide for the payment of maternity benefit to them.

(As read for the third time and passed on the 15th March 1929.)

WHEREAS it is expedient to regulate the employment of women in factories some time before and some time after confinement and to provide for the payment of maternity benefit to them in the manner hereinafter provided; And Whereas the previous sanction of the Governor General required by sub-section (3) of section 80-A of the Government of India Act and the previous sanction of the Governor required by section 80-C of the said Act have been obtained for the passing of this Act; It is hereby enacted as follows:—

5 & 6 Geo.
V. c. 61.

Short title.

1. This Act may be called the Bombay Maternity Benefit Act, 1929.

2. (1) This Act shall apply in the first instance to the Bombay Suburban District and the cities of Bombay, Ahmedabad, Viramgam, Surat, Broach, Jalgaon Sholapur, Belgaum, Amalner and Karachi. The Government may, from time to time, by notification in the *Bombay Government Gazette* extend this Act to such other places as it thinks fit.

(2) It shall come into operation on the first day of July 1929.

Definitions.

3. In this Act, unless there is anything repugnant in the subject or context,—

(a) "employer" includes an occupier of a factory as defined in the Indian Factories Act, 1911, and the manager of a factory;

XII of 1911.

(b) the expressions "employ", "employed", "factory", and "inspector of factories" shall have the same meanings as are respectively assigned to them under the Indian Factories Act, 1911;

XII of 1911.

(c) "maternity benefit" means the amount of money payable under the provisions of this Act to a woman employed in a factory.

Employment of or work by women in factories prohibited during certain period.

4. After this Act comes into operation,—

- (1) no employer shall knowingly employ a woman in any factory during the four weeks immediately following the day of her delivery ; and
- (2) no woman shall work in any factory during the four weeks immediately following the day of her delivery.

5. (1) Subject to the provisions of this Act, every woman employed in a factory shall be entitled to the payment of maternity benefit at the rate of eight annas a day for the actual days of her absence for the period immediately preceding her confinement and for the four weeks immediately following her confinement as mentioned in sub-section (2) :

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

(2) The maximum period for which any woman shall be entitled to the payment of maternity benefit shall be seven weeks, that is to say, three weeks up to and including the day of her delivery and four weeks immediately following that day. If a woman dies during this period the maternity benefit shall be payable only for the days up to and including the day of her death.

6. (1) Any woman employed in a factory and entitled to maternity benefit under the provisions of this Act, who is pregnant may, on any day, give notice in writing to her employer stating that she expects to be confined within one month next following, that her maternity benefit may be paid to her, and that she will not work in any employment during the period for which she receives maternity benefit.

(2) The employer shall thereupon permit such woman to absent herself from the factory from the following day until four weeks after the day of her delivery.

(3) The amount of maternity benefit for the period up to and including the day of delivery shall be paid by the employer to the woman within forty-eight hours of the production of a certified extract from a birth register stating that the woman has given birth to a child. The amount due for the subsequent period shall be paid punctually each fortnight in arrear.

7. If a woman entitled to maternity benefit under this Act dies during the period for which she is entitled to maternity benefit in case of a woman's death, the employer shall pay the amount of maternity benefit due, if the newly born child survives her, to the person who undertakes the care of the child ; and if the child does not survive her to her legal representative.

8. When a woman absents herself from work in accordance with the provisions of this Act it shall not be lawful for her employer to give her notice of dismissal during such absence or on such a day that the notice will expire during such absence.

9. If a woman works in any factory after she has been permitted by her employer to absent herself under the provisions of section 6 she shall forfeit her claim to the payment of the maternity benefit to which she is entitled.

10. If any employer contravenes the provisions of this Act he shall, on conviction, be liable to a fine which may extend to five hundred rupees.
 Penalty for contravention of the Act by an employer.

11. If any woman works in any factory within four weeks of the date of her delivery she shall be liable, on conviction, to a fine not exceeding ten rupees.
 Penalty for contravention of the Act by a woman.

12. (1) No prosecution under this Act shall be instituted except by or with the cognisance of offences. the previous sanction of the inspector of factories.

(2) No Court inferior to that of a Presidency Magistrate or of a Magistrate of the First Class shall try any offence against this Act or any rules thereunder.

13. No Court shall take cognisance of any offence against this Act or any rule thereunder unless complaint thereof is made within six months of the date on which the offence is alleged to have been committed.
 Limitation of prosecutions.

14. (1) The Governor in Council may make rules for the purpose of carrying into effect the provisions of this Act.
 Rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for,—

(a) the preparation and maintenance of a muster roll and the particulars to be entered in such roll ;

(b) the inspection of factories for the purposes of this Act by inspectors of factories ;

(c) the exercise of powers and the performance of duties by inspectors of factories for the purposes of this Act ;

(d) the method of payment of maternity benefit in so far as provision has not been made in this Act ; and

(e) any other matter for which no provision has been made in this Act and for which provision is, in the opinion of the Governor in Council, necessary.

(3) Any such rule may provide that a contravention thereof shall be punishable with fine which may extend to fifty rupees.

(4) The making of rules under this section shall be subject to the condition of previous publication. Such rules shall be laid on the table of the Bombay Legislative Council for one month previous to the next session thereof and shall be liable to be rescinded or modified. If any rule is modified the Governor in Council may accept the modification and reissue the rule accordingly or may rescind the rule.

15. A copy of the provisions of this Act and the rules thereunder in the local vernacular shall be exhibited in a conspicuous place by the employer in every factory in which women are employed.
 Copies of this Act and rules thereunder to be exhibited.

REPORTING OF ACCIDENTS DUE TO CAUSES NOTIFIED BY THE GOVERNMENTS OF BURMA,
BOMBAY AND BENGAL UNDER SECTION 34 OF THE INDIAN FACTORIES ACT.

Burma.

When there occurs in any factory :—

- (1) the bursting of any vessel subject to internal pressure other than an aerated water bottle or a boiler licensed under the Indian Boilers Act, 1923, or
- (2) the breaking of a rope or chain used for raising or lowering persons or goods by the aid of mechanical power or the collapse of any crane, winch or gantry used for raising or lowering persons or goods, or
- (3) the collapse or failure of any chimney or of any wall over five feet in height, or any post, pillar or beam on which depends the safety of any part of a structure near which any person is employed or may have occasion to pass, the manager of the factory shall forthwith notify the Inspector of the occurrence. When the report is under either clause (1) or clause (2) of this rule the manager shall state when the appliance was last examined or tested by a competent engineer and the result of that examination or test ; when the report is made under clause (3) the manager shall state what measures have been taken to prevent danger to persons working in the neighbourhood of the accident due to further collapse.

Bombay.

In exercise of the powers conferred by section 34 of the Indian Factories Act, 1911 (XII of 1911), the Governor in Council is pleased to notify the marginally noted causes as causes accidents due to which occurring in factories on or after the 1st April 1927 must be reported to the prescribed authority, in accordance with Rule 64-A,* by registered post within one hour of the occurrence, or the accident shall be reported by telegraph, telephone, or by special messenger within the same period.

- (a) Structural collapse,
- (b) The breaking of any rope, chain or other appliance used in raising or lowering persons or goods by the aid of mechanical or electrical power, or
- (c) Fires in cotton openers in cotton pressing factories.

Bengal.

Collapse of Buildings and Accidents to Plant or Machinery.—When in any factory there occurs any explosion, fire collapse of buildings or serious defects in machinery or plant, which might have caused or might cause injury to persons, such occurrence shall be reported by the manager within five hours of its occurrence to the authorities† mentioned in clauses (a) and (b) of rule 62 of these rules.

* (a) The Inspector of Factories, Ahmedabad in case of all Factories situated in Sind, and in the Districts of Ahmedabad, Kaira, Panch Mahala, Broach and Surat and in the Nawapur Taluka of the West Khandesh District, and

(b) the Chief Inspector of Factories, Old Customs House, Bombay, in all other cases.

† (a) The Inspector notified for the area in which the factory is situated, and

(b) the District Magistrate, or, if he by general order so directs, to the Subdivisional officer.

APPENDIX IX.

Workmen's Compensation.

LETTER TO ALL LOCAL GOVERNMENTS, NO. L1125, DATED THE 30TH NOVEMBER 1928.

I am directed to refer to the Bill* further to amend the Workmen's Compensation Act, 1923, for certain purposes which was introduced during the last session of the Legislative Assembly and circulated for the purpose of eliciting opinions thereon. This Bill* is confined to the amendment of those sections which are admittedly defective and to the introduction of changes which are likely to raise no important controversial points and which will be generally recognized as improvements. But now that some experience of the working of the Act is available, it is desirable to re-examine the principles underlying the present Act and its more important features. The Act was admittedly an experimental measure and many of its features owe their origin more to a desire to minimise the difficulties attendant on the introduction of an entirely new measure of this kind than to any belief in their permanent value.

2. *The scope of the Act.*—In any revision of the Act the two most important questions which require consideration are the definition of the workmen to whom the Act applies and the scales of compensation payable. The present Act aimed at the inclusion only of persons employed in branches of industry which were both organized and hazardous, and in extending the Act to fresh classes the Government of India have endeavoured to follow this principle. The great majority of the workmen who satisfy these conditions already come under the operation of the Act and if these conditions are to be maintained, no large extension of the scope of the Act is possible. It is difficult, however, to justify the exclusion of other classes of workmen on grounds of logic alone. The mere fact that an occupation cannot be described as hazardous is hardly sufficient justification for denying compensation to those who suffer from the rare accidents which occur and the fact that an industry is not organized in no way minimises the hardship which accidents involve on workmen or their dependants.

3. No great difficulty would be created by the inclusion within the Act of workmen engaged in branches of industry which are not particularly hazardous and which are organized, *e.g.*, to workmen employed on plantations. But the extension of the Act to workers in unorganized industries raises more serious problems, for the employer in an unorganized industry is not as a rule in a position to pay the compensation which would be due in the event of a serious accident. Nor would he be likely in most cases to take advantage of such facilities for insurance as are available. It would seem, therefore, that unless some scheme of compulsory insurance can be introduced, it would be unwise to contemplate any large extension of the scope of the Act. The Government of India are provisionally of the view that the endeavour to introduce any scheme of compulsory insurance, at any rate in unorganized industries, would be attended by serious administrative difficulties. In particular, the expense of administering such a scheme outside the more important urban areas would probably be prohibitive. But they would be glad if the Local Government would consider, in the light of the above observations, the desirability of bringing further classes of workers within the scope of the Act. In particular, they would welcome any specific suggestions for additions to Schedule II of the Act.

* This Bill has since been passed into law as Act V of 1929.

4. *The scales of compensation.*—The main principles of the existing scales of compensation are :—

- (1) The payment of a lump sum equivalent to 2½ years' wages of the deceased workman in cases of death of adult workmen.
- (2) The payment of lump sums equivalent to 3½ years' wages (or in the case of minors, 7 years' wages) in the case of complete permanent disablement with proportionately smaller sums for partial permanent disablement.
- (3) The payment of allowances at half the wage rate for workmen temporarily disabled, with provisions for commutation. The most striking feature of the Indian Act in this respect is the preference shown for lump sums as against recurring payments and there is no doubt that in a country where industrial labour is drawn to a large extent from distant areas the payment of lump sums involves much less administrative difficulty than the payment of pensions. On the other hand, money received in the form of lump sums, particularly by ignorant workmen and their dependants, is apt to be expended in an improvident manner ; and the payment of pensions, if it could be smoothly effected, would result as a rule in the receipt of substantially greater benefit for an equivalent amount of expenditure. The Government of India would be glad to know to what extent (if any) it is desirable, in the opinion of the Local Government, that recurring payments should be substituted for lump sum payments in granting compensation.

5. As regards the level of the scales, I am to invite attention to the Recommendation on the minimum scale of compensation laid down by the Seventh International Labour Conference. It will be observed that the main principle underlying this Recommendation is that the scales of compensation should be so framed as to provide the equivalent of two-thirds of the amount which the workman would have earned had he not been killed or incapacitated. The adoption of these principles in the Indian Act would involve an enhancement of one-third in the rate of payment for temporary incapacity and would probably involve substantial enhancements of the amounts payable on account of death or permanent incapacity ; and the Government of India desire to receive opinions regarding the desirability of altering the scales. They are provisionally inclined to the view that in respect of the more poorly paid workmen in particular an enhancement would be justified and that, whether the scales for workmen generally are modified or not, the minimum scales of compensation which result from the application of Schedule IV of the Act might suitably be raised.

6. *The waiting period.*—A farther question which arises in connection with the scales of compensation concerns the date from which compensation is payable. Under the Act as it stands at present, no compensation is payable in respect of the first ten days of disablement and it has been suggested that this waiting period is too long and results in hardship. While the period is admittedly longer than that prescribed by the great majority of Acts in other countries, the Government of India feel some doubt as to the wisdom of making a general reduction. It should be borne in mind that every reduction involves a very large increase in the number of cases that can be brought under the Act. Experience in other countries in respect of accident frequency indicates that a reduction of the present period by only three days would involve an increase of about 25 per cent. in the number of possible cases. And even if the period were reduced to as low as four days, the amount of compensation for temporary disablement due to a workman who was disabled for a period of less than ten days would seldom exceed Rs. 2 or 3, and it would not ordinarily be worth his while to contest such a claim where an employer refused to pay.

7. But the waiting period, in addition to excluding a large number of possible new claims for very short periods, operates to diminish the amount of compensation payable to workmen disabled for longer periods. And it is possible to minimize this effect without opening the door to a large number of trivial claims by providing that, where the disablement has lasted more than ten days, the workmen should be entitled to receive compensation from an earlier date, *e.g.*, from the fourth day of disablement. This method, which is known as "dating back" has been adopted in a number of Acts in other countries and was at one time in force in England. The disadvantage attendant on it is that it provides in a number of cases a strong temptation to malingering. For the workman who returns to work, for example, on the tenth day is entitled to no compensation, whereas if his disablement lasts for one more day, he receives compensation for a week. In spite of this disadvantage, the possibility of introducing "dating back" provisions deserves consideration.

8. *The definition of 'dependants'.*—The provisions of the Act relating to dependants were designed mainly in order to avoid administrative difficulties and it was recognized at the time that they might be somewhat arbitrary in their operation. The present law is briefly as follows. The amount of compensation to be distributed is independent of the number of their dependants and of the degree of their dependence on the deceased workman. Provided that there is a single relative falling within the group specified in section 2 (1) (d) of the Act, the whole of the compensation has to be distributed and, so far as the employer is concerned, the question of whether any of the relatives was actually dependent or not is immaterial. The Commissioner has complete discretion regarding the distribution of the amount and in exercising this discretion, he is naturally guided by the extent to which the various claimants were dependent on the deceased. But as the Act at present stands, he may be compelled on occasion to grant the whole of the compensation to relatives who are in no way dependent, and he may find himself unable to give compensation to other relatives who were dependent but who do not come within the definition of "dependant" given in the Act. The Government of India have received suggestions that the list of dependants should be enlarged, but they are provisionally of opinion that this would be an unwise step so long as the present principles are maintained. For, while there are other relatives who are in some cases actually dependent on the deceased, *e.g.*, widowed sisters and widowed daughters, every addition to the list of a relative who is not in the great majority of cases an actual dependant increases the risk of compensation going to those who have no just claim to it. And it would seem that if any amendment of these provisions is required, the amendment should be of a more radical character. Thus for example, it would be possible to enlarge considerably the list of relatives entitled to claim and to insist, at the same time, on some proof of dependence. It would also be possible to provide that the amount of compensation payable should vary with the number of the dependants and with the extent to which they were actually dependent on the deceased. Provisions of this nature would be more logical than those contained in the Act; but they would obviously be more difficult to administer than the existing law and the Government of India would be glad to know to what extent, in the opinion of the Local Government, it is advisable to move in the directions suggested.

9. *Liability of contractors.*—Sub-section (2) of Section 12 of the Act provides that where a principal is liable to pay compensation under this section he is entitled to be indemnified by the contractor. The whole section, which follows the British Act, contains no special provisions relating to sub-contracts, which are not uncommon in Indian industry; and some amendments appear to be desirable. A recent decision of the Calcutta High Court has made it apparent that no indemnification can be obtained under the Act from a sub-contractor in respect of compensation awarded against the principal for injuries sustained by a sub-contractor's workman. In such cases, the principal can recover from the contractor, but neither of them can secure indemnification from the sub-contractor in

the absence of an express contract providing for such indemnification. But it is open to the workman to secure compensation from the sub-contractor by whom he is directly employed. Thus the section, as it stands, has the undesirable effect of enabling a workman to decide in a particular case on which of the parties the ultimate liability should lie, and an amendment is accordingly required.

10. The most obvious amendment would be one permitting the liability to be passed on in every case to the person directly employing the workman, and such an amendment would be in accord with the general principle of the existing section. But it is at least questionable if this principle is entirely suited to Indian conditions. In many cases the contractors who are responsible for the employment of labour have little control over working conditions, and the main responsibility for such matters as the safety of the workmen rests not with the contractor, but with the principal. In a number of instances, and especially in the working of mines, the law definitely holds a particular party responsible for the safety of workmen and it is questionable if he should be at liberty to pass on the liability for compensation merely because he has not engaged the workmen directly. A possible alternative, therefore, would be so to amend the section as to provide that in any case where the contractor or sub-contractor is ordered to pay compensation, he shall be entitled to be indemnified by the principal. Such a provision would be subject to the exception contained in the present Section 12 (4) of the Act which makes the section inapplicable in cases where the accident occurred elsewhere than on the premises of the principal. There would, of course, be nothing to prevent a principal from entering into a specific contract with a contractor or sub-contractor providing for his indemnification, independently of the Act, against claims for compensation.

11. *Returns.*—While the majority of employers now send the prescribed returns punctually there is a substantial minority who fail to comply with the provisions of Section 16 of the Act. And a suggestion has been made that a penal clause should be introduced in the Act making it possible to impose a small fine on employers who fail to submit returns within the time prescribed. At present employers who intentionally omit to furnish returns can be prosecuted under Section 176 of the Indian Penal Code, but it has been urged that the difficulty of proving the element of intention renders this section insufficient for the purpose. The Government of India consider that the fact that a reminder or several reminders had been issued without result would in most cases suffice to establish intentional default, and they are doubtful if a special penal clause is necessary; but they would be glad to have opinions on the question.

12. Section 16 requires the submission by employers of correct returns specifying the number of injuries in respect of which compensation has been paid by the employer during the previous year together with such particulars as to compensation as the Governor General in Council may direct. As the section stands, employers cannot be legally compelled to submit returns in respect of injuries for which no compensation has been paid and it has been suggested that the scope of the section might be enlarged, so as to secure these returns and enable Government to judge of the extent to which injured persons succeed in getting compensation. This might be advantageous; but it would not be an easy matter to define the accidents in respect of which returns were required. It should be remembered in this connection that claims for compensation can arise in respect of injuries sustained elsewhere than on the employers' premises. And to call for returns in respect of injuries "arising out of and in the course of employment" would be to compel the employer to choose between restricting the returns to the cases in which he has paid compensation (and this is what is required at present) and admitting that he was liable to pay compensation in a number of other cases.

13. *Provisions relating to procedure in fatal accidents.*—Finally, the Government of India desire to suggest some improvements in the procedure relating to fatal accidents, with particular reference to Section 22 (1) of the Act. As the law stands at present, under sub-section (1) of Section 22 a dependant who finds that no compensation has been deposited on behalf of a deceased workman must first approach the employer. This appears to be illogical as, in the case of fatal accidents, it is not possible for the parties to reach an agreement that will be final. The duty of deciding what compensation, if any, should be given to each dependant rests solely with the Commissioner and an agreement between any dependant and an employer is effective only in so far as it is an agreement on the employer's side to deposit compensation. The dependant can make no corresponding agreement to accept the compensation. As all cases of fatal accidents must come before the Commissioner and failure to deposit compensation is equivalent to a denial of the claim, the Government of India are inclined to the view that Section 22 should be amended in such a manner as to enable a dependant who claims compensation to approach the Commissioner for the settlement of his claim without first applying to the employer. This change would not affect the right of the employer to a notice of the accident.

14. Section 22 of the Act effectively prevents the Commissioner from initiating proceedings on his own motion. It has been suggested that in a country like India where the class of people, from which workmen are drawn, is almost entirely illiterate, the Commissioner should be given powers to initiate proceedings to secure the payment of compensation in cases where, owing to ignorance, no claim has been made. The proposal, as stated in this form, is open to serious objections, the main one being that it would tend to remove the Commissioner from the position of a referee to that of a partisan and to weaken the confidence of employers in his impartiality. The Government of India, however, consider that the migratory character and the general illiteracy of the workers in India and the absence of well organized trade unions furnish grounds for taking special measures for securing to the dependants of a deceased workman the compensation which is due to them under the Act. For example, a provision might be made under which an employer would be bound to give notice to the Commissioner within a prescribed period of all accidents to his workmen which have terminated fatally. Failure to give such notice would render the employer liable to a fine. The notice would include certain specified details and would also include a statement whether the employer proposed to deposit compensation with the Commissioner or not; and if not, his reasons for not doing so. Where the employer did not propose to deposit compensation, the Commissioner might be authorized to convey to the dependants of the deceased employee an intimation that it was open to the latter to take such further action in the matter as they might desire to take under the Act. Alternatively, other officers, *e.g.*, Inspectors of Factories and Mines might be authorized to prefer complaints (and to secure that the proper notice was served on the employer) in cases where they believed that a workman had been killed in circumstances giving rise to a claim for compensation, and where no compensation had been deposited. The Government of India would be glad if these suggestions could be considered; they will be ready to consider any other suggestions designed to meet the difficulty.

15. In a number of cases Commissioners for Workmen's Compensation have been unable to award compensation payable under the Act owing to the fact that the dependants of a deceased workman could not be traced, and a suggestion has been made that employers should be obliged to register the names and addresses of the nearest relatives of each of their workmen as soon as the workman is taken into employment. The Government of India are inclined to view such a proposal favourably, but they consider that the procedure suggested could only be introduced effectively for certain limited classes of workmen, *e.g.*, those employed in factories, mines and railways. In the case of a factory, for example, the employer has to keep a register of all the persons employed, and the names and

addresses of the nearest relatives could be entered at the time when the entry of a workman's name is first made. These registers could be examined periodically by Factory Inspectors. On the other hand, the enforcement of a rule in the building trades, for example, would be scarcely possible. Another possible objection to this proposal is that in some areas workmen might be unwilling to give their wives' names and the wife, when living, is the most important dependant.

16. Cases arise in which the amount of compensation deposited on account of a fatal accident is inadequate and the Commissioner is at present precluded from taking steps on his own initiative to secure that the full amount of compensation is paid. He must await an application from a dependant before taking any action in this respect. As the deposit of compensation is tantamount to an admission of liability, it would seem to be desirable that the Commissioner should be empowered to call upon the employer depositing compensation in any particular case to show cause why he should not deposit the additional amount sufficient to bring the compensation up to the prescribed sum.

17. Section 8 (1) of the Act does not prescribe any particular period during which the payment must be made by the Commissioner, but it is doubtful whether he can, without statutory authority, withhold a payment for the period which are sometimes necessary for the decision of an appeal by a High Court. It has, therefore, been suggested that Section 8 (1) of the Act should be amended so as to empower the Commissioner to withhold payment in cases where an appeal has been filed against his decision. The High Court might similarly be empowered to order in any particular case that the distribution of compensation should be suspended pending their decision.

18. In conclusion, I am to set out briefly the main questions on which the Government of India desire to receive opinions. These are as follows :—

- (1) To what fresh classes of employees, if any, should the Act be extended ?
- (2) Should any provisions be introduced for securing workmen against possible loss by reason of the inability of their employer to pay any compensation that may be due ?
- (3) To what extent, if any, should recurring payments be substituted for the lump sums at present payable under the Act ?
- (4) Should the scales of compensation be enhanced either for the more poorly paid workmen or generally ?
- (5) Should the waiting period be reduced either generally or in the case of those workmen who are disabled for more than ten days, and if so to what extent ?
- (6) Should the list of relatives entitled to claim compensation be enlarged ?
- (7) Should proof of dependence be required in order to enable a relative to claim compensation ?
- (8) Should the compensation payable vary with the number of dependants and with the extent of their dependence on the deceased workmen ?
- (9) Should Section 13 of the Act be amended
 - (a) so as to place the ultimate liability for compensation on the person directly employing the workmen in every case, or
 - (b) so as to place the ultimate liability for compensation on the principal, or
 - (c) in any other manner ?

- (10) Should any penalty be provided in the Act for failure to comply with the provisions of Section 16 ?
- (11) Should employers be required to submit returns of accidents in respect of which compensation has not been paid, and if so, to what accidents should this provision apply ?
- (12) Should a dependant claiming compensation be relieved of the necessity of approaching the employer for the settlement of his claim ?
- (13) What steps, if any, should be taken to ensure that dependants who may have valid claims for compensation do not lose compensation through ignorance of their rights ?
- (14) Should employers be required to maintain a register of relatives of their workmen ?
- (15) Should Commissioners be empowered to call on employers depositing inadequate compensation for fatal accidents to make a further deposit ?
- (16) Should provision be made for the suspension of distribution by the Commissioner pending the disposal of an appeal against his decision ?

Other amendments of the Act may suggest themselves to Local Governments or those consulted by them, and the Government of India will also be glad to receive any suggestions relating to points which are not discussed in this letter. I am to request that, after consultation with representative organizations of employers and employees and others who may be interested in the operation of the Act, a reply may be sent to this letter not later than 1st July 1929.

General exemptions for all

| Classes of work or classes of workers. | Sections under which exemption is granted. | Sections from which exemption is granted. |
|--|--|---|
| <i>Madras.</i> | | |
| Persons of the male sex employed in engine room and boiler house. | 32A (a) .. | 22 .. |
| Work in mechanic shop, smithy or workshop, or in connection with millgearing, electric driving or lighting apparatus, mechanical or electrical lifts or steam or water pipes or pumps—work in examining* or repairing* any machinery or other thing whatsoever which is necessary for the carrying out of work in a factory. | 30 (1) (a) .. | 27 and 28 .. |
| Work of persons engaged in packing, bundling or baling of finished articles or the receiving or despatching of goods.† | 30 (1) (b) .. | 22 and 26 .. |
| Work of persons of the male sex engaged in oiling or aiding in oiling of machinery. | 30 (1) (b) .. | 22, 27 and 28 .. |
| <i>Bombay.</i> | | |
| Work of persons employed in engine rooms and boiler houses. | 30 (1) (a) and 32A (a) | 21, 22, 27 and 28 |
| Oilers and work in mechanic shops, smithies and foundries. | 30 (1) (a) .. | 27 and 28 .. |
| Night firemen | 30 (1) (a) and (c) | 21, 27 and 28 .. |
| Fire pumpmen | 30 (1) (b) .. | 22, 27 and 28 .. |

DIX X.

classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|--|--|----------------|--|---|---|
| Rest interval (Section 21). | Weekly holidays (Section 22). | Section 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| .. | Fortnightly holi- day. | .. | .. | .. | The exemption shall only be permitted in respect of a limited number of persons to be fixed by the Commissioner of Labour and the machin- ery is not to run while this exemption is being availed of. |
| .. | .. | .. | 66 | 12 | |
| .. | Fortnightly holi- day. | .. | .. | .. | *Periodical cleaning is not included in the term "ex- amining" or "repairing". |
| .. | Do. .. | .. | 66 | 12 | †This exemption does not apply to factories which are engaged solely for the purpose of baling materials for transport. |
| Intervals for food and rest shall be given. | Employment on weekly holidays limited to six hours. | .. | 66 | 12 | The exemption applies only to a limited num- ber of operatives which is fixed by the Commis- sioner of Labour. |
| .. | .. | .. | 72 | 12 | |
| .. | .. | .. | 72 | .. | |
| .. | .. | .. | 72 | .. | |

General exemptions for all

| Classes of work or classes of workers. | Sections under which exemption is granted. | Sections from which exemption is granted. |
|---|--|---|
| <i>Bombay—concl'd.</i> | | |
| Drivers working on the lighting, ventilating or humidifying apparatus in factories. | 30 (1) (b) .. | 21, 22, 27 and 28 |
| Night fireman | 30 (1) (a) and (c) | 21, 27 and 28 .. |
| <i>Bengal.</i> | | |
| Men employed as boiler attendants and engine drivers, persons employed in despatching and receiving of goods. | 30 (1) (b) .. | 21, 22, 26, 27 and 28. |
| Adult male oilers and men employed solely on maintenance work. | Do. .. | 21, 27 and 28 .. |
| <i>The United Provinces.</i> | | |
| Men employed as boiler attendants, engine drivers, firemen, coalmen, oilmen, and rope and belt-men; fitters, machine-men, blacksmiths, carpenters, masons and their assistants employed solely on the maintenance of the factory plant and machinery. | 30 (1) (a) and (c) | 21, 22 and 27 .. |
| <i>Burma.</i> | | |
| Persons employed in engine-rooms and boiler houses | 30 (1) (a), (b) and (c). | 21, 22, 26, 27 and 28. |
| <i>Bihar and Orissa.</i> | | |
| Work connected with the operation of or attendance on motive power plant:— | | |
| I.—In case of plant operated or attended by one person only with previous experience and of age of not less than 21 years. | 30 (1) (a) and 32A (a). | 21, 22, 27 and 28 |

classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|---|--|---------------------|--|---|---|
| Rest interval (Section 21). | Weekly holidays (Section 22). | Sec- tion 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| Intervals for food and rest shall be given. | Employment on weekly holidays limited to six hours. | .. | 72 | 12 | |
| .. | .. | .. | 72 | .. | |
| .. | Fortnightly holidays. | .. | 66* | .. | *On a month's average. |
| .. | .. | .. | 66* | .. | |
| One hour's rest shall be given at any time during the shift. | Fortnightly holiday, Sunday work limited to 4 hours for the day shift and the night shift shall not be employed beyond 6 A.M. on Sunday. | .. | 66 | .. | |
| .. | Two holidays in each month. | .. | .. | .. | |
| Rest of 45 minutes if daily hours exceed 8½, otherwise rest of 20 minutes only. | Partial holiday shall be given not later than the eighth day when hours of work shall be limited to three. | .. | 72† | .. | †For purposes of overtime payment, each hour worked on a holiday shall be reckoned as two hours. The local Government have also prescribed that payment for overtime shall be made at one and a half times the normal rate of pay when the hours of work exceed 66 in a week. |

General exemptions for all

| Classes of work or classes of workers. | Sections under which exemption is granted. | Sections from which exemption is granted. |
|---|--|---|
| <p><i>Bihar and Orissa—concl.</i></p> <p>II.—In case of plant operated or attended by two or more persons, one of whom shall be a competent person of not less than 21 years of age.</p> | 30 (1) (a) and 32A (a). | 21, 22 and 27 .. |
| <p>In all continuous processes—the operation or attendance upon any motive power plant used for the purpose of any continuous process, adjustment or repair <i>in situ</i> of any machinery or plant used for any continuous process—operation of railway or other traffic connected with a continuous process.</p> | 30 (1) .. | 21 and 22 .. |
| <p><i>Assam.</i></p> <p>Men employed as boiler attendants, engine drivers and persons employed on despatching and receiving goods.</p> | 30 (1) (b) .. | 21, 22, 26, 27 and 28. |
| <p>Men employed in boiler houses and persons employed solely on maintenance work.</p> | 30 (1) (b) .. | 21, 27 and 28 .. |

classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|---|---|----------------|--|---|--|
| Rest interval (Section 21). | Weekly holidays (Section 22). | Section 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| Rest of 45 minutes if daily hours exceed 8½, otherwise rest of 20 minutes only. | Partial holiday shall be given not later than the eighth day when hours of work shall be limited to three; full holiday once in four weeks. | .. | 69* | .. | *The local Government have prescribed that payment for overtime shall be made at one and a half times the normal rate of pay when the hours of work exceed 66 in a week. |
| † | † | .. | .. | .. | †Conditions of exemption shall be the same as for the continuous process with which such work is connected. |
| .. | Fortnightly holiday. | .. | 66‡ | .. | ‡On a month's average. |
| .. | .. | .. | 66‡ | .. | |

Exemptions under the Indian Factories

N.B.—1. The Governments of the United Provinces, the Punjab and the rest where an exemption is granted from the provisions of section 22.

2. The Government of Bihar and Orissa provide for the payment of over hours a week, viz. :—

(a) at 1½ times the normal rate of pay for hours of work from 67—77 a

(b) at twice the normal rate of pay for hours of work from 78—84 a

| Classes of work or classes of workers. | Section under which exemption is granted. | Sections from which exemption is granted. |
|--|---|---|
| AERATED WATER FACTORIES. | | |
| <i>Madras.</i> | | |
| All work | 30 (1) (d) .. | 22 |
| <i>Burma.</i> | | |
| Work of men loading bottles of aerated waters on vehicles for delivery to customers or of unloading empty bottles returned to the factory. | Do. .. | Do. |
| BREWERIES. | | |
| <i>Madras.</i> | | |
| Work of persons engaged in kiln firing and examining vessels and casks of beer. | 30 (1) (c) .. | Do. |
| <i>The United Provinces.</i> | | |
| Work of adults attending to :— | Do. .. | 21, 22 and 28 .. |
| (1) boilers, engines and pumps. | | |
| (2) malting, coppers, hopbacks, coolers, refrigerators, yeast propagation and fermentation. | | |
| <i>The Punjab.</i> | | |
| Work of persons employed on brewing | Do. .. | Do. |
| <i>Bihar and Orissa.</i> | | |
| Diffusion of <i>mahua</i> —Dilution of molasses—Fermentation of liquor—Yeast propagation—Distillation. | Do. .. | 21 and 22 .. |
| Fermentation of liquor | 30 (1) (b) .. | 28 |

Act in important classes of factories.

Central Provinces provide by rules for the grant of compensatory periods of time at rates higher than that laid down in section 31 for work exceeding 66 week ;
week ;
week.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|--|----------------------------------|-------------|--|---|--|
| Rest interval (Section 21). | Weekly holiday (Section 22). | Section 28. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| .. | Fortnightly holiday. | .. | .. | .. | |
| .. | Holiday work limited to 5 hours. | .. | .. | 8½ | |
| .. | Fortnightly holiday. | .. | .. | .. | |
| Rest for ¼ hour | Do. | .. | .. | * | * The local Government have prescribed the condition that the operatives shall not ordinarily be employed for more than 8 hours a day. |
| .. | Do. | .. | .. | * | |
| Rest of one hour shall be given before 9th hour of work. | Do. | .. | .. | .. | |
| .. | .. | .. | .. | .. | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Section under which exemption is granted. | Sections from which exemption is granted. |
|--|---|---|
| BRICK KILNS. | | |
| <i>Madras.</i> | | |
| Burning of bricks in kilns | 30 (1) (c) .. | 21 and 22 .. |
| <i>Burma.</i> | | |
| Men attending to kilns | Do. .. | 21, 22 and 28 .. |
| CHEMICAL FACTORIES. | | |
| <i>Madras.</i> | | |
| Continuous processes | 30 (1) (c) .. | 21 and 22 .. |
| <i>Bombay.</i> | | |
| Work on sulphur burners, chambers, concentrators and pumps; the manufacture of hydrochloric and nitric acids, sulphates, sulphides, nitrates and super-phosphates—Work on the Steam Service. | 30 (1) (c) .. | 21 22 and 28 .. |
| <i>Bengal.</i> | | |
| Manufacture of sulphuric acid, nitric acid, hydrochloric acid, ammonia, epsom salt, ammonium sulphate, alum, hypo-sulphite of soda, sulphite of soda, sodium sulphate, dextrine, caffeine, nitrate of potash, phosphoric acid, strychnine and the manufacture of absorbent and sterilization of surgical dressing. | Do. .. | Do. .. |
| <i>The United Provinces.</i> | | |
| Boilers, pumps and compressors | Do. .. | Do. .. |
| Manufacture of sulphuric, nitric and hydrochloric acids, ammonia, magnesium sulphate, ammonium sulphate, alum, hyposulphite and sulphite of soda, sodium sulphate, nitrate of potash, alumina ferric and bichromate of potash. | Do. .. | Do. .. |
| <i>The Punjab.</i> | | |
| Chemists, dyers, engineers, mechanics, fitters and firemen. | Do. .. | 21 and 22 .. |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|--|------------------------------|-------------|--|---|--|
| Rest interval (Section 21). | Weekly holiday (Section 22). | Section 26, | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| Sufficient time shall be allowed for meals. | Fortnightly holiday. | .. | .. | .. | * The local Government have prescribed the condition that the operatives shall not ordinarily be employed for more than 8 hours a day. |
| .. | .. | .. | .. | * | |
| Sufficient time shall be allowed for meals. | Fortnightly holiday. | .. | .. | .. | † On an average of three weeks. |
| .. | Do. .. | .. | 56† | * | |
| .. | Do. .. | .. | .. | .. | * |
| Rest for $\frac{1}{4}$ hour | Do. .. | .. | .. | .. | * |
| Do. .. | Do. .. | .. | .. | .. | * |
| .. | .. | .. | .. | .. | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Section under which exemption is granted. | Sections from which exemption is granted. |
|---|---|---|
| CHEMICAL FACTORIES—concl'd. <i>Burma.</i> | | |
| Men employed on attending to plant on a system of shifts. | 30 (1) (b) and (c) .. | 21, 22, 27 and 28 .. |
| COFFEE FACTORIES. <i>Madras.</i> | | |
| All work in coffee curing yards | 30 (1) (e) .. | 22 |
| All work in coffee curing factories for not more than ten days, in each of the months from January to May. | 30 (2) | 27 and 28 .. |
| COFFEE SMELTING FACTORIES. <i>Bihar and Orissa.</i> | | |
| Concentration, smelting and refining of copper from the ore by a plant requiring continuous operation. | 30 (1) (e) .. | 21, 22 and 28 .. |
| COTTON GINNING AND PRESSING FACTORIES. | | |
| <i>Madras.</i> | | |
| Work of persons of the male sex on cleaning of walls, ceilings or other portions of factory buildings, tanks, wells, humidifying or ventilating apparatus, tunnels, blow-room flues or line shaft alleys or of galleries. | 30 (1) (b) .. | 22, 27 and 28 .. |
| <i>United Provinces.</i> | | |
| All adult persons | 30 (1) (e) .. | 22 |
| <i>The Central Provinces.</i> | | |
| Work of operatives who work from 5-30 A.M. to 8 A.M., from 11 A.M. to 1-30 P.M. and from 4-30 to 7 P.M. | 30 (1) (b) .. | 22 |
| Work of firemen and assistant firemen | 30 (1) (a) and (c) .. | 21, 22, 27 and 28 |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|--|---|-------------|--|---|--|
| Rest interval (Section 21). | Weekly holiday (Section 22). | Section 28. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| .. | Fortnightly holiday. | .. | .. | * | *The local Government have prescribed the condition that the operatives shall not ordinarily be employed for more than 8 hours a day. |
| .. | Do. | .. | .. | .. | |
| .. | .. | .. | 66 | 12 | |
| One hour of rest shall be given before 9th hour of work. | Fortnightly holiday. | .. | .. | * | † Exemption is admissible for only a small number of workers to be fixed by the Commissioner of Labour. Machinery shall not be allowed to run while such work is carried on. |
| .. | Do. | .. | 66 | 12† | |
| .. | One holiday after every 12 days. | .. | .. | .. | |
| .. | Employment on the holiday restricted to 3½ hours. | .. | .. | .. | |
| .. | .. | .. | 72 | 12 | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Section under which exemption is granted. | Sections from which exemption is granted. |
|---|---|---|
| COTTON GINNING AND PRESSING FACTORIES—concl'd. | | |
| <i>The Central Provinces—concl'd.</i> | | |
| Work of fitters, oilmen, mochis, engine drivers, ropemen, turners, blacksmiths and men carrying kapes to gin platforms. Work in connection with cleaning of humidifying and ventilating apparatus and tunnels, underground flues, interior ceilings, beams and walls and boiler and chimney flues. | 30 (1) (b) .. | 22, 27 and 28 .. |
| COTTON SPINNING AND WEAVING MILLS. | | |
| <i>Bombay.</i> | | |
| For exemptions granted in Bombay in favour of drivers working on the lighting, ventilating or humidifying apparatus in factories, please see Appendix X. | | |
| Oilers and work in mechanic shops, smithies or foundries. | 30 (1) (a) .. | 27 and 28 .. |
| Fire pumpmen | 30 (1) (b) .. | 22, 27 and 28 .. |
| Cleaning of blow room flues | Do. | 27 and 28 .. |
| Cleaning of blow room flues where this cannot be done during the week. | Do. | 22 and 27 .. |
| Kiermen in dyeing and bleaching works .. | 30 (1) (a) and (c) .. | 21, 27 and 28 .. |
| Night firemen | Do. | Do |
| All work in cloth printing, bleaching and dyeing works. | 30 (1) (c) .. | 21 |
| <i>The United Provinces.</i> | | |
| Dyeing and bleaching departments | 30 (1) (b) and (c) .. | 21, 22 and 27 .. |
| Sizing departments | 30 (1) (c) .. | 21 |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|---|--|-------------|--|---|---|
| Rest interval (Section 21). | Weekly holiday (Section 22). | Section 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| .. | .. | .. | 72 | 12 | |
| .. | .. | .. | .. | .. | |
| .. | .. | .. | 72 | 12 | |
| .. | .. | .. | 72 | .. | |
| .. | .. | .. | 63 | .. | |
| .. | Fortnightly holiday; the Sunday work limited to 6 hours. | .. | .. | .. | Not more than one-half of the blow room staff shall be employed on a holiday. |
| Interval for rest and food shall be given. | .. | .. | 72 | 12 | |
| .. | .. | .. | 72 | .. | |
| .. | .. | .. | .. | .. | |
| Rest shall be given as work permits. | Fortnightly holiday; Sunday work limited to 4 hours. | .. | 66* | .. | *On an average for 4 weeks. |
| Rest of one hour shall be given in the middle of the day. | .. | .. | .. | .. | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Sections under which exemption is granted. | Sections from which exemption is granted. |
|--|--|---|
| COTTON SPINNING AND WEAVING MILLS—concl'd. | | |
| <i>Central Provinces.</i> | | |
| Work in boiler and power houses, or in the mechanic shop, smithy or foundry or in connection with mill-gearing, electric driving or lighting apparatus, steam or water pipes and pumps for fire, humidifying or boiler feed services. | 30 (1) (a) and (c) .. | 21, 22, 27 and 28 |
| Cleaning of humidifying and ventilating apparatus and tunnels and underground flues. | 30 (1) (a), (b) and (c) | Do. .. |
| Continuous process in dye and bleach works .. | 30 (1) (a) and (c) .. | 21, 27 and 28 .. |
| Work in connection with the use of mechanical or electrical power in the boiler and power houses, or in the mechanic shop, smithy or foundry, or in connection with mill gearing, electric driving, or lighting apparatus, steam or water pipes and pumps for fire, humidifying or boiler feed services or for driving electric fans in, or for the lighting of boiler and power houses, compound, offices or any part of the mills or factories used exclusively as a dwelling. | 30 (1) (b) and (c) .. | 21, 22, 27 and 28 |
| Work of persons engaged in oiling, examining or repairing or in supervising or aiding in oiling, examination or repair of any machinery. | 30 (1) (b) .. | 21 |
| Cleaning of (1) boiler and chimney flues and (2) interior ceilings, beams and walls. | Do. .. | 22 |
| DAIRIES. | | |
| <i>The United Provinces.</i> | | |
| Adult persons other than those engaged in printing and in the manufacture of containers for milk, cream and cheese. | 30 (1) (d) .. | 22 |
| DISTILLERIES. | | |
| <i>Madras.</i> | | |
| Work of persons engaged in distillation plants .. | 30 (1) (c) .. | 22 |
| <i>Bombay.</i> | | |
| Work on the extraction of sugar from various bases, fermentation of sugar juice and distillation of fermented wash. | Do. .. | 21, 22 and 28 .. |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|--|---|---------------------|--|---|---|
| Rest interval (Section 21). | Weekly holiday (Section 22). | Sec- tion 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| .. | .. | .. | .. | .. | |
| .. | .. | .. | .. | .. | |
| .. | .. | .. | .. | .. | |
| .. | .. | .. | .. | .. | |
| .. | .. | .. | .. | .. | |
| .. | .. | .. | .. | .. | |
| .. | Fortnightly holi- day; Sunday work limited to 8 hours. | .. | .. | .. | * On an average of three weeks. |
| .. | Fortnightly ho- liday. | .. | .. | .. | † The local Government have prescribed the con- dition that the operatives shall not ordinarily be employed for more than 8 hours a day. |
| .. | Do. .. | .. | 56* | † | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Sections under which exemption is granted. | Sections from which exemption is granted. |
|--|--|---|
| DISTILLERIES—concl'd. | | |
| <i>Bengal.</i> | | |
| Work of persons employed on distillation plants .. | 30 (1) (c) .. | 21, 22 and 28 .. |
| <i>The United Provinces.</i> | | |
| Work of adult persons attending to: (1) boilers, engines, motors, switchboards and pumps; (2) diffusion of <i>mahua</i> ; (3) working of molasses; (4) fermentation of wash; (5) year propagation; and (6) distillation processes. | Do. .. | Do. .. |
| <i>The Punjab.</i> | | |
| Work of persons employed on distillation plants .. | Do. .. | Do. .. |
| <i>Bihar and Orissa.</i> | | |
| Work on distillation | Do. .. | 21 and 22 .. |
| <i>Central Provinces.</i> | | |
| All work | Do. .. | 22 .. |
| ELECTRICAL WORKS AND GENERATING STATIONS. | | |
| <i>Madras.</i> | | |
| Stoppers, ash coolies, turbine drivers and greasers, switchboard attendants and pumpmen. | Do. .. | 21, 22 and 28 .. |
| <i>Bombay.</i> | | |
| <i>Hydro-electric public supply factories.</i> —Operation and maintenance of prime movers and auxiliaries, transformers and switches. | Do. .. | Do. .. |
| <i>Public electric supply companies generating electricity from oil in internal combustion engines.</i> —Work of engine drivers and assistants, generator attendants, oilers and greasers, switchboard operators and pumpmen. | Do. .. | Do. .. |
| <i>Public electricity supply companies generating electricity from oil or coal fired boilers.</i> —Work of firemen and assistants, generator attendants, oilers, pumpmen and switchboard operators. | Do. .. | Do. .. |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. | |
|---|---------------------------------|---------------------|--|---|--|------------------------------------|
| Rest interval (Section 21.) | Weekly holiday (Section 22). | Sec- tion 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | | |
| .. | Fortnightly holi- day. | .. | .. | * | * The local Government have prescribed the con- dition that the operatives shall not ordinarily be employed for more than 8 hours a day. † On an average for four weeks. ♡ | |
| 1/2 hour's rest shall be given. | Do .. | .. | 56† | * | | |
| .. | Do. .. | .. | .. | * | | |
| One hour of rest shall be given before 9th hour of work. | Do. .. | .. | .. | .. | | |
| .. | .. | .. | .. | .. | | |
| Sufficient time shall be allowed for meals. | Do. .. | .. | .. | * | | |
| .. | Do. .. | .. | 56† | * | | † On an average of three weeks. |
| .. | Do. .. | .. | 56† | * | | |
| .. | Do. .. | .. | 56† | * | | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Sections under which exemption is granted. | Sections from which exemption is granted. |
|---|--|---|
| ELECTRICAL WORKS AND GENERATING STATIONS— <i>Coast.</i> <i>Bombay—contd.</i> <i>Electrical transforming factories.</i> —Operation and the maintenance of the transforming plant, switches and synchronous condensers. | 30 (1) (c) .. | 21, 22 and 28 .. |
| <i>Bengal.</i> All work in generating stations | Do. .. | Do. .. |
| <i>The United Provinces.</i> | | |
| Work of adult persons attending to boilers, engines, turbines, generators, motors, boosters, switchboards, batteries and auxiliaries. | Do. .. | Do. .. |
| <i>The Punjab.</i> | | |
| All work in power generating stations | Do. .. | Do. .. |
| <i>Burma.</i> | | |
| Men employed on attending to plants on a system of shifts. <i>Bihar and Orissa.</i> | 30 (1) (b) and (c) | 21, 22, 27 and 28. |
| Operating or attending to switchboards—oiling, watching or attending to motor generators, rotary converters, boosters, transformers or the like—Watching or attending to storage batteries. <i>Central Provinces.</i> | 30 (1) (c) and (d) | 21, 22 and 28 .. |
| All persons FLOUR MILLS. <i>Bombay.</i> | 30 (1) (c) .. | 21 and 22 .. |
| Cleaning, overhaul and repair of machinery .. | 30 (1) (a) .. | 27 |
| All other work <i>Bengal.</i> | 30 (1) (e) .. | 21 |
| Cleaners and machine hands | 30 (1) (b) .. | 22 and 27 .. |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|---|--|----------------|--|---|--|
| Rest interval (Section 21). | Weekly holiday (Section 22). | Section 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| .. | Fortnightly holi- day. | .. | 56* | † | * On an average for three weeks. † The local Government have prescribed the condition that the operatives shall not ordinarily be employed for more than 8 hours a day. |
| .. | Do. .. | .. | .. | † | |
| 1/2 hour's rest shall be given. | Do. .. | .. | .. | † | |
| .. | Do. .. | .. | .. | † | |
| .. | .. | .. | .. | † | |
| One hour's rest shall be given before 9th hour of work. | Do. .. | .. | ; | † | |
| .. | .. | .. | .. | .. | |
| .. | .. | .. | 66 | .. | |
| .. | .. | .. | .. | .. | |
| .. | Fortnightly holi- day; Sunday work on day shift limited to 4 hours and on night shift to 6 hours. | .. | 66‡ | .. | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Sections under which exemption is granted. | Sections from which exemption is granted. |
|--|--|---|
| <i>FLOUR MILLS—concl'd.</i> | | |
| <i>Bihar and Orissa.</i> | | |
| Operation of flour milling machinery .. | 30 (1) (c) .. | 21 |
| <i>GAS WORKS.</i> | | |
| <i>I.—GENERAL.</i> | | |
| <i>Madras.</i> | | |
| Work of persons engaged in actual production .. | Do. .. | 22 |
| <i>Bengal.</i> | | |
| Work of all persons employed on the actual production of gas. | Do. .. | 21, 22 and 28 .. |
| <i>The Punjab.</i> | | |
| Work of persons employed on distillation plants .. | Do. .. | 21, 22 and 28 .. |
| <i>The Central Provinces.</i> | | |
| Work of persons employed on the actual production of gas. | Do. .. | 21 and 22 .. |
| <i>II.—COAL GAS WORKS.</i> | | |
| <i>Bengal.</i> | | |
| Men employed in retort houses in coal gas works .. | 30 (1) (b) .. | 22, 27 and 28 .. |
| <i>Bombay.</i> | | |
| All work in retort house and on the water gas plant— | 30 (1) (c) .. | Do. .. |
| Work of the yard labour staff in unloading coal, feeding hoppers and removing coke—Work on syphons, boilers, station meters and governors. | | |
| Railway train gas lighting factories—All work .. | Do. .. | Do. .. |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|--|---|---------------------|--|---|---|
| Rest interval (Section 21). | Weekly holiday (Section 22). | Sec- tion 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| .. | One hour's rest shall be given before 9th hour of work. | .. | .. | .. | |
| .. | Fortnightly holi- day. | .. | .. | .. | |
| .. | Do. .. | .. | .. | * | * The local Government have prescribed the con- dition that the operatives shall not ordinarily be employed for more than 8 hours a day. |
| .. | Do. .. | .. | .. | * | |
| .. | .. | .. | 56 | * | |
| .. | .. | .. | 56† | * | † On an average for one month. |
| .. | Fortnightly holi- day. . | .. | 56‡ | * | ‡ On an average for three weeks. |
| .. | Do. .. | .. | 56‡ | * | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Sections under which exemption is granted. | Sections from which exemption is granted. |
|--|--|---|
| GAS WORKS—concl'd. | | |
| III.—CARBONIC ACID GAS FACTORIES. | | |
| <i>Madras.</i> | | |
| All work | (30) (1) (c) .. | 21 and 22 .. |
| <i>Bombay.</i> | | |
| Work of firemen, pumpmen, plant drivers and the filling of the cylinders. | Do. .. | 21, 22 and 28 .. |
| <i>The Punjab.</i> | | |
| Work of all persons employed on the production of the gas. | Do. .. | Do. .. |
| IV.—OXYGEN GAS FACTORIES. | | |
| <i>Bombay.</i> | | |
| Work of engine and plant drivers, oilers and filling of cylinders. | Do. .. | Do. .. |
| ICE FACTORIES. | | |
| <i>Madras.</i> | | |
| All work | 30 (1) (d) .. | 22 .. |
| <i>Bombay.</i> | | |
| Work of the engine and compressor drivers and assistants and oilers. | 30 (1) (c) .. | 21, 22 and 28 .. |
| <i>Bengal.</i> | | |
| Work of persons employed on ice making machinery, filling, drawing and attending the receptacles for the production of can, cell or plate ice. | Do. .. | Do. .. |
| <i>The United Provinces.</i> | | |
| Adult persons attending to boilers and ice-making machinery, filling, drawing and attending to receptacles for the production of ice. | Do. .. | Do. .. |
| <i>The Punjab.</i> | | |
| Work of persons employed on ice making machinery, filling, drawing and attending to receptacles for the production of ice. | Do. .. | Do. .. |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | |
|--|------------------------------------|---------------------|--|---|--|
| Rest interval. (Section 21.) | Weekly holiday (Section 22). | Sec. tion 23. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | Remarks. |
| Sufficient time shall be given for meals. | Fortnightly holi- day. | .. | .. | .. | |
| .. | Do. .. | .. | 56* | † | * On an average for three weeks. |
| .. | Do. .. | .. | .. | † | † The local Government have prescribed the con- dition that th operatives shall not ordinarily be employed for more than 8 hours a day. |
| .. | Do. .. | .. | 56* | † | |
| .. | Do. .. | .. | .. | .. | |
| .. | Do. .. | .. | 56* | † | |
| .. | Do. .. | .. | .. | † | |
| ‡ hour's rest shall be given. | Do. .. | .. | .. | † | |
| .. | Do. .. | .. | .. | † | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Sections under which exemption is granted. | Sections from which exemption is granted. |
|--|--|---|
| ICE FACTORIES—concl'd. <i>Burma.</i> | | |
| Men employed on attending to plants on a system of shifts. | 30 (1) (b) and (c) .. | 21, 22, 27 and 28 |
| <i>Bihar and Orissa.</i> | | |
| Compression of ammoniac—Filling and drawing and attending to receptacles for the production of can, cell or plate ice. | 30 (1) (c) and (d) .. | 21, 22 and 28 .. |
| <i>The Central Provinces.</i> | | |
| All men | 30 (1) (d) .. | 22 |
| IRON AND STEEL WORKS. <i>Bengal.]</i> | | |
| Persons employed on operation of blast furnaces .. | 30 (1) (c) .. | 21, 22 and 28 .. |
| <i>The Punjab.</i> | | |
| Work of persons employed on blast furnaces .. | Do. .. | Do. .. |
| <i>Bihar and Orissa.</i> | | |
| Operation of blast furnaces and rolling mills .. | Do. .. | Do. |
| Firing or otherwise attending to a furnace, not being a furnace whose operation is a continuous process, for the melting or treatment of metals containing a charge of not less than 50 lbs. | 30 (1) (a) .. | 28 |
| JUTE PRESSES. <i>Bengal.</i> | | |
| All work | 30 (1) (b) .. | 22, 26 and 27 .. |
| <i>Bihar and Orissa.</i> | | |
| All work except the selecting and assorting of jute .. | 30 (1) (c) .. | 22 |
| Selecting and assorting of jute | 30 (1) (a) .. | 27 |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|---|-------------------------------|-------------|---|--|--|
| Rest interval. (Section 21). | Weekly holiday. (Section 22). | Section 26. | Limitation of hours of work per week. (Section 27.) | Limitation of hours of work per day. (Section 28.) | |
| .. | | .. | .. | * | * The local Government have prescribed the condition that the operatives shall not ordinarily be employed for more than 8 hours a day. |
| One hours' rest shall be given before 9th hour of work. | Fortnightly holiday. | .. | .. | * | |
| .. | Do. | .. | .. | .. | |
| .. | Do. | .. | .. | * | |
| .. | Do. | .. | .. | * | |
| One hour's rest shall be given before 9th hour of work. | Do. | .. | .. | * | |
| .. | .. | .. | .. | .. | |
| .. | Fortnightly holiday. | .. | 60† | ‡ | |
| .. | Do. | .. | .. | .. | |
| .. | .. | .. | .. | .. | |

† On an average for one month.
‡ The hours of work per day shall be within the limits of 6 A.M. to 6 P.M. with a mid-day rest of at least one hour.

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Sections under which exemption is granted. | Sections from which exemption is granted. |
|--|--|---|
| OIL MILLS. | | |
| <i>Bombay.</i> | | |
| All work in case of mills employing three shifts .. | 30 (1) (c) .. | 21 and 28 .. |
| All work in case of mills employing two shifts .. | Do. .. | 21 .. |
| <i>Bengal.</i> | | |
| All work in mills using solvent process of extraction | Do. .. | 21, 22 and 28 |
| Adult persons employed in mustard oil mills .. | 30 (1) (b) .. | 21 .. |
| <i>The United Provinces.</i> | | |
| Work of adult persons attending to boilers and to distillation processes in distillation of sandalwood and essential oils. | 30 (1) (c) .. | 21, 22 and 28 .. |
| <i>Burma.</i> | | |
| Work of men attending to plant employed on a system of shifts. | 30 (1) (b) and (c) | 21, 22, 27 and 28 |
| <i>Bihar and Orissa.</i> | | |
| Operation of <i>Ghannies</i> | 30 (1) (c) .. | 21 .. |
| <i>The Central Provinces.</i> | | |
| Work in connection with oil-expressing, oil refining and soap making, and in power house and mechanic shop. | Do. .. | 21 and 22 .. |
| Cleaning of interior walls and ceilings and boilers and chimney flues. | 30 (1) (b) .. | 22, 27 and 28 .. |
| OIL REFINERIES. | | |
| <i>Madras.</i> | | |
| Male persons employed on pumping operations .. | Do. .. | Do. .. |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|--|--------------------------------------|---------------------|--|---|--|
| Rest interval (Section 21). | Weekly holi- day (Section 22). | Sec- tion 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| .. | Fortnightly holi- day. | .. | .. | * | *The local Government have prescribed the con- dition that the opera- tives shall not ordinarily be employed for more than 8 hours a day. |
| .. | .. | .. | .. | .. | |
| .. | Do. | .. | .. | * | |
| .. | .. | .. | .. | .. | |
| ¼ hour's rest .. | Fortnightly holiday. | .. | .. | * | |
| .. | • | .. | .. | • | |
| One hour's rest shall be given before 9th hour of work. | .. | .. | .. | .. | |
| .. | .. | .. | .. | .. | |
| .. | .. | .. | .. | .. | This exemption applies to those persons who are exclusively employed for the purpose. |
| .. | Fortnightly holi- day. | .. | 66 | 12 | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Sections under which exemption is granted. | Sections from which exemption is granted. |
|--|--|---|
| OIL REFINERIES—concl'd. | | |
| <i>Bombay.</i> | | |
| Staff employed on pumping operations | 30 (1) (a) and (c) | 21, 22, 27 and 28 |
| <i>Punjab.</i> | | |
| Work of firemen, stallmen, condensermen and pump men. | 30 (1) (c) .. | 21, 22 and 28 .. |
| <i>Burma.</i> | | |
| Men attending to plants employed on a system of shifts in oil refineries and pumping stations. | 30 (1) (b) and (c) | 21, 22, 27 and 28 |
| PAPER MILLS. | | |
| <i>Bengal.</i> | | |
| Men employed on digesters, washers, beaters, paper-making machines, paper cutters, super calenders and reelers, bamboo crushers, acid making plants, bleaching plants, and soda recovery plants. | 30 (1) (c) .. | 21 and 22 .. |
| <i>The United Provinces.</i> | | |
| Adult persons employed on digesters, washers, poachers, beaters, drainers, hamp willow machines and paper making machines. | Do. | 21 |
| RAILWAY WORKSHOPS | | |
| <i>Bombay.</i> | | |
| Work on water-supply pumping operations in railway workshops. | Do. .. | 21, 22 and 28 .. |
| <i>Madras.</i> | | |
| Work of persons doing running repairs to railway locomotives. | 30 (1) (b) .. | 21 and 22 (1) (b) .. |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|--|---|---------------------|--|---|--|
| Rest interval (Section 21). | Weekly holi- day (Section 22). | Sec- tion 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| Sufficient time shall be given for meals. | Holiday shall be given after the cessation of pumping operations. | .. | 72 | .. | |
| ... | Fortnightly holi- day. | .. | .. | * | *The local Government has prescribed the condition that the operatives shall not ordinarily be employed for more than 8 hours a day. |
| .. | .. | .. | .. | * | |
| .. | Fortnightly holi- day. | .. | .. | .. | |
| † | .. | .. | .. | .. | †The local Government have prescribed the condition that two hours' rest shall be given during each day and night shift. |
| .. | Fortnightly holi- day. | .. | 56‡ | * | ‡On an average for three weeks. |
| Sufficient time shall be allowed for meals. | Notice of the substituted holiday shall be given not later than the day on which the substituted holiday falls. | .. | .. | .. | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Section under which exemption is granted. | Sections from which exemption is granted. |
|---|---|---|
| <i>RAILWAY WORKSHOPS—concl'd. The United Provinces.</i> | | |
| In loco. running sheds, work of fitters, boiler makers, boiler washers and their mates-cleaners, joint makers, shedmen, shed shunters and brakemen. | 30 (1) (c) .. | 21, 22 & 28 .. |
| <i>RICE MILLS. Madras.</i> | | |
| Work of persons employed on steeping, boiling, drying, shelling, etc. of paddy. | 30 (1) (b) .. | 22 (1) (b) and 26. |
| <i>Bengal.</i> | | |
| Work of boiling, spreading, drying and storing paddy in mills using parboiling process. | 30 (1) (e) .. | 22 |
| <i>The United Provinces.</i> | | |
| Adult persons employed in moving railway wagons and upon drying platforms. | Do. .. | Do. .. |
| <i>Burma.</i> | | |
| All work | 30 (1) (c) .. | 21 |
| All work | 30 (2) .. | 27 and 28 .. |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|--|--|----------------|--|---|--|
| Rest interval (Section 21). | Weekly holiday (Section 22). | Section 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| $\frac{1}{2}$ hour's rest shall be given. | Fortnightly holiday. | .. | .. | * | * The local Government have prescribed the con- dition that the opera- tives shall not ordinarily be employed for more than 8 hours a day. |
| .. | Notice of the substituted holiday shall be given not later than the day on which the substituted holiday falls. | .. | .. | .. | |
| .. | Fortnightly holiday. | .. | .. | .. | |
| .. | Do. | .. | .. | .. | |
| Adequate inter- vals for rest and meals shall be given. | .. | .. | .. | .. | † The local Government have prescribed the con- dition that overtime may be worked for not more than 30 days in any calendar year, and for not more than 3 hours on any one day and that no person shall be em- ployed after 10 P.M. and before 6 A. M. when this exemption is being availed of. |
| .. | .. | .. | † | † | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Section under which exemption is granted. | Sections from which exemption is granted. |
|--|---|---|
| <p style="text-align: center;">RICE MILLS—concl'd. <i>Bihar and Orissa.</i></p> <p>Work on drying platforms or the moving of railway wagons.</p> | 30 (1) (b) .. | 22 and 28 .. |
| <p style="text-align: center;">SUGAR FACTORIES. <i>Madras.</i></p> <p>Work of persons engaged in filtration, crystallization, fermentation, distillation, crushing of cane and boiling of juice.</p> <p style="text-align: center;"><i>Bombay.</i></p> <p>All work in <i>gur</i> factories</p> | 30 (1) (c) .. | 21, 22 and 28 .. |
| <p>Extraction of the juice from the cane, clarification, evaporation and boiling of the juice, curing of the massecuite and bagging.</p> <p style="text-align: center;"><i>The United Provinces.</i></p> | Do. .. | 21, 22 and 28 .. |
| <p>Work of adult persons :—Attending to boilers, engine motors, switchboards and pumps—Handling and crushing of cane and handling <i>gur</i> to melting blow-ups—Engaged in filtration, clarification and crystallization of cane juice and <i>gur</i> liquor—Engaged in evaporation and concentration of cane juice and <i>gur</i> liquor—Engaged in curing the massecuite—Engaged in drying, crushing and bagging of sugar—Engaged in the burning of limestone and sulphur for the production of carbon dioxide and sulphur dioxide and dioxide gases for the clarification of cane juice.</p> <p style="text-align: center;"><i>The Punjab.</i></p> | Do. .. | Do. .. |
| <p>All work</p> <p style="text-align: center;"><i>Burma.</i></p> | Do. .. | Do. .. |
| <p>Men employed on a system of shifts on attending to plants.</p> | 30 (1) (b) and (c) | 21, 22, 27 and 28 |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|--|---------------------------------|----------------|--|---|---|
| Rest interval (Section 21). | Weekly holiday (Section 22). | Section 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| .. | Four holidays four weekly. | .. | .. | .. | |
| Sufficient time shall be given for meals. | Fortnightly holiday. | .. | .. | .. | |
| .. | .. | .. | .. | .. | |
| .. | Fortnightly holiday. | .. | 56† | * | * The local Government have prescribed the con- dition that the opera- tives shall not ordinarily be employed for more than 8 hours a day. |
| ‡ hour's rest shall be given. | Do .. | .. | .. | * | † On an average for three weeks. |
| .. | Do. | .. | .. | * | |
| .. | .. | .. | .. | * | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Section under which exemption is granted. | Sections from which exemption is granted. |
|---|---|---|
| SUGAR FACTORIES—concl'd. | | |
| <i>Bihar and Orissa.</i> | | |
| Handling and crushing of cane—Filtration, clarification, evaporation and concentration of cane juice and <i>gur</i> liquor—Curing of the mother liquor—Drying, crushing and bagging of sugar—Burning of limestone for the production of carbon dioxide gas for the clarification of cane juice. | 30 (1) (c) .. | 21, 22 and 28 .. |
| Temporary labour employed on :—Filtration, clarification, evaporation and concentration of cane juice or <i>gur</i> —Burning of limestone for the production of carbon dioxide gas for the clarification of juice. | 30 (1) (c) .. | 28 |
| All other classes of work | 30 (1) (c) .. | 22 |
| TANNERIES. | | |
| <i>Madras.</i> | | |
| Work of all persons | 30 (1) (c) .. | 21 |
| Work of all persons engaged in country tanning .. | Do. .. | 22 |
| Work of persons engaged in chrome tanning .. | Do. .. | Do. |
| <i>Bengal.</i> | | |
| Men employed on soaking, drying, bating and curing or tanning hides, kips and skins. | Do. .. | Do. |
| <i>The United Provinces.</i> | | |
| Adult persons employed on soaking, liming, washing, bating, tanning and drying hides, kips or skins. | Do. .. | Do. |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|---|---|-----------------|--|---|--|
| Rest intervals (Section 21). | Weekly holiday (Section 22). | Section. 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| One hour's rest shall be given before 9th hour of work. | One holiday four weekly. | .. | .. | * | * The local Government have prescribed the condition that the operatives shall not ordinarily be employed for more than 8 hours a day. |
| .. | .. | .. | .. | .. | |
| .. | One holiday four weekly. | .. | .. | 8 | |
| Sufficient time shall be given for meals. | .. | .. | .. | .. | |
| .. | Fortnightly holiday. | .. | .. | .. | |
| .. | Do. .. | .. | .. | .. | Exemption applies only to one-third of total number of employees. |
| .. | Fortnightly holiday ; Sunday work limited to 6 hours. | .. | .. | .. | |
| .. | Fortnightly holiday ; Sunday work limited to 4 hours. | .. | .. | .. | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Section under which exemption is granted. | Sections from which exemption is granted. |
|--|---|---|
| <i>TANNERIES—concd.</i> | | |
| <i>The Punjab.</i> | | |
| Work of persons employed on soaking, drying, bating, curing or tanning hides, kips or skins. | 30 (1) (e) .. | 21, 22 and 28 .. |
| <i>Bihar and Orissa.</i> | | |
| Work of soaking, drying, liming, bating, curing or tanning hides, kips or skins. | Do. .. | 22 |
| <i>TEA FACTORIES.</i> | | |
| <i>Madras.</i> | | |
| All work | 30 (1) (e) and 32 | 21, 22 and 26 .. |
| All work for not more than ten days in each of the months from March to November. | 30 (2) | 27 and 28 .. |
| <i>Bengal.</i> | | |
| All work | 30 (1) (e) and 32 | 21, 22 and 26 .. |
| <i>The United Provinces.</i> | | |
| Adult persons attending to boilers, engines or engaged in processes of rolling, fermenting, firing, sieving, stewing, picking and packing. | Do. .. | Do. .. |
| <i>Bihar and Orissa.</i> | | |
| All work | Do. .. | Do. .. |
| <i>Assam.</i> | | |
| All work | Do. .. | Do. .. |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|---|--|----------------|--|---|---|
| Rest interval (Section 21). | Weekly holiday (Section 22). | Section 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| .. | Fortnightly holiday. | .. | .. | * | *The local Government have prescribed the condition that the operatives shall not ordinarily be employed for more than 8 hours a day. |
| .. | Fortnightly holiday; Sun- day work limited to 4 hours. | .. | .. | .. | |
| Sufficient time shall be allowed for meals. | Fortnightly holiday. | .. | .. | .. | |
| .. | .. | .. | 66 | 12 | |
| No. of persons employed shall be at least 25 per cent. greater than the num- ber actually required. | Do. | .. | .. | .. | |
| Do. .. | Do. .. | .. | .. | .. | |
| Do. .. | Do. .. | .. | .. | .. | |
| Do. .. | Do. .. | .. | .. | .. | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Section under which exemption is granted. | Sections from which exemption is granted. |
|---|---|---|
| WATER PUMPING STATIONS. | | |
| <i>Madras.</i> | | |
| All work | 30 (1) (d) .. | 22 |
| Engine drivers, engine cleaners, firemen, boiler coolies, operator (fitter) in chlorinating room and filterbed coolies. | 30 (1) (c) .. | 21 and 22 .. |
| <i>Bombay.</i> | | |
| Municipal pumping and compressing stations, pumping operations in railway workshops. | Do. .. | 21, 22 and 28 .. |
| <i>Bengal.</i> | | |
| Pumpmen, engine drivers, their attendants and oilers. | Do. .. | Do. .. |
| <i>The United Provinces.</i> | | |
| Adult persons, attending to boilers, engines, motors and switchboards, pumps and auxiliaries. | Do. .. | Do. .. |
| <i>The Punjab.</i> | | |
| Work of pumpmen, engine drivers, their attendants and oilers. | Do. .. | Do. .. |
| <i>Burma.</i> | | |
| Men attending to plants on a system of shifts .. | 30 (1) (b) and (c) | 21, 22, 27 and 28 |
| <i>Bihar and Orissa.</i> | | |
| Work of oiling, watching, driving or otherwise attending to pumping machinery. | 30 (1) (c) and (d) | 21, 22 and 28 .. |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|---|---------------------------------|----------------|--|---|---|
| Rest interval Section 21). | Weekly holiday (Section 22). | Section 28. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| .. | Fortnightly holiday. | .. | .. | .. | * The exemption applies only to persons employ- ed on 8 hours shifts. |
| Sufficient time shall be allow- ed for meals. | Do. .. | .. | .. | * | |
| .. | Do. .. | .. | .. | † | †The local Government have prescribed the condition that the operatives shall not ordinarily be employed for more than eight hours a day. |
| .. | Do. .. | .. | .. | † | |
| ‡ hour's rest shall be given. | Do. .. | .. | .. | † | |
| .. | Do. .. | .. | .. | † | |
| .. | .. | .. | .. | † | |
| One hour of rest shall be given before 9th hour of work. | Do. .. | .. | .. | † | |

Exemptions under the Indian Factories

| Classes of work or classes of workers. | Section under which exemption is granted. | Sections from which exemption is granted. |
|--|---|---|
| <p><i>WATER PUMPING—concl'd.</i> <i>The Central Provinces.</i> Work of persons employed in the powerhouse of water pumping stations.</p> | <p>30 (1) (c) ..</p> | <p>21 and 22 ..</p> |

Act in important classes of factories.

| Conditions imposed by local Governments in respect of— | | | | | Remarks. |
|--|---------------------------------|---------------------|--|---|---|
| Rest interval (Section 21). | Weekly holiday (Section 22). | Sec- tion 26. | Limitation of hours of work per week (Section 27). | Limitation of hours of work per day (Section 28). | |
| Interval for food and rest shall be given. | Fortnightly holiday. | .. | .. | * | *The local Government have prescribed the condition that the operatives shall not ordinarily be employed for more than 8 hours a day. |

APPENDIX XII.

Deductions from wages or payments in respect of fines.

LETTER TO ALL LOCAL GOVERNMENTS AND ADMINISTRATIONS, No. L-1418, DATED THE 25TH JUNE 1926.

I am directed to ask for the|your assistance of the Government of India in enabling the Government of India to obtain information on the extent of the practice in India by which employers in industrial concerns are empowered to inflict fines upon their workmen. Suggestions have been made in the Central Legislature, in the press and elsewhere that the system of inflicting fines upon workmen is common in Indian industrial establishments, and that it constitutes an evil of such proportions that steps should be taken either to abolish the system altogether or to reduce it to such dimensions as to prevent abuse.

2. That the system is liable to abuse is obvious. If fines are not subject to regulation the employer who imposes a fine acts as prosecutor and judge, and the employee has no effective remedy if he is fined unjustly or in excess. This is true even in countries where workmen are literate and where they have the support of trade unions in resisting unfair imposts. It is not unnatural to expect that in India the ignorance of the great mass of workmen and the absence of strong labour organizations would make the need for protection greater than elsewhere. The experience of Western countries has in many cases led to more or less elaborate legislation on this subject. The main provisions of the English law are embodied in the Truck Act of 1896. In several other countries the power to impose fines and make deductions from wages is regulated by law. Sometimes a limit in the shape of a maximum percentage of wages is imposed; generally deductions can only be made in accordance with a code of regulations duly posted in the factory or other establishment; and frequently the law contains the salutary provision that sums paid as fines must be credited to funds devoted in some manner or other to the benefit of the workers.

3. It will be apparent that while the legitimacy of the system of imposing fines is recognized in most countries, restrictions are frequently imposed with the object of preventing abuse. The English law makes a distinction between three forms of deductions from wages—deductions in respect of fines (i.e., for breaches of discipline); deductions in respect of bad or negligent work, or injury to the materials or other property of the employer; and deductions in respect of materials provided by the employer. The Government of India are not in possession of full information on the extent to which the practice of making deductions of these various kinds exist in India, though they are inclined to the view that it is in respect of the first two forms of deductions from wages, mentioned above, that the practice is most prevalent and most liable to abuse. The distinction between these two forms of deductions is not always easy to define, and indeed one of the recommendations of the Truck Committee appointed in England in 1906 was the repeal of the provisions of the English law relating to deductions in respect of damaged goods (Section 2 of the Act of 1896), the effect of which recommendation would be that the employer could only deal with cases of careless or negligent work in the same way and under the same conditions as he would be allowed to deal with breaches of discipline. The deductions would cease to be a method by which the employer recoups the loss he has sustained through the worker's act or default, and would become rather of the nature of a fine.

4. There is, of course, a body of opinion which urges that fines ought to be abolished altogether, the grounds advanced being generally that experience

shows that they are not a real deterrent, that they have a bad moral effect, and that, being often unfairly imposed, they create a sense of injustice and lead to irritation. The exponents of this view aver that discipline can best be maintained by adequate supervision and moral control, with the alternative of dismissal in the last resort. This was not, however, the view taken by the majority of the English Truck Committee of 1906—08. They pointed out the obvious dangers of the total abolition of the system of fining in the substitution of other and less desirable means of maintaining discipline. A considerable body of evidence was produced before the Committee to the effect that many workers prefer fines to the alternative of suspension or dismissal. Their final conclusions were not in favour of the total abolition of the system of imposing fines, but they proposed certain changes in the law designed to place such restrictions and conditions on the system as would prevent it from being either a source of profit to the employer, or a cause of improper or harsh treatment to the workers. They suggested, *inter alia*, that the maximum fine or accumulation of fines in any one week permissible by law should not exceed 5 per cent. of the wages of the worker; that deductions by instalments should be prohibited, i.e., that not more than one deduction should be allowed to be made in respect of one and the same fine; and that fines should be abolished altogether in the case of young persons of 16 years of age and under.

5. In referring very briefly and summarily to some of the provisions of the law in other countries, the Government of India must not be understood as intending to suggest that circumstances in India are the same, or that legislation on similar lines is necessary or desirable. They have not at present sufficient information at their disposal regarding the degree to which the system of imposing fines is prevalent in India, the forms which it takes, or the extent, if any, to which it is in practice abused, to enable them to form any definite conclusions. The object of this letter is to ask Local Governments to furnish them with such information as they are able to collect on the subject, after consultation with the interests concerned, and to favour them with their views on the desirability of taking any action, legislative or otherwise, to counter any abuses which may be found to prevail.

6. If, as the result of these enquiries, any legislative measures on the subject should appear to be desirable, the inherent difficulty of rendering such legislation effective must be recognized. This indeed is a difficulty which has been felt in England. The original Truck Act of 1831 largely failed of its effect because no one was officially recognized as having a special duty to enforce it. This drawback was to some extent remedied by section 13 of the Truck Act of 1887, which placed upon Inspectors of Factories and Mines the duty of enforcing the provisions of the Truck Acts and gave them for this purpose the same powers and authorities as they possess for enforcing the provisions of the Acts relating to factories and mines. The Report of the Truck Committee already referred to shows, however, that even in England where the workmen are literate and in every way in a better position to resist illegal exactions than in India, it has been difficult to prevent or to detect violation of the law. It appears to the Government of India that, if any legislation is ultimately found to be desirable in this country, it would probably be impracticable, in the first instance at any rate, to extend its scope beyond industrial establishments, such as factories and mines, which are already regularly inspected by a special staff.

7. In asking for information on this subject the Government of India would welcome any suggestions which the Government of you may have to make on the form which any measures, which it may be found desirable to adopt to remedy abuses, should take. They would be grateful if, after consultation with the interests concerned, the Local Government would favour them with their views not later than the 1st of March 1927.

LETTER FROM THE CHIEF COMMISSIONER OF COORG, No. 72|5826, DATED THE 5TH JANUARY 1927.

The system of imposing fines upon workmen employed in industrial concerns or coffee plantations does not exist in Coorg. The Chief Commissioner does not therefore consider it necessary to take any action, legislative or otherwise in the matter so far as this province is concerned.

LETTER FROM THE CHIEF COMMISSIONER, N. W. F. PROVINCE, No. 6-C. & I. (REVENUE), DATED THE 5TH JANUARY 1927.

No industrial concerns of any magnitude or importance exist in this Province and the enquiries made have not revealed the existence of any system of imposing fines on the workmen employed in such establishments as are to be found. I am unable therefore to offer any useful suggestions on the subject.

LETTER FROM THE CHIEF COMMISSIONER, DELHI, No. 300-INDUSTRIES, DATED THE 13TH JANUARY 1927.

In my opinion it would not be possible at the present stage of development of this country to introduce legislation on this subject (even as regards factories and mines already inspected by a special staff) which would not cause considerable irritation without any corresponding benefit, for an ill-intentioned employer would still find many loopholes whereby to evade it. In the long run every employer gets the employees he deserves, and the average employer is not blind to that fact or to his own interests. In the past few years India has had a plethora of industrial legislation, and the country should be given time to digest it fully before too many further steps forward are taken. *Festina lente* is a hackneyed motto, but there are times when it has much to commend it.

LETTER FROM THE GOVERNMENT OF ASSAM, No. 337-F. M., DATED THE 19TH JANUARY 1927.

There are few large industries in this province besides the tea estates. On tea gardens the system of fining for bad work or damage to materials practically does not exist. The piece-work system is generally in force there and as the labourer is paid for the actual work done, the question of fining for bad work does not arise in his case at all. Members of the supervising staff however are occasionally fined for neglect of work or irregularities. The power of fining for damage to tools and plant is not utilized at all in tea gardens. Fines are imposed for breaches of discipline such as drunkenness but the power is not abused. Any such abuse would at once lead to an exodus of the labourers and this in itself is a sufficient safeguard.

The fines most commonly imposed on tea gardens are those imposed in settlement of disputes among the labourers themselves, where the fines are paid to the aggrieved party, and fines for petty offences, e.g., cattle trespass, stealing firewood, etc. These fines are imposed in lieu of sending the persons concerned to court and are accepted as a preferable alternative. They do not fall within the class of fines dealt with by the Government of India and may be left out of consideration.

2. In industries other than the tea industry, the system of fining for bad work and damage to materials as well as for breaches of discipline does exist, but the Governor in Council has no reason to believe that it is abused. In the Assam Railways and Trading Company, which is the largest of such industries in the province, the total fines imposed in 1925-26 amounted only to .18 per cent. of the wages bill.

3. The Governor in Council holds that the power of fining must be retained as an alternative to other and less desirable means of maintaining discipline or to the more drastic punishment of dismissal for bad work. There is no abuse of the power of fining in Assam and there is no danger of such abuse in a province where labour is difficult to obtain and perhaps even harder to retain and any abuse of the power would bring its own punishment in the loss of labour. For these reasons legislation to regulate fining is not required in this province.

LETTER FROM THE CHIEF COMMISSIONER- AJMER-MERWARA, No. 198|1805 OF 1927,
DATED THE 3RD FEBRUARY 1927.

So far as Ajmer-Merwara is concerned, no legislation is called for in the matter at present.

LETTER FROM THE HON'BLE THE AGENT TO THE GOVERNOR-GENERAL IN BALUCHISTAN,
No. 489-R., DATED THE 10TH FEBRUARY 1927.

The industries in this Province consist of coal and chromite mines only, while the factories are mainly Government workshops of the Railway, Ordnance and Military Departments and a couple of private steam flour mills and an ice factory.

2. There are no special rules in existence on the subject of powers of employers of the industrial concerns to inflict fines on their workmen. From enquiries made however, it appears that fines of trivial amounts are inflicted in the cases of breach of discipline, of negligent and bad work and are readily accepted by the employees concerned. In the case of Railway workshops, the amount so realized is credited to a special fine fund, which is used solely and entirely for the benefit of the staff and in no way forms a source of income to the Railway. In the case of arsenal workshops the fines are scrutinised by an officer senior to the one recommending the same before the publication of the same in orders.

3. The system of inflicting small fines is considered to be the only suitable way of dealing with small errors and slackness and its abolition is deprecated all round in the interest of maintenance of proper control and discipline over the employees.

4. In order, however, to restrict abuses the following suggestions appear to the Hon'ble the Agent to the Governor General and Chief Commissioner to be fair and suitable for all concerned :—

- (i) that a list of all fines inflicted in an industry or a workshop should be kept in a special book in which the signature or thumb impression of the employees fined be taken and witnessed by one of his fellow workers in token of the employees acquiescence to the deduction of the amount from his earnings ;
- (ii) that the total of such deductions should not exceed 5 per cent. of the monthly earnings of the employee so fined ; and
- (iii) that in the case of mines and factories it should be made compulsory for the employer to submit at the close of each year to the Inspectors of mines and factories, respectively, for scrutiny a list of all fines inflicted during the year with full particulars of the circumstances connected with each fine.

LETTER FROM THE GOVERNMENT OF THE CENTRAL PROVINCES, No. 608|1394-XIII,
DATED THE 18TH FEBRUARY 1927.

The system of fining prevailing in the province is neither a source of profit to the employer nor a cause of harsh or improper treatment to the workers. It has, on the other hand, been effective in enforcing discipline and preventing careless or negligent work. In recent industrial disputes in the province, the subject of fines has not been brought up as a grievance and no complaints from employees regarding excessive fines have been made to the factory inspection staff. The employers of labour are unanimous in opposing legislation on the subject, and having regard to the conditions obtaining in the province the local Government inclines to the view that it is unnecessary to introduce legislation on the lines of the English Truck Act. It is suggested however that it might be prescribed by a rule under or an amendment of the Indian Factories Act and the Indian Mines Act that the owners of Factories and Mines shall maintain a register in which the amount of fine or deduction from wages and the nature of the act or omission in respect of which such fine is imposed or deduction made should be entered. Such a register, which should be open to inspection by the Factory or Mines Inspector, would furnish a means for the verification of any complaints and would enable the local Government to watch how far the system is abused in practice.

LETTER FROM THE GOVERNMENT OF MADRAS, No. 381-L., DATED THE 21ST FEBRUARY 1927.

I am directed to say that the Commissioner of Labour, the Board of Revenue, the Director of Industries and representatives of employers of labour and employees were consulted.

2. From the enquiries made, the Government observe that fining is generally used both for breaches of discipline and (though apparently not so often) for bad or negligent work or injury to materials and tools. It does not appear that, in the larger concerns, employers hire out materials or tools to workmen and deductions are not therefore made in respect of them. Fines for bad work and injury to materials tend to be regarded as fines for disciplinary purposes and the two groups may therefore be treated together.

3. The enquiries made do not furnish any evidence that the practice of fining is abused in this Presidency. The maximum of 5 per cent. of the wages of any worker suggested by the English Truck Committee of 1906—1908 as being the limit up to which fines may be levied on him in a week is apparently never exceeded in this Presidency and the average percentage of fines levied appears to be almost invariably less, sometimes much less, than $\frac{1}{2}$ per cent. The fines collected are generally credited to a fund mainly devoted to the benefit of the workmen. In the opinion of this Government the conclusion is irresistible, on the above data, that no need for legislation exists.

4. Further, there are three grave dangers attending legislation of this kind in this country. Firstly, by fixing a maximum by statute, fining is legalised up to that maximum and it will tend thereby seriously to increase the evil against which it is proposed to legislate. Secondly, legislation may drive employers to resort more largely to other methods of enforcing discipline, such as reduction in wages and the withholding of gratuities or bonuses, which would be gravely to the detriment of the workmen. Thirdly, the proposed legislation would not give control where control, if it could be enforced, is necessary. For instance, in the hand loom industry, the middlemen, in whose hands the indus-

try is to a very considerable extent, advance yarn, looms, etc., and use their powers of making deductions for alleged bad work or waste of material to an extent which no industrial concern would contemplate. It is in fact one of the methods by which they keep the weavers who work for them in a perpetual state of indebtedness. This abuse on the part of employers who do not come within the scope of the Factories Act would not be checked by the proposed legislation; and the restriction of such legislation to industrial establishments in which the abuse hardly exists will not secure the object in view.

LETTER FROM THE GOVERNMENT OF THE PUNJAB, No. 561-R., DATED THE 7TH MARCH 1927.

From enquiries made it appears that although the practice of inflicting fines on workmen employed in industrial establishments is common throughout the Province, it is not resorted to any appreciable extent by any concerns of repute or standing, and that it does not constitute an evil of such proportion as to necessitate legislation to abolish the system altogether or to restrict it within narrow limits.

2. Fines are a well recognised method of inflicting a minor punishment, and the system has not led to any great abuse. In fact the demand for labour is so great that a firm known to deal harshly with its employees in this respect would soon find itself in difficulties in securing adequate supplies of labour. It is also doubtful if industries could be run in India without a system of fines: the labour so far commands the situation (in most industries) that there is little danger of a wholesale misuse of the system. Accordingly in the opinion of the Punjab Government the necessity for interfering with this well recognised method of inflicting a minor penalty is not established, at least in so far as this Province is concerned, and they would not view with favour any legislation intended to stop or regulate the infliction of fines. The enforcement of such legislation would also be very difficult, even if it were confined to factories and workshops liable to inspection. In others it would remain a dead letter.

3. In case, however, the Government of India still decide to introduce legislation in this matter, it would be necessary to define the limit of fine, and, in the opinion of the Punjab Government this should be fixed at one-eighth of a workman's wages. Any reduction in this limit is likely to lead employers to dismiss their workmen for want of power to impose adequate punishment and this would be a clearly undesirable alternative.

LETTER FROM THE GOVERNMENT OF BENGAL, No. 1673-COM., DATED THE 7TH MARCH 1927.

The Government of Bengal consulted the various interests concerned, and they have now obtained the necessary information, which is summarised below, and which shows that the abuses are so few that it is doubted whether legislation of any kind is necessary at the present time.

2. The extent to which fining is prevalent in Bengal may be judged from the following summary of information supplied by the Bengal Chamber of Commerce:—

"The Indian Mining Association—representing the coal mining industry:— It may be fairly stated that the imposition of fines is not prevalent in the coal-fields to any great extent. For if it were the mine workers who are largely agri-

culturists would not come into the coal-fields to work year by year as they now do. There may be deductions from wages occasionally on account of bad work, gross carelessness or negligence, damage to property, or pillar stealing. But neither in the case of the workmen engaged by the collieries themselves, nor in the case of the labour brought in by the contractors, has fining become a regular or extensive system in the coalfields.

The Indian Engineering Association—representing the engineering industry :—Fines are imposed in engineering works to a nominal extent only. The maximum limit is not more than 2 per cent. in any of the works and in some of the larger works the amount is less than 1 per cent. of the wages. The system is not abused, and the Association does not consider that any steps are necessary in this regard. In large establishments, such as most of the engineering works are, there is a sufficiently strong class feeling among the workmen to prevent any abuse of the system. The fines are on too insignificant a scale to recoup the employer for the value of any material that may be spoiled by a workman. The system is simply a means of enforcing discipline; and for that reason the Association is opposed to its abolition. If fines were prohibited employers would be compelled to dismiss offenders; and dismissal is a much more severe punishment than a fine.

The Indian Tea Association—representing the tea industry :—The system of fining is practised to a very small extent in the tea industry and does not constitute an evil. It is considered to be of value as a means of maintaining discipline, and it is obviously not abused as if it were labour would tend to leave the estates. When inflicted fines are usually either a punishment for bad work, or for offences such as petty pilferages, etc.

3. Enquiries made in the tea-garden area of this province have elicited further information regarding the system of fining in that industry. This information shows that abuse is limited by the consideration that the shortage of labour compels the planters to treat their employees with every consideration. The letter from Mr. W. L. Travers, M.L.C., Vice-Chairman of the Doars Planters' Association, to the address of the Commissioner of the Rajshahi Division, amply bears this out, and also demonstrates the fact that, so far as the tea industry in this province is concerned, the time has not yet arrived when legislation of a Truck character would serve any useful purpose.

4. The information supplied from commercial sources is in general agreement with that which Government has received from the Factory Inspection Department, and also from Mr. K. C. Ray Chaudhuri, one of the labour representatives on the Bengal Legislative Council, who was specially consulted on the subject. The fining system may be said to be general in all industrial establishments, and fines are generally imposed for—

(a) breaches of discipline,

(b) bad or negligent work or injury to materials, and

(c) injury to machinery or tools supplied by the employer. It is reported that (a) and (b) are usually the causes of fines in textile mills and tea gardens, and (a) and (c) in engineering concerns. About 80 per cent. of the total labour force in this province is employed in textile and engineering concerns, and special enquiries conducted in these industries by Inspectors of Factories prove that the fining system has not led to any appreciable abuse. In jute mills it has been found that the majority of fines are inflicted on piece-workers, and, in particular, on weavers on account of

bad and negligent work and injury to material. The following are a few random samples taken from jute mills :—

| — | Wages per week. | Fines. | Cause. | Percentage of wages. |
|------------------------------|-----------------------|--------|----------------------------|----------------------------|
| | Rs. s. p. | Rs. s. | | |
| A. Mill weavers | 3 14 3 | 0 2 | (b) For bad work .. | 3 |
| | 6 8 0 | 0 4 | (b) Do. .. | 3.8 |
| | 6 11 6 | 0 4 | (b) Do. .. | 3.7 |
| | 6 0 0 | 0 2 | (a) Committing nuisance .. | 2 |
| B. Mill weavers | 8 4 0 | 0 4 | (b) For bad work .. | 3 |
| | 7 13 9 | 0 4 | (b) Do. .. | 3.2 |
| | 8 8 0 | 0 8 | (b) Do. .. | 6 |
| A. Mill preparing department | 2 8 0 | 0 2 | (b) Bad work .. | 5 |
| Finish carding | 2 12 0 | 0 2 | (b) Do. .. | 4.5 |
| Selectors | 8 8 0 | 0 8 | | 6 |
| Sirdar | 5 8 9 | 0 8 | (b) Bad supervision .. | 9 |
| B. Mills spinner | 3 8 0 | 0 2 | (a) For leaving tokens .. | 5 |
| Do. | 3 8 9 | 0 2 | (c) For being late .. | 5 |

In no case do the fines in the above instances exceed 5 per cent. of the employees' wages, where monthly wages are taken into account, and in no case investigated does it appear that an employee has been fined more than once in a month. In the case of one mill the aggregate of fines per week amounted to Rs. 50, the majority of which were imposed on weavers, and the balance on the remaining classes of time-workers for breaches of discipline, time-keeping, etc. The total wages bill for the week in this concern was Rs. 14,000. In another mill with a monthly wages bill of Rs. 4,200, the fines aggregated Rs. 6-2-0 per week. In still another mill the aggregate of fines per week was Rs. 300 of which Rs. 200 were imposed on weavers for bad work and the remainder on time-workers for breaches of discipline and infractions of the Factories Act. In this case the total wages bill was Rs. 15,000.

Cotton mills are reported to impose fines similar to jute mills in approximately the same proportion to wages. It is stated that warnings are given before the fines are imposed, and that when an employee is found to be doing better work after having been fined the fines are returned to him in the form of a bonus.

In engineering concerns the available information goes to show that in no case do the fines exceed 5 per cent. of the employees' wages, and that the

aggregate of fines is negligible compared with the total wages bill. Fines in such works are generally inflicted for breaches of discipline, bad time-keeping, and injury to tools supplied by the employers.

Information is difficult to obtain in respect of smaller factories but the fact that no complaints have been received shows that fining does not lead to abuses. It has been noted that in some concerns such as rice mills no fines are said to exist because in such industries the question of skill scarcely arises with the result that there is no bad work. Punctuality and discipline are also of less importance than in big textile concerns.

5. Under the English Truck Acts all contracts in regard to fines, bad work, damage, use of machinery, light, etc., are required to contain in expressed words the limitation imposed by statute that the deduction or payment is to be 'fair and reasonable having regard to all the circumstances of the case'. Contracts also in regard to bad work or damage must also contain the limitation that the deduction or payment shall not exceed the actual or estimated loss to the employer. The information which has already been supplied is sufficient to show that the stipulation 'fair and reasonable having regard to all the circumstances of the case' is in practice accepted so far as the large industries in this Presidency are concerned. With regard to the limitation of the fine to the actual or estimated loss to the employer there is, and can be, no attempt in this country at recovering loss due to bad workmanship. When a weaver is fined, say 4 annas, for injury to material, in all probability the cost of the injury to the employer is from Rs. 15 to Rs. 20. Moreover, in the case of jute mills consistently bad work turned out by a mill may mean the relegation of the mill to a lower grade by the buyers with consequent general lower prices. One recent case has been quoted in which bad work of this kind has meant a loss of Rs. 3,000 per month to the mill for a full year. Similarly, in engineering works the proportion which the fine bears to the loss in tools or material incurred by the employer is infinitesimal.

6. Generally speaking, it may be said that the fining system is more distasteful to employers than it is to employees. It is obviously in the interest of the employer to have good work done by his employees, to have good discipline in his factory, and also to have good time-keeping. Were fining carried on to an irksome extent it would undoubtedly be reflected in the causes of strikes. An analysis of the strikes recorded in this province from 1920 to 1926 shows only a few cases in which fines have been an ostensible cause of workers going on strikes. This deserves more than a passing note because in the jute-mill industry, the quality of the product depends very largely on the quality of the yarn. In a small number of cases strikes have been occasioned by the imposition of fines due to bad work which was set down by the employees as the result of bad yarn, and which, in some cases, ultimately led to an enquiry into the quality of the yarn used by the weavers. Normally, it is the duty of the supervising staff of the mill, in the interests of the mill itself, to see that the yarn supplied is sufficiently good for the fabric to be woven, so that the likelihood of fines being imposed in big proportions for bad work owing to bad yarn is very small. It has been reported, too, that employers have attempted to eradicate possible abuses which the fining system may give rise to by making a rule that only European supervisors may impose the fines. In cases it has been noted that where a *sirdar* is fined for bad supervision he is liable to pass the tax on to his subordinates. It is always difficult to detect such impositions, but in some mills it is noted the management have encouraged the employees to report direct to them any grievances which they may have arising from this cause. Some managers, it is also reported, have tried suspension, especially in the case of old employees, for breaches of discipline or bad work, but it is doubtful whether suspension is preferred as a penalty to fining.

7. With regard to the introduction of legislation on this subject, I am to say that, after considering the information at his disposal and the views which

have been expressed both by the commercial and labour interests concerned, the Governor in Council is of opinion that it is not necessary at the present time to undertake any legislation of a Truck character at all. The views of the commercial interests are summed up in the following paragraph submitted by the Bengal Chamber of Commerce :—

“ It is the considered opinion of the Committee of the Chamber that no legislation of any kind is necessary in connection with the system of fining. They would indeed be most strongly opposed to an Act having for its object the total abolition of the system. Nor do they believe that any good purpose would be served by attempting to regulate the practice by legislation. But if the Government of India decide, nevertheless, to legislate they suggest that the scope of the Act should not extend beyond factories and mines ; and that Inspectors of Factories and Inspectors of Mines should enforce its provisions. They are unable to outline what the provisions of the Act should be. But they think that, as was suggested by the English Truck Committee, it might provide that the maximum fine, or accumulation of fines, permissible should not exceed a certain percentage of the wages of the worker. This proposal is supported by the Indian Jute Mills Association, and it appears to the Committee of the Chamber to be reasonable. They also agree with the Association's recommendation that a notice of fines imposed should be posted in a prominent place in the mill or factory, so as to be readily accessible to the workers. It is also their opinion that fines ought not to be a source of profit to employers, and that they ought not to aggregate such a sum as to be in any way a recovery of the cost of the damage caused by a careless, or inattentive, worker.”

From this it will be seen that although the Chamber oppose the introduction of legislation they are not altogether averse from a general provision to the effect that fines should be limited to a certain percentage of the wages of the worker. Mr. K. C. Ray Chaudhuri is more emphatic than the Bengal Chamber of Commerce. He says :—

‘ Abolition of fines will not, however, mend matters, and, on the contrary will lead to suspension or dismissal of hands and provide handles to unscrupulous *sirdars* to recruit substitutes and make money. It should be borne in mind that with the exception of certain months, the supply of jute labour exceeds demand. Several hungry applicants hang outside the mill gate for jobs, and the *sirdars* are in the habit of selling jobs to the highest bidder.

‘ Any Act on the lines of the British Truck Act is out of the question at the present time as workers are mostly illiterate and are hardly affected by printed notices or written contracts.’

8. The experience of the Factory Inspection Department leads to the same conclusion. Indeed, the parallel provisions of the English Truck Acts are in practice observed in this province at the present time. The fines are fair and reasonable having regard to all the circumstances of the case, and the workmen are personally aware of the system before they enter employment. Fines are rarely imposed on children, i.e., up to 15 years of age, and fines do not exceed 5 per cent. of the employees' wages for the month. In some cases also fines are credited to a fund administered solely for the benefit of the workers. On the whole, therefore, there seems to be no case for undertaking legislation at the present moment, even of the general character which would only prescribe a percentage of wages beyond which fines should not go.

The framing of a law to this general effect would, so far as Bengal is concerned, only legalise what is at present the practice. It would, however, materially add to the work of the factories and mines inspection staff, and His Excellency in Council does not look with favour on the addition to the duties of these departments of functions which would not materially benefit the labouring classes. At the present stage of development, the attention of these depart-

ments is required for the enforcement of the more vital principles enshrined in the factories and mines legislation. The existing system, moreover, contains in itself the necessary checks against abuse, and, in the limited scope in which it is carried on, is suitable to the type of labour, and its organisation, employed in this Presidency.

LETTER FROM THE GOVERNMENT OF BIHAR AND ORISSA, No. 572-Com. | XL-2, DATED THE 12TH MARCH 1927.

The Jharia coal-field constitutes the most important industrial area in Bihar and Orissa. The Chief Inspector of Mines reports that, so far as his information goes (and the same opinion is corroborated by the inspectors subordinate to him), the imposition of fines is not prevalent in the coal-fields. When fines are imposed, they are ordinarily a punishment for breaches of discipline. In cases in which it is evident that workmen have broken statutory rules and there is insufficient evidence to support a prosecution in the courts, the Mines Department tacitly acquiesces in the imposition of fines by the employer, and the Chief Inspector states that in such cases, it is customary for the employer to credit the fine to some charitable institution and to send the receipt to the Inspector. The Chief Inspector of Mines observes that owing to the difficulty of retaining labour, mines managers are reluctant to impose fines which might result in the workmen concerned, and other workmen belonging to the same group or coming from the same village, leaving their employment and going elsewhere. Before replying the Additional Deputy Commissioner of Dhanbad (in the centre of the Jharia coal-field) referred the subject to the Indian Mining Association, the Indian Mining Federation and the Colliery Managers' Association. All these three associations deny that there is any regular or extensive system of fines in the coal-fields, applying either to the workmen engaged by the colliery companies or to the labour brought in by the contractors, though occasional deductions from wages are made for bad work or injury to property. The Additional Deputy Commissioner, Mr. Hoernle, who possesses considerable personal experience of conditions in the coal-fields, considers that the statements made by these associations fairly represent the facts. Labour employed in the mines is in a strong position, and would be able to contest any excessive or unjustified fining.

2. Outside the coal-fields, the chief industrial establishments are the Tata Iron and Steel Works at Jamshedpur, the Peninsular Tobacco factory at Monghyr and the workshops of the East Indian Railway at Jamalpur. The Tata Iron and Steel Company report that, in their works, fines are inflicted only for culpable negligence in the loss of or damage to property, or for the loss of the nickel or bronze tokens which are issued for purposes of identification. Further, they observe that in a manifesto issued some little time ago by the Jamshedpur Labour Committee (of which copies were sent to all members of the Legislative Assembly), no reference of any kind was made to fines or stoppages of pay, though every possible grievance was brought out and ventilated. The General Manager of the Company adds that if the management were deprived of this simple means of maintaining discipline, they would have no alternative but to resort more freely to the dismissal of unsatisfactory workmen. The Deputy Commissioner of Singhbhum corroborates the statement, made by the Tata Iron and Steel Company, and expresses his opinion that the imposition of fines is not abused by employers either in mines or factories in that district.

The Peninsular Tobacco Company at Monghyr has no regular system of fines, though fines are occasionally imposed.

In the workshops of the East Indian Railway at Jamalpur, there is a more or less recognized scale of fines for certain minor offences; for instance, smoking or sleeping in the works, washing at the hydrants, failure to produce train

passes, going out without tickets, committing nuisance, etc., is punished by a fine of one day's pay rising to Rs. 2 according to the gravity of the offence, while loitering in the workshops may be punished with a fine of two days' pay rising to discharge or dismissal. Government understand that the fines that are realized are credited to special funds maintained for the benefit of the workmen, and spent either on entertainments or for helping deserving workmen and their families.

The reports received from other districts all indicate that the imposition of fines is not carried to excess, and is not abused.

3. Local official opinion is almost unanimously opposed to any special legislation being undertaken. In agreement with the Commissioners of each of the five Divisions of the province, the local Government are of opinion that, the statutory prohibition of fines is not desirable and would have unfortunate results for the workmen themselves, while so far as conditions in this province are concerned, no special legislative measures of any kind are required to remedy or prevent abuses in the imposition of fines.

LETTER FROM THE GOVERNMENT OF BURMA, No. 302-V.-26, DATED THE 2ND MARCH 1927.

There are at present no provisions of law in Burma either empowering employers to fine their workmen or prohibiting them from doing so. The matter is therefore one purely of civil contract between the employer and the workmen. Enquiries made by the local Government show that infliction of fines upon workmen in this Province does not amount to an abuse which calls for legislation. It appears to the local Government that whatever may be the case in Bombay and in other Provinces where textile industries are of importance, the problem of the unjust or oppressive employer is not one which calls for attention in this Province in its present state of development. This is probably due to the peculiar circumstances of industry in Burma, and in particular to the fact that labour, most of which has to come from other Provinces, is in great demand, and will not come to Burma unless it receives fair treatment. The treatment of certain immigrant coolies by maistries through whom they are employed, is a matter to which the attention of the local Government has, from time to time, been directed, but this cannot be dealt with in legislation affecting the relations between the employer and the workmen in industrial concerns, and is therefore outside the scope of this enquiry.

2. With a view to ascertaining to what extent the practice of fining workmen is prevalent in Burma, particulars have been obtained of fines inflicted in certain industrial establishments. The results of the enquiry have been tabulated in the statement* attached to this letter. The figures are in most cases the monthly averages for the calendar year 1925, but in a few cases they are for one month only. In the case of rice mills fines are said to be rarely, if ever, inflicted; and it is said that a warning followed by a dismissal is the usual means of dealing with unsatisfactory work in such establishments. The statement* shows that in most cases the percentage of employees fined is very small; and in cases where a considerable proportion of employees are fined, the average fine imposed is unlikely to constitute a serious hardship to the employees. In some cases the fines which are inflicted are credited to a hospital fund or other fund used for the benefit of the workmen. It has not been possible to obtain figures for native mills; but it is reported that fining in such mills is not excessive.

3. The Chief Inspector of Factories, who was consulted on the subject, has reported as follows:—

"So far as my enquiries go fines are inflicted for disciplinary reasons in most of the properly organised factories. It may be said that in a factory

*Not printed.

where there is proper supervision there are fines and in the happy go lucky up country places where every one does what seems good in his own eyes there are no fines. In place of fines we get irregular time keeping, dirty machines, dangerous methods of work and bad maintenance of guards.

It is a little difficult to say at times whether a deduction from a man's nominal wage is a fine or not. The usual method of payment in this country is by the month but this implies the tacit understanding that the man turns up on each working day. If he takes a day off and 1/28 part of his monthly wage is deducted is this deduction a fine or not? It would be easy to argue either way. A similar problem arises with piece work. Suppose it is agreed to pay a man Rs. 12 a dozen for making say bolts, and that he makes 14 of which 2 are defective. Is he fined if he only gets Rs. 12 for his work? It is quite certain that the employer when he engaged the man had no intention of paying him for making bad bolts. He offered him the Rs. 12 for making 12 good bolts.

I mention the above cases to show the difficulty of determining when is a fine not a fine and the abundant literature on the Truck Acts indicates the similar difficulty of determining when a deduction is not a deduction.

The Officer in Charge of Labour Statistics is putting up a statistical note which he has compiled from returns received from Factory Managers, but in view of the preceding paragraphs it is possible that some of his fines or deductions may not be really fines or deductions. Still even so I think his statements which I have been permitted to see indicate that fines and deductions are not an abuse in this country.

In some cases at least (Burma Oil Company and Burma Railways) fines are credited to the hospital or to the Workmen's institute but generally I think firms, copying the example of Government do not expend fines on any eleemosynary objects.

My inquiries show that it is fairly common, particularly in printing presses to dock a man two days' pay for one day's absence. This is not I think unreasonable as it means that a costly machine lies idle while the man is away.

Small fines for lateness, loss of tools, etc., are fairly common but I have not come across any cases in which excessive deductions are made. In the small up country mills the feeling between the manager and the workmen is often such as to render any question of fines quite out of place. I know cases when the manager during the off season pays his old workmen if they are unable to obtain other work and no attempt is made to recover these payments when the mill starts work again.

I have no information on the subject of deductions made by maistries from their coolies but there is some reason to believe that these are some times excessive. I do not see how the system can be stopped or the administrative machinery by which it could be regulated without causing serious disturbance to the present system of employing coolies through a maistry.

While I consider that there is at present no necessity for any legislation on the subject of fines and deductions I do not think it would be impossible to draft an Act which should prevent fines or deductions ever becoming an abuse in the case of men paid directly by a factory or mine. It would be necessary to define what is meant by a workman's wages, to prohibit any deduction from those wages unless made in accordance with a notice of fines (which might perhaps have to be approved by an Inspector) to require that a register showing particulars of all fines inflicted should be maintained and that the total fines inflicted on each individual should be shown in the wages sheet.

The undoubted difficulty is to define what is meant by wages and I should much prefer to criticise other peoples' definitions than to make a definition myself."

The local Government is in general agreement with the views expressed by the Chief Inspector.

4. As already stated, the local Government does not consider that there is any necessity at present for legislation on the subject in this Province. That being so, it is hardly possible for the local Government to consult the interests concerned as to their attitude with regard to any legislation on the subject which may be proposed. His Excellency in Council considers that the only course is to frame legislation to suit conditions in those Provinces where legislation is required. If this were done, the local Government could examine the proposals, in order to determine whether they might be adopted without inconvenience in this Province. The local Government agrees with the Chief Inspector of Factories that it should be possible to draft an Act which would prevent fines or deductions becoming an abuse, at any rate, so far as factories and mines are concerned; and it is possible that such an Act might be put in force in this Province without inconvenience. This is, however, a matter upon which the local Government would prefer not to express a definite opinion until legislation has been framed and is under consideration.

OFFICE MEMORANDUM FROM RAILWAY DEPARTMENT (RAILWAY BOARD),
No. 4414-E., DATED THE 6TH APRIL 1927.

The undersigned is directed to forward herewith a summary of the views expressed by Agents of Railways and to state that the Railway Board support the almost unanimous opinion of the Agents that the system of fining cannot be altogether dispensed with on the Railways, which have to deal with a very large number of illiterate employees. It is also pointed out that there are checks against any abuse of the system as persons fined can appeal to higher authorities. Legislation to prevent abuses is not therefore necessary so far as Railways are concerned. Fines realised are not credited to the Railway revenues but are taken to a Fine Fund which is utilised entirely for the benefit of the employees.

Summary of replies received from the Agents of Class I Railways regarding deductions from wages or payments in respect of fines.

| Railway. | Observations and suggestions made by Agents. |
|-------------------|---|
| Eastern Bengal .. | .. The imposition of fines inflicted upon workmen is so slight that it does not constitute an evil. The control of fines is such that abuse of the system could be detected and rectified almost immediately. Every employee has the right of appeal to an authority higher than his immediate employer. All fines imposed are credited to a fund that is disbursed to the benefit of the employees as a whole either directly or indirectly. The abolition of fines altogether would remove a very salutary method of enforcing discipline which could only be replaced by dismissal of the delinquent, a punishment often far in excess of that merited by the offence. |

Railway.
Eastern Bengal—*contd.*

Observations and suggestions made by Agents.

.. The total of fines imposed on this railway including bonus forfeited on discharge was Rs. 12,091 or .065 per cent. of the total wage bill.

The Agent is of opinion that no legislation is called for for the regulation of the system of fining to prevent abuse provided that there is a simple and clearly understood system of appeal by workmen to higher authority than the immediate superior who imposes the fine.

Madras and Southern MahrattaThe employees of this railway are liable to disciplinary action by fine for :—

1. Wilful disobedience of orders,
2. Culpable neglect of duty, and
3. Damage or loss of Company's property.

In the case of monthly paid employees the fine imposed may not ordinarily exceed 5 per cent. of pay and in the case of daily paid employees should not exceed two days pay. Fines are not ordinarily recovered in instalments. In cases of irregular attendance no fine is inflicted. Due warning is given and if this has no effect the case is treated by suspension, stoppage of increment, reduction in pay, and in extreme cases, dismissal. The practice of fining workmen as a deterrent, if judiciously used, is effective. It is preferable to reduction of pay or suspension. The amount of fine is dependent on the extent of the misdemeanour. The total of fines imposed on this railway during 1925-26 is as follows :—

| (1) | (2) | (3) | (4) |
|-----------------|--------|---|-----------------------------------|
| Labour charges. | Fines. | Recoveries for stores, tools, etc., lost. | Percentage of (2) and (3) on (1). |
| Rs. | Rs. | Rs. | Rs. |
| 72,46,711 | 7,447 | 593 | 0.11 |

The fines collected are credited to a fund which is used for the benefit of the employees in general.

Careful scrutiny is exercised by the Heads of Departments with a view to check the adoption of unduly severe measures by those entrusted with disciplinary power. The Agent considers that the abolition of the system of fining would seriously affect discipline and lead to impaired efficiency. He is also of opinion that the introduction of fixed deductions for offences laid down in the Truck Act would result in more severe and frequent punishment than at present pertains.

Railway.
South Indian ..

Observations and suggestions made by Agents.

- .. The Agent is of opinion that although there are defects and often hardships in the procedure but in this country in the working of railways and workshops fining can no more be entirely abolished in business working than it could be in administering the laws of the country. With certain offences and certain employees in this country, no other form of punishment can with equal effect be applied. Whatever form of punishment may be adopted, objections can be found against it and fining is a procedure which can hardly be abolished. He is further of opinion that the staff prefer the system of fining to other punishments such as suspensions and reductions which carry with it loss by way of contribution to Provident Fund and bonus thereon. For minor offences the system of fining has, as far as possible, been given up by this Administration and a caution or record of the offence is recorded in the service register of the employee. Men are fined only after two or three warnings for serious offences.

The amount of fines imposed on the monthly paid employees is credited to the Fine Fund and the amount recovered from the daily paid workmen is credited to the cost of works. All the fines recovered and credited to the Fine Fund are spent to the welfare and benefit of the men themselves. There is no rule prescribing any maximum fine for any particular default or period or prescribing instalments. This is left to the discretion of the Heads of Departments but a limit of 10 per cent. is seldom exceeded. The total of fines imposed on this Railway during the last five years is as follows :—

| | Rs. |
|---------------|--------|
| 1921-22 | 12,605 |
| 1922-23 | 9,934 |
| 1923-24 | 10,930 |
| 1924-25 | 8,355 |
| 1925-26 | 11,191 |

The Agent considers that legislation with regard to fining would be premature for this country and inadvisable.

Assam Bengal ..

- .. Fines are inflicted for breaches of discipline, bad or negligent work, and damages to materials or other property of the Company due to carelessness. Deductions are also made from staff in connection with claims cases for loss or damage to goods when such loss or damage is due to carelessness or negligence but the

Railway.

Observations and suggestions made by Agents.

Assam Bengal—contd.

.. amount recovered is, as a general rule, a very small proportion of the cost to the railway company. All fines recovered from the staff are credited to a Special Fine Fund, to which fund are also credited forfeited Provident Fund bonuses, and this fund is used exclusively for the benefit of the staff in the way of payment of educational grants, donations to X'mas tree funds, payments to Railway Institutes, etc., no portion of the fund being credited to Railway revenues.

The Agent does not, however, consider that the punishment of staff by means of fines is the best method for the maintenance of discipline for all classes of staff. He states that a Merit and Demerit Mark system of punishment has been introduced on his railway which deals with clerical and running staff. It has not been found effective so far as employees of the artizan class and workshop staff on daily rates of pay were concerned for which it is proposed to re-introduce fining system. He is of opinion that the Merit and Demerit Mark System has advantages over the fining system and considers that the revised rules being issued for the working of the system on this Railway will eliminate the defects which have hitherto been found in actual practice.

He is also of opinion that no legislation is called for to counter possible abuses of the system of fining employees.

B. B., and C. I. ..

.. Fines are inflicted for breaches of discipline, bad or negligent work and injury to the materials or other property of the employer. Fines levied are subject to the following regulations :—

Department. District Officers in the.....are empowered to impose fines.

Engineering—Broad Gauge .. Up to a limit of 10 per cent. of the monthly salary in the case of both subordinate and menial staff.

Engineering—Metre Gauge .. Up to 10 per cent. of the pay of the employee subject to Engineer-in-Chief's confirmation.

Locomotive and Carriage,
Broad Gauge. Up to 10 per cent. of the monthly pay to staff other than Foreman, Chargeman and Train Examiners.

Locomotive—Metre Gauge .. On all monthly and daily paid staff up to and including Firemen in Grade B, Fitters, Boiler Makers, etc., up to 1/10th of their substantive pay for every day offences. In the case of others, the District Officers submit their recommendations to the Locomotive Superintendent.

| Railway. | Observations and suggestions made by Agents. |
|-------------------------|---|
| Electrical Department | .. Up to one day's pay with the approval of the Head of Department. |
| Construction Department | .. Up to a limit of one day's pay in ordinary offences or two days' pay for serious offences in both cases subject to confirmation by the Head of Department. |
| Traffic Department | .. Up to 10 per cent. in the case of subordinates and up to 20 per cent. in the case of menials. |
| Stores Department | .. Up to 10 per cent. of an employee's pay. |
| Medical Department | .. Up to a limit of 10 per cent. of their salary subject to Chief Medical Officer's approval. |

The limits are admitted to be perhaps rather high, but in actual application fines imposed on individuals are seldom, if ever, made to the extent of the maximum permissible.

Fining is only resorted to after cautions and reprimands have failed to produce the desired effect. Both the clerical and out-door staff are liable to fines.

The amount of fines recovered during the years 1925 and 1926 for all the Departments was as under :—

| | 1925. | | | 1926. | | | |
|---------------------|--------|--|-------------------------------|--------|--------------------------------|--|-------------------------------|
| | Fines. | Salaries and wages excluding Superior staff. | Percentage of fines to wages. | Fines. | Indians & domiciled Europeans. | Salaries and wages excluding superior staff. | Percentage of fines to wages. |
| | Rs. | Rs. | | Rs. | Rs. | Rs. | |
| All Departments | 16,563 | 2,11,97,197 | ·08 | 135 | 14,510 | 2,15,74,423 | ·07 |
| | | | | | 14,645 | | |
| Loco. and Carriage. | 11,251 | 68,86,913 | ·16 | | 9,279 | 70,46,333 | ·13 |
| Traffic .. | 3,900 | 95,40,175 | ·04 | | 3,873 | 96,74,220 | ·04 |
| Engineering .. | 1,321 | 12,89,112 | ·10 | | 1,353 | 13,29,506 | ·10 |

The fines recovered from the staff are credited to a Special Fund called the Fine Fund which is utilised in various ways for the direct benefit of the employees themselves. The Agent is of opinion that no legislation is called for in this respect.

Bengal Nagpur Fines are inflicted for committing breach of any of the following :—

1. Acquaintance with rules.
2. Prompt obedience to orders.
3. Hours of attendance for duty.
4. Absence from duty.
5. Intemperance, etc.

Railway.

Bengal Nagpur—*contd.*

Observations and suggestions made by Agents.

The following paragraphs are embodied in the agreement forms executed by employees engaged in India :—

12. With reference to departmental fining, I agree to the conditions laid down in Government of India, P. W. D., Circular No. XXIII-Ry., dated 26th July 1883, which are that the practice of departmental fining rests on a perfectly legal basis and needs no statutory authority and that all that is necessary is that Railway authorities should bring clearly to the knowledge of every servant the conditions under which he serves, one of which is his liability to fine or deduction from salary or wages for breaches of rule or discipline and that if any servant demurs to this condition he should not be engaged or, if already in the service should no longer be employed.

13. I agree that the Railway Administration may from time to time recover from me by deduction from my salary or other sums due to me or otherwise the value of any loss at any time suffered or sustained by the Railway Company by reason of neglect, default or misconduct on my part.

As regards the employees who are not required to execute agreements, such as P. W. gangs, daily rated staff in workshops, Yard coolies and the like, for whom the Agent considers that it is better to adhere to the system of fining than to abolish it. Furthermore in all Departments fines, however small, can only be imposed by an officer or with his express approval and in addition Heads of Departments have to submit monthly statements to the Agent for consideration as one of the standing items of the agenda of the monthly official meeting.

The Agent considers that a regulated system of fines controlled so as to prevent abuse is the system of discipline best adapted to the circumstances of Indian Railways, that the system is well understood by the staff, that the maintenance of strict discipline is absolutely essential in an organisation like a railway and that no other system of punishment would produce the same efficiency of results without greater practical severity.

The total of fines imposed on this railway during 1926-27 was Rs. 21,191.

Burma Railways ..

.. Fines are not inflicted upon the daily rated workmen in the Loco. Shops at Insein and the Car. and Wagon Workshops at Myitnge, but deductions are made from their earnings for spoilt

Railway.

Observations and suggestions made by Agents.

Burma Railways—*contd.*

.. materials. Such deductions never cover the actual loss to the railway and are small in proportion to the number of workmen and their earnings as will be seen from the following figures for January 1927:—

| Workshops. | Workmen. | | Deductions. | |
|-----------------|----------|-----------|-------------|---------|
| | Number. | Earnings. | Number. | Amount. |
| | | Rs. | | Rs. |
| Insein | 1,243 | 53,299 | 21 | 22 |
| Myitnge | 2,890 | 96,329 | 49 | 58 |

The Agent is of opinion that protection should be afforded to workmen against unscrupulous employers if it is found that the system of fining is abused.

B. & N. W. and R. & K. Rys. The fining of employees is not encouraged on this railway as it is stated that the fines imposed on workmen in the Loco. Shops during the last six months amounted to only Rs. 208-14-0 out of a total wages bill of Rs. 3,51,606. The Agent considers it preferable to the substitution of any system of recorded warnings, cumulative in effect, and resulting inevitably in loss of service. He is also of opinion that any system that could be elaborated to substitute that now in force for dealing with offences by a very large number of menial staff, would be of necessity so ponderous that it would be difficult to work, and defeat its own object—the maintenance of discipline by undelayed punishment where moral suasion is useless. In the case of a menial of limited understanding the small self-denial imposed by a judicious and salutary fine provides food for reflection where reprimands or admonitions would be forgotten.

North Western ..

.. Fines are generally imposed for minor offences in connection with—

- (i) negligent and careless work,
- (ii) breaches of discipline, and
- (iii) minor infringement of rules and standing orders in force from time to time for the operation and safe working of the Railway.

For offences of a petty nature under any of the above three heads the staff are, in the first instance, warned or cautioned and it is only when a reasonable number of warnings and cautions have failed to produce the desired effect or the offence is by itself of a fairly serious nature that a fine is imposed. Certain limits were prescribed by different Heads of

| Railway. | Observations and suggestions made by Agents. |
|------------------------------|--|
| North Western— <i>contd.</i> | <p>.. Departments prior to the introduction of the Divisional Scheme, <i>e.g.</i>, one week's pay of an employee, or one-eighth or one-tenth of an employee's pay in any one month; and these limits are still in force. It is proposed to prescribe the following scales of fines for various offences :—</p> <p>(a) Ordinary mistakes in line clears ½ day's pay fine.</p> <p>(b) Serious mistakes on line clears ¾ day's pay fine.</p> <p>(c) Showing incorrect tonnage on wagon labels Rs. 2.</p> <p>(d) Failure to stamp G. C. Notes of the value of Rs. 5 or more when sending the same to Cash Office Rs. 5.</p> |

To place the various limits on one uniform basis it is also proposed to issue orders that in no case shall the maximum fine or aggregate of fines exclusive of those in connection with the misuse of passes and P. T. Os., imposed on an employee in any one calendar month exceed one-eighth of his pay for that month, that deductions by instalments in respect of fines imposed shall be prohibited and that the practice of imposing small irritating fines prevalent in certain cases should cease.

When an employee is fined he is furnished in writing particulars, acts of commission or omission in respect for which the fine is imposed and if he considers the punishment either unjustified or too heavy he can appeal to the authority next higher to the one inflicting punishment. Fines recovered are utilized for the benefit of staff from whom fines are recovered. In the opinion of the Agent the fining system is an effective corrective in that it brings home to the employee concerned, more readily than warnings or cautions, his responsibility towards his work; and when judiciously administered as generally done on this line it does not become vexatious or irritant.

Great Indian Peninsula .. The system of fines in force in the principal departments is as follows :—

Traffic Department.—Fines are only imposed when a warning or caution has failed to have the desired effect.

There are various modes of punishment, *viz.* :—

- (1) A warning or caution.
- (2) A small fine.
- (3) A heavier fine.
- (4) Suspension from duty for a few days.
- (5) A reduction of pay.

- | | |
|---------------------------------------|---|
| Railway. | Observations and suggestions by Agents. |
| Great Indian Peninsula— <i>contd.</i> | (6) A deduction for articles lost or damaged owing to carelessness. |
| | (7) A notice of discharge for very serious offences or for long continued misbehaviour. |

Fines are usually inflicted by an officer on the written representation of the Foreman or Inspector in which the full facts of the case are stated.

Commercial Department.—The delinquent staff are, for minor offences, first warned, and when such warning does not produce the desired effect fines are inflicted, the amount varying according to the salary drawn. Fines can be inflicted to the extent of a week's pay in any one month. Habitual offenders and whose service generally is considered unsatisfactory are ordinarily removed from the service by discharge.

Mechanical Department.—Fines are imposed for breaches of rules posted in workshops. Workmen who are fined are advised of the amount of the fine and the reason for fining.

The Agent considers that it is the lack of sense of responsibility, the poorer intelligence and the lower commercial morality of the labour employed in the East that makes the fines system a necessity for it has been proved throughout this railway that whereas warnings and threats are of little or no effect on staff other than the better educated class, the imposition of fines brings about an immediate improvement in the work. He is of opinion that it is premature to consider the introduction of the Truck Act in India and the elimination of the system of fines and does not recommend any alteration in the existing method of fines on Railways.

The fines inflicted are used to provide facilities for recreation, etc., and other purposes equally beneficially in the interests of the staff themselves.

- | | | |
|-------------|----|---|
| East Indian | .. | .. Fines are imposed for breach of rules and discipline, for absence from duty and for loss of tools, uniforms, etc., or damage to Railway property. Heads of Departments scrutinize and sanction all fines of their staff and this being so the Agent does not consider it essential that outside authority to the railway should be enforced. |
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LETTER FROM THE CONTROLLER OF PRINTING, STATIONERY AND STAMPS,
No. H.Q.-10|60, DATED THE 8|9TH APRIL 1927.

The following fines are imposed on the employees of Government of India Presses:—

- (1) Fine for absence without leave.
- (2) Fine for making Pye.
- (3) Fine for late attendance.
- (4) Fine for neglect of duty.
- (5) Fine for bad work.
- (6) Fine for disobedience or breach of discipline.

2. Fines under (1) (3) (6) are credited to the Fine Funds constituted in the Presses, while Pye fines and special fines for bad or careless work, entailing direct loss or extra expenditure to the employer, are rightly credited to Government.

3. The system of fining in Government Presses has not assumed such a proportion as would constitute it an evil, neither does it inflict unnecessary hardship on the employees. The figures in paragraph 5 below show the total amount realised over the whole year in fines is less than 2,000 on 6½ lakhs paid in wages (supervising staff excluded).

4. The Fine Fund was introduced by the Government of India in 1920 and the question of Fines came under review of the Pieceworkers Committee in 1922. Their recommendation reads:—

“Provided that the system of fines at present in force is worked in the existing lenient manner, we cannot advise that the Press authorities should be deprived of this method of maintaining discipline. We must add that the money received by fines is not credited to Government. The proceeds from fines are being funded with the object of creating a Compassionate Fund for the benefit of Press employees and their families.”

5. That the system of fines is administered more leniently, as far as the Calcutta Press is concerned, than it was when the above was written, the following figures will show:—

| | 1922. | | 1926. | |
|------------|-------------------------|------------------------|-------------------------|------------------------|
| | Credited to Government. | Credited to Fine Fund. | Credited to Government. | Credited to Fine Fund. |
| | Rs. | Rs. | Rs. | Rs. |
| | 1,316 | 2,580 | 881 | 1,093 |
| . Total .. | 3,896 | | 1,974 | |

There are over 1,000 men employed in the Calcutta Press so that the total amount of the fines inflicted in 1926 works out on the average to less than Rs. 2 per head for the whole year, of which a sum in excess of Re. 1 per head was returned to the men by way of the Fine Fund for the purpose of immediate relief in cases of distress amongst the employees and their families.

6. The effect of abolishing fines in the Government of India Presses would be to encourage, especially under the Piece system, careless and inefficient work with consequent substantial loss to Government. I am therefore not in favour of total abolition.

7. In the Calcutta and Simla Presses during the periods when they were under my charge every recommendation for a fine came under the review of the Manager and as he only sanctioned the fine and fixed the amount, no man was actually fined until it was found that several warnings were ineffective, with the consequent reduction in the amount realised by fines.

8. In the Government of India Presses the men have an additional safeguard against hardship in the infliction of fines or unnecessary fining by the management, inasmuch as they have the right of appeal to the Controller and to the Government of India. Any grievance or injustice inflicted can also be brought to notice and discussed in the Works Committee. It may be asserted therefore that the Government Press employee is sufficiently protected from abuse of the system of fining by the conditions of his employment and by the rules, etc., already in force.

LETTER FROM THE CONTROLLER OF THE CURRENCY, NO. CY-508, DATED THE 16TH MARCH 1927.

I have the honour to state that so far as the departments under my control are concerned, fines are in most cases levied on well-defined and automatic principles and are not therefore liable to abuse. In Currency Offices, fines are imposed in accordance with Articles 40, 131 and 145 of the Currency Code for bad and negligent work. The men affected are literate and most of them are members of Associations recognized by Government and can ventilate their grievances through those bodies. As regards Mints, fines are inflicted mainly for late attendance, and to a small extent for bad work, breach of rules, etc., under rules laid down in Mint Codes or standing orders which are known to the men.

2. In practice very few fines are imposed, and no complaints have been received so far in individual cases. The men have the right of appeal to Deputy Controllers of the Currency or Mint Masters, as the case may be, or even to the Controller of the Currency. For routine and mechanical work like that of currency offices and Mints, fines have a salutary effect and act as a deterrent to careless work, breach of discipline, etc. In the Mints especially, which have a short working day, it is necessary to ensure punctuality which can best be done by imposing a penalty in the shape of a fine for being late.

3. The employees themselves prefer this form of punishment to the more drastic alternative of a postponement of increment.

4. For these reasons, I am not in favour of abolishing fines, and I do not consider that any special measures are necessary to remedy abuses of the system so far as the departments under my control are concerned.

OFFICE MEMORANDUM FROM THE SECRETARY, CENTRAL BOARD OF REVENUE, C. NO. 77-GL.27, DATED THE 17TH MARCH 1927.

The Secretary, Central Board of Revenue, is directed to forward a copy of each of the letters noted below which furnish the information required, regarding the levy of fines on workmen, etc., in (certain) departments under the administrative control of the Board. The Board considers that the present system of imposing fines should continue; and that so far as Government employees are concerned no legislation to regulate it is necessary.

1. Letter from the Master, Security Printing, India, No. 52|27-4703, dated 16th February 1927.
2. Letter from the Collector of Salt Revenue, Bombay, No. 105-28|26, dated the 18th February 1927.

3. Letter from the Collector of Salt Revenue, Madras, No. D.-357-Salt|27, dated 7th March 1927.
4. Letter from the Commissioner, Northern India Salt Revenue Department, No. 54-Gl.|27, dated the 15th March 1927.

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LETTER FROM THE MASTER, SECURITY PRINTING, INDIA, TO THE SECRETARY, CENTRAL BOARD OF REVENUE, NO. 52|27-4703, DATED THE 16TH FEBRUARY 1927.

I have the honour to inform you that no general system of imposing fines on labour exists in Security Printing. In one section, that of Postcard counting, where the counters are paid by piece work per tray (5 reams) of cards, a system is in force whereby a mistake detected in the counting of a tray cancels the payment due for it. This however can scarcely be termed a fine as it merely means that the worker is only paid for accurate counting.

2. In rare cases fines are imposed under my orders for careless mistakes made in the checking, etc., of other products where the introduction of piece work is not possible. In one (or two) cases also employees have been fined in order to make good the value of products found to be deficient.

3. I am strongly of opinion that the practice should continue, the only alternative punishments in such cases being reduction in pay or dismissal. I also consider that no regulation by law is necessary or desirable.

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LETTER FROM THE COLLECTOR OF SALT REVENUE, BOMBAY, NO. 105-28|26, DATED THE 18TH FEBRUARY 1927.

I have the honour to state that the system of imposing fines on labour does not prevail in the Bombay Salt Department. At the Government saltworks at Kharaghoda and Dharasna and Chharvada, the agarias receive wages at a certain fixed price per maund of salt produced by them and delivered or sold. No deduction is made therefrom.

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LETTER FROM THE COLLECTOR OF SALT REVENUE, MADRAS, D. NO. 357-SALT OF 1927, DATED THE 7TH MARCH 1927.

The system of imposing fines exists in this department only to a limited extent. Fines are inflicted on permanent Petty officers and Peons, whose pay ranges from Rs. 12 to 25 per mensem, up to a maximum of Rs. 3 according to the rules laid down in paragraph 792, Salt Manual, Volume II, for breaches of discipline, when Black Marks are ineffective. Temporary peons and platform coolies of factories are also fined small amounts for similar offences, as the Black Mark rules do not apply to them being daily labourers. Workmen of the Madras Depot Workshop (Mechanics and Coolies) in number about 20 are also occasionally fined both for slack work and breaches of discipline. The total amount of fines realised from 1st April 1926 up to date in the Madras Depot Workshop is only Rs. 5. The local officers report that the 5 per cent. limit of pay suggested by the English Truck Committee of 1906-08 has rarely been exceeded.

There is little fear of abuse of the system of fining for the following reasons :—

Firstly the maximum amount of fines has been fixed, and those who are so punished have the right of appeal to a higher authority.

Secondly the power to inflict fines is only vested in gazetted officers who can be trusted to use this power with wise discretion. Finally orders have recently been issued to substitute extra fatigue duty instead of fines for petty offences as far as possible.

In these circumstances I do not consider that there is any necessity to abolish the system.

LETTER FROM THE COMMISSIONER, NORTHERN INDIA SALT REVENUE, No. 54-G.L./27,
DATED THE 15TH MARCH, 1927.

I have the honour to report that in the Salt Range Division of this Department a system of imposing fines on labour prevails, regulated in the case of persons other than Government servants or daily labourers by Rules 18 and 21 of the Mining Rules, which run as follows :—

“The Manager ‘(Assistant Commissioner)’ of a mine or quarry may punish any person (other than a daily labourer) employed in such mine or quarry above or below ground and not being a Government servant against whom any breach of these rules or of any standing orders or any carelessness or misconduct in connexion with his work may be established with—

- (a) a fine not exceeding Rs. 5 for every such offence,
- (b) (other alternative follow).

Under Rule 19 an appeal lies to the General Manager. Rule 21 runs :—

“The General Manager of Salt Mines may punish any miner or other person not being a Government servant employed in or in connexion with any mine or quarry in the Division for misconduct, breach of any of these rules or disobedience of lawful authority by a fine which may amount to Rs. 50 or by removal or dismissal from employment.”

Under Rule 22 an appeal lies to the Commissioner.

2. I attach a copy of a note by the General Manager, Khewra, on the working of the system. Fines at Khewra and Warcha average Rs. 75 a month or about 0.34 per cent. on the wage bill, are credited to a divisional ‘Fine and Pension Fund’ and utilised with the advice of the Miners’ Committee on relieving distress among widows and orphans, men incapacitated from work by accident or old age, etc. Under the Rules for the Management of the Salt Range Division Fine and Pension Fund levied (without specific rules in regard to this levy) from a long list of employees on Construction and Upkeep, Carriage of Salt, Mine Inspection and Sanitation and in the Depot are also credited to the Fund, in the benefits of which they share.

3. There are no specific orders regarding fines on classes of labour other than those mentioned in the mining rules and the notes received from the various divisions are incomplete in their information, while no time remains in which to have the gaps supplied.

4. The Departmental Manual contains rules empowering the various grades of officers to fine for misconduct the inferior permanent establishment subordinate to them—General Managers and Assistant Commissioners up to a limit of Rs. 5 for any one offence, Superintendents up to Rs. 2 and Inspectors up to Re. 1 and I understand from Mr. Reid that in Khewra the Assistant Commissioner, Mine, and the Engineer fine by analogy the labour under them up to a limit of Rs. 5 and the Superintendent Depot up to a limit of Rs. 2. In Rajputana most works are done by contract and the occasions for fining labour are few. In the

Sambhar Workshop fines are imposed for neglect of duty loss of or damage (other than accidental) to tools, etc., apparently on the same scale as in Khewra.

5. No contracts are made with labourers and no maximum fine or accumulation of fines is prescribed.

6. So far as this Department is concerned I would on no account abolish fines. All that seems required is by Executive order to define exactly in the case of labour other than that covered by the Mining Rules, the officers who may fine with the limit of their powers, the employees whom they may fine, the faults for which fine may be awarded and the maximum fine permissible in a given period : also to provide for one appeal against any fine inflicted. Except in Khewra where conditions permit of this it appears impossible to arrange for the utilisation of fines for the benefit of the workers.

LETTER FROM THE GENERAL MANAGER OF SALT RANGE DIVISION, KHEWRA,
NO. 120-2712, DATED THE 23RD FEBRUARY 1927.

I have the honour to state the present powers of inflicting fines of officers of this Division are :—

General Manager—

Rs.

For misconduct, breach of mining rules or disobedience of lawful authority for any one offence by mines or contractors not being government servants 50

Misconduct of inferior permanent establishment for any one offence 5

Assistant Commissioner (Sales), Khewra—

Misconduct of inferior permanent establishment for any one offence 5

Assistant Commissioner (Mine), Khewra—

Breach of rules, misconduct, carelessness of a miner or contractor 5

Superintendents—

Any one offence (misconduct, etc.), by permanent inferior establishment 2

Inspectors—

Any one offence (misconduct, etc.), by permanent inferior establishment 1

Fines are usually inflicted on miners for such offences as loading of marl and dust salt into tubs or for throwing this waste on to the mine roadways. They may be inflicted on contractors for neglect of orders or rules for safety of workpeople, abuse of their transport animals and other offences of this kind.

The permanent establishment is fined for such offences as neglect of patrolling duties, absence from post of duty, and slack work generally.

The above cases can be classed as fines inflicted as punishment for bad work or neglect of duty and are levied purely with the object of maintaining discipline.

(2) Deductions may also be made from the wages of an employee in respect of injury to material.

If for instance, a peon loses a new great coat and the man can be proved to be definitely to blame for this loss, the cost of the coat or part cost is deducted from him.

As miners use their own tools, powder, etc., it is very rarely that a deduction of this kind is made from the miner class, nor is this often done in the case of workshop labour.

(3) As regards disposal of the amount realised from fines—

- (a) The amount realised from fines levied on the permanent establishment is credited to Government.
- (b) The amount realised from fines levied on miners, contractors and other non-government servants is credited to the fine fund which is used as an account from which pensions are paid to old and feeble residents of the mining villages.

The average amount in fines recovered monthly from the miners of Khewra and Warcha is at present about Rs. 75 per month on a total average monthly wage bill of about Rs. 22,890 or about 0.34 per cent. The amount recovered from the permanent establishment is much less proportionately than this.

(4) As regards the possibility of abuse of this system of punishment to which the Government of India refer, it is at once obvious that this possibility is minimised to such a degree as to render it almost negligible by our system of appeal.

When an officer who is inflicting a fine realises, as our officers do, that an appeal may be lodged against his action to the head of the department or even to the Government of India he is naturally careful if only for the sake of his personal prestige, that there shall not be much probability of his sentence being reversed. That there exists at present no abuse is, I think, proved by the fact that very few appeals are lodged against the fines we inflict, I have had, I think, not more than three or four appeals against fines inflicted by the Assistant Commissioner (Mines) Khewra, in the past two years and the Commissioner has had one case only I believe of appeal against fines inflicted by me in the same period. Bearing in mind the fact that all our workpeople are fully cognisant of their power to appeal and use it very frequently in other respects, I consider that there would be very many more appeals if this infliction of fines were held to be a real grievance by our people. I have personally only had occasion to use my power of fining in some seven or eight cases during two years.

(5) As regards abolition of fining, it is difficult to state were such abolition enforced, what other equally effective and just punishment could be substituted.

Our miners are easily the most troublesome body of men with whom we have to deal, and the only other disciplinary action we can take against them is to debar them from working in the mine for given periods.

Were it possible to give every miner steady work, this form of punishment might be satisfactory, but as this is not possible, stoppage of a miner's earnings in this way for any given period may in some cases be a severe punishment or may be no punishment at all this depending on whether the miner would or would not have been employed during the period of his temporary expulsion from the mine.

The permanent establishment can be dealt with by stoppage of increment (which is only another form of fining) or dismissal.

(6) There appears to be no abuse and little, if any, real antagonism to our present system as regards punishment by fines and I consider, therefore, that legislation on this question is at present, so far as this division is concerned, unnecessary.

LETTER FROM THE DIRECTOR-GENERAL OF POSTS AND TELEGRAPHS, No. 79-G.27,
DATED THE 22ND APRIL 1927.

The deductions in respect of fines for breaches of discipline are regulated by well defined rules which fulfil the provisions of the Truck Acts. According to these rules the following are exempt from fines ;—

- (a) all Postal officials who do purely clerical work,
- (b) those Postal operatives who have passed the 2nd efficiency bar in the clerical time-scale,
- (c) Telegraph officials of the ministerial establishment,
- (d) those drawing Rs. 100 and upwards.

2. In other cases, the rules authorise the imposition of fines only in cases of perverse or repeated neglect. Each case is required to be carefully considered and any attempt at abuse of the power is discouraged. Every order of punishment (including fine) has invariably to be in writing after the explanation of the official has been obtained on a written memorandum of charges. A statement of punishment (including fines) is submitted monthly to the Head of the Circle who is thus in a position to check any tendency on the part of his officers to abuse the power of inflicting fines. The staff have the right of appeal to higher authority and are consequently well protected against harsh or unjust treatment. Lastly, fines are limited on the Postal side to a week's pay in a month, or roughly speaking, 25 per cent. of the monthly earnings of a worker and on the Telegraph side to 10 per cent. Incidentally I propose to look into this difference of practice in the Postal and the Telegraph Branches.

3. The efficacy of the safeguards provided against abuse is apparent from the figures for the last year. The total number of Postal operatives serving in Calcutta during the past year numbered some 2,700, exclusive of the staff employed in the Calcutta Sorting Division. Their annual earnings in wages amounted to above Rs. 20,63,000. The amount of fines imposed and realised from these earnings was only Rs. 323-10-0. The recovery works out at less than 2 annas a head per annum. In the case of the Calcutta Sorting Division the relative figures are—wages Rs. 4,76,000, fines Rs. 12-8-0 and the incidence 1|3rd anna per head per annum.

4. I feel rather sceptical about the view that discipline can best be maintained by "adequate supervision" and "moral control" with the "alternative of dismissal as the last resort". Adequate supervision is rather a vague expression, moral control cannot always be exercised, while dismissal is far too drastic. Some form of coercion is necessary to make the employé work diligently. It is the day to day pressure that counts. Where officials are in the enjoyment of a time-scale of pay, stoppage of increment for varying periods according to the circumstances of the case is often a good substitute for fining. This course has the additional advantage of restricting the pay of the defaulter to his worth. But for low-paid employés generally, I consider that *with proper safeguards*, the system of fining for disciplinary purposes is a very suitable form of punishment. The workers themselves, I believe, prefer small occasional fines to stoppage of increment, degradation or dismissal.

5. The 2nd form of deduction from wages as classified by the English Law presents a far more serious and perplexing problem. An employer who sustains loss by the bad or negligent work of his employé naturally seeks to take, and feels justified in taking, such a measure against the delinquent as will not only act as a strong deterrent but also yield to him some recompense for the loss. It is difficult to persuade an employer to treat such loss as an ordinary breach of discipline.

6. So far as this Department is concerned the loss or damage caused to Government due to bad or negligent work, arises chiefly out of the loss or theft of insured articles, short realisation on account of Value Payable charges and customs duties, mispayment of telegraphic money orders, refund of the cost of telegrams, etc. In all these cases when dealing with the individual to blame for the loss, his capacity to pay is taken into account. Every official who joins this Department and who is expected to handle cash, is required to furnish a security bond in which it is clearly laid down that he is required to make good up to a certain amount any losses that may occur as a result of his neglect, default, omission, dishonesty or disobedience. The employés are thus fully aware of the system on which such deductions are based in this Department and the provisions of the Truck Acts in this respect are observed. -

7. Nevertheless, heavy recoveries to the full extent of the loss sustained are not infrequently ordered, which are not always either fair or reasonable. For example, an act or omission involving the same degree of negligence or disobedience of the same rule may result in the loss of an insured letter for Rs. 100 or for Rs. 1,000; yet in actual practice the officials concerned in the two cases have to make good Rs. 100 and Rs. 1,000, respectively. On the other hand, if this principle is departed from and recoveries are made proportionate to the degree of negligence involved, which is in itself a very baffling equation, there is always the danger that losses may be very heavy and the Department would have no remedy except to dismiss the official. The officials themselves more often prefer to make good the loss, heavy though it may be, than be removed from the service.

8. It has been suggested that recovery in such a case should be limited to the maximum of the security given by the official at fault. I propose to pursue this suggestion specially in respect of insured articles where the loss is covered by the insurance fees.

9. The third form of deduction from wages does not enter into the question so far as my Department is concerned, as all equipment for work is provided free.

LETTER FROM THE GOVERNMENT OF UNITED PROVINCES, No. 815, DATED THE 9TH MAY 1927.

This Government have consulted the two Chambers of Commerce, the Mazdur Sabha of Cawnpore, the Director and the Board of Industries, the Chief Inspector of Factories and representative employers of industrial labour of various kinds in different localities. The opinions received are divided. Some of the more important views are summarised below.

2. The Upper India Chamber strongly protest against the volume of factory legislation and what they describe as an increasing tendency on the part of the Government of India to improve the conditions and class-power of labour at the expense of the employer. They state that the system of inflicting fines upon workmen is common in factories, as it is in every other sphere of life where it is necessary to punish an employé with something more than an admonition or censure and something less than suspension or dismissal. They deny that an employer levying a fine acts both as prosecutor and judge. In most factories the fine is said to be leviable only by somebody in authority upon due complaint and proof, and the prosecuting individual is not the judge. They admit that workmen in this country are ignorant and without the protection of labour unions. But these factors, they affirm, tell against the employer more than against the workman. Owing to ignorance, the workman takes no pride in his work and does as little as he can. His ignorance and inadaptability cause loss to the employer in tools, machinery and material, and make it necessary for his employer to adopt

methods in dealing with him which will seldom be necessary in most other countries. All the manufacturing members of the Chamber agree that the abolition of the system of levying fines, when deserved, is impossible.

3. The Chamber state that many factories already regulate the imposition of fines, and that the maximum number of persons fined is not greater than three per cent. of those employed. They classify fines as follows :—

(a) *Disciplinary* :—inflicted for disobedience of orders, lateness or absence, uncleanliness or breach of sanitary rules, and quarrelling or fighting.

(b) *Compensatory* :—*vis.*, deductions for damage done to tools, machinery and material. These deductions amount perhaps, it is said, to four annas per hundred rupees of the wages earned, except in some textile mills where the practice has been introduced recently of making the weaver buy the cloth he spoils. Such cases are claimed not to exceed one per cent. of the men employed, nor to represent more than ten per cent. of the offender's earnings.

Disciplinary fines and sometimes even compensatory deductions are said to be usually credited to a fund for the benefit of the workmen, *e.g.*, for recreation or medical attendance.

4. The Chamber protest against the suggestion that the restriction of fines, if enforced, may have to be confined to factories and mines where the presence of Government inspectors will make enforcement possible. They say that if legislation is decided on, the Government should set the example by controlling fines in their own departments and on the railways and in municipal offices. They also argue that in India where the supply of factory labour falls short of the demand an employer cannot afford to substitute dismissal for fining.

5. The United Provinces Chamber consider that the system of fining is worked in this province "with great discrimination and moderation". An employer resorts to fines as a deterrent and not as a source of profit to himself. The Chamber also consider that the workman's ignorance, inefficiency and defective sense of responsibility furnish an additional reason for maintaining the system of fines. They too are opposed to legislation.

6. The Mazdur Sabha of Cawnpore, on the other hand, strongly favours legislation. It is unable to make any definite suggestions except that fines in respect of damaged work must be stopped and damage to work should be treated as a breach of discipline. It would also limit the fines which can be imposed in a definite period. I am to point out, however, that this Sabha is as yet hardly representative of the labouring class of this province generally.

7. The Industrial and Trade Association of Benares advocate that the power of fining workmen for negligent work should not be withdrawn, but advise that fines should go towards the workmen's welfare.

8. The Chairman of the Cawnpore Improvement Trust (Rai Bahadur Babu Anand Sarup, a well known public man) believes that the practice of fining is generally abused by employers (harring a few honourable exceptions like the Muir Mills) and results in much hardship to the workmen. He considers that though it is neither possible nor desirable to abolish fines, as some check on indolence, indiscipline and bad work is necessary, there is a clear necessity to regulate them.

9. The inquiries made by this Government show that the practice of fining workmen is general in this province. It takes the following forms :—

(a) *Disciplinary fines* :—for disobedience of orders, being late or absent, breach of sanitary rules, disorderly conduct, etc.

- (b) *Compensatory deductions* :—for damage to goods, machinery or tools.
- (c) *Compulsory purchase* by a weaver of cloth spoiled by him. It is reported by the Chief Inspector of Factories that the percentage of workmen affected varies from one to twenty, and the price paid from five to ten per cent. of the wages earned. He adds that he has received no complaints on this score and the workmen prefer taking the cloth to being fined or dismissed.

10. There is no indication, however, that the practice is abused, except perhaps by some of the smaller manufacturers whose employés are not villagers (*e.g.*, the wire workers of Benares and the metal workers of Moradabad). No complaints have come to the notice of the Government that workmen employed by the larger mills—to whom admittedly legislation would have to be confined, at least in the first instance—are unjustly treated. If there had been any serious abuse it would have certainly come to the notice of the Government in connexion with the strikes that have from time to time occurred. Moreover, in a province like the United Provinces, where most of the factory hands are drawn from the agricultural classes, the problem of the larger employer has always been to get and to keep his labour, and this operates as an effective check on any tendency to excessive or unjust fines. Further most of the larger firms, at any rate, do not make any profit out of the fines, but employ them for the benefit of the operatives themselves in various ways.

11. The Governor in Council sees little or no evidence that industrial operatives in the larger factories of the United Provinces are fined harshly. He knows of no good reason for recommending that the employer should be legally debarred from fining undisciplined or defaulting or destructive workers (who often earn Rs. 30 a month) more than Rs. 1-8-0 per month. He has received no complaints from the workmen, and thinks that the time is not ripe and no real necessity exists in this province for any legislative action. Moreover, the Indian Trade Unions Act, which will come into force on June 1, 1927, will stiffen the attitude of the employés and make it still more difficult to treat them unfairly. If the Government of India nevertheless decide to legislate, they will, it is hoped, give Provincial Governments the power to determine what provisions of the new law should be applied to their provinces.

OFFICE MEMORANDUM FROM THE ARMY DEPARTMENT, No. 33812|2 (A.D.), DATED THE 8TH JUNE 1927.

The undersigned is directed to forward the undermentioned copies of correspondence which show the present rules and practice as regards the imposition of fines on workmen, etc., employed in the various ancillary services of the Army in India. On an examination of these papers the Army Department have come to the conclusion that, so far as they are concerned, there are no abuses which need to be checked and that no executive or legislative action is therefore necessary from their point of view.

Letter from the Director, Royal Indian Marine, No. 942-Est., dated the 14th February 1927, with enclosure.

Letter from the Director General, Indian Medical Service, No. 114|1126, dated the 19th February 1927.

Memo. by the Master General of Supply, dated the 9th February 1927, with copies of the papers referred to therein.

Memo. by the Engineer-in-Chief, A. H. Q., dated the 10th February 1927.

Memo. by the Quartermaster General in India, dated the 17th February 1927.

FROM THE DIRECTOR, ROYAL INDIAN MARINE, R. I. M. DOCKYARD, BOMBAY,
No. 942|EST., DATED THE 14TH FEBRUARY 1927.

I have the honour to forward herewith copy of the answers furnished by me to the questionnaire issued by the Officer-in-Charge, Labour Office, Bombay, regarding deductions, etc., from wages or payments in respect of fines.

Questionnaire on deductions from wages or payments in respect of fines.

Part I.

- | | |
|--|--|
| Name and Address of Factory or Industrial Establishment. | R. I. M. Dockyard, Bombay. |
| Class of Factory or Establishment. | Dockyard. |
| 1. Have you any system whereby fines are inflicted on your employees or deductions made from their wages ? | Yes. |
| 2. Have you any rules regulating such infliction of fines or deductions from wages ? | Yes. |
| 3. If yes, please attach copy of those rules to this schedule. | Marine Regulations, India, Volume I, paragraphs 367-8-9. |
| 4. To whom is the power of fining delegated in your establishment ? | The Director, R. I. M. in such cases as require representation, Engineer Manager in all other cases. |
| 5. Are the conditions under which fines may be inflicted included in the terms of contract if any, or made known to the employees in any other manner ? | No. But the employees well know that for certain offences they are liable to fine. |
| 6. Have you laid down any limits as to the extent to which fines may be inflicted, <i>e.g.</i> , not beyond a certain percentage of the workers earnings per week, per month or for any other period ? | 2 days' pay is the maximum fine in minor cases. In major cases fine as approved by the D. R. I. M. when such cases are reported to him. |
| 7. If you have no rules governing the infliction of fines in your factory please give a list of offences for which fines are inflicted on your employees. | Fines are imposed for loitering away from work in idleness. Smoking at work, gross carelessness involving loss to Government. |
| 8. In what manner is the amount recovered from your employees disposed of in respect of (a) fines ; and (b) deductions from wages for spoilt or damaged articles ? | (a) Fine imposed is deducted from wages by Controller of Marine Accounts. (b) Fine imposed is deducted from wages by Controller of Marine Accounts. |
| 9. On each occasion when a fine is inflicted is the worker concerned given full particulars relating to it ? | Yes. |

| Name and Address of Factory or Industrial Establishment. | R. I. M. Dockyard, Bombay. |
|---|---|
| 10. Is the worker informed of the fine at the time of the occurrence or only when he draws his pay ? | When fine is imposed. |
| 11. Is there a practice in your factory of giving an article spoilt or damaged by a worker during manufacture to that worker and of making a reduction for its cost from that worker's wages ? | No. |
| 12. If so, do you charge the worker (a) actual manufacturing cost of the spoilt or damaged article ; or (b) its value after being spoilt or damaged ; or (c) the price at which it would have been sold had it not been spoilt or damaged ? | No. |
| 13. Have you any system whereby deductions are made from wages on account of materials or tools supplied to the worker ? If so, what are the rules governing the same ? | No. |
| 14. Are the conditions relating to such deductions included in the terms of contract or made known to the employees in any other manner ? | .. |
| 15. In your experience has any employee refused to work and vacated his employment rather than submit to any or certain fines ? | No. |
| 16. Where fines are not inflicted, is suspension without pay an alternative measure ? | No. |
| 17. Have you any system of fines for lateness or non-attendance on the part of the employee who is paid by the week, fortnight or month ? | Deductions for daily wages on account of late attendance made in accordance with the rules laid down in the Marine Regulations. |
| 18. Is any reward or bonus offered and paid in your factory for (a) turning out better work than a specified standard ; or (b) more regular attendance ? | No. |
| 19. Do you grant advances to workers on wages due to them ? | No. |

Name and Address of Factory or Industrial Establishment.

R. I. M. Dockyard, Bombay.

20. In cases where advances are granted do you make any further deductions for interest, discount, etc., on the advances given ? If so, at what rate ?

21. If advances are not granted in your factory, does there exist a Loan Society on the Co-operative or any other system ?

No.
The Marwari has the monopoly in this direction.

Summary of fines inflicted and deductions made from the wages of employees during the calendar year 1925.

| Subject of deduction. | Numbers of employees from whose wages deductions have been made. | | | Total amount of deductions. | | |
|---|--|--------|-----------|-----------------------------|-----------|-----------|
| | Men. | Women. | Children. | Men. | Women. | Children. |
| | | | | Ra. a. p. | Ra. a. p. | Ra. a. p. |
| I.—Fines for— | | | | | | |
| (a) Breaches of Discipline or Factory Rules | .. | .. | .. | 221 4 2 | .. | .. |
| (b) Bad or negligent work | .. | .. | .. | 17 10 0 | .. | .. |
| (c) Others | .. | .. | .. | Nil. | .. | .. |
| Total .. | .. | .. | .. | 238 14 2 | .. | .. |

LETTER FROM THE DIRECTOR GENERAL, INDIAN MEDICAL SERVICE, No. 114|1126, DATED THE 19TH|21st FEBRUARY 1927.

Fines are not imposed on workmen in Medical Store Depots except in rare cases where articles have been broken or damaged by employees through their negligence. In such cases depot employees are liable to be called upon to refund the value of the loss incurred or a portion of the same.

2. As regards the general policy of deductions from wages, deductions in the shape of fines and to effect recovery of the value of losses caused by negligence (as distinct from fraud) should be permitted, but that the total amounts so recovered on account of one or more offences in any one month should not exceed 5 per cent. of the employee's remuneration for that month.

MEMO. BY THE MASTER GENERAL OF SUPPLY, DATED THE 9TH FEBRUARY 1927.

A copy of the rules for the infliction of fines in the Ordnance Factories, and for the administration of the Fund to which the fines are credited, is enclosed herewith. These rules have also been made applicable to the Clothing Factories.

FINES AND FINE FUND—RULES FOR.

The following rules for the infliction of fines in the Ordnance Factories and the administration of the fine fund, which have been sanctioned by the Government of India are published for guidance. [*Army Department No. 3344-10 (O-3), dated 10th February 1914 and No. 3344-12 (O-3), dated 29th April 1914.*]

Fines.

1. All men on the Extra and temporary establishment whether monthly or daily paid or piece-workers are liable to the following fines :—

Lateness.—The factory gate will be closed at opening hour of the factory after which late-comers will be admitted as ordered by the Superintendent and fined $1\frac{1}{8}$ day's pay for lateness up to and for half an hour. No late-comers will be admitted after half an hour from opening time except as allowed in the standing orders of the factory. Persons not more than half an hour late will be mustered for the full day's attendance.

If Superintendents require to admit any person over half an hour late they should provide for this in the Standing orders of the factory.

If local causes require the first admittance of late-comers to be for any less time than half an hour this should be provided for in the Factory Standing Orders.

Absence.—In addition to forfeiture of pay for the days of absence a fine of $\frac{1}{2}$ day's pay for each day or absence without leave, up to 12 days' absence, will be inflicted. Absence of 13 days and over to be met by a fixed fine of 6 days' pay. The number of days of absence after which a man's name will be struck off the books to be fixed by the Superintendent. Leave without pay will be granted under local rules; sickness to be supported by evidence, usually a medical certificate, from a qualified medical practitioner and preferably from the Assistant Surgeon of the factory. Superintendents may accept at their discretion certificates from "Hakims" in cases where no Assistant Surgeon is attached for duty.

Bad work.—Fines for bad work must be dependent upon the circumstances of the case, it being borne in mind that the fine is a punishment and not recovery of value of damage done.

Breach of rules.—Fines should be fixed by the Superintendent for certain offences and Heads of Sections may be empowered to inflict fines for petty offences not exceeding three days' pay in any one case.

2. Fines may be remitted or increased at the discretion of the Superintendent subject to the limitation in the following rule.

3. The fines to be recovered from a man's pay in any one month are not to exceed one half of the pay due for that month, except in case of final payment on discharge.

4. The balance of any fines due in one month will be recovered from the pay for future months.

5. Fines for lateness are to be automatically registered from the tickets deposited in special boxes and noted by the Commissary, for absence they are to be recorded from the Attendance Books at the gate; other fines are to be entered in the Fine Book by the person inflicting them: the Fine Book is to be laid before the Superintendent at the end of each month for approval.

Fine Fund.

1. All fines shall be credited to the Fine Fund.
2. The assets of the Fund will be placed in the Government Savings Bank to the credit of the Superintendent under his official designation.
3. The Fund will be utilised for the benefit of the workmen and their families generally.
4. No disbursement from the Fund will be made except under the orders of the Superintendent of the Factory.
5. The Fund should not be drawn upon for the extra two hours' pay allowed for Saturdays to men giving full attendance during the week. Injury pay is also allowed for in regulations and ordinary expenditure under this head will not come against the fund.
6. The following is the legitimate expenditure from the Fund :—
 - (a) Gratuities or donations may be given to workmen on discharge but they must not exceed those permitted by regulations though they may be given in addition to them.
 - (b) Donation to widows and families of deceased workmen.
 - (c) Allowances to sick or injured men in special cases.
 - (d) Relief in deserving cases, *e.g.*, losses from floods or fires in the houses of men who have claims on the factory.
 - (e) Cost of construction and maintenance of such buildings and institutions as rest and dinner sheds, grain and other shops and schools for the benefit of the workmen and their families, provided that the entire expenditure on this account, initial as well as recurring, is met from the fine fund and no portion thereof is charged against the working expenses of the factories.
7. Bonuses may be given periodically for good attendance or long service or for special good services.
8. The books maintained for the management of the Fine Fund will be laid before the Director of Ordnance Factories at his inspection of the factory.
9. The maximum limit of expenditure in individual cases which may be incurred by the Superintendent shall not exceed Rs. 400; cases involving expenditure above Rs. 400 and all proposals for the erection of buildings and the like from the fine fund shall be referred to the Director of Ordnance Factories and Manufacture.
10. The sanction of the Director of Ordnance Factories and Manufacture shall be deemed sufficient authority in all doubtful cases provided such sanction does not clash with the existing rules of Government.

MEMO. BY THE ENGINEER-IN-CHIEF, A. H. Q., DATED THE 10TH FEBRUARY
1927.

The practice of imposing fines upon workmen in the M. E. S. is seldom, if ever, resorted to by the engineer authorities.

2. There are two classes of workmen employed in the M. E. S., *viz.*, (1) those paid on a daily labour basis, and (2) those paid on a monthly basis. The

former are ordinarily labourers and artisans and include mostly illiterate persons. They are entertained as and when necessary and it is not usual or customary to inflict any fines upon such personnel since any irregularity on their part is either ignored or results in discharge in serious cases. The latter are, however, generally men possessing educational qualifications who in view of their long and continuous services have actually earned a claim similar to that of permanent employees. A certain number of them are ordinarily recruited under two years' agreement at a time, but no provision is made therein as regards the conditions under which fines could or could not be imposed. Cases of negligence or inefficiency are dealt with by reducing pay and those of hopeless inefficiency and breach of discipline by discharge. Cases of culpable neglect resulting in loss of cash or stores are, however, dealt with under the orders of Competent Financial Authority.

3. It may therefore be safely assumed that there is no question of any abuse in the matter which would necessitate any radical measures being introduced to check it.

MEMO. BY THE QUARTERMASTER GENERAL IN INDIA, DATED THE 17TH FEBRUARY 1927.

1. The imposition of fines on persons not subject to the I. A. A. is legislated for in paragraph 235 R. A. I. There are no departmental rules but fines are inflicted for such offences as—

- (1) late attendance.
- (2) absence without leave.
- (3) idling.
- (4) disobedience of orders.
- (5) insubordination.
- (6) damage caused to Government property through workmen's negligence.

2. All fines are credited to Government.

3. The power of fining is vested in the following :—

- I. A. O. C.—Senior Ordnance officer on the spot.
- A. R. D.—Depot Superintendent of Remount Depots.
- I. A. V. C.—O. C. Veterinary units.
- I. A. S. C.—O. C. Depot or unit.

LETTER FROM THE GOVERNMENT OF BOMBAY, GENERAL DEPARTMENT, No. 5773[D], DATED THE 29TH SEPTEMBER 1927.

I am directed to forward (1) a copy of a *Report on an Enquiry into Fines conducted by the Labour Office of the Government of Bombay (2) *copies of the replies received from Officers and interested Associations who were consulted on the question and (3) a detailed *summary of those replies classified according to the points treated together with the views of the Bombay Labour Office.

2. A summary of the results of the Enquiry was forwarded with relevant papers to 25 officers and interested Associations in the Bombay Presidency for opinions on the various questions raised in your letter under reply and on the

*Not printed.

points arising out of the enquiry. An examination of the replies received shows that all Employers' Associations are of opinion that no legislative action for the control of fines is necessary. The majority of the Employers' Associations have confined themselves to the expression of the opinion that the results of the Labour Office Enquiry do not show that the conditions are such as would justify legislative action. Representatives of Labour, on the other hand, are of opinion that the results of the Enquiry show that legislative action is necessary. The Bombay European Textile Association which is composed of European Mill- Managers and European Textile Departmental Masters does not give a definite opinion on the question of the necessity of legislation though it seems to imply that legislation is necessary. The Agent of the G. I. P. Railway has forwarded his views direct to the Railway Board. The Agent of the B., B. and C. I. Railway does not consider legislative action necessary in the case of Railways. The Commissioner, Bombay Municipality, and Chief Officer, Bombay Improvement Trust, favour legislation. The Karachi Chamber of Commerce qualifies its disapproval of legislative action by recommending that, under the rules of the Factories Act, it should be made compulsory for all factories to keep a record of fines with the reasons for their infliction and an account of the disposal of the money so collected which should be available for inspection by Factory Inspectors.

3. The Officer-in-Charge of the Labour Office of the Government of Bombay is not in favour of the abolition of fines, but considers that legislative action for the control of fines is desirable. The Governor in Council is in general agreement with the views of the Labour Office and considers that legislation may be necessary on the following points :—

1. Extent to which fines may be inflicted.
2. Disposal of Fines.
3. Power to Fine.
4. Maintenance of Registers of Fines.
5. Fines for Bad and Negligent Work.
6. Fines for Breaches of Discipline.
7. Withholding of Wages.
8. Forfeiture of Wages.
9. Compulsory Purchase of Damaged Material.
10. The 'Double Khada' Rule.
11. Deductions for Supply of Medicines and Medical Attendance.
12. Deductions for the use of Reading Rooms and Libraries.
13. Deductions for Education.
14. Deductions for Compulsory Contributions to Charity.
15. The Havala System.
16. Conditions under which fines may be inflicted.
17. Supply of particulars to workers who are fined.
18. Suspension and.
19. Dismissal.

VIEWS OF THE DIRECTOR OF INFORMATION AND LABOUR INTELLIGENCE (LABOUR OFFICE) GOVERNMENT OF BOMBAY.

Principle of Fines.—The evidence submitted to the Truck Committee shows that it is not possible to abolish fining in all classes of industries and that it is possible only in concerns where the workers possess a high level of education and where the labour turnover is not high. In Indian industry the workers are illiterate and migratory in character and it does not therefore seem possible to abolish fines. Besides, it is important that a certain amount of latitude should be left to the employer as regards the method of maintaining discipline and efficiency. If fines are abolished, suspensions and dismissals would be the only punishments left and they may be quite unsuitable in cases of offences of a minor character. It is recommended therefore that the law should not prohibit fines but only aim at their regulation and control.

Fines for Breaches of Discipline.—The results of the Labour Office Enquiry show that in those establishments which supplied correctly classified information, the incidence of fining for breaches of discipline worked out at 4 annas and 7 pies per offence for men and at 2 annas and 11 pies per offence for women in 45 textile mills in the Bombay Presidency and at 12 annas and 5 pies per offence for men in 25 factories other than textile mills. These figures for purely disciplinary fines, especially in the case of factories other than textile mills, appear rather high when compared with the incidence of fines given in the evidence submitted before the Truck Committee. The evidence collected by the Investigators of the Labour Office by personal investigations shows that there have been several cases where unreasonable deductions in respect of fines for offences classed as "Breaches of Discipline" have been made. In one case a worker was fined Rs. 5 for taking his brother into a weaving shed without permission and in another case a fine of Rs. 3 was inflicted for failure to deliver a message from one officer to another regarding the former's inability to go to the latter's house in the evening. The results of the enquiry conducted by the Labour Office further showed that, with the exception of a very few cases, no lists giving the specific offences for which fines may be inflicted are to be found in the concerns which fine. In the few cases where rules have been made for fining, the rules generally provide that fines may be inflicted for 'Breaches of Discipline', 'Disobedience', 'Insubordination', etc. These terms are much too wide and leave an unlimited amount of discretion in the hands of the officers authorised to fine. It appears necessary that employers should notify to their workmen the particular offences for which fines will be inflicted.

Fines for bad and Negligent Work.—The incidence of fining for bad and negligent work in those concerns in the Bombay Presidency which supplied properly classified figures works out at 3 annas 10 pies per offence for men and 2 annas 8 pies per offence for women in 45 textile mills; and at Rs. 1-10-6 per offence for men in 25 factories other than textile mills. The average for textile mills given above does not include the loss to the worker for the compulsory purchase of damaged cloth.

The Enquiry conducted by the Labour Office did not make any attempt to ascertain the principles on which fines for bad and negligent work are inflicted. Personal investigations subsequently made into this practice have, however, revealed the existence of considerable abuses. It has been found that fines in the weaving department are inflicted without ascertaining whether the fault or damage complained of is due to the carelessness or negligence of the worker concerned or to defective machinery or faulty material. Many instances were given where workers had been penalised for material spoilt as a result of bad yarn or defective looms, and where no attempts had been made to ascertain the extent of the carelessness or negligence of the workers concerned. In the

Ahmedabad mills, the duty of examining material is entrusted to cutlookers and, in many cases, to the detectors whose earnings depend on the amounts which they are able to collect in fines. It is obvious that, apart from the question of the actual amounts of fines inflicted in individual cases, the system of inflicting fines for bad or negligent work by 'detectors' without thorough investigation with regard to the placing of the responsibility for the damage complained of must give rise not only to abuse in practice but also to considerable injustice to the workers concerned.

In considering the question of the manner in which fines for bad or negligent work should be controlled, it is as necessary to protect the employer from careless and slipshod work as it is to safeguard the worker from unfair and unjust penalties. With regard to the quality of work which an employer has a right to demand from his workman, the employer will always have the power to warn and dismiss those workers who are habitually negligent. He can also enforce efficiency by suspension. It may be necessary for the employer, in order to get good work from his employees, to resort to small punishments, in the shape of fines, and it is, therefore, recommended that this right of the employer should not be interfered with provided it is exercised in a just and reasonable manner.

Fines for Damage to or Loss of Property.—The results of the Labour Office Enquiry show that in the 45 Textile Mills in the Bombay Presidency which supplied correctly classified figures for the different kinds of fines inflicted, the incidence of fines for loss of and injury or damage to materials, tools, machinery or plant belonging to the employer amounted to six annas and one pie in the case of men and three annas and four pies in the case of woman. In the case of the 25 factories other than Textile Mills which gave correctly classified information the average incidence of fines on this account works out at Rs. 1-1-3 for men. Here again, no data are available with regard to the extent to which such fines are inflicted in individual cases, but during the personal investigations made by the Labour Office a few instances of unjustifiable fines were revealed. However it appears that in cases where damage or loss results through negligence some punishment in the nature of a fine is necessary.

Deductions for supply of Materials and Tools.—There are few deductions made from wages in the Bombay Presidency on account of charges for the supply of tools or materials to workers. In cases where such deductions were reported they appeared to be on account of the supply of special tools to special workers. In the textile industry, some mills require weavers to provide themselves with their own reed hooks and combs and in cases where these are supplied by the mill, their cost is recovered in cash or by deductions from wages. The conditions governing such deductions where they exist are reported to be made known to the workers concerned prior to engagement.

If the results of the Labour Office enquiry in connection with this subject are analysed there does not appear to be any necessity for dealing with this question in any legislation which may be provided for the control of fines and deductions.

Deductions in respect of Rents for Housing provided by Employers.—There is no evidence to suggest that workers are unjustly treated as regards deductions for rent for housing provided by the employer. The results of the enquiry conducted by the Labour Office with regard to Welfare Work in the Bombay Presidency showed that in most cases rent is charged at rates below the economic rent. As it is desirable to encourage employers to provide good housing accommodation for their employees, it is recommended that no action should be taken as regards deductions for rent.

Deductions for supply of Medicines and Medical Attendance.—The majority of the employers who provide medicines and medical attendance for their

employees do not charge their workers on this account. A few Textile Mills in Bombay and Ahmedabad did, however, report that deductions are made from wages for the supply of medicines and medical attendance. It is considered that the employers should not be allowed to make compulsory deductions for medical attendance as such deductions are not fair to employees not taking advantage of these facilities and also because the worker is made to pay for something over which he has no control.

Deductions for supply of Food-grains.—In most cases where deductions are made from wages on account of the supply of food-grains, such deductions are for sales from the cheap grain shops attached to the establishments concerned. In the case of a few mills at Sholapur a deduction is made from the wages in lieu of grain which is given to the worker. The market price of this grain is greater than the amount of the deduction, so the system is really to the advantage of the worker. There is no evidence to show that the system of deductions for cheap grain has anywhere led to abuse. What little evidence there is on the subject shows that the system is of great benefit to the workers, so it appears unnecessary to interfere with the practice by legislative action.

Deductions for supply of Water.—Deductions for the supply of water are made only in those cases where certain castes require special facilities. Where the employer provides these he incurs the expenditure and recovers the same from the wages of his employees. If some workers are not prepared to take advantage of the normal facilities provided for all the workers, they should pay for special facilities themselves. No legislative action therefore appears necessary in this connection.

Deductions for contributions to Provident Funds.—The Labour Office enquiry shows that deductions for Provident Funds are generally confined to Government organisations, Public Utility concerns and the larger non-factory establishments, such as the Port Trust, and are found only in very few private factories and establishments. The contributions are voluntary in the majority of concerns having provident fund schemes. Compulsory deductions are made only in a few cases. It appears therefore that deductions on this account do not constitute an evil which the law should try to eradicate.

Deductions for the use of Reading Rooms and Libraries.—It is recommended that deductions for the use of reading rooms and libraries provided by the employer should not be permitted, but the workers should be free to contribute to any fund started by themselves or the employer for the maintenance of reading rooms and libraries.

Deductions for Education.—It is recommended that deductions for educational facilities provided by the employer should be permitted only if such deductions form part of the contract of service.

Deductions for compulsory contributions to Charity.—Seven textile mills in the Bombay Presidency reported deductions amounting to Rs. 4,138-2-9 from the wages of their employees during the first ten months of the year 1926 on account of compulsory contributions for charitable purposes. Two other factories also reported similar deductions amounting to Rs. 210-15-0 during the year 1925. Although this system does not prevail to any appreciable extent in the Bombay Presidency, the fact that it exists is sufficient to merit consideration. It will be admitted that an employer has no right to compel his employees to contribute to charities of his own choosing and to make deductions from their wages for this purpose. It is recommended that compulsory deductions of this nature should not be permitted.

Deductions for Entertainments provided by Employer.—This subject was not included in the enquiry conducted by the Labour Office but a few mills and factories reported deductions from wages on account of entertainments provided

by the employer. Personal enquiries made by the Labour Office show that in several mills jobbers stage-manage dramatic and other performances and compel the workers to attend and force them to pay. The grievance of the workers is against these compulsory levies by the jobbers rather than against the employers. The rules of several of the mills prohibit monetary transactions among the employees and the remedy in such cases lies therefore in the hands of the workers who can report such cases to the management. Cases of deductions for entertainments by employers themselves are so rare that it does not appear necessary for the law to intervene in this matter.

Suspension.—Suspension is practised side by side with the system of fining or as the only system of punishment where the nature of the offence committed does not justify dismissal. The results of the enquiry conducted by the Labour Office show that this form of punishment is general in Municipalities and in Government establishments. A few of the larger workshops stated that they do not inflict fines at all and only punish offenders by suspending them from work for some days. This form of punishment is also found to exist in railways, other public utility companies and some of the larger non-factory organisations in addition to a few concerns in each of the other groups covered by the enquiry.

It may be said in favour of this form of punishment that the employer does not benefit by suspending an employee from work, except perhaps in cases where workers are suspended ostensibly for committing some offence but really because the employer has not sufficient work for them. There is no unanimity as regards the merits or demerits of suspension. Some labour interests actually prefer it to fines. Others are of opinion that fining is preferable to suspension because suspension not only deprives the workers of a substantial part of their earnings but also affects them physically and morally owing to enforced idleness. In some employments, the power of suspension is considered to be essential in cases where breaches of discipline have resulted in accidents or actions endangering the lives of other employees or members of the public, during the period of an enquiry into the offence. In the evidence tendered before the Truck Committee this was stated to be particularly necessary in the case of railways, mines and hydro-electric concerns. Employers in Great Britain who have abandoned fining in their establishments are of opinion that suspension is preferable to fining for habitual offenders. Other employers state that it is not always feasible to suspend the more skilled workers because by so doing they are deprived of their services.

It seems necessary that employers should be allowed to retain the power of suspension in cases where the infliction of small fines has not had a deterrent effect, and where the offence at the same time does not merit dismissal. It is recommended that the employer's right to suspend employees should be recognised in any legislation that may be devised. It should also be provided that all the concerns covered by the Act should maintain registers of suspensions giving full particulars regarding the cause and the period of suspension, and the loss in wages for the period covered. This register should be opened to inspection by the inspecting authorities under the Act. Provision for the maintenance of such registers would effectively control this form of punishment. It might also be desirable to prescribe that in all cases where workers are suspended, the workers should be given notification slips containing full particulars of the punishment.

Dismissal.—It is recommended that there should be no interference on the part of the State with the right of the employer to dismiss his workmen. At the same time in order to obviate harsh or arbitrary dismissals there should be some provision to safeguard the interests of labour. This could be achieved if it is provided that a register of dismissals should be maintained in each concern and that every dismissed employee should be given a notification slip with the reasons for his dismissal.

Compulsory purchase of Damaged Material.—The practice of compelling a worker to take over an article or material spoilt or damaged during manufacture and of deducting its cost from his wages exists in several textile mills in the Bombay Presidency. Out of the 144 textile mills which furnished information for the Labour Office enquiry, 84 mills or 58.3 per cent. reported that this practice was followed. Eleven mills stated that they had abolished it with effect from November 1926. There are only a few factories and concerns outside the textile industry which follow the practice.

Out of the 84 textile mills which insist on the compulsory purchase of damaged material, only 46 mills gave figures both for the amounts deducted on this account and the number of cases. A few other mills gave only the amounts of deductions without giving the number of instances. The statistics for the 46 mills which supplied full information show that the total deductions during the first ten months of the year 1926 in respect of spoilt or damaged material handed over to the workers concerned amounted to Rs. 1,60,326-5-4 recovered in 50,981 instances. The average incidence per deduction works out at Rs. 3-2-4.

This practice has often given rise to considerable industrial unrest. Since the 1st January 1925, there have been altogether eleven industrial disputes in the Bombay Presidency in connection with deductions on account of bad and negligent work and the compulsory purchase of spoilt and damaged material. Out of these 11 disputes, 8 were directly concerned with the giving of damaged cloth in lieu of wages. Workers' associations and other labour interests have been unanimous in condemning this system and the feeling among the majority of the workers who were personally interrogated regarding this matter was emphatically in favour of abolishing this practice. There is, however, a small body of workers who favour its continuance. Some of them stated that they liked this practice because it afforded them opportunities to spoil cloth purposely which they desired to obtain at manufacturer's wholesale prices.

Several workers who had been punished in this way considered that they had been unjustly penalised for damage caused by reasons which were beyond their control. The Indian weaver is usually not in a position to state whether he was actually responsible for the damage for which he is punished. Conversations with a few of the more intelligent weavers showed that in most cases the employer makes no effort to ascertain whether the defect is due entirely to the negligence of the worker.

It is urged that the employees who are given the spoilt material have no difficulty in selling it and that in cases where they are not able to sell it they use the cloth themselves. This may be partly true but the evidence of the workers themselves goes to show that, in many cases, they experience the greatest difficulty in disposing of the material that has been thrust upon them, and this is especially the case as regards the kinds of cloth for which there is no local demand. The weaver owing to his limited resources is anxious to realise the value of the damaged cloth as soon as possible and is therefore forced to sell it for whatever price he can get. In most cases the price obtained is considerably below the actual 'cut' effected from the weaver's wages. In many cases the worker is forced to retain cloth for which he cannot get a satisfactory price although he does not require it for his own use.

It is clear that the practice of handing over spoilt material to the worker leads to many abuses. While it may cause hardship to the worker in individual cases it does not necessarily always act as a deterrent as the worker may sometimes be able to dispose of the damaged material at a price equal to or more than the amount deducted from his wages and thereby escape punishment altogether. This practice thus appears to be objectionable from the employers' as well as from the employees' point of view and it is therefore recommended that it

should be prohibited but the imposition of a reasonable fine for bad or negligent work which causes damage to the material should be allowed.

The "Double Khada" rule.—The rules of almost all the mills in Bombay City provide for a cut of two days' wages for each day's absence without leave but the rule is not enforced. A similar rule also exists in the textile mills in Ahmedabad, Sholapur and other centres and in various factories and concerns in different parts of the Bombay Presidency, but it is strictly observed only in some of the Sholapur cotton mills. This rule is popularly known as "The Double Khada Rule". This practice of cutting two days' wages for one day's absence without leave, though not very prevalent, is objectionable. In a country like India where the conditions of the workers are not conducive to a healthy and regular life it is considered that cases of absence without leave should not be dealt with so harshly. The employer should of course have the right to inflict a fine in order to enforce discipline and ensure punctuality, but the system of cutting two days' wages for one day's absence without leave should not be permitted.

Withholding of Wages.—The Labour Office enquiry did not include this question but personal enquiries show that several mills and factories often withhold wages for different periods as a punishment for offences. In most cases wages are withheld for absence without leave for three days or more. In view of the fact that the payment of wages in the case of monthly workers is generally made a fortnight after they fall due, the economic position of a worker must be considerably worsened if the payment of the wages which are due to him is still further delayed by a week or more. The danger of this practice is that it often throws the worker into the clutches of the money-lender. The imposition of a fine would be a better and more direct method of punishment; it therefore appears desirable that the withholding of wages should be prohibited.

Forfeiture of Wages.—The Labour Office Enquiry did not cover the question of forfeiture of wages and no data are, therefore, available with regard to the extent to which this practice prevails in different types of establishments in the Bombay Presidency. Prolonged absence without leave is generally considered to be an offence to be punished by dismissal with forfeiture of wages. The rules of the Textile mills in Bombay City contain full lists of the offences which are punishable by summary dismissal and forfeiture of all wages due. These offences are as follows :—

- (1) Leaving service without giving notice as required by the rules.
- (2) Absence without leave.
- (3) Neglect of work or performing work in a negligent or careless manner.
- (4) Wrongfully stopping any machine while the engine is running or otherwise causing delay to work or injury to property.
- (5) Insubordination or disobedience to superiors, individually or in combination with others.
- (6) Refusal or failure to assist in an emergency.
- (7) Striking from work or soliciting or enticing others to leave service or exercising any pressure or intimidation to prevent others from working.
- (8) Spitting on the floors or the walls of the mill buildings after a warning has been given or a fine inflicted for the first offence.
- (9) Entering or leaving or attempting to enter or leave the mill or mill premises by any other way than by the properly appointed entrance or exit.

- (10) Lending money to, or having money dealings with other employees in the same mill.
- (11) Receiving bribes or illegal gratifications from any person or persons whether employed in a mill or not.
- (12) Drawing or attempting to draw the wages of any other employee by misrepresentation or in aiding or abetting such offences.
- (13) Acting in an immoral manner or in a manner subversive of discipline.
- (14) Wilful or negligent damage to or loss of material or property of the employer.
- (15) Theft and fraud.

Many other mills and factories which have rules have similar provisions with regard to dismissals with or without forfeiture of wages. It is not known to what extent wages are forfeited for breaches of the rules enumerated above. The employers state that wages are forfeited only in extreme cases, whereas the workers maintain that this penalty is inflicted even for trivial offences. It is not only for the commission of offences that wages are forfeited in the mill industry. It is fairly common to forfeit wages not claimed within six months and in some mills within three months of their becoming due. The forfeiture of wages in either case is objectionable. The penalty of dismissal and a fine should be adequate for any offence. It is, therefore, recommended that the law should prohibit this practice.

Advances and Interest on Advances.—The results of the Labour Office Enquiry show that out of the 72 textile mills in the Bombay Presidency which reported that advances are granted, 28 mills or nearly 39 per cent. charge varying rates of interest, the rate of interest in some of the Ahmedabad mills being as high as 150 per cent. per annum. In some cases where the mills themselves do not grant advances, the owners make arrangements with privileged *pedhiwallas* (grain-dealers) or *bantias* (money-lenders) to lend money to their workmen at agreed rates of interest. Advances are not generally granted in Government factories. In the case of other factories only 3 concerns out of the 143 which give advances reported that interest is charged.

The main objection to the practice of granting advances is the high rate of interest charged by some employers. There is no compulsion on the part of the workers to borrow money from their employer and if they do so it implies that they cannot get it at cheaper rates elsewhere. The employer cannot be expected to advance the money free of charge. It does not appear that legislation can do anything to check the rates of interest charged on advances.

The 'Havala' System.—The word 'Havala' is used in two different senses. It is used by employers to denote the discharge pass or pay order ticket whereas Labour leaders apply the term to the endorsement or letter of authority given to a third person to collect wages due.

The 'Havala' system obtains in the textile mills in the Bombay Presidency. It arises out of the practice followed in the mills of making all payments of wages on a fixed day. This practice leads to complications especially in the case of workers who have been dismissed or have left employment after giving due notice. A worker who leaves his employment before the regular pay day does not receive his wages on the day he leaves but he is given a discharge pass or pay order ticket and he is required to call for his wages on the regular pay day of the month. The question of 'Havala' does not arise in the case where the worker is able to call for his wages himself on the regular pay day but when the worker wishes to leave the town where he is employed and requires his wages he is obliged to have recourse to 'Havala' in order to get ready money. He

accordingly endorses his discharge pass or pay order ticket in favour of a third person who cashes the ticket at a rate of discount which is generally one anna in the rupee. Usually jobbers and grain dealers cash these tickets but sometimes employers do so themselves. The system of 'Havala' then is connected with the system of payment of wages on certain fixed days generally 10 or 15 days after they are due. As long as this system of payment prevails, it seems undesirable to abolish 'Havala' altogether. It is a convenience for the needy worker although he may lose a part of his wages by way of discount. The abuses arising out of the system might, however, be removed by legislation. The rate of discount charged and the agency employed for cashing the pay order tickets need regulation. The employers alone should be permitted to cash these tickets and they should be permitted to deduct from the gross amount due only what is necessary to defray the extra cost involved in making earlier payments.

Bonus for Regular Attendance.—Bonuses for regular attendance are given in the textile industry in the Bombay Presidency. The results of the Labour Office Enquiry showed that out of the 144 textile mills which supplied information no less than 110 or 76.4 per cent. grant good attendance bonuses. Except in the case of the cotton mills in Sholapur this bonus takes the form of a cash payment. In most of the Sholapur mills workers who have not lost more than 4 days work during a month are given 20 seers of grain at a concession rate.

There is a danger in the granting of good attendance bonuses because it enables an employer to set off a part of the regular wages of an employee as a bonus to be given to him only if his attendance is quite regular. If the employee fails to put in the number of days required he not only loses his wages for the days of absence but also his good attendance bonus. On the other hand if the good attendance bonus is not included in the normal wage but is an additional gratuity given by the employer as an inducement for good attendance there is nothing to be said against the practice. So far as the Labour Office is aware there have been no complaints against the system. Legislative action in this matter does not therefore appear necessary.

Bonus for Better Work.—As in the case of bonuses for good attendance, the system of granting bonuses for better work or better production also obtains in the Textile Industry in the Bombay Presidency. Several other concerns besides reported that such bonuses are given. The returns for the textile industry show that 25 out of the 76 reporting mills in Bombay, 40 out of the 49 reporting mills in Ahmedabad and 11 out of the 19 reporting mills in Sholapur and other Centres grant 'efficiency' bonuses. Considering the Textile Industry as a whole the figures are 76 out of 144 reporting mills or 52.78 per cent. No bonuses of this kind are granted by Municipalities, Commercial Officers and Steamship Companies.

It is sometimes urged that bonuses for better production are given where the normal wages are low; that they make the worker work harder than is good for him; and that very often the workers on the whole benefit less than the employers by this system of bonuses. It is not known to what extent the wages in Indian industry may be regarded as normal nor what is the result of such bonuses on the physique of the workers and it is not possible to estimate the sum total of the benefit derived by the employer or the workers. In the absence of such information it is difficult to say whether such bonuses are in the interest of the workers. However the Labour Office is not aware of any complaints by the workers in this matter so it is considered that no legislative action is necessary.

Prevention of Monetary Transactions amongst the Workers.—In the majority of concerns where rules governing the conditions of employment are framed heavy punishments are provided for monetary transactions amongst the workers. It appears unnecessary to make any provision in the law in respect of this question.

Conditions under which Fines may be Inflicted.—In the Bombay Presidency, almost all the Textile Mills in Bombay city have printed rules regarding the conditions of employment and the lists of offences for which workers may be dismissed with or without forfeiture of wages. Some of these rules give the offences which may be alternatively punished by inflictions of fines. The actual rules regarding fines are general in character and simply state that fines will be inflicted for "Breaches of Discipline", "Insubordination", "Disobedience", "Late Attendance", and a few specific offences. In most cases the maximum punishment of dismissal with forfeiture of wages is prescribed. Only three mills in Ahmedabad and about half a dozen mills in the rest of the Bombay Presidency reported that rules had been framed with regard to conditions of employment. These rules are framed, more or less, on the model of the rules of the Bombay mills. The rules of a few factories—Government and non-Government—and those relating to public utility services, give more amplified lists of the offences for which fines may be inflicted. The rules of the Municipalities are general in character. Factories and Workshops other than those mentioned above have no rules regarding the imposition of fines. In almost all the cases where rules are provided, copies of the rules are hung up in the Time-Keeper's office and, in some cases, in the various departments as well. Two or three mills stated that, prior to the engagement of a new hand, the rules of the mill are read out to the prospective employee and, if he accepts service, his signature or thumb impression is taken in a special register as a record that he has accepted employment with the knowledge of the conditions under which his wages are liable to deduction in respect of fines. Some other concerns stated that the rules are read out to the men. In a few cases the daily employment of attendance cards which are given to all workmen have the rules with regard to fines printed on the reverse. But in the large majority of cases no attempt is made to acquaint the workers with the conditions under which they are liable to be fined and the offences for which fines may be inflicted are presumed to be known by usage or custom. It appears necessary that legislation should be framed providing that every employer should make definite rules regarding the terms of employment and the conditions under which fines may be inflicted.

Supply of Particulars to Workers who are Fined.—Most of the returns submitted for the Labour Office enquiry stated that full particulars regarding the offence for which a fine is inflicted are supplied to the worker at the time of the occurrence of the offence. This is generally true in the case of fines for breaches of discipline, but personal enquiries made by the Labour Office show that particulars regarding fines for bad and negligent work and also for deductions in respect of compulsory purchase of damaged goods come to the knowledge of the workers concerned only when they draw their pay. This is due to the fact that the cutlookers and detectors examine the cloth produced some days after it has been manufactured and the penalties in respect of damaged material are then noted against the worker concerned. By this procedure the worker has to submit to a fine without having an opportunity of vindicating himself. Except in a very few cases the notification of the particulars regarding the offence for which a fine is inflicted is given to the worker orally. To prevent the possibility of unfair inflictions of fines it appears desirable that the law should provide that the amount of the fine inflicted together with the reasons therefor should be made known to the worker at the time of inflicting the fine.

Power to Fine.—With the exception of the few Textile Mills in Bombay City which reported that the power to fine rests with the Jobbers in addition to Heads of Departments, and those mills in Ahmedabad which stated that this power is delegated to special employees called "Detectors" who receive a certain percentage of the total fines inflicted, almost all the mills, factories and concerns which sent in returns for the Labour Office Enquiry stated that the power to fine is exercised by the Proprietors or by the Heads of Departments in the larger

establishments. Subsequent personal enquiries made by the Labour Office show that fining by jobbers is more common than appears from the results of the statistical enquiry and that it gives rise to considerable abuse. It is recommended that no employee whose remuneration depends in any shape or form on the amounts of fines which he inflicts, should be allowed either to recommend a fine or to inflict a fine on a worker himself and that the power to fine should be vested in Managers and responsible Heads of Departments.

Extent to which Fines may be Inflicted.—No limits exist with regard to the extent to which fines may be inflicted in factories and workshops in the Bombay Presidency with the exception of a few of the larger Railway workshops and some Government and semi-Government factories and concerns. In this connection, several employers stated that as fines were not inflicted in an unreasonable manner, no necessity had arisen for fixed definite limits. The personal investigations of the Labour Office, however, show that cases where heavy fines are inflicted are not uncommon.

It appears necessary that if any legislation is framed for the control of fines, such legislation should provide a maximum limit to the extent to which fines may be inflicted. The Majority Report of the British Truck Committee recommended a limit of 5 per cent. In this connection the Minority Report, however, stated that "the tendency of a maximum to become a standard, illustrated by several witnesses and recognised in the Report, must not be considered by itself, but in connection with the clear intention of unscrupulous firms to make a profit out of their workers by methods that upright firms would reject". The fear that the maximum would tend to become the standard is based on the assumption that the employer makes fines a source of profit; but if it is laid down that all recoveries of fines are to be credited to a Welfare Fund this danger is not likely to arise.

From the point of view of the employer a maximum limit might be considered undesirable where the prescribed limit has already been reached and he is thus prevented from inflicting additional fines for further offences committed during the same wage period.

If it is decided to fix a maximum limit it will be necessary to provide that the limit should be for the length of time covered by each wage period. No fines in excess of the prescribed limit for any particular wage period should be allowed to be carried forward or deducted from the wages for the next or a subsequent wage period, and the payments of fines by instalments should also be prohibited. Exceptions to the rule may however be permitted and in certain cases Local Governments may be empowered to extend the maximum limit or to suspend its operation.

Disposal of Fines.—A few textile mills in the Bombay Presidency reported that all amounts collected through the infliction of fines are utilised specifically for Welfare Work, but the majority of the mills reported that fines are credited to "Revenue". It must be stated however that the great majority of the mills undertake some welfare work especially in connection with the maintenance of free dispensaries and the provision of free medical attendance. Most of the Departments connected with the larger Railway administrations and a few Government and other factories have special Fines Funds to which all fines are credited. These funds are utilised for the workers' welfare. Some clubs and offices utilise fines for the payment of annual bonuses whereas some concerns use them for donations to charitable objects. Apart from the instances quoted, fines are generally appropriated by the employers to 'Revenue'.

In England, although the Truck Acts contain no specific provision regarding the question of the disposal of fines, all deductions in respect of fines are generally utilised for welfare work as shown by the evidence given by various employers

before the Truck Committee. In Germany, Austria, Russia, Switzerland, Poland, Norway, Portugal, Czechoslovakia, Lichtenstein, Latvia and Greece the legislation which exists with regard to the control of fines definitely provides that all fines should be utilised in some manner or other for the benefit of the workers. In the Netherlands, the law prohibits the employer from utilising or appropriating fines for his own direct or indirect benefit. It appears that in almost all other industrial countries the influence of Trade Unions and public opinion have compelled employers to credit all fines to special Fines Funds to be used for the welfare of the workers concerned. It is recommended that the law should lay down that this practice should be followed in India.

Necessity of Legislation.—The question whether legislation should be undertaken in India for the control of fines depends on the following considerations :—

- (1) The extent of the prevalence of the system.
- (2) The extent to which workers are subjected to fines in establishments where fining prevails.
- (3) The administration of the system.
- (4) The influence of workers' organisations on the system.

With regard to the question of the extent of the prevalence of the system, the Labour Office Enquiry shows that it is general throughout the Bombay Presidency. In considering the question of the extent to which workers are subjected to fines in establishments where fining prevails, it must be stated that there are several points with regard to fining which were not covered by the Enquiry conducted by the Labour Office. For instance, no enquiry was made in connection with (1) the frequency of fining in the case of individual employees ; (2) the actual amounts of fines inflicted in individual cases ; and (3) the forfeiture of wages. The proportions between fines and wages given in the Report show the ratio between total amounts of fines and the total wages bill of all employees. It is probable that there exist, in individual establishments, large numbers of workers who are seldom, if ever, fined. It would have been more useful if information could have been obtained to show the proportion which total fines bear to the total wages bill of those workers who are actually fined. It would have been practically impossible, however, to procure this information in view of the difficulty of calculating the wages and deductions figures for each worker employed during a period covering ten to twelve months. It was also not possible to ascertain the amounts of fines inflicted in each case as the enquiry was not conducted on the basis of the individual. The figures given in the Report in connection with the average incidence of fining in different sets or classes of establishment show that in the textile industry the average incidence of fining in 45 mills in the Presidency which supplied properly classified information amounted to 3 as. 11 ps. per offence in the case of men, 2 as. 8 ps. per offence in the case of women and 1 a. 11 ps. per offence in the case of children. In factories other than textile mills the average incidence for men amounted to Rs. 1-2-4. These figures do not include the losses sustained by the worker for penalties such as compulsory purchase of damaged material, suspension and forfeiture of wages. Nevertheless they are higher than the figures for fines in England as appears from the evidence submitted to the Truck Committee.

As regards the administration of the system, there are several matters which call for legislative control. For instance, the power to fine is sometimes placed in the hands of special employees whose remuneration depends on the amount which they are able to collect in fines. The enquiry conducted by the Labour Office shows that such employees, called detectors, are employed to a large extent in the textile mills in Ahmedabad. One mill in Ahmedabad employing 1,843 workers recovered an amount of Rs. 10,234 in fines during the first ten months

of the year 1926 for 83,253 offences. Another mill employing 3,209 operatives inflicted fines amounting to Rs. 9,981 in 25,949 instances during the same period. The number of instances in which fines were inflicted in these concerns appears to be high when compared with the figures for similar establishments where detectors are not employed. There can be no doubt that such a system must give rise to considerable abuse where the earnings of the officers specially employed to fine depend on the amounts of fines collected. Outside the Textile Industry in Bombay City very few establishments have rules governing conditions of employment and the power of fining. The rules where they exist, appear to be rather harsh and place unlimited power in the hands of the manager or the departmental heads to whom the manager delegates his authority.

In all industrial countries, Trade Unions play an important part in regulating the relations between the employers and the employed in connection with the inflictions of fines and punishments. In France, Sweden, Bulgaria, Canada and countries which have no legislation for the control of fines, trade union action has resulted in either abolishing the imposition of fines altogether or restricting the system to a reasonable extent. Even in countries, where legislation exists for the control of fines, trade unions exert a salutary influence.

In India, however, trade unionism is still in its infancy and the workers' organisations are too weak to exert their influence to any appreciable extent in the regulation of fines. Any abuses which exist therefore in the system of fining cannot be remedied or removed by trade union action so the State may have to intervene. It appears that as far as the Bombay Presidency is concerned the conditions as regards fining in industry are such as would warrant legislative action. Cases of excessive fines are not uncommon, some of the fines are unjust, the workers are not always aware of the offences for which they may be punished, the manner of inflicting fines is often arbitrary and the agency employed for the imposition of fines is not always suitable. In countries where labour is properly organised many of these evils could be removed without legislative action, but in view of the lack of such organisation and the ignorance of the workers in this country it appears that a simple act of the legislature is necessary to eradicate the evils connected with the present system of fining in industry.

Scope of the Measure.—The results of the Labour Office Enquiry show that the system of inflicting fines is prevalent in all textile mills and in most Government and Local Fund establishments and in the majority of the better organised and larger Non-Government factories and workshops. In municipalities and in Public Utility concerns the system is fairly general but it does not appear to prevail to any appreciable extent in seasonal establishments such as Gins and Presses. In offices the system is confined to the fining of peons and menials though in a few cases clerks are also occasionally fined. Amongst Miscellaneous Establishments the system is prevalent in the larger hotels, clubs and restaurants, but is absent in most of the commercial organisations such as shops, stores, etc. It also obtains in almost all steamship companies and the system is governed and regulated by the Indian Merchants Shipping Act, 1923. It is thus seen that the system of fining is practised in almost all the various types and classes of establishments and concerns covered by the Labour Office Enquiry, but only in the large industrial establishments does the system appear to have become an evil of such proportions as would necessitate legislation. It would be premature at the present stage to apply to all concerns the provisions of any legislation that may be passed and it does not appear necessary. Even if a simple act is passed the present inspecting staffs of the Factories and Mines Departments will have to be considerably strengthened for its proper administration. Detailed legislation might cost more than would be justified by the results. Besides it may not be possible to administer the law effectively if it enters into too many details. Moreover the employers' interests have to be taken into account as too much interference with

industry is undesirable. It is recommended therefore that the proposed legislation should be confined to factories and mines coming under the Factories and Mines Acts.

Maintenance of Registers of Fines.—In the factories and workshops in the Bombay Presidency fines are usually recorded in the main wages roll. For the proper enforcement of the proposed legislation it seems necessary that employers should be required to maintain complete and detailed registers of all the fines inflicted.

Method of Enforcement.—Even if the proposed legislation is confined to factories and mines coming under the Factories and Mines Acts its proper enforcement will present innumerable difficulties. The existing Factories and Mines Departments appear to be the most suitable agencies for administering the law in its broader aspects. The work of inspecting the registers and of prosecuting defaulting employers can be entrusted to them. Their activities will however have to be supplemented by some other agency who will hear complaints, investigate into their causes and bring them to the notice of the prosecuting authority. This appears to be essential if the spirit of the law as well as the letter is to be observed.

APPENDIX XIII.

Prompt payment of wages.

LETTER TO ALL LOCAL GOVERNMENTS AND ADMINISTRATIONS, No. L-1391, DATED
THE 28TH JULY 1926.

I am directed to address you regarding the advisability of legislating for the purpose of preventing undue delay in the payment of wages to industrial workers.

2. In this Department's letter No. L-1192 of 20th September 1924 local Governments were requested to furnish particulars regarding the periods by which wages are paid in organized industries and the delays which are associated with their payment. The information so collected, which has since been published in tabular form,* reveals a state of affairs which cannot be regarded as other than unsatisfactory. For it is clear that, generally speaking, the time which elapses between the end of the period by which wages have been earned and the date on which they are paid is longer than is usual in industries in other countries; and, the delay is, in a number of cases, so great as to add appreciably to the economic difficulties of workmen. Systematic delays in payment are particularly associated with payment on a monthly basis, and the month is the period most commonly employed for the calculation of wages. It is no uncommon thing—in fact, it appears to be the rule in certain industries—for monthly wages to be systematically withheld until a fortnight after the close of the month to which they relate. And cases have come to the notice of Government in which wages had been withheld for considerably longer periods.

3. It is unnecessary to emphasize the fact that a practice of this kind results in considerable hardship to the workers concerned. With monthly payments, a delay of a fortnight in disbursement means that the employee has to work for over six weeks before he gets his first month's wages. Even if he is not financially embarrassed when he starts work, he has, as a rule, no monetary reserve and he may be, in consequence, compelled to contract, at the commencement of his service, a fresh debt of a month and a half's wages, generally taken on a high rate of interest. A number of employers endeavour to minimize the hardship involved by the grant of advances, but this practice is by no means general, and even where the advance represents wages that have actually been earned, interest is occasionally charged on it. Cases have come to the notice of the Government of India where workers were compelled to strike in order to secure wages which had been held back for unreasonable periods; in one such case, where over three weeks had elapsed from the close of the month, the strikers were dismissed: in another case, the workers went on strike over five weeks after the end of the month for which they wanted their wages.

4. It has been suggested that, as the evil is particularly associated with monthly payments, employers should be compelled to adopt shorter periods of payment. This was, in fact, one of the arguments put forward in support of Mr. Chaman Lall's Weekly Payments Bill, which was referred to local Governments for consideration. But the Bill met with general opposition. The Government of India, after reviewing the opinions received on it, were compelled to oppose its consideration in the Legislative Assembly and the motion for consideration of the Bill was finally withdrawn by its sponsor.

5. The Government of India do not think that any Bill of this kind is likely to receive the support of public opinion or to prove effective in its operation.

*Bulletins of Indian Industries and Labour, No. 34. Periods of Wage Payment.

While they should not be regarded as accepting the view that the general system of monthly payments is a satisfactory one, they believe that an attempt to impose by legislation a radically different system would have little chance of success and might do considerable harm. They recognize—and they believe that local Governments will agree with this view—that if the abuses to which they have referred above can be checked or eliminated by legislation, it is the duty of Government to introduce such legislation. But they are inclined to think that legislation if it is regarded as desirable will have to be attempted on somewhat different lines if it is to have a reasonable prospect of successful working. The details of a fresh scheme are set out provisionally in the paragraphs that follow and I am to ask for the views of the local Government both on the advisability of adopting some scheme of this kind, and on the detailed provisions contemplated.

6. The Government of India propose to set statutory limits to the time within which wages must be paid. To begin with, at any rate, they consider that it would be unwise to attempt to do more than prevent the more obvious abuses, and in the case of wages paid on a monthly system (or any longer basis), it might be sufficient to prescribe that they must ordinarily be paid within a week of the close of the month. It may be desirable to allow some relaxation in the case of bonuses earned by a long period, *e.g.*, a year, of work, but it will be difficult, and possibly dangerous, to discriminate between bonuses and wages. It could, if desired, be left to the employer, subject to the approval of the local Government, to fix the date on which the month should commence, which need not necessarily be the first day of the calendar month. As regards payments on shorter periods than a month, the evidence available indicates that there is less need for legislation, but I am to ask for the views of the local Government on the suggestion that corresponding limitations might be imposed, *e.g.*, in the case of fortnightly wages, four days delay might be allowed, in the case of weekly wages, two days and in the case of daily wages, a day. Wages might be limited to cash payments; but it seems undesirable to do anything that might encourage payment in kind, and a distinction is possibly unnecessary. It would probably be advisable to give local Governments, in all cases, the power to grant exemptions where special (and defined) circumstances, *e.g.*, the distance of the worker from the headquarters, rendered this necessary. The difficulties arising out of the fact that in some cases for instance when wages are paid piece rates, intricate evaluations may be required to calculate wages might be met by prescribing that, in such cases, the payment, within the statutory period, of 75 per cent. (or some higher percentage) of the wages earned should constitute compliance with the law.

7. The main difficulty in regard to legislation of this kind arises in connection with its enforcement. It would be possible, and seems to be desirable, to provide, for the prompt recovery of wages by some form of summary procedure, *e.g.*, in a manner similar to that prescribed in the Employers' and Workmen's Disputes Act, IX of 1860. It would also be necessary to provide for some fine, part of which might be payable to the workmen injured, for the offence. The maximum fine on a first conviction might be small, with larger penalties for subsequent offences. But provisions of this kind will not be sufficient to secure the end in view, for the workman would seldom be in a position to use the power so conferred on him. The employer who is prosecuted could pay the wages and dismiss the workman, and it would be impossible to prevent by law dismissals of this kind. Other reasons could always be put forward as the ostensible grounds of any dismissal and the result would be constant disputes. And even when the workman did not apprehend reprisals, it would seldom be worth his while to institute proceedings with the object of obtaining a single month's wages a short period before the date when he would receive them without invoking external assistance. The grant to any number of workmen in the same establishment of the power to join in one proceeding might meet some of the difficulties in part, but it would not be sufficient. Quite apart

from the difficulties inherent in the joint conduct of proceedings by numerous complainants, the fear of victimisation and the large amount of inconvenience necessary to secure a very small advantage to each workman would be sufficient to prevent action in most cases. The Government of India consider that, if the enforcement of the law is to depend on the initiative of the workmen themselves, the Act will fail to achieve its object. If this conclusion is accepted, it seems essential that the power to prosecute should be granted to some external authority, such as an inspecting staff. The difficulties in the way of the workmen would be removed by such a provision, and the conduct of prosecutions instituted by inspecting officials would be free from serious administrative difficulty.

8. This has a close bearing on the important question of the scope of the measure. In the case of factories and mines, there are already in existence inspecting officers who have experience of the institution of prosecutions, and who could safely be entrusted with the enforcement of the Act. If the measure was to be extended to establishments which are not subject either to the Factories Act or the Mines Act, it might be impossible to render it effective without the employment of a special staff, and even with such a staff, its enforcement would be attended by serious difficulty. Further, the evidence before the Government of India indicates that the evil is particularly associated with the larger industrial establishments, where the work involved in the calculation of wages is heaviest and where the presence of intermediaries between the workmen and the management and other circumstances tend to aggravate delays. In the smaller establishments lying outside the scope of the Factories and Mines Acts, there are no serious abuses such as would justify not merely the introduction of legislation but the establishment of new and special machinery for its enforcement. On all grounds, therefore, the Government of India are inclined to the view that the measure should be confined, in its operation, to those establishments which are subject to the operation of the Factories Act or the Mines Act : but this is a point on which they would be glad to have the opinion of the local Government.

9. I am to request that, after consulting the interests concerned, a reply may be sent to this letter not later than 1st January 1927.

LETTER FROM THE CHIEF COMMISSIONER, N.-W. F. PROVINCE, No. 986-XVI-F-104-C. & I., DATED THE 10TH SEPTEMBER 1926.

This province is entirely agricultural and has no industries, and therefore no criticisms or suggestions of value can be given.

LETTER FROM THE CHIEF COMMISSIONER OF COORG, No. 4107/103-19-ENCLOS., DATED THE 2ND DECEMBER 1926.

Wages are paid weekly in Coorg. In their own interests planters are particularly careful to be punctual. So far as Coorg is concerned, the Chief Commissioner has, therefore, no remarks to offer on the scheme set out in paragraphs 6—8 of your letter.

LETTER FROM THE GOVERNMENT OF MADRAS, No. MISC.-2013-L, DATED THE 22ND DECEMBER 1926.

Mr. Ley's letter No. L-1391 of the 28th July 1926 was referred by this Government to the Board of Revenue (who consulted Collectors), the Director of Industries, and the Commissioner of Labour, who, in his turn, consulted ten associations of employers including Chambers of Commerce besides prominent individual employers such as the Buckingham and Carnatic Mills, and six associations of employees.

2. The enquiries thus made have failed to elicit any evidence that the delay which occurs between the date on which wages fall due and that on which they are paid does, in fact, cause any real hardship or economic injury. There is not the slightest indication that employers delay payment wantonly or arbitrarily ; and the interval which normally occurs, and which is naturally longer in the larger businesses, is recognized to be due to the labour involved in the preparation of detailed pay-bills with establishments whose attendance is frequently irregular, and who are far less disciplined and less amenable to regulation than workmen in Western countries.

It appears moreover to be the case that where payment of wages is spread over a period of some days, care is taken to see that the intervals in the case of individuals are of uniform length.

3. The special hardship, to which Mr. Ley's letter calls attention, of a newly-engaged employee having to wait for as much as six weeks before receiving any wages, is, the Madras Government understand, much mitigated by the practice of making advances. It may further be pointed out that a six weeks interval represents an extreme case. New employees are not infrequently engaged after the beginning of a month, and their period of waiting is thus proportionately shortened.

4. If then, as appears to be the case in Madras, workmen are, after their first receipt of wages, paid at uniform and regular intervals of a month, a fortnight, or a week (as the case may be), and if the inconvenience caused by the initial period of waiting is mitigated by the practice mentioned above, His Excellency the Governor in Council is unable to detect any abuse or economic hardship requiring remedial legislation ; and he is sure that the Government of India will agree that legislation imposing obligations on employers towards the employed tends to mar the harmony of their relations and should be avoided unless really required.

5. For the information of the Government of India, I am to enclose copies* of certain typical replies which illustrate and confirm the view of the question which the Governor in Council has been led to take. It will be seen that those replies which assert the existence of a grievance propose as a remedy, not the acceleration of payment, but the shortening of the qualifying wage-period, a proposal akin to that contained in Mr. Chaman Lall's recent Bill, the principle of which has been repudiated by the Government of India.

6. I am to add certain observations on the nature of the proposed legislation, on the supposition that such legislation is to be introduced. In the first place, the proposal to include bonuses in the scope of legislation for the prompt payment of wages has been generally objected to on the grounds that bonuses are given entirely as an act of grace and should be free from any element of compulsion, and that in practice these payments are not made monthly, or, generally, at more frequent intervals than once a year. Bonuses are thus, in principle and in practice, quite distinct from wages and it would be a mistake to treat them alike. The Governor in Council agrees with this opinion.

7. The problem of enforcing the proposed legislation, which, as the Government of India observe, presents considerable difficulty, would not, in the opinion of this Government, be solved by the suggested restriction of such legislation to institutions to which either the Factories or the Mines Act is applicable. Except for the advantage derived from the existence of an inspecting organisation under these Acts, which, if suitably strengthened at the expense of the tax-payer, would no doubt provide machinery for carrying the law into effect, there appears to be no logical reason or justification for depriving of the presumed benefits of the law those numerous wage earners who do not come within the scope of either

*Not printed.

of the above-mentioned enactments. The restriction would also produce the anomaly that, in the case of Railway administrations, the men working in workshops and sheds would enjoy the benefit of the law, while the rest (including the line staff and traffic employees who are exposed to the longest delays) would have no redress whatever.

8. It appears to His Excellency the Governor in Council that there would be little difficulty in evading any provision for accelerating payment of wages; compulsory acceleration, unless so liberally applied as to fail of its object, would throw a burden upon industry which might have unfavourable reactions on employed as well as employers; and the benefit to be derived by workers from the proposal under consideration would, in the opinion of this Government, be so slight as by no means to warrant the expense, the inconveniences, and the risk of failure involved.

LETTER FROM THE CHIEF COMMISSIONER, DELHI, No. 7903-INDUSTRIES, DATED THE 24TH DECEMBER 1926.

I have consulted the Deputy Commissioner and the Inspector of Factories on the subject. They are in general agreement with the policy outlined in paragraphs 6, 7 and 8 of the Government of India letter. The Inspector of Factories is of opinion that power to exempt employers, when they can prove to the administering authority that advances during the period of work were made to workers up to 75 per cent. of their pay, free of all interest, should be given to Local Governments. The Inspector of Factories also considers that power to prosecute offenders against the Act should be in the hands of the executive authority.

I am myself in agreement with the policy outlined in paragraphs 6, 7 and 8 of the Government of India letter under reply.

LETTER FROM THE CHIEF COMMISSIONER, AJMER-MERWARA, No. 2096-C.1823 OF 1926, DATED THE 28TH DECEMBER 1926.

The scheme as detailed in paragraphs 6 to 8 of the letter, under reference, would serve a useful purpose and may be adopted.

LETTER FROM THE HON'BLE THE AGENT TO THE GOVERNOR GENERAL IN BALUCHISTAN, No. 4992, DATED THE 30TH DECEMBER 1926.

The extent of industries in Baluchistan is very limited, those of any importance being Government and quasi-Government concerns consisting of the local Arsenal and the North Western Railway. Exceptions are to be found, however, in the Baluchistan Chrome Mining Company and the Quetta Branch of the Murree Brewery both of which concerns employ much skilled and unskilled labour and are under European management.

2. Enquiries show that there is no undue delay in the payment of wages to workmen employed by the Arsenal and Baluchistan Chrome Mining Company. In both cases the men receive their wages within a week. The Brewery management has vouchsafed no reply to enquiries made on the subject and merely remarks that it wishes to express no views on the proposed legislation.

3. It would appear that unnecessary delay does take place in the payment of the Railway staff due to a lengthy system of centralised check and audit. It is understood, however, that the Agent of the North Western Railway is representing his views in the matter to the Government of India direct, on a separate reference.

4. The consensus of local opinion indicates that legislation on the general lines proposed by the Government of India is desirable and should be adopted. In this view the Hon'ble the Agent to the Governor General concurs.

5. Regarding the points raised in paragraph 6 of the letter under reply, I am to say that the limits proposed therein within which wages are to be paid would appear to be suitable.

There is, however, in the opinion of the Hon'ble the Agent to the Governor General, a further case for which legislation would appear to be indicated, viz., that in which a workman is dismissed or takes his discharge before the end of the month, fortnight or week as the case may be, and who, without special legislation to the contrary, might have to wait a comparatively considerable period before he can receive his wages. This would constitute a decided hardship because a workman who is employed has usually no difficulty in obtaining supplies on credit from a shop-keeper. But once he is out of employment his credit is immediately closed. To obviate this hardship where it exists at present, the Hon'ble the Agent to the Governor General would suggest that a clause in the proposed legislation might be inserted to the effect that in all cases of the nature indicated above, the workman in question shall receive his dues within a period of two days subsequent to his becoming unemployed, irrespective of the system of wages on which he may have been engaged.

6. The Hon'ble the Agent to the Governor General agrees in the view expressed by the Government of India to the effect that, if the enforcement of the law is to depend on the motion of the workmen themselves, the Act will fail to achieve its object; and, while it would be costly to employ special staff for the purpose of prosecution, he considers that the power to prosecute should be granted to the Inspecting Staff and that the proposed measure should be confined, in its operation for the present, to such of the Establishments only as are subject to the provisions of the Factories Act or Mines Act.

LETTER FROM THE GOVERNMENT OF ASSAM, No. 30-F.M., DATED THE 4TH JANUARY 1927.

The general opinion is that there is no need of such legislation in Assam at present, but there is no serious opposition to the proposals of the Government of India. With this view the Governor in Council agrees. There are few large industries in Assam besides the Tea Estates, where the scarcity of labour compels the management to do all that is possible to keep the labour force contented. There is therefore no abuse in the payment of wages which renders necessary in this province legislation on the lines suggested by the Government of India. On the other hand the Governor in Council recognizes that conditions may differ in other parts of India and that legislation of this nature if required at all should apply to the whole of India. The proposals put forward in paragraph 6 of your letter with the safeguards there suggested are fair and reasonable and legislation on those lines could be given effect to in this province without any serious difficulty. The Governor in Council also agrees with the proposals in paragraphs 7 and 8 of your letter that the measure should be restricted to establishments subject to the Factories Act or Mines Act and that the enforcement of the Act should be entrusted to the inspecting staff.

LETTER FROM THE GOVERNMENT OF CENTRAL PROVINCES, No. 73|1593-XIII, DATED THE 7TH JANUARY 1927.

In order to elicit local opinion, Government consulted the managers of important industrial concerns in the province. There is a consensus of opinion that, so far as this province is concerned, the proposed legislation is unnecessary and may hamper the growth of industrial concerns. From the statement forwarded

with this Department's letter No. 2967/2256-XIII, dated the 12th December 1924, it will be seen that, in the case of monthly payments, delays for periods exceeding 15 days are not usual, while in the case of payments on shorter periods than a month, the scale suggested in the letter under reply is rarely exceeded. In the circumstances, therefore, and in view of the fact that no complaints on the part of workmen of delay in payment have come under its notice, the local Government is inclined to concur in the view of the managers of industrial concerns that the need for introducing legislation on the proposed lines is not urgent. Should it, however, be decided on general grounds to undertake legislation on the subject, I am to suggest that a period of 10 days may be allowed for payment on a monthly basis and the question of payment on shorter periods be left out of the scope of the measure. The local Government agrees that some provision for the summary recovery of wages is a necessary complement of the main provision of the Bill even though the provision were seldom actually put in force.

2. For the reasons given in paragraphs 7 and 8 of the letter under reference, the local Government agrees with the Government of India that the scope of any such measure should be restricted to establishments coming within the purview of the Factories Act and the Mines Act, where inspecting officers could be required to bring to notice cases of infraction of the rules and empowered to initiate prosecutions.

LETTER FROM THE GOVERNMENT OF BURMA, No. 337-V-26, DATED THE 17TH JANUARY 1927.

The Local Government has obtained the opinions of Commissioners of Divisions and Deputy Commissioners, as well as those of commercial bodies and others interested in the matter. The general consensus of opinion in the Province is decidedly hostile to the proposals. In a few cases opinions in favour of the proposed legislation have been expressed, but the Local Government is not impressed by those opinions, which rest on the assumption that the state of affairs in the Province calls for legislation, and that the proposed legislation would do sufficient good to justify the interference with custom which it involves. These assumptions are either unsupported by arguments or are supported by arguments whose validity the Local Government is unable to accept.

2. The object of the proposals is to ameliorate the condition of industrial workers by ensuring that they get their wages within a fixed number of days of the end of the month or other period for which the wages are paid. Industrial workers in Burma are in almost all cases paid by the month so that the expression 'wages' in this letter may be taken to mean monthly wages, unless the contrary is indicated. The opinion generally held in this Province, which the Local Government finds itself bound to accept, is that there is no need for legislation, and that the interference caused to existing business arrangements would be out of all proportion to any benefits resulting from legislation on the lines proposed. The tabulated results of the enquiries made by the Government of India into delays in the payment of wages show that in Burma the waiting period at the end of the month does not ordinarily exceed 15 days; and no complaints have been received of hardships occasioned by the existing custom. The effect of the proposed legislation would be that, in the industries affected, the waiting period would be reduced to a maximum of 7 days. It is obvious that after the initial period the advantage of the change would be felt only by workmen taking up new employment. At present such workmen have to finance themselves for six weeks before getting their first month's pay, and this period would be reduced by the proposed Act to five weeks. The majority of workers live on a credit basis, and any provident ones who have savings which would enable them to take up fresh employment without

incurring debts are as likely to be able to support themselves for six weeks as for five. The credit basis on which the majority of the workers live is a monthly one ; and if a worker in a permanent job gets his wages at regular monthly intervals the permanent postponement or advancement of his monthly pay day by a few days can make but little difference. On taking up new employment the credit period is a little longer than a month, and this merely means that the worker who has no savings at all has to live more carefully than usual for a time. In Burma, where wages are high and workers make heavy remittances to India, this can be done without great difficulty. The immediate effect of the proposals in the majority of cases would merely be that workers would for one month find themselves in possession of their wages a week earlier than in the previous month and would squander the extra week's wages or send them to India, and then carry on as before on the monthly credit basis. It has been noted by some of those consulted that in some cases in Burma new employees are assisted by advances and that interest is not charged on such advances.

3. The possibility of any advantage accruing to the workers from the proposals must also be discounted because of the possibility that some employers, who have what they consider adequate reasons for making late payments would still contrive to make such payments, and that others who cannot make the change imposed without extra cost would contrive to make the workers pay a part at any rate of the extra cost. In the opinion of the Local Government it is unsafe to assume that legislative interference with the economic relations of classes can be contrived so that one class shall benefit entirely at the expense of the other.

4. It has also been pointed out by critics of the proposal that the limitation of the proposed action to establishments subject to the Factories Act or the Mines Act—and in the opinion of the Governor in Council such limitation would be necessary in practice—would mean that classes of workers who are more in need of protection than those affected would not be benefited, and that in some cases half of the workers under the same employer would fall within the scope of the Act while the other half would not, with possible consequences of dissatisfaction and unrest. A very large proportion of the workers employed in connection with the principal industries in Burma are engaged on what is known as the "maistry system," and in the mines workers are frequently employed through contractors. The methods of payment in such cases vary from place to place and between individuals in the same place. It is frequently alleged that coolies working under *maistries* and contractors are unfairly treated, but it would be impossible to bring such coolies within the scope of the proposed Act.

5. The objections to the proposal raised by commercial bodies and others consulted are mainly on the ground of the difficulty of accelerating the payment of wages, or the impossibility of doing so without the employment of extra clerical staff. It is also suggested that in some cases the custom of withholding wages for a time has arisen from the necessity for maintaining a hold upon the workers so that they may not disorganise the business by leaving without notice. This is probably true to a great extent in the case of small concerns which are not represented on the Chambers of Commerce, and the Local Government is inclined to think that it is true also to a greater extent than is admitted in the case of many other employers. The Government of India remark that "generally speaking the time which elapses between the end of the period by which wages have been earned and the date on which they are paid is longer than is usual in industries in other countries." It may be argued that this is due to the greater reliability of workmen in other countries or to the fact that, at certain times of the year at any rate, workmen who leave their employment in India can find other employment at once. Conditions in Burma, where wages are high, and seasonal demands for labour very heavy, might be expected in a special degree to render safeguards for employers necessary. The present proposal will prevent the employer from protecting his interests in the above manner, but it provides no

substitute for the safeguard which has been established by custom and which it will abolish. It has been suggested that the proposed Act, in order to be complete, should provide also for the punishment of workers leaving their employment without giving one month's notice. Such a course perhaps cannot be contemplated seriously at the present time, but it appears to be a logical corollary to the proposals of the Government of India.

6. Apart from the practical objections raised, the proposals are open to the inherent objection that they would bring the employer within the criminal law in connection with what is merely a civil contract between him and his workmen. The Governor in Council would hesitate to recommend such legislation even if substantial advantages to any class of the community would certainly follow, and in the present instance the possible advantages appear quite insufficient to justify the consideration of such legislation. By the repeal of the Workmen's Breach of Contract Act a similar interference with civil contracts in favour of the employer has been done away with, and it would be a retrograde step now to interfere with the employer's right to contract with his workers. The Workmen's Compensation Act and the Trade Unions Act have recently been passed in favour of the workmen; and the latter Act, with time and the spread of education, will no doubt, lead to the removal of any genuine disabilities suffered by the workmen. The Local Government, after considering the matter in all its aspects, is of the decided opinion that legislation should not be proceeded with on the lines proposed.

7. If the Government of India decides to proceed with legislation, the general lines indicated in your letter appear to the Local Government to be suitable. The Governor in Council would, however, urge that legislation should not apply to the whole of India, but that provision should be made for the application of the Act in those Provinces only where the need of such legislation is experienced. The Act might relate to workmen generally, but its provisions should be applicable only to such classes of workmen as the Local Government may direct; and full power of granting exemptions from the provisions of the Act should be accorded to the Local Government.

LETTER FROM THE GOVERNMENT OF THE PUNJAB, NO. 186-R., DATED THE 20TH
JANUARY 1927.

The Government of India were informed in the letter of this Government No. 905-54-17112, dated the 20th December 1924, that wages in the principal organised industries of the Punjab are paid by the month and disbursed as a rule from ten to fifteen days in arrears. They were informed at the same time, with regard to Diwan Chaman Lal's Bill, that there is no general dissatisfaction amongst workers with this system. After further enquiry, the Governor in Council finds no reason to modify the view he expressed in 1924. He sees no objection to the introduction of legislation if such action is considered necessary having regard to all-India conditions. But, if an Act prescribing dates for the payment of wages is passed, I am to suggest that it be made applicable to this province only by a resolution in the local Legislative Council.

2. The Governor in Council agrees that any legislation which may be introduced should be on the lines proposed by the Government of India. He agrees that the Act should apply only to workers in registered factories and mines; that a summary procedure should be provided for the trial of cases; that Inspectors working under the Factories and Mines Act should be empowered to institute prosecutions; and that local Governments should be given the widest authority to grant exemptions. As regards the period of grace, he considers that seven

clear days might be allowed to the employer who pays by the month. The prescription of correspondingly shorter periods in the case of fortnightly and weekly payments appears to be unnecessary. Employers are not likely to revert from the monthly system to a system of more frequent payments, merely to evade the Act, in view of the waste of time in the calculation and payment of wages, and the almost inevitable loss of work after pay-day, which would result.

LETTER FROM THE GOVERNMENT OF BIHAR AND ORISSA, No. 270|X.L.-29—COM.,
DATED THE 28TH JANUARY 1927.

In order to elicit opinions on the scheme tentatively suggested by the Government of India, the local Government have consulted their local officers, together with representative employers of labour.

2. The most important industrial areas in Bihar and Orissa are the coal-fields of Chota Nagpur, and outside the coal-fields such large industrial establishments as the Tata Iron and Steel Works at Jamshedpur, the East Indian Railway Workshops at Jamalpur and the factory of the Peninsular Tobacco Company at Monghyr. The number of persons employed under any single employer in iron ore, mica and other mines outside the coal-fields is seldom considerable; local industries are still comparatively undeveloped; and for the time being Bihar and Orissa retains its character as a predominantly agricultural province. The Indian Mining Association and the Indian Mining Federation together represent almost the entire body of employers in the coal-fields. Both are opposed to the suggested legislation on the ground that it is undesirable and uncalled for, and both rely on the statement at page 24 of Bulletin No. 34 that there is no delay in the payment of wages by colliery proprietors. In the Jharia coal-field wages are paid weekly and in the Raniganj coal-field daily. The Chief Inspector of Mines has commented that there cannot be said to be any real necessity for legislation so far as mines in this province are concerned, since the waiting period is short.

3. Turning to the greater industrial establishments mentioned above I am to enclose a copy* of the reply given by Messrs. Tata Sons on behalf of the Tata Iron and Steel Company. The number of employees in the steel works is approximately 29,000, of whom between 12,000 and 14,000 are paid weekly, while the rest are paid monthly. The Government of India will observe that while the company express their approval of the underlying principle of the scheme suggested for their consideration, namely that wages should be paid as early as possible, they represent that if legislation were passed on the lines suggested they would have to ask for special exemption for their firm on the ground that it would not be practicable for a company employing so large a staff as theirs to comply with the law. The number of persons employed in the Jamalpur workshops of the East Indian Railway is approximately 15,000. Wages are paid monthly on the 15th of the succeeding month. As reported by the local Government in paragraph 5 of Mr. Dain's letter No. 81-XL-26-Com., dated the 10th January 1925, when expressing their opinion on Mr. Chaman Lal's Weekly Payments Bill in the strike on the East Indian Railway in 1922, no complaint was made by the strikers with regard to the period of their wage payment, though every possible grievance was brought out and ventilated. The Peninsular Tobacco Company employ 6,000 workmen. The wages are paid monthly not later than the 10th day of the month following that in which the wages are earned. The company have stated that the system of monthly payments (which the Government of India appear to condemn) was selected only after exhaustive enquiries into local custom and as the system which would be best appreciated by their employees and more likely to keep them out of debt than shorter periods.

4. The conclusion which the local Government have drawn is that in organised industry in this province no dissatisfaction has been expressed by workmen with the present system ; abuses have not come to light ; and that in the circumstances no case for special statutory measures has been established. In paragraph 8 of your letter the Government of India state that abuses are particularly associated with the larger industrial establishments where the work involved in the calculation of wages is heaviest, and where the presence of intermediaries between the workmen and the management and other circumstances tend to aggravate delays. In the smaller establishments lying outside the scope of the Factories and Mines Acts there are no serious abuses such as would justify the introduction of legislation. His Excellency in Council finds himself unable to assent to this view. The opinion expressed by Messrs. Tata Sons emphasises the difficulty of rapidly clearing the wages accounts where the number of employees is considerable, but in all large establishments there are regular dates definitely fixed for wage payments. Smaller employers are apt to be very much more casual in their methods, and the local Government, in disagreement with the views expressed by the Government of India, have no doubt that, taking individual cases, the worst instances of delay in the settlement of wage accounts will be found in small establishments suffering from lack of funds rather than in the larger concerns in which capital has been sunk and where a ready supply of money to meet the regularly recurring bill for wages is recognised as essential to the life of the firm. In paragraph 3 of your letter the Government of India have cited instances in which workers were compelled to strike in order to secure wages which had been held back for unreasonable periods. The local Government can rely only on their own experience to state that no such instances have come to their notice in this province. In 1920 and again in 1922 there was a general strike of the employees of the Tata Iron and Steel Company. As in the case of the strike on the East Indian Railway, so also at Jamshedpur, no dissatisfaction was expressed by the strikers with regard to the periods of wage payments. The Government of India themselves recognise that it would, not be practicable to apply their scheme to smaller establishments outside the scope of the Factories and Mines Acts and with this expression of opinion the local Government agree. If on the other hand the suggested legislation is designed to meet conditions in the larger industrial concerns, the opinion of the local Government is that so far as conditions in this province are concerned the legislation is not required and the scheme prepared in outline by the Government of India should be dropped.

5. In conclusion, I am to add the following comments on the details of the Government of India's scheme. It is suggested that any legislation which might be undertaken should be confined in the first instance to wages paid on the monthly system. The Government of India will, of course, recognize that in that event employers who at present pay their workmen a monthly wage would be disposed to adopt shorter periods for the purpose of freeing themselves from the application of the law. The local Government doubt whether this could be claimed to be an advantage. As they stated in Mr. Dain's letter No. 81-Com., dated the 10th January 1925, the established practice of payment in India is on a monthly basis and life is organised accordingly. If among the class affected wages are to be paid weekly (or fortnightly), domestic matters generally will have to be adjusted to the change. There is a considerable body of opinion that the payment of wages in industrial establishments at shorter periods than a month induces thriftlessness and encourages debt, and His Excellency in Council considers that that opinion cannot be ignored. The Government of India consider that there is less need for legislation with regard to weekly and fortnightly period. The view which the local Government desire to emphasize is that if legislation is to be undertaken discrimination should not be made solely against wages paid on a monthly basis.

6. The Government of India recognize that if the enforcement of the law is to depend on the initiative of the workmen the Act will fail to achieve its object, and for that reason they suggest that the power to prosecute should be granted to

some external authority such as an inspecting staff, and they would apparently utilize the staff employed under the Mines and Factories Act for that purpose. The Government of India, however, do not make it clear whether the inspecting staff are to have power to proceed on their own motion or only on complaint made to them by the workman concerned. If on their own motion, then a great part of the time which they should devote to their regular duties will be lost in preliminary enquiries to ascertain why wages which were due to payment by the 10th of the month were not paid till some days later. The delay may be due to a variety of reasons other than any deliberate intention on the part of the employer to withhold payment. These reasons would require investigation before the inspector could decide whether or not to prosecute. If the inspector is to act only on complaint made by the workman, he would still need to verify the truth of the complaint, and the circumstances in which delay if any had occurred, while the workman would be as much exposed to victimisation as if he had himself prosecuted his employer. The fact that the prosecution would be conducted not by himself but by a Government Inspector would not materially affect the position as between himself and the management. Lastly, if duties of the kind suggested by the Government of India are to be thrown on the inspectors employed under the Mines and Factories Act, the present staff would certainly require to be supplemented.

7. To sum up, the Government of Bihar and Orissa consider that conditions in this province are not such as to require legislation to ensure the more prompt payment of wages, and secondly that it is open to question whether legislation on the lines suggested by the Government of India would be successful in improving relations between employers and employed in the matter of wage payments. If, however, the Government of India decide to proceed with their scheme, the local Government would represent that any Act which might be passed should apply to those areas only to which it might be extended by notification. The legislation could thus be confined to any advanced industrial centres where its need may be established, and this province could be excluded until circumstances are found to require these special statutory measures for which existing local conditions supply no present justification.

LETTER FROM THE GOVERNMENT OF BENGAL, No. 986-COM., DATED THE 9TH FEBRUARY 1927.

The letter was circulated for opinion to the various commercial bodies usually consulted by the Government of Bengal on such questions; and the Commissioners of Divisions, who consulted the district officers, also examined the proposals in the light of local opinion and practice prevailing within their jurisdictions. The Chief Inspector of Factories and the Chief Inspector of Mines were also asked for their views, and the feeling of the working classes was ascertained through Mr. K. C. Roy Chowdhury, M.L.C., who is actively connected with several local trade unions.

2. The facts regarding late payment have already been ascertained, and it will be seen that, though there is little or no dispute on points of facts, a number of reasons have been adduced to prove why legislation is not necessary. Some of these reasons are of a general, and some of a particular, nature. One type of the general arguments is that contained in the reply of the Bengal Chamber of Commerce, to the effect that because restrictive measures have been found to be necessary in Europe, it does not necessarily follow that they should be introduced in India. The Chamber says that, because of the operation of the law of supply and demand, the Indian is in a stronger position than the English worker and has

not the need for the same degree of protection by the State. Another type is given in the reply of the Commissioner of the Burdwan Division, *viz.*, that the time of payment is a question which should be settled by labour itself with its employers through its unions. On the latter question, as a general principle, the Governor in Council agrees that the problem should be settled by mutual agreement between master and workmen. The time of payment, like the payment itself, may be looked upon as part of the contract of service, and, as a matter of policy, it is not advisable to interfere by legal measures with such contracts except in cases of necessity. With respect to the subject under discussion, the facts have been definitely established that payment in many cases is unduly delayed and that hardship results, and interference is justified to remedy a grievance which combined action by Indian workers will take many years to effect. Were the trade union movement in this country of any considerable strength, it is probable that this issue would not have to be raised by the Government of India at all. As is well known, trade unionism in India at present is in a quite embryonic stage, and such indications as exist point to its taking many years to develop sufficient strength to enforce on employers obligations regarding wages which trade unions in the West have done years ago. The Bengal Chamber of Commerce are in error if they think, that the restrictive conditions of the West similar to those now suggested by the Government of India have been imposed by legislative action. The restrictive measures of the West in respect to wages are mainly the result of trade union action, and when, and if, trade unions in India develop power similar to that of Western trade unions, it is likely that they will demand the full measure of what the moderate suggestions of the Government of India now propose to give part; like Western unions they will press for payment at the moment the contract is finished. The Indian worker in this respect is not, as the Bengal Chamber of Commerce say, in a stronger position than the English workman, and in less need of protection by the State. There are admittedly aspects of the Indian workers conditions which compare favourably with those of Western workers, but their power to enforce quick payment is not one of them, and it is for this reason that the Governor in Council supports the proposals of the Government of India to give him protection from proved abuse by the action of Government.

3. Several replies, while objecting to the proposals of the Government of India, declare that so far as their particular industry is concerned, there are no abuses. In such cases there can be no fear of the new measure, as the proposals of the Government of India are meant to remedy evils, and where there are no evils there will be no remedy. The commercial interests practically all point out that hitherto there have been no complaints regarding the period of payment. This contention is largely borne out by an analysis of the strike returns compiled by the Government of Bengal. The percentage of strikes, which have been caused by delay in payment, is very small, and most of them have occurred in concerns in which there has been bad management or which have been on the point of going into liquidation. It is true also that delayed payment does not materially affect employees if the payment is regular. There is the initial waiting period which may involve the contracting of debt, but once it is over regular payment even though late is very much the same as regular payment at the end of the period over which the pay was earned. Even so, there is no reason either of logic or of justice why the worker should wait for appreciably long periods after the payment is earned before it is made. Even though the differences between the West and India are marked there is no specific difference which would seem to allow for late payment. It is now a recognised principle in the West that industrial workers are paid immediately the payment is earned under the contract of engagement. They have no reserve to fall back upon and their lives are regulated according to their earnings, which are usually paid on a weekly basis. The Indian worker similarly has little or no reserves to fall back on, and there is no

valid reason why he should not be treated as industrial workers in Western countries. A common contention in this connection used to be that owners should keep a certain amount of wages in hand to have a hold over workers leaving without due notice or causing loss by carelessness, neglect or wilful damage to property. This argument has not been advanced against the proposals of the Government of India by the commercial interests who have replied to the reference—a fact which in itself shows that the argument is out of accord with modern notions of the relationship of workers in organised industries to their employers.

4. An analysis of the particular arguments which have been brought against the proposals of the Government of India shows that not a single good reason has been adduced to prove why payment in India should not be made more quickly. The particular reasons all arise from expediency. The Manager of the Darjeeling Himalayan Railway, for example, makes a reference to the difficulties arising from the pre-audit system of payments on railways. This is a real difficulty, but that it is not insurmountable is recognised by the Agent himself when he says that if prompt payment is made compulsory the post audit system will have to be introduced. A more formidable contention is put forward* by the Bengal Chamber of Commerce when they say that the methods of quicker payment are impracticable. It would require a much larger clerical establishment than any industrial concern can be reasonably expected to provide they say, to pay several thousands of men on one day or two days by the methods which have to be followed in this country. They refer particularly to the Indian Jute Mills Association, who are reported to have stated definitely that "payments of weekly wages could not be arranged for earlier than four days after the close of the week". These arguments are not quite consistent with the Chamber's general remarks on the differences between Western and Indian Labour. These differences are said to make quicker methods of payment impracticable; whereas they should actually make quicker payment easier. Although there is no difference in principle between piece rates in India and piece rates in the West, there are marked differences in the more recondite applications of the piece system, for in the West it has developed elaborations in bonus, premium bonus, and differential variations which require the highest skill in calculation. In India, however, only simple bonus schemes are in operation, requiring no highly specialised staff for calculation. In the West, even the most intricate piece systems do not prevent prompt payment; thus the argument from the point of view of difficulty of calculation in India is on the side of shorter periods. The particular argument of the Indian Jute Mills Association is even less apposite. The controlling staff of the jute mills is very largely recruited from Dundee and environs, with previous experience of the system of payment in the jute mills of that area. The wages of the jute industry are governed by Trade Board rates which are exceedingly complicated and difficult of application; yet the argument has never been put forward that this should be a reason for the postponement of payment. In Bengal, where there is not a tithe of the difficulties that exist at Dundee, the contention is not worthy of serious consideration. It may be conceded that the payment of the wages of thousands of employees in one day will be difficult, but this contention, in the view of His Excellency in Council, can hardly be upheld against the clear justice and obvious reasonableness of the proposals of the Government of India.

5. With the general principles set out in paragraph 6 of the Government of India letter, I am to say that the Governor in Council is in agreement. The adoption of shorter periods of payment referred to in paragraphs 4 and 5 of the Government of India's letter has already been dismissed as impracticable by the Government of Bengal—*vide* their letter No. 7-T.-Com., dated the 26th May 1925. The proposal to set statutory limits to the time in which wages must be paid is both reasonable and practicable. The periods suggested are also accepted—*vis.*, within a week of the close of the month for monthly wages, within four days for

fortnightly wages, within two days for weekly wages and within one day for daily wages. The Governor in Council is not in favour of discrimination between bonuses and wages except in the case of long periods—i.e., half-yearly and annual bonuses. As already mentioned the bonus system in vogue here is relatively simple : indeed piece work and bonus on the work of an individual means very much the same thing and should be paid at the same time as ordinary wages. The principle of the suggestion that the date on which the month should commence should be left to the employer subject to the approval of the local Government, is also accepted : but if such a provision is to be included in the Act, the Government of Bengal would prefer that the approval should be subject to the Chief Inspector of Factories or the Chief Inspector of Mines.

It is undesirable to distinguish between cash and kind payment. Industrial wages should be normally taken to mean cash wages, and the mention of ' kind ' payment would introduce into the legislation the element of Truck, which should, if necessary, be dealt with separately. The power of exemption suggested by the Government of India is also accepted, as it will give elasticity in the application of the provisions of the legislation, but the limits within which the exemption should be permitted should be narrow and no general exemption should be permitted. Exemption should also be subject to written reasons and specified conditions. The local Government doubt the wisdom of prescribing a minimum percentage of the wages which, paid within the statutory period, would secure compliance with the law. The power of exemption should give sufficient elasticity in applying the measure ; to permit anything less than full wages being the statutory requirement would open the door to multitudes of pleas among which local Governments would find much difficulty in discriminating.

6. The attention of the Government of India is particularly invited to the letter of the Bengal Chamber of Commerce so far as it concerns contractors. As the Government of India are aware, a very large proportion of work in engineering works in Bengal is done through contractors, and the difficulty mentioned in the Bengal Chamber's letter is a very important one. It will be recalled that a similar difficulty appeared when the Workmen's Compensation Act was under discussion, and that it was successfully overcome by the provisions laid down in section 12 of that Act. To exempt contractors from the provisions of the proposed legislation would largely nullify its objects as evasion would be made possible by the simple expedient of declaring labour to be contract labour. There seem to be two possible methods of solving this problem. One is to incorporate in the law a provision parallel to section 12 of the Workmen's Compensation Act by which if the principal were penalised under the Act he would be liable to be indemnified by the contractor. The other is to bring the contractors themselves within the provisions of the Act. I am to say that the Governor in Council prefers the latter alternative on the ground that it would be unfair to good employers to have to incur the odium of conviction even with possible indemnification when they were not primarily responsible for breaking the law.

7. With respect to the enforcement and the scope of the legislation, I am to say that the views of the Government of India as contained in paragraphs 7 and 8 of the letter under reply have the general support of the Government of Bengal. Prompt recovery should be provided by some form of summary procedure, and fines should be provided for offences, with the possibility of assigning the whole or part of the fine to the injured person. The principle that the enforcement of the Act, for the reasons given by the Government of India, should depend not on the workers themselves but on an external authority is well established in the West, particularly in the Trade Board legislation of Great Britain, under which inspectors are appointed to enforce the provisions of the Trade Boards Acts. The Government of Bengal also agree that, in the first instance, the legislation should be applied only to organised industry—i.e., to concerns which come within the jurisdiction of the existing Factory and Mines legislation. It is doubted whether the evils of late

payment are more common in large than in small concerns, but it is obviously impossible at the present stage of development to go beyond the bounds of existing Acts. All replies are unanimous regarding the scope of the legislation. I am, however, to say that the Governor in Council is of opinion that it should be open to local Governments to designate the officers who will be responsible for enforcing the Act. Normally the work will be done by the Factory and Mines Inspection staff. The ascertainment of the dates of payment during routine inspections will not be a heavy addition to the existing work of the department. Difficulties will arise, however, in cases of individual complaints, particularly from factories at a distance from headquarters. The Factory Inspection Department in Bengal is already heavily worked; and His Excellency in Council would hesitate normally to add to this work burdens which in any way might interfere with its main duties under the Factories Act. It is not anticipated that the accretion of duties under the proposed legislation will be heavy: but he would prefer that the legislation should permit of the appointment of district or other officers as Inspectors under the Act in order to obviate journeys by Factory Inspectors, and also to facilitate the easy disposal of cases on the spot. With regard to the form that this part of the legislation should take, I am to recommend a perusal of sections 14, 15, 16 and 17 of the Trade Boards Act, 1909 (9 Ed. VII Ch. 22).

LETTER FROM THE GOVERNMENT OF THE UNITED PROVINCES, No. 517, DATED
THE 16TH FEBRUARY 1927.

This Government have consulted the two Chambers of Commerce at Cawnpore, the Mazdur Sabha, the Director of Industries, the Board of Industries, the Chief Inspector of Factories and the Superintendent, Government Press. The opinions received are divided. The United Provinces Chamber consider that the delay in paying wages is generally not deliberate but is due to the time taken in preparation of the pay rolls which involve a large amount of calculation. But if the facts in possession of the Government of India warrant a conclusion that payment is unreasonably delayed, the Chamber would not oppose legislation. They propose, however, that the statutory limits of time within which wages must be paid should be ten days, five days, three days and one day, respectively, for monthly, fortnightly, weekly and daily wages. But they urge that these limits should not apply to piece work at all, and believe that the suggestion to prescribe for the payment of 75 per cent. of the wages earned for this class of work within the statutory period would lead to serious administrative difficulties. They would not confer power to prosecute on any external authority and would confine the measure to mines and factories only. The Upper India Chamber begin by protesting "respectfully but very emphatically against the ever increasing tendency on the part of the Government of India to favour the introduction of legislative measures in connexion with industrial labour employed in factories, which measures are almost invariably in the direction of improving the conditions and the class-power of labour at the expense of the employer". They assert that such legislation has constituted a handicap on industrial expansion and that the continued tendency to favour labour at the expense of the employer will shortly constrain the employer to claim protection against his labourers. They impress upon the Government their feeling that the country is not ripe for the labour conditions which the Government are attempting to impose on it by legislation. Turning to details, the Chamber deny that the information collected by the Government of India reveals an unsatisfactory state of affairs. It is not alarming that monthly wages should be paid from ten to fifteen days after the close of the month. In a large factory this period is the minimum necessary for calculating the wages due and the price of piece work. They admit that in some cases hardship results

in the first month of employment, but this is alleviated by the readiness of employers to make advances during that period. If legislation is to be enforced, they would increase the statutory period from a week to ten or twelve days for monthly payments and from four to seven or ten days for fortnightly payments. They strongly protest against vesting in any external authority the power to prosecute. They would not confine the measure to factories and mines but would extend it to all Government services, tea gardens, plantations, in fact all employers of labour, especially railways and municipalities where the delay is as great or greater than in factories.

2. The Director of Industries is not aware of any hardship caused to workmen by the delay in payment of wages, and neither he nor the Board of Industries see any need for legislation in this province.

3. On the other hand, the Mazdur Sabha, the Chief Inspector of Factories and the Superintendent, Government Press consider legislation necessary. The Mazdur Sabha would fix five days, three days and one day for monthly, fortnightly and weekly payments, respectively. They would confine legislation to mines and factories and would for the present vest in the inspecting staff the power to prosecute. When the Sabha is well organised it will, they think, be able to enforce the law on the employers. The Chief Inspector states that the Cawnpore mills generally take from ten to fifteen days to pay wages, and he thinks legislation would serve a useful purpose in reducing this period. He would grant the power to prosecute to an external authority such as an inspector of factories. The Superintendent, Government Press, states that employers withhold payment of fifteen days as "this period coincides with the period of notice customarily demanded from monthly workers before they leave service". He holds that delays favour the operations of the money-lender. He would introduce legislation to compel monthly payments within ten days, and not seven as proposed by the Government of India. He thinks that these ten days will be more than sufficient for the reckoning of wages and will give employers ample safeguard against desertion of workers. As to the authority to prosecute, he would give powers both to the workmen and the external authority. Finally he urges that the evil is not confined to large establishments only. The small employer is just as ready as the large to safeguard himself against desertion by postponing wages. He would therefore extend the measure to all establishments where 20 or more workers are employed.

4. Opinions for and against legislation are thus fairly evenly balanced. Employers generally oppose the proposal and employees welcome it. This Government think that there is something to be said on both sides. There are two main causes of the delay in paying wages. One is inevitable; the other is not. The first cause is the time which must be taken to calculate the workmen's dues. This calculation is not a simple matter. Owing to fines and to absenteeism it takes a long time in a big factory to calculate the wages due to workmen. If piece wages are paid the time will probably be longer. That this is a real difficulty is proved by the delays which occurred in district boards even under official chairmen in paying the wages of teachers. The difficulty arises in calculating pay for men who have been on leave or fined or promoted. At least ten days are probably required for the payment of monthly wages. The second cause of delay is avoidable. It is due to the employer's desire to postpone payment in order to prevent discontented employees from leaving as soon as they got their pay. A discontented workman receiving his pay on the fourth or fifth day of the month may be ready to resign his post without giving notice and to forfeit the four or five days pay due. But a postponement of payment for ten or fifteen days ties him to the factory. The longer the employer defers payment the stronger is the tie. The employer's anxiety to retain his labour is intelligible in a country where a labourer is only a part-time industrialist.

ready to drift back to the land on the least discouragement and to leave his employer in the lurch. None the less in so far as the employer's action is an interference with the labourer's right to seek employment where he will, it ought not to be countenanced by the State.

5. None of the critics of this measure have remarked that after the first period of waiting wages are actually paid monthly even though delayed. For example, if a labourer is employed on January 1, he may get no pay until February 20. If the factory continues to delay his wages, he will thereafter get his pay on March 20, April 20 and so on. A variation of one or two days on either side makes no difference. If the workman can get an advance during the first six or seven weeks when he draws no wages, he will suffer no hardship from the recurrent postponement of pay. If he wishes to resign, and gives notice at the beginning of the month, he would be entitled when paid on the 20th day of the month to draw his wage also for the 20 days.

6. This Government consider that the demand for the measure in this province is insignificant, possibly because delay in payment ceases to operate as a hardship after the first period of waiting. On general grounds they think it undesirable to add to the rapidly growing volume of labour legislation a measure which employees generally have not asked for and which employers strongly oppose. In this view they are influenced also by the prospective difficulty of enforcing the law. It would be necessary to appoint numerous inspectors and they would be difficult to supervise. As the arguments against legislation appear considerably stronger than the reasons in favour of it, this Government are opposed to proceeding with it.

LETTER FROM THE GOVERNMENT OF BOMBAY, No. 5773/859[D., DATED THE 16TH FEBRUARY 1927.

In considering legislation of the kind proposed the Governor in Council agrees with the view expressed by the Government of India in their letter under reference that if abuses can be checked or eliminated by legislation it is the duty of Government to introduce such legislation. It is, however, essential first to ascertain whether the evil, it is desired to eradicate, is a real one and prevails to such an extent as to justify the somewhat drastic remedy of penal legislation with its natural accompaniments—interference with long established methods of conducting business and an addition to the expenditure of Local Governments. Such considerations would carry no weight if the lot of the workers in this Presidency could be improved by legislation of the kind proposed, and it is necessary, therefore, to examine the proposed legislation and the assumptions on which it rests in order to see if the conditions laid down have been fulfilled.

2. It is suggested that Government action is necessary because systematic delays in the payment of wages add appreciably to the economic difficulties of workmen. This is perfectly sound theoretically but it requires examination in the light of the practice as regards payment in industry generally, and when so examined this argument loses a good deal of its force. As is pointed out by the Bombay Millowners' Association, who quote a speech of the Honourable Sir B. N. Mitra, Member of Industries and Labour, in the Legislative Assembly in February last "What the worker wants is that his wages should be paid quickly". The workers whose economic difficulties are affected by the present delay of a fortnight in the payment of monthly wages are those who take up employment in a particular mill or other establishments for the first time, i.e., it is only the first period of wages that is withheld for longer than a month because after the first period of waiting is over the worker gets his wages regularly every month. Under the monthly system of payment prevalent throughout India,—with which it is not proposed to interfere—a new worker

entering a mill, etc., at the beginning of a month has to wait nearly six weeks for his first month's wages. Thereafter he is paid promptly every month. The legislation that is proposed would, therefore, in practice benefit only the irregular or casual worker or the person entering into employment for the first time and then only to the extent that at the best he would receive his first wages a fortnight earlier than is usual but most probably not more than a week earlier than usual. The Governor in Council is unable to see that the economic position of industrial workers generally would be materially assisted by legislation of this kind. There is an almost general consensus of opinion that legislation of the kind proposed should be, and could in practice only be, applied to those establishments coming under the Factories and Mines Acts, and these are the establishments where the regular payment of wages is the rule. The practical effect of such legislation, therefore, would be to permit a relatively small number of workmen to receive their first month's wages a week earlier than they do at present. The Governor in Council is unable to agree that penal legislation is necessary in such circumstances, for the practical benefit to the worker in industry generally would be negligible. While, therefore, of opinion that the proposed legislation is not required, the Governor in Council desires to offer his views on the points raised in the Government of India's letter in case it is decided by the Government of India to proceed with legislation.

3. *Scope of the Measure.*—As has been mentioned in a previous paragraph, opinion is overwhelmingly in favour of confining such legislation, if it is necessary, to establishments subject to the Factories and Mines Act, the main reason for such limitation being the practical impossibility of enforcement if it were made generally applicable. The Bombay Engineering Employers' Federation are in agreement with the Government of India as regards the difficulties which must arise in legislation of this sort and these are such that legislation could only affect those concerns coming under the Factories or Mines Acts. "This appears to be one of the weaknesses of the whole scheme" says the Federation, "as it restricts the legislation to concerns which are generally well organised and where abuses are less likely to be found and leaves the smaller concerns entirely free to carry on as they please. If it is not possible to make legislation of this nature universal it were better left alone altogether". The workers' interests generally agree to this limited application but suggest that state employment, railways, municipalities and all organised industries in large establishments should be covered, while the Central Labour Board is of opinion that it should also be extended to other industrial concerns "where the more intellectual classes such as clerks are employed". The Bombay Textile Labour Union recognise that additional staff would have to be employed but consider it is worth while incurring this extra expenditure.

4. The Governor in Council, for the reasons given in previous paragraphs, is unable to accept this view because he believes that the measure could not be enforced outside establishments under the Factories and Mines Acts where, as has been pointed out, there is little cause for complaint that wages are not paid regularly. The Governor in Council, however, concurs with the view expressed by the Director of Information and Labour Intelligence and one or two other officials that even if the Act is restricted in its scope, power should be taken under the Act to extend it, if necessary, the power being vested in the Local Governments.

5. *Method of Enforcement.*—Opinion on this subject is largely in favour of the responsibility for enforcing legislation being confined to the existing Factories' and Mines staff. The Chairman of the Bombay Port Trust considers that the procedure to be adopted in regard to inspections should be very carefully defined, it being clearly desirable to avoid all unnecessary interference with the internal management of the concerns affected. "It would probably be sufficient

in most cases if the employers were required to furnish periodical certified returns showing the period and date of disbursement of their staff wages". The workers' interests, however, favour an "outside and independent agency" to enforce the Act. The Chief Presidency Magistrate is of opinion that it should be open to any workman to institute proceedings on his own initiative, prosecutions by Inspecting officers of the Factories or Mines Department being merely an additional facility. The late Sir Lallubhai Shah, Judge, Bombay High Court, was of opinion that the power to prosecute should not be given to any external authority such as an Inspecting Staff, but a provision should be inserted granting any number of workmen from the same establishment the power to join in one proceeding. The more general opinion seems to be that in the present state of the organisation of labour, the Act would be a dead letter if it were left to the workers to initiate prosecutions. The Chief Inspector of Factories suggests that work under the proposed measure in districts would entail considerable expenditure and waste of time, in the event of prosecution being considered necessary, which could be reduced a great deal if *ex-officio* inspectors (local officials) were empowered to act as prosecuting officers. The Bombay European Textile Association objects that the duties of the Factory Inspector should not entail having to take sides between employers and employees where wages are concerned.

6. The Governor in Council has given careful consideration to the various suggestions that have been made, but he is unable to agree that the power of putting the penal law in motion should be given to any other authority than the officials who would be responsible for administering the Act, that is Factory Inspectors. The Director of Information and Labour Intelligence points out that a clear distinction should be drawn between procedure for the prompt recovery of wages due to a worker and the punishment of an employer for an infringement of the law. A workman or an organisation of workmen can draw attention to breaches of the Act and ask for the law to be put in motion, but the initiation of proceedings should be in the hands of the administrative authority. The Governor in Council concurs with this view and is opposed to any suggestion that the power to prosecute should be given to private individuals or associations of individuals.

7. *Statutory Limits of Wage Payments.*—The Governor in Council agrees with the view expressed in paragraph 5 of the Government of India's letter that a bill providing for the weekly payment of wages is not likely to receive the support of public opinion or to prove effective in its operation. After the general strike in the Bombay mills in the early part of 1924, His Excellency the Governor interested himself in the question of the fortnightly payments of wages and the Millowners' Association took steps to ascertain the views of the millhands themselves. Replies were received from practically all the mills in the City and Island of Bombay and, with the exception of two mills, all the operatives expressed themselves as being in favour of the continuance of the present system of monthly payments. It was pointed out by one group of mills that in 1912 they made the experiment of fortnightly payments, but the attempt had to be given up owing to the opposition from the workpeople. The workers' interests, who have dealt with this point in their reply to the Government of India's letter, recognise that the system of monthly payment is the one most favoured by the workers. The Social Service League has, however, every hope that public opinion will soon be unanimous for weekly payment of wages, while the Bombay Textile-Labour Union feels confident that, if the advantages accruing from a weekly system of wage payments were fully explained to the workers, they would withdraw their opposition and agree to the system of payments for shorter periods. One labour organisation, however, definitely states that the monthly system of wages is more advantageous to the majority of workers. The Bombay European Textile Association point out that the Association had

approved of the fortnightly payment of wages but when their members were instructed by their respective employers to persuade the operatives employed under them to accept this system, they were in almost every case informed by the operatives themselves, that any departure from the present monthly system would be detrimental to their interests. The operatives refused to accept any change from the present system and said that any attempt to change would be met by a strike.

8. The Governor in Council is in entire agreement with the views expressed almost unanimously by well-informed opinion. The legislation, therefore, should deal only with wages paid under the existing system which in the Bombay Presidency is almost universally monthly, the chief exception being in the Ahmedabad mills. As has been pointed out above, legislation will to all intents and purposes benefit only the irregular or casual worker and the workers taking up employment for the first time and in view of these limited benefits it is necessary to examine the reasons for the present system of paying wages from 10 to 15 days after the end of the month and to see whether this period could not be altered, without undue disorganisation of the industries concerned.

9. *Period within which Wages should be paid.*—The Bombay Chamber of Commerce point out that any acceleration of the payment of wages, *i.e.*, in less than 15 days could not be enforced without a general revision of the period for making up accounts. The obstacle in the way of payment of monthly wages within a shorter period than 15 days after 'making-up day' are (1) the difficulty of introducing satisfactory mechanical time keeping appliances; (2) the considerable amount of clerical labour which would be involved owing to the fact that overtime is worked up to the last day of the month and men are employed on different grades of work at varying rates of pay; and, (3) the delays incidental to work-people being employed at a distance from headquarters. The Chamber point out that it would be difficult, if not impossible, to pay within one week specially in the case of railways and many public bodies owing to the delay in getting in paysheets and having them checked and returned. The Bombay Engineering Employers' Federation are very strongly of the opinion that a fortnight from the end of the period under calculation for monthly payments, and a week for fortnightly payments is the absolute minimum that should be allowed. The Bombay Millowners' Association think that the rights of labour would be sufficiently protected if legislation is enacted prohibiting the withholding of wages for more than a fortnight after they have become due. The Ahmedabad Millowners' Association has no objection to restricting the period of payment for monthly wage earners to 10 days. The spinners and weavers in the Ahmedabad Mills receive their wages every fortnight on the 8th day after they become due and the Ahmedabad Millowners' Association are strongly opposed to any departure being made from this practice. The Karachi Chamber of Commerce think that ten days would be a reasonable period for monthly workers and five days for fortnightly, three days for weekly and the following day in the case of casual workers paid by the day for a day's work; but this should not be made to apply to employees who, though working on a daily wage, are in effect permanently employed and are paid monthly, the daily being merely the basis of computing the monthly sum due. The Bombay Port Trust consider six days a reasonable period counting Sundays and holidays as *dies non*. The Karachi Port Trust is prepared to make arrangements so as to enable payments being made within a week of the close of the month. The Municipal Commissioner thinks that the period of payment would have to be extended to fourteen days or at least the tenth working day after the close of the month. The Central Labour Board can see no reason why wages should not be paid after five days or after two days in the case of payments made fortnightly. The Bombay Textile Labour Union suggests a week and four days

respectively, two days in the case of weekly wages and the same day for daily wages. The Ahmedabad Labour Union would allow three to four days in the case of fortnightly wages.

10. The Governor in Council after due consideration of all the views expressed concurs with those of the Director of Information and Labour Intelligence and desires to draw attention to the remarks made by that officer. The Governor in Council again wishes to emphasise the fact that in organised industries wages are already paid *regularly* and the practical benefit of reducing the period within which wages must be paid after they become due is very small. The Governor in Council, therefore, is inclined to the view that so far as piece workers are concerned 14 days should be allowed after the end of the month but in the case of workers on time rates the period should be seven days. In the Ahmedabad mill industry, where payment on a fortnightly basis is general—the men affected being mostly piece workers—and for fortnightly wages generally, the period should be seven days. For weekly workers it should be three days, but where workers are engaged from day to day they should be paid off at the end of each day. The Governor in Council desires to draw attention to the remarks of the Karachi Port Trust, the Director of Information and Labour Intelligence and others and to point out that it is important in framing legislation that the period for which wages are paid and the rate at which they are calculated should be kept distinct because workers may be engaged on weekly or daily rates of pay, but may be paid once a month or once a fortnight or once a week as the case may be.

11. Employers should also be empowered to fix the date upon which they elect to begin and close the month and to fix different dates for different Departments.

12. *Inclusion of Bonuses.*—Only a few opinions were received on the question of including bonuses within the scope of the legislation. The Governor in Council is of opinion that where a bonus is another name for a high cost of living allowance or an allowance at a fixed percentage over basic rates or is a reward for good work or good attendance and is provided for in the muster rolls and paid regularly month by month, it should be treated as other wages are treated. Bonuses which take the form of payment to the employees when the profits of the business, in the opinion of the employers, justify such a distribution should clearly not be affected by the operation of the Act.

13. *Limitations of Wages to Payments in Cash.*—Only two opinions have been received on this subject both of which are in favour of payments in cash. The Governor in Council does not consider that any expression of opinion is called for upon this question as it could more appropriately be dealt with in any legislation which might be considered necessary as the result of the enquiry which is now being conducted at the request of the Government of India into the question of fines in industry and deductions from wages.

14. *Penalties for Infringement.*—None of the non-official bodies consulted and very few officials have expressed any opinion as to the extent of the penalty. The Governor in Council concurs with the suggestion of the Director of Information and Labour Intelligence that penalties might be fixed at Rs. 100 for the first offence, Rs. 250 for the second offence and Rs. 500 for third and subsequent offences. The fines recovered under the Act should be credited to the Public Treasury in the same way as the fines inflicted for any breach of the law.

15. *Exemptions.*—The Governor in Council is of opinion that power should be reserved to Local Governments to grant exemptions from the Act in cases where special circumstances render this necessary.

16. *Payment of Wages for Broken Periods.*—Several questions have been raised in the course of the enquiry regarding points not specifically covered by the Government of India's letter. The most important relate to the question of the forfeiture and withholding of wages. The period of notice in any particular industry varies and is largely a question of customs which it will be difficult to deal with by legislation, but the question of payment for broken periods should be considered. The Ahmedabad Millowners' Association point out that it is the practice in the Ahmedabad mills not to pay wages to operatives unless they put in a full seven days and the Association strongly objects to any departure being made from this practice. The Social Service League point out that, in some mills in Bombay, the discharged employees are not paid there and then, but are asked to wait until the next pay day, but if they want their wages paid at once they have to pay some commission or discount. This is called the *Havala* system. The League say that this system is unfair to workmen and when a month's previous notice has been given or received by the employer, there is no reason why the employee should have to pay any commission for securing his wages for the work already done by him. The complaint of the employers, however, is that workers leave without any notice at all and it is in order to endeavour to check this practice that wages are sometimes kept in hand. Attention is also drawn to the practice of forfeiting wages not claimed within six months and to the fact that within that period of six months wages are only paid on certain fixed days. The Bombay Textile Labour Union draws attention to the hardship upon workers who are not paid off when they are discharged or given notice and to the question of forfeiture after six months.

17. The Governor in Council is of opinion that this question of prompt payment for broken periods depends upon whether the period of employment is broken by the action of the employer or of the employee. Where an employee takes a job which is payable monthly and leaves before the end of that period it is not unreasonable for the employer to insist that the ordinary procedure should be followed and that the wages should not be payable until the regular pay day. Where however an employer himself gives notice to an employee at any time in the course of the month he should be compelled to pay the wages of that employee up-to-date and the wages of that employee should continue until payment is received.

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