

Weekly Notes

Collective Bargaining

AS a direct result of the intervention of Shri Kandubhai Desai, collective bargaining has made some striking successes. One such is the agreement for payment of bonuses, for the first time in the history of plantation labour, to eight lakh teagarden workers in North Bengal and Assam. Another is the agreement an bonus for two and a half lakh textile workers in Bombay. The latter settlement is on the lines on which it has been successfully working for many years in Ahmedabad, the home of Congress Trade Unionism.

The agreement reached by Tata Iron and Steel Co. with the Tata Workers Union in Jamshedpur, however, did not need the intervention of the Labour Minister. And it is the most comprehensive of the agreements reached in the recent past, or at any time in the history of the labour movement in this country. The price that the Company has to pay is the recognition given to Tata Workers Union as the sole bargaining agents of the employees. In exchange for a 'closed shop', the Company wins willing and active participation by labour for solving all the problems which plague capital-labour relations e.g. in fixing the size of the labour forces, in carrying out improvements in labour productivity, job evaluation, Works Committees, in evolving a procedure for redressing grievances and in selections for promotions. As in the Bombay agreement, adequate contribution by employers to schemes for housing labour is one of the important stipulations.

Indo-Italian Amity

Those who assumed hastily that one of the results of the Russian leaders visit to this country was a shift in India's foreign policy. In favour of the Communist bloc will feel assured at the joint communique issued by the Prime Minister and Italy's Foreign Minister. Italy will now become a member of the United Nations. She is a NATO Power. But, as a member-State, Italy agrees to have "close and cordial co-operation" with India to ensure world peace within the framework of the United Nations. Attainment as well as maintenance of world peace is the basic aim of India's foreign policy. In pursuit of this aim, India is always willing to co-operate with Communist Russia as well as with

non-Communist Italy. With the possible exception of America, no other Western Power has mistaken India's desire to have economic co-operation with Russia as New Delhi's alignment with Moscow,

Community—Structured

DEAL decentralization means that the country should be covered with a net-work of small-scale industries (not necessarily household and hand) which should be co-operatively owned. Without wider dispersion of ownership, reduction of inequality through progressive direct taxation alone does not go very far. But who will set up and organize the producers? China had the party to do it; our administration would not be equal to the job. Congress does not seem to be interested or capable

to college and higher up. This is what the Member of the Planning Commission for Education, I r J C Ghosh rightly advises when he suggests that education should be "community-structured". That is to say only the pick of the lot should be sent up for higher education, after a separate and a stiff test. Results at the school final or matriculation examination are not enough and should not entitle the boys to gain admission to colleges. The rest, some 85 per cent or more of the total, should be taught some trade or useful craft at the secondary stage, so that they may be able to make a living either from agriculture or small industry.

Social inequalities enable some, simply because their parents are better off, to go in for college education. Others drift into it because there is nothing else to do. Technical education in the absence of industries expanding fast enough to absorb the technically qualified is no solution. Until the other day, it was by no means unusual to find engineering graduates, or others with similar qualifications, joining Law classes to kill time, or crowd into the general line.

For reorienting the educational system, Dr Ghosh wants to borrow one idea from Gandhiji's basic education—not education through craft, but training in a craft and turning the period of training to some economic advantage. This may be done in two ways. Students may earn something on their own, by practising the craft which they are being taught and the schools may supplement their resources by selling some of the products turned out by the students, so that the cost of education may be lightened both for the school and for the students.

Even this, however, does not go to the heart of the problem which is, can enterprise be taught in schools? For organising small-scale industries, technical training is not enough. Producers who experience difficulties which can be solved, if they get organised in co-operatives, are the right material for starting such co-operatives. How can fresh products of secondary schools be turned into such producers? Not only the economic climate, but a whole set of values will have to be changed before education can be "Community-structured".

1956 Annual

In view of our Annual Number on January 26, there will be No Issues of the Economic Weekly on January 21 and 28. The Annual Number will be Priced Rs. 2/8/- and will be supplied free to subscribers.

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A. Fernandes
Business Manager

of delivering the goods. Then, again, there is the question of resources. Electricity has to be taken to the villages, that itself will require an immense volume of equipment, new techniques will have to be developed and perfected; small machines and tools have to be supplied in large numbers. Nothing of the sort can be attempted until we have developed steel production and a widely based machine making industry. So all this can come only in the third or fourth Plan. Meanwhile, as much of the existing idle capacity (not creation of new capacity) should be utilized to supplement production of consumer goods in the organized sector. That is how it looks at the moment.

So all this is yet to be. It is not here and now. Of course, the ultimate solution of educated unemployed is not to allow such a class to grow at all. Catch them young, and let only the select ones to go

Assistance to Small-scale industries

THE efforts of the Government of India to develop small-scale industries have run up against the usual snag. In official parlance, they are being impeded by serious administrative bottle-necks. One of the important objects of Shri T T Krishnamachari's last visit to Bombay was to remove some of these. Hence the discussions with the representatives of State Governments of Bombay, Saurashtra, Vindhya Pradesh, Madhya Pradesh and Kutch.

The Government of India have tentatively budgeted a sum of Rs. 55 crores during the period of the Second Five Year Plan for grants and loans to aid development of small-scale industries. Budget allocation under this head has steadily gone up. In 1954-55, it was only Rs -1.04 crores.

The amounts budgeted, however, are not being fully utilised, the reason being cumbersome rules and complicated procedures for sanction of loans under the State Aid to Industries Act. At the meeting held in Bombay last Wednesday, the Commerce and Industry Minister pointed out that the Government of India had recommended to the State Governments that loans up to 75 per cent of the value of the security offered should be advanced. Such security should include equipment, stock-in-trade, and other assets created out of the loan. The rate of interest to be charged to individual small units was 3 per cent and to co-operative societies 2½ per cent. The Central Government would pay the difference between the rate of interest at which loans were sanctioned by the Centre to the State Governments and the reduced rate at which loans were advanced to small units,

For working capital, the meeting of the Small-Scale Industries Board held last month at Rajkot decided that the State Governments be requested to liberalise their rules (1) to allow loans being granted to bonafide small manufacturers up to an amount of Rs. 1,000 on a personal bond, (ii) to allow loans up to Rs. 5,000 to be advanced to small units on the security of one or more personal sureties, and (iii) to allow local industries officers to sanction loans to small units up to an amount of Rs. 2,000 in their own discretion,

The financing of small-scale units by commercial banks, co-operative banks, State Bank of India, State Financial Corporation etc. (with the

assistance of the Reserve Bank of India), is also being looked into. The Government of India has appointed Shri S V Bamamurthi, Adviser to the Planning Commission, to make a special investigation on the subject and submit recommendations to Government.

Trading Estates and Machines

4 SPEEDY implementation of the scheme for industrial estates where factory space, electric sup-

ply, water and common service facilities could be provided to small units on rental basis has also been urged by the Commerce and Industry Minister. A large sum is likely to be set apart for the construction of industrial estates during the second Plan period and the entire amount required by the State Governments for the purpose of starting industrial estates would be sanctioned as a long-term loan for 20 to 30 years at the rate of 4½ per cent,

A treasure **TO ACQUIRE**

A Louis XVI clock made of Oriental alabaster.
Height - 14 inches.



A pleasure **TO SMOKE**



Wills' The "Three Castles"

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