devaluation. But even here it is shown how nevertheless a judicious dose of import restriction may in certain circumstances be better than devaluation, although the extent of such import control would depend upon the degree of elasticity of the foreign curve. The diagrams also throw up the very revealing conclusion that so far as the foreign country is concerned, devaluation by the home country is definitely preferable to a policy of import restriction. Devaluation, it is demonstrated, enables the foreign country to move to a higher point on its own demand curve whatever its inclination. 'In the light of this,' adds the author, 'it is easy to see why USA not only approved of, but demanded devaluation as a measure against the foreign curve. The diagrams also throw up the very revealing conclusion that so far as the foreign country is concerned, devaluation by the home country is definitely preferable to a policy of import restriction. Devaluation, it is demonstrated, enables the foreign country to move to a higher point on its own demand curve whatever its inclination. ' In the light of this,' adds the author, 'it is easy to see why USA not only approved of, but demanded devaluation as a measure against the foreign curve. The diagrams also throw up the very revealing conclusion that so far as the foreign country is concerned, devaluation by the home country is definitely preferable to a policy of import restriction. Devaluation, it is demonstrated, enables the foreign country to move to a higher point on its own demand curve whatever its inclination. ' In the light of this,' adds the author, 'it is easy to see why USA not only approved of, but demanded devaluation as a measure against the foreign curve. The diagrams also throw up the very revealing conclusion that so far as the foreign country is concerned, devaluation by the home country is definitely preferable to a policy of import restriction. Devaluation, it is demonstrated, enables the foreign country to move to a higher point on its own demand curve whatever its inclination.

The book is likely to irritate those who look upon all abstract analysis and theoretical speculation as past-time belonging to the ivory tower. Impatience will be felt for the plea made in the book for a freer economy in the context of a world where nothing is 'free', and where--more/rely on comparisons international trade is tied up by restrictive measures which no country can remove by unilateral action. The rupee devaluation would be considered unavailing in the background of universal import and export control, and there will be little enthusiasm for freezing currency on any scale whatsoever. In other words, too there might arise differences of opinion, to wit, the specificity of labour as a factor affecting post-war output, which is likely to be considered too specious. One fears also that the author's insistence on removing the controls would be looked upon as betraying too much of an academic faith which ignores completely the prevailing mood of hectic hay-making in the country.

Yet this is a book which all academic and practising economists should read, if not to agree with the author in all that he says, at least to appreciate the integrated and the logically self-consistent view which the author has offered on the problem of India's inflation. It marks a refreshing departure from all beaten tracks, and should stimulate those who would be delighted to see a layer of speculative meat on the skeleton that 'Indian Economics' is.

The Textile Strike in Bombay

(Contributed)

WHAT'S in a name? Everything thing, say the millowners, in effect. Bonus cannot be called by any other name. It is not wages which workers can legitimately demand as a matter of right, being an ex-gratia payment made out of profits. Stripped of legal frills, this is the principle for which millowners are fighting.

Labour's case is that there is nothing in a name. Bonus is not bonus, but deferred wages. This vicious system is prevalent only in this country. Bonus is to bring up monthly wages, which are below living wages, to a more reasonable standard of remuneration to which the worker is entitled, profit or no profit. To be more precise, this is the stand taken by the Marxist Mill Mazdoor Sabha though a rival union, Rashtriya Mazdoor Sabha, were prepared to compromise on a (notion of principle by accepting, as an advance against future wages, the instalment of bonus awarded by the Industrial Tribunal in the textile dispute.

This is in a nutshell the dispute that led to the textile strike which now involves more than two lakhs of Bombay's mill hands. Only three out of the 60 textile mills in Bombay are now working, and that, too, only partially. A general strike of all industrial workers has been announced for the 29th of this month, and the strike fever may spread.

The main issue, unfortunately, is obscured by the rivalry between the Socialist controlled Mazdoor Sabha, and the Mazdoor Sangh, affiliated to the INTUC. The latter body, started under the auspices of the Congress, has been the butt of attack by all the other trade unions ever since its inception. There is nothing wrong in the Congress being in the trade union movement nor in having a labour organisation of its own. What complicates matters is that this organisation should be so closely associated with the Government, or that it should receive a preferential treatment from the employers, which it is alleged to be doing.

Finally, except the INTUC, all other labour bodies are opposed to the principle of compulsory arbitration. This opposition is not on the surface, but may come up when industrial relations are churned up. It also explains why, though illegal, the strike has been joined by the entire body of textile workers in so short a time.

Labour and capital are not the only parties to the dispute. Compulsory arbitration, enforced by Industrial Disputes Act, has also drawn into the dispute the Industrial Tribunals as arbitrators. They have not yet been able to evolve uniform principles that should govern such disputes. Some of them have accepted that bonus is partially a payment to bring up wages to the standard of living wages. None of them have yet awarded a bonus where the industry concerned was making no profit. And on the same dispute, the Tribunals have not applied the same principles from year to year. At least this is also one of the contentions of the millowners.

The strike of two and a half lakh textile workers of Bombay which commenced on the 14th of this month has gathered such momentum that it has now assumed the form of a general struggle of the entire working class of Bombay against the labour and industrial policies of the Government. On August 14, the strike started with 1,80,000 workers in forty-eight mills staying out. Since then, the number of strikers has steadily swelled and at the time of writing the number of mills completely closed is 57 involving 2,25,000. At the moment, only three mills are partially working. Even the Colaba Land Mill which till a day ago was unaffected by the strike, has now been drawn into the struggle.

When so great has been the response of the workers and so rare their unity, there must be deep-rooted causes for this flare up. The issues involved have been unfortunately mixed up; they need to be cleared up. The conflict
started over the issue of bonus and several questions connected with it. India is perhaps the only country where the system of bonus-payment exists in the present form. It came into vogue pretty widely in the cotton mills, during the last war, and subsequently spread to other industries. During the war years, the mills made enormous profits, but wages could not catch up with the cost of living. The dearness allowance did not completely neutralise the rise in the cost of living. The result was discontent among the workers which could not find an outlet in the then prevailing circumstances. The millowners had, therefore, perforce to meet the situation by an annual bonus payment. Of course they called it ex-gratia. But from the very outset, 'bonus' came to be paid to the workers because their wages were very inadequate and not as a gift.

It was not until 1946 that the issue came up for arbitration in the Industrial Court. It was recognised by the Industrial Court that bonus was not an ex-gratia payment and that workers were entitled to it as a matter of right. In last year's award the Industrial Court stated:

"So long as the living wage standard has not been reached, the bonus partakes primarily of the character of satisfaction, partial and temporary, of the deficiency in the legitimate income of the workers in an industry and once such an income has been attained, it would also partake of the character of profit-sharing."

The above statement of the Industrial Court is very important as it more or less accepted the stand taken by the Socialist Mill Mazdoor Sabha—that so long as the living wage standard was not reached, bonus was a 'deferred wage'.

But what happened this year? Unlike last year, the INTUC Rashtriya Mazdoor Sangh alone was given the exclusive right of representing the workers before the Industrial Court, having being recognised as the only 'representative union' by the Government. The INTUC demand bonus as 'a share in profits' and not as a deferred wage.
This year—since the Socialists were not allowed to represent the textile workers—the Rashtriya Mazdoor Sangh, affiliated to the INTUC, put up a much lower demand for door Sangh, affiliated to the INTUC, textile workers—the Rashtriya Maz-

gone down. This may look fair months' basic wages as bonus as were not allowed to represent the disastrous for the workers. As the millowners hail shown that profits were 50 per cent, lower than last year (approximately Rs. 10 crores as against Rs. 20 crores last year) and since bonus was demanded by the INTUC Union as a share in profits and not as a part of wages, the Tribunal reduced the bonus to two months' basic wages, as against 4½ months' awarded last year. Moreover, since four of the mills had shown no profits at all, on the principle that bonus was paid out of the profits, they were exempted from paying any bonus at all. Thus 10,000 workers got nothing in the form of bonus.

Even while demanding bonus on the basis of profits, the INTUC could have challenged the profit figures as shown by the millowners. But that was not to be. Mr. Shantilal Shah, the INTUC advocate, declined to challenge the balance sheets provided by the millowners. This gave a handle to the INTUC opponents for even a eat may look at a queen, and the Income-Tax Department sometimes do look askance at these balance sheets!

The workers' case is somewhat as follows: The Textile Labour Enquiry Committee had recommended Rs. 55 as living wage for the lowest unskilled worker in 1939. Taking the cost of living index today at 300, the living wage comes to Rs. 165. As against this, the lowest unskilled worker gets today Rs. 30 as basic wage, and Rs. 52 as dearness allowance, i.e., a total of Rs. 82. Hence every month there is a deficiency of Rs. 83 in his earnings. What the Mill Mazdoor Sabha had demanded was bonus equivalent to three months' wages and dearness allowance, i.e., approximately Rs. 246. What the workers have been awarded is the miserly sum of Rs. 60 to 80.

This was enough to enrage the workers. But the award did not satisfy the millowners either. They complained, among other things, that adequate allowance had not been made for depreciation and reserve funds in calculating profits and appealed to the newly appoint-
ed Appellate Tribunal against the award. What made matters worse was that they did not eventually pay even the first instalment of bonus to the workers which had been ordered by the first Tribunal.

The millowners first approached the Tribunal to defer payment of the first instalment of bonus till the disposal of their appeal. The Tri-

bunal, however, rejected their application. But what they could not get from the Court, the millowners got from the INTUC Union which entered into an agreement with them whereby the workers would get the first instalment of their bonus as an advance against future wages. So great was the resentment of the workers against this arrange-

ment that, even on the INTUC's own figures, less than 30,000 out of 2,50,000 workers accepted this 'advance.'

It is thus mainly the inadequate bonus awarded this year, the total refusal of any bonus at all to 10,000 workers and the subsequent policies of the millowners, the INTUC and the Government, that have complicated the strike situation. As matters stand today, the question of representation of the workers and the rivalry between the unions rank even higher in the dispute than the issue of bonus. The INTUC opposed the strike from the start and INTUC volunteers have fully co-operated with the police right from the beginning for break-

ing the strike. According to the INTUC leaders, workers have joined the strike only because of intimidation. In the light of actual developments, these claims appear rather thin.

Judging from the manner in which the strike has developed, and the response it has been able to gain from the textile workers, it is difficult to believe that the INTUC genuinely commands the allegiance of the bulk of the tex-
tile workers. If the question of proper representation of the workers is not solved fairly and squarely, the latter will be justified in their grievance that the Government favours one labour union as against the others, that particular union which is accused of being on the side of the employers. This sort of thing does not make for industrial peace. It is essential that workers should have no legitimate grounds to feel that the Government is on the side of the employers as against the workers. All Bombay workers, numbering about five lakhs, have decided upon a protest strike on August 29. Should the Government and the employers fail to recognise the real representative of the workers, 'and settle their demands honourably, the struggle may even assume an all-India character.