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INTERNATIONAL LABOUR OFFICE  
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Industrial and Labour Developments in December 1958.

N.B.-Each Section of this Report may be taken out separately.

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## CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - DECEMBER 1958.

### 11. Political Situation and Administrative Action.

#### Madras: Eighth Meeting of State Labour Advisory Board: Minister's Address.

"The constitution of a Tripartite Committee at the State level consisting of representatives of employers, employees and the Government to examine the cases of non-implementation of Awards is under consideration of the Government", said Shri M. Bhaktavatsalam, Home Minister, in-charge of Labour, addressing the eighth meeting of the Madras State Labour Advisory Board at Madras on 12 December 1958.

The Minister said that the constitution of the State Committee was in pursuance of the recent decision of the Government of India. Although instances of non-implementation of awards and settlements were not many in this State, he hoped that representatives of both employers and workers on the Committee would extend the necessary co-operation to secure proper implementation of Awards.

Referring to trade unions, Shri Bhaktavatsalam said that although the need for a strong trade union movement had been recognised as essential for the achievement of industrial democracy, still it was disappointing to note that there was rivalry among trade unions. Proposals for mitigating this evil and for provision of compulsory recognition ~~had been~~ of trade unions by legislation had been under consideration of the Government. In fact a draft Bill was discussed at the last meeting of the Board and due to want of agreement among trade unions, no final decision could be reached. The subject had again been placed before the meeting and he hoped that with their co-operation it would be possible to find a solution to this difficult problem.

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The Labour policy of the Second Five-Year Plan, Shri Bhaktavatslam said, had laid great emphasis on the constitution of the standing consultative bodies at the State as well as at All-India level. The State Labour Advisory Board was the most important consultative and representative body at the State level. Since the last meeting of the Board, the Madras Government had undertaken legislation (i) to regulate the conditions of labour in (1) Catering Establishments and (2) Beedi Factories in the State; (ii) to regulate the number of paid festival holidays in all industrial ~~paid festiv~~ and commercial undertakings and plantations; (iii) to increase the quantum of maternity benefit to women workers in factories to 12 annas a day and the period for which the benefit should be available to 12 weeks; and (iv) to permit the deduction of house rent from wages of the workers where the housing is provided by agency other than the employer.

Proposals for the re-issuing of the Madras Industrial Disputes Rules in the light of the experience gained in the working of the Industrial Disputes Act and the Rules, were under the consideration of the Government. The draft Madras Industrial Disputes Rules had since been published. The objections and suggestions sent by the employers as well as the Labour representatives are now being examined by the Government and the rules will be finalised shortly.

Referring to welfare measures for the benefit of the workers, Shri Bhaktavatsalam said that introduction of a scheme of workers' education was a prerequisite for industrial progress. An ad hoc Workers' Education Committee would be appointed in the Madras Region consisting of representatives from the Central trade union organisations, the Employers' Federation of Southern India and the Madras University. This Committee would lay down policy, administer the programme, undertake inspection, arrange for the provision of educational materials, establish standards for teachers and programmes and take all other measures to stimulate and promote workers' education in this Region. It was his desire that a large number of workers would come forward to avail themselves of the opportunities afforded to them under this scheme.

"Our achievement in the sphere of industrial negotiations", the Minister said, "has been particularly satisfactory. This is reflected in the settlements reached in a number of disputes either as a result of direct negotiation between the parties or on the intervention of the Conciliation Officers of the Government or at Ministerial level. It is gratifying to note that as many as 595 industrial disputes were settled on the intervention of the Conciliation Officers during the last ten months of this year."

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Mysore: Inaugural Meeting of State Labour Advisory  
Committee.

Shri B.D. Jatti, Chief Minister, inaugurated at Bangalore on 19 December 1958, the first meeting of the State Labour Advisory Board.

During the course of his address, Shri Jatti said that the progress in industry was entirely dependent on cordial relationship between management and labour. Without industrial peace, no industry could progress and the economy of the country would receive a set back if there was not the required harmony.

Shri Jatti stated that if they approached the question of industrial peace with a spirit of mutual understanding, goodwill and compromise, they could resolve any difficult dispute. In this context, the work of the Labour Advisory Committee at the State level consisting of the representatives of workers, employers, Government and consumers was indeed very important. It had become all the more important to have industrial peace in view of the gigantic experiments towards industrial, social and cultural development <sup>that</sup> were being carried out under the Second Five-Year Plan. He was confident that the committee would help Government regarding adoption of new measures, legislation and labour policies and also in ensuring their proper implementation.

Labour Minister's Address.— Shri T. Subramanya, Labour Minister, said that the Labour Advisory Committee had been constituted to advise the Government in respect of the broad principles of policy regarding labour welfare and suggest measures for increase in production. And also to help in the establishment of harmonious relationship between the employer and the employees and advise Government on such matters connected with labour, as might be referred to the committee.

The Labour Minister said the problem of industrial relations had assumed such a paramount importance that it had become a basic element in the economic and social life of every country and in recent years, it had attracted growing attention in all spheres of activities of the country. Its importance had been felt not only among industrialists and workmen but also by Government and the public. It had been fully realised that co-operation among all sections of industry and reasonable conditions of work were essential for productive efficiency and industrial progress, which were so vital to the economy of any country. In this complex world, the pattern of which was continually changing, according to the needs and aspirations of people, one of the main factors was the association of the people coming together for a living.

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Various factors emanating from such relationship had given rise to problems of industrial relations. He pointed out that employers and management should recognise the importance of the workers and devise ways and means of enlisting their maximum co-operation in the achievement of the common goal. The workers on their part should fulfil their responsibility to increase production. Hasty and precipitate action like sporadic strikes would result in confusion. They should settle their differences by mutual discussion and constitutional methods, Shri Subramanya added.

In the Second Five-Year Plan, said the Minister, a number of developmental schemes had been proposed with a view to improving labour conditions like joint consultation in industry as was being tried in the Hindustan Machine Tools. He hoped that this experiment, after some experience, could be usefully extended to other industrial establishments.

Referring to various measures taken by Government, the Labour Minister listed a comprehensive scheme for social security in the shape of Employees' State Insurance Scheme, and the Maternity Benefits Bill. He added that a comprehensive Shops and Establishments Bill would be introduced shortly. Government was also examining a proposal to undertake separate legislation to remove the malpractices existing in Beedi industry.

The Labour Minister hoped the committee would keep all problems in view and advise Government on evolving a sound and scientific policy.

Decisions.— The committee constituted a tripartite committee of 10 members for the evaluation and implementation of awards. Another sub-committee was constituted to report on the number of national festival holidays in various industrial undertakings.

The committee also decided to issue an appeal to all the workers in regard to the quantum of their contributions out of their bonus, to the National Savings Certificates.

The committee approved the measures taken by Government as per the Code of Conduct laid down by the Nainital Tripartite Conference held in May 1958. The committee also approved the elimination of the system of appointing managers on daily wages.

(Deccan Herald, 20 December 1958).



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12. Activities of External Services.

India - December 1958.

(a) Conferences, etc.:

Shri V.K.R. Menon, Director of this Office, attended the Regional Seminar on Research Techniques held under the auspices of the UNESCO Research Centre on the Social Implications of Industrialisation in Southern Asia from 15 to 20 December 1958 at Calcutta.

Shri Menon also attended the inaugural session of the ECAFE Symposium on Petroleum Resources of Asia and the Far East, held at New Delhi on 3 December 1958.

(b) Visits:

Mr. George C. Lodge, Assistant Secretary of Labour U.S.A., called on Mr. Menon on 3 December 1958.

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14. Conventions and Recommendations.

India - December 1958.

India to ratify I.L.O. Convention No.88 regarding the  
Organisation of Employment Service.

According to a press release issued by the Government of India dated 7 December 1958, the Government of India has decided to ratify the I.L.O. Convention regarding the Organisation of Employment Service. The Convention was adopted by the International Labour Conference at its session in June, 1958.

The Convention, in the <sup>at</sup> mean, provides that member States should maintain a free public employment service consisting of a system of employment offices under the direction of a national authority. The Service should, among other things, ensure effective recruitment and placement, facilitate labour mobility, collect and analyse employment market information, co-operate in the administration of unemployment insurance and assistance and also help in social and economic planning.

The present position in India satisfies the provisions of the Convention.

The Convention could not be ratified earlier as the Employment Service Organisation in India was hitherto on a temporary basis. The Shiva Rao Committee, in its report submitted to Government in 1954, recommended that the Employment Service Organisation should be placed on a permanent footing and the day to day administration of the employment exchanges transferred to the State Governments. Accordingly, the administration of the exchanges was transferred to the State Governments in November 1956. The authority for declaring the service permanent in the States devolved on the State Governments, who have agreed in principle that the service should be made permanent. Besides, the Central and the State Governments have agreed that not less than 60 per cent of the posts in the employment service should be made permanent.

## Chapter 2. International and National Organisations

### 25. Wage-Earners' Organisations.

India - December 1958.

#### Ahmedabad Textile Labour Association's 11-Point Programme for Workers' Welfare.

The Ahmedabad Textile Labour Association (TLA) has formulated the following 11-point programme "to make the workers, happy and contented, following the path of Mahatma Gandhi". The TLA has decided to implement this constructive programme from its 42nd Foundation Day.

In labour bustees for every 10 families one worker should look after the work in every locality. These volunteers should work according to the following programme:-

Protect the workers from epidemics and diseases and to provide them with necessary advice and information;

Explain to the families the importance of hygiene and try to keep the locality clean;

Arrange for adult education;

Create an atmosphere of education and help the parents in sending their children to school;

Help the workers launch a literary campaign so that unsocial tendencies may be eliminated and a congenial atmosphere created;

When necessary, the workers should be able to face the unsocial elements and meet them with courage and fortitude;

Explain to the workers the importance of small savings, insurance, handicrafts, khadi and small-scale industries;

Every volunteer should arrange a collective prayer on the first Sunday of the month and should read out some parts from a sacred book;

Persuade the workers to help the poor and the sick; and

The families to contribute to a "Mohalla Relief Fund" for the benefit of the poor and sick.

(The Indian Worker, Vol.VII, No.11,  
15 December 1958, page 12 ).

8

Volunteer Brigade of INTUC Workers: Review of Work  
in Madras State.

At a meeting of the Working Committee of the INTUC held in July 1957, it was decided to advise all the affiliated unions to raise volunteer corps, which will not merely provide physical protection to workers from anti-social elements within the trade union movement and outside, but will also be a live-wire link between the union executives on the one hand and the rank and file of workers on the other. An interesting article, in this connection, is written by Shri G. Ramanujam, President, INTUC, in the Indian Worker of 15 December 1958, relating to the work of the "Green Shirt" volunteers formed by the Tamilnad (Madras) Branch of the INTUC.

According to the article, when the INTUC started its work in Tamilnad in August 1947, the entire State was practically under the monopoly of the Communist Party. Just a few months before INTUC started its work, the Communist Party unions in the largest textile mills in the State were declared to be the most representative union as a result of a secret ballot in Madurai and Vikramasingapuram, and the Communist Party unions were at the height of their glory when <sup>INTUC</sup> we entered the field. The INTUC started its work in Tamilnad at Madurai. "The communists naturally did not want the INTUC to get any foothold, and violence, coercion and intimidation were their means to put down the INTUC. Even such of those workers who would like to join the INTUC were scared away by the threats, and in some cases actual violence, was indulged in by the communists. The first task of the INTUC was, therefore, to dispel the fear in the minds of workers, and to give them protection both from physical and ideological attacks. In those days it was difficult for the INTUC even to hold a meeting. It was sure to be disturbed by the communist workers.

"The communist volunteers then were wearing red shirts and they were a source of terror to non-communists.

"The INTUC decided to start a volunteer corps of its own to meet the challenge by the communists and the volunteer corps was to wear green shirts which is just an opposition in colour to red."

It was decided that the volunteers should wear the uniform (white half-pant, green scout shirt and white cap) at all times, whether at the workplace or outside.

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At first, the selection of volunteers was limited only to the physically fit who have an unassailable faith in the INTUC and its leadership. But very soon it was found that such volunteers only met the requirements on the physical plane and that was not enough. So the area of choice was extended to cover those workers too who would be able to understand the philosophy and technique of the INTUC trade union work better, who would be able to read and write, who would be able to argue with the workers of the rival union and who would be able to address small workers' meetings, so that these volunteers would also be catering to the publicity requirements on the ideological front, both for the positive propaganda of our ideals, methods and achievements as also for meeting the false propaganda by the communists and others.

At first there was resistance by managements when these volunteers reported for work in their uniform. The managements perhaps thought that this might be inviting trouble within the factories. But the managements' fears were belied by subsequent events, and on the other hand it acted as a powerful deterrent and there was comparatively greater peace inside the factories too.

The INTUC also started some gymnastic schools where these volunteers had opportunity to keep their physique in good trim. There were also periodical picnics at some attractive spots, 10 to 15 miles away, for these volunteers, which were also used for class purposes.

These volunteers soon came to be looked upon as a symbol of protection by the workers frightened by the communist violent tactics, whether inside the factory or on their way to or from the factory, particularly in the night shifts. All meetings of the INTUC unions were taken charge of by these volunteers and the communists who were disturbing the INTUC meetings found that thereafter their tactics would not pay and they gave up their disruptive attempts.

It is now nearly eight years since the Green Shirt Volunteer Corps was started in Madurai. It has since spread to other centres in Tamilnad and now practically every INTUC union in Tamilnad has got its own Green Shirt Volunteer Corps, without any additional financial expenditure in this regard. Today, the total of such Green Shirt Volunteer Corps in Tamilnad will be around 5,000. The Green Shirt Volunteer Corps has provided a fitting answer to violence, actual and threatened, coercion and intimidation indulged in by the communists and there is comparatively greater peace in the inter-union field.

(The Indian Worker, Vol. VII, No. 11,  
15 December 1958, page 11)

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Indian Trade Unions (Amendment) Bill, 1958:  
Non-Official Bill to prevent Registration of  
Bogus Unions.

Shri Ram Krishan, Member of Parliament (Punjab-Congress) introduced on 28 November 1958 in Lok Sabha a Bill to amend the Indian Trade Unions Act, 1926. According to the Statement of Objects and Reasons of the Bill, under the present Act, any seven workers can form a union and can get it registered. The result is that many bogus unions are formed. Some of them even play in the hands of employers. It also gives a chance to the political parties to exploit them and the unity of the workers is disrupted.

The purpose of the present Bill is to put restriction on the registration of unions so that these shortcomings may be removed and no bogus union may be formed.

The Bill provides that a Trade Union shall not be entitled to registration under this Act, unless the membership of the Trade Union is not 10 less than one third of the total number of workers employed in the Factory.

(The Gazette of India, Extraordinary,  
Part II, Sec. 2, 28 November 1958,  
pp. 1216-1217.)

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Policy regarding Recognition of Railway Labour Unions:  
Minister's Replies to Questions in Parliament.

The policy of the Railway Administration in granting recognition to railway unions in the light of the Naini Tal Code of Discipline for Industry was questioned at length in the Rajya Sabha on 22 December 1958.

The Deputy Minister for Railways, Shri Shah Nawaz Khan, said the Railway Administration had granted recognition to unions on two conditions: (1) The union should not indulge in subversive activities; and (2) it should have a substantial following.

Shri Shah Nawaz earlier told Shri V.K. Dhage that the Government had noted the criticism of Shri Frank Anthony who had accused railway officials of attempts "to herd railwaymen into certain recognised unions and to victimize those who prefer to remain outside the Government-sponsored unions".

The Deputy Minister added: "The assumption that there are Government-sponsored unions is basically incorrect and therefore the other allegation made did not arise".

Shri Shah Nawaz said that while the Government looked into all grievances and investigated them, it did not enter into correspondence with non-recognised unions.

When Shri Dhage questioned him further, the Chairman intervened and said: "What he means is that the demands of non-recognised unions are investigated but no answers are given".

Dr. Raj Bahadur Gour wanted to know what the basis for granting recognition was and whether the decisions of the 15th Labour Conference applied to the railways.

Shri Shah Nawaz said that before recognition was granted, the unions must fulfil two conditions; they should not indulge in subversive activities and should have a substantial following.

Dr. Gour said all the central trade union organisations had accepted the Code of Discipline adopted at the 16th Tripartite Labour Conference and thus all unions also adhered to that code. The employers also had to adhere to that code and under that recognition had to be given on the basis of verified membership.

Dr. Gour said the Central and State Governments were also parties to the code. How could the Railway Ministry then not adhere to it?

Shri Shah Nawaz said that as he had already pointed out the unions must have a substantial membership before they could be recognised.

Shri Dawood Ali Mirza asked whether there had been an increase in the inefficiency and indiscipline on the railways because of the "undue prominence and importance given to unions".

Shri B.K.P. Sinha asked whether the general labour laws and rules of the country applied to the railways also or whether they were governed by special laws. He also wanted to know whether by merely subscribing to some code a union was entitled to recognition, though in practice it might violate the code.

Shri Shah Nawaz said the railways were also generally covered by the labour laws. If the unions said they adhered to the code "we take their word unless they prove otherwise".

Shri Bhupesh Gupta: Since the Minister has introduced subversion here, in cases where unions have not been recognised, has the Government placed before the public or Parliament any information about the grounds on which recognition is denied or the reasons for which it had come to such a conclusion?

Deputy Minister: We decide it ourselves.

(The Statesman, 23 December 1958).



28. Employers' Organisations.

India - December 1958.

Annual General Meeting of Associated Chambers of Commerce,  
Calcutta, 5 December 1958: Finance Minister Stresses Need  
For Augmentation of Internal Resources; Foreign Aid No  
Substitute.

The annual general meeting of the Associated Chambers of Commerce was held at Calcutta on 5 December 1958. Mr. J.D.K. Brown, President of the Associated Chambers, presided. The meeting was attended, among others, by Shri Morarji Desai, Union Finance Minister, who in his address, said that in a fast developing country like India, increased taxation was inevitable. If they took loans from abroad, they had to be repaid.

President's speech: removal of impediments for private foreign capital urged.- Mr. J.D.K. Brown, in his presidential address, said the manner in which foreign countries had come to India's assistance indicated the confidence that existed abroad in India's future. But it seemed to them there must be a limit to the amount of foreign assistance which could be accepted in the form of Government loans and other medium-term obligations. What was required from now on was a far greater private foreign participation in equity capital than at present. This seemed to him to be a method of expediting the industrialisation of the country without significant increase in foreign exchange commitments over the next critical 10 or 15 years - a method worthy of every encouragement.

Examining the factors influencing a foreign company's decision about investment in India, Mr. Brown particularly referred to the tax on share issues, on capitalisation of profits and what was commonly described as the dividend tax or tax on excess dividends. Whatever might be their merits in other directions, he said, they seemed to him to be measures which were singularly inappropriate in the state of affairs existing in India today.

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Tax Inquiry welcomed.— Mr. Brown welcomed the appointment of the Direct Taxes Administration Inquiry Committee and hoped that as a result of its recommendations considerable improvement would be effected in the administration of the various direct taxes Acts.

Mr. Brown expressed grave doubts about the efficacy of the measure envisaging State monopoly control of the wholesale food grain trade, which they believed was intended to hold the price line.

Industrial discipline.— Mr. Brown referred to the apparent failure of the general code of discipline in industry and said that there seemed to be as yet no conviction on the part of organised labour that employers were in earnest in their endeavour to work the code. Certain labour organisations, he added, had shown little evidence of their goodwill in the matter.

Concluding, Mr. Brown said that if all the lessons which were to be drawn from past difficulties had been learnt, if they were prepared to concentrate on essentials, to consolidate what had been won and to use well-proven methods of personal incentives to achieve their objectives, a very great deal would have been accomplished.

"We can then look forward to the day in the not too far distant future when we will eventually have achieved that degree of momentum which will carry us onwards at an increasing pace to that great future with a standard of living for all appreciably above what it is today."

Finance Minister's address: Increased taxation inevitable.— Shri Morarji Desai, Union Minister for Finance in his address said that he could not give out any hopes about removal of taxes like the Wealth Tax or the Expenditure Tax. That was a matter for the Government to decide. But it was a fact all over the world that those who paid taxes always considered that they were overtaxed and those who recovered taxes always thought that they recovered less. That had always been a problem in all countries.

Shri Desai said that in a fast developing country like India, increased taxation was inevitable. If they took loans from abroad, they had to be repaid. Foreign assistance might supplement internal resources, but could never substitute it. Imposition of more taxes, direct or indirect, was therefore one of the principal sources of Government revenue.

The Finance Minister referred to the subnormal conditions of living of the masses in India and said if they did not feel that their lot was improving every day, their faith in democracy would be shaken. Unless they got that feeling, they would be lacking in enthusiasm to participate whole-heartedly in development work.

In this context, Shri Desai said that the Government's plans, both for the present and the future, could best be described as modest and far from adequate. The needs of the people were tremendous.

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Shri Desai said that it was obvious that developed countries were going ahead and raising the already high standards of living of their peoples, while "we are not able to make equal progress".

He was happy that this fact was receiving greater recognition, as he had seen recently at the world economic conference. It was a good sign that the more prosperous recognised the necessity of seeing that the less prosperous had their lots improved. For this special efforts had to be made. Otherwise any assistance received was likely to weaken rather than strengthen the less prosperous people. India, Shri Desai said, was proceeding from the faith that foreign assistance must be supplementary to and not a substitute for the country's own resources. But steps taken by the Government in this direction were sometimes misunderstood as disincentive or discouraging to certain sectors of society.

Shri Desai then referred to the question of participation of foreign private capital in a larger measure than now. Foreign assistance might also come in the shape of loans on a Government-to-Government basis; or from international agencies. But it would not be quite correct to say that participation of foreign private capital created no burden for the recipient country. Capital and more than the capital, profits, would have to be repatriated in some way or the other, although part of it might be ploughed back for expansion. If the profits of new ventures were not available in the country to increase its resources, it would be a difficult situation. This factor had to be remembered, he added.

Regarding financial assistance from international agencies, he said it should be borne in mind that these should be repaid in a manner that "our energies are not exhausted merely by repaying". This was a limitation. "We have therefore to concentrate on internal resources and strengthen organisationally for that purpose". It was essential for the success of the Plan that the assessment and use of resources were realistic. This the Government had always borne in mind.

The Finance Minister thought that the concessions granted to the tea industry were adequate under the prevailing conditions. The Government was vitally interested in this matter. It was difficult to distinguish between teas. The problem was that concessions might benefit those who did not need them. The Government had to see that the strong did not become stronger.

Stressing the need for progress, Shri Desai said that by 1975-76, India's national income was expected to be doubled. That would be on the same level as that of present-day Ceylon or Egypt. "Will that create great hopes for the people?" he asked.

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Concluding, Shri Desai said: "We may not be good businessmen, but I can assure you that business will be done in a business-like manner. We realize that business cannot be done without profit and profits have got to be assured and assured in such a way that other people do not take them away and the people do not take the law into their own hands and do something which may be monstrous. We have to consider all that when millions of people of this country are living in a subnormal way".

Resolutions.- Resolutions relating to agriculture, foreign aid, labour relations, export trade and import policy were among the resolutions adopted at the meeting.

Agriculture.- The resolution on agriculture said that a solution of the food problem was of fundamental importance for the success of the second five year plan and for relieving the present strain on the national economy; and, as an important means of achieving that solution, it urged the Government to (1) strengthen the administrative machinery concerned with food production; (2) concentrate on making full and effective use of facilities which are already in existence, such as irrigation schemes and seed farms, and, in future planning, give full weight to small-scale schemes for agricultural improvement in view of the early returns which can be obtained therefrom; and (3) as a matter of fundamental importance devise suitable measures for the education of the agriculturist in sound and modern agricultural methods.

Introducing the resolution, Shri J.M. Lall (Bengal Chamber) pointed out that a huge amount of foreign exchange is being spent on food imports. This fact, as well as the steady rise in population, indicates the urgency of increasing food production. To some extent, an increase can be achieved by bringing more arable land under cultivation, but emphasis has also to be placed on the better use of the land which is already being cultivated. Agriculture is suffering from a shortage of trained manpower, so more attention should be paid to the training of agricultural graduates. The use of chemical fertiliser is increasing, but in this aspect India is still a long way behind many other countries. In Shri Lall's view, greater attention should be given to the spread of mechanised farming, the use of better seeds and the destruction of pests.

Foreign Aid.- The resolution on foreign aid while welcoming the generous measure of financial assistance recently negotiated with the World Bank and with certain friendly countries, pointed out that in order to consolidate this temporary relief and to achieve a more permanent and stable balance in the country's international trade, the Government should (1) re-assess economic resources, both now and at the end of the second plan, in order to determine the targets which can be achieved within these resources; and (2) adopt taxation and allied policies which will create conditions favourable to private foreign investment and thus develop the country's economic potentialities, while lightening the burden of the servicing and repayment of foreign loans.

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Proposing the resolution on foreign aid investment and co-operation, Shri L.D. Mudie (Bombay Chamber) said that although India has received considerable assistance from abroad and is likely to receive more in the future, the growth of obligations in this connection should not be forgotten. The problem of loan repayment and amortisation is gigantic, so it is urgently necessary to take steps to increase foreign exchange resources. Two points need to be particularly emphasised. One is that five year plans should be based on a rational assessment of foreign exchange resources. The second is that the inflow of foreign investment should be promoted. The foreign investor is discouraged by the uncertainties of Indian industrial policy, especially as they affect the private sector. The State Trading Corporation is looked upon as a potential threat to his interests. In addition, there are other disincentives in the form of heavy taxation and official interference.

Labour relations.- The resolution on the subject deplored the resort by labour to illegal strikes, intimidation and violence, and the intrusion of politics and inter-union rivalry into questions which should be settled on their merits. It added, that in the Chambers' view the common aim of an improvement in the lot of the industrial worker cannot be achieved without a revival of labour discipline under responsible leadership and increased productivity and efficiency.

Moving the resolution Shri E.J.M. Leigh (Madras Chamber), declared that the Government's failure strictly to enforce the penal provisions of labour laws had encouraged workers to resort to illegal action. Discipline in industry had deteriorated and the effect on production and efficiency had been serious. Not much had been done against those who had acted against the code of discipline in industry adopted some time ago. Urgent action should be taken to ensure that unions are led by workers and not by outsiders.

Export Trade.- The resolution on this subject while welcoming measures calculated to expand the earnings of the newer exporting industries, said that for many years to come India must depend for the bulk of her foreign exchange on those established industries in which she has traditionally excelled, notably jute goods, tea and textiles. It should, therefore, be the first aim of the Central and State Governments to maintain the country's vital export industries by: (1) promoting their prosperity and ensuring their success in the fiercely competitive conditions of international trade; (2) developing substantial internal markets in order to give them stability and to permit of cost reductions; and (3) moderating the export duties and other imposts with which they are burdened.

Import Policy.— The resolution on import policy recommended that, in view of the present acute shortage of imported raw materials, equipment and stores, the import policy should be planned to secure maximum efficiency and output from the existing productive capacity and to ensure industrial employment at the highest possible levels. With these objects, available foreign exchange should first be allocated to the purchase of raw materials and replacement parts which are vital to maximum economic utilisation and consolidation of existing manufacturing capacity, rather than to the installation of such additional manufacturing units which increase the demand for, and aggravate the shortage of, imported supplies.

(Amrita Bazar Patrika, 6 December, 1958;  
Capital, Vol. CXXXI-3538, 11 December 1958,  
page 802 ).

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## Chapter 3. Economic Questions.

### 34. Economic Planning, Control and Development.

India - December 1958.

#### A Review of Progress made by Indian Industries: F.I.C.C.I.'S Study.

The Federation of Indian Chambers of Commerce and Industry has issued a brochure\* reviewing the progress of Indian industries in the private sector during the first ten years after independence.

According to the brochure, during the last 10 years the joint stock companies increased their paid-up capital by more than 100 per cent from 5,700 million rupees on 31 March 1948, to 11,580 million rupees on 31 March 1958. As a result there has been an increase in industrial production of about 50 per cent and in employment of about 25 per cent.

In spite of various bottlenecks there has been a continuous rise in industrial production, particularly from 1951 onwards. With 1948 as the base, which itself was a very good year for industrial production, the index rose to 108.1 by 1951, 114.2 by 1953 and 143.3 by 1956. In 1957, though the increase was not as substantial as in the preceding years, the index rose to 148.3.

The increased industrial activity has resulted in increased employment in factories and mines. The average daily number of workers employed in non-Government factories rose from 2.08 million in 1948 to 2.52 million by 1956 and those in mines from 396,000 to 623,000 during the same period.

Another "remarkable achievement" in the industrial sphere, the brochure adds, has been the comparative stability in the prices of manufactured goods in spite of the various internal and external pressures. The index of wholesale prices of manufactured goods rose by less than 15 per cent during the 10 years 1948-57. As against this, there was a rise of 23 per cent in the index for industrial raw materials.

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\* Industrial Progress - Who Gains, 1958: Issued by the Federation of Indian Chambers of Commerce and Industry, page 9.

Referring to the contribution to the national income it said that during 1948-49 to 1950-51 on an average 50 per cent of the national income originated in agriculture, 16.5 per cent in mining, manufacturing and small enterprises, 18.2 per cent in commerce, transport and communications and the remaining 15.3 per cent other services. As against this, during the period 1954-55 to 1956-57 the share of agriculture declined to 47 per cent while that of mining, manufacturing and small enterprises rose to 18.1 per cent. In the case of commerce, transport and communications there was a slight decline to 18.1 per cent, but the share of other services rose to 16.8 per cent.

The brochure then goes on to refer to the belief held by some that the main beneficiaries of industrial prosperity are the managements of shareholders of companies. It says the Reserve Bank's study of the appropriation of gross revenues of 1,001 public companies in 1956 shows that 58.7 per cent of such revenues were spent on raw materials and other manufacturing expenses, 17.3 per cent on salaries and wages and employees' welfare expenses, 7.9 per cent on miscellaneous expenses, 1 per cent on interest, 2.9 per cent on depreciation, 0.7 per cent on managing agents' remuneration, 2.6 per cent on distributed profits, 1.7 per cent on retained profits, 3.6 per cent on direct taxation and 3.6 per cent on excise duty.

Thus it will be seen, the brochure adds, the share of the managements and investors in the total earnings of public companies is insignificant compared to the receipts of other sections of the society. During the period 1947-56 the total earnings of factory workers increased from ~~1,370~~ 1,370 million rupees to 2,660 million rupees. The average annual earning of factory workers also increased from 737 rupees to 1,213 rupees during the same period. The growth of industrial enterprise has contributed more than its due share to the revenues of the Central and State Governments. The tax revenue of the Central Government alone increased from 3,170 million rupees in 1948-49 to 5,620 million rupees estimated in the 1958-59 budget.

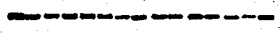
As against this, the brochure adds, the index of industrial profits with 1939 as the base, which stood at 260 in 1948, rose only to 326 by 1956 in spite of all the expansion that took place in various industries. The index for variable dividend industrial securities was actually lower in 1957 by 20 per cent compared to 1948.



The brochure explains that the allocations to taxation, depreciation and other reserves have made further inroads into the reduced profits of corporate enterprise. As a matter of fact, it says, some leading industries - such as jute, cotton textiles and tea - have been facing adverse financial conditions during recent years.

The brochure adds: "The additional taxation imposed by the Central Government during the last three years to yield 1,500 million rupees a year has affected both the capacity of the manufacturer to collect necessary finance for his expansion programme as also the purchasing power of the consumer. The increases in excise duties on textiles and cement, which were stated to have been levied to restrict demand, continue even now when the problem of these industries is to dispose of accumulated stocks. Revenue considerations seem to be given by the authorities a higher priority than the interests of production".

In conclusion the brochure says: "The programme of raising per capita income and the standard of living of the people will obviously depend upon the industrial sector contributing a larger and larger share to the national income. In fact the best way for a nation to improve the living standards is through policies that promote maximum business growth".



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35. Productivity.

India - December 1958.

Use of Automatic Looms in Textile Industry: Criteria  
laid down by Government at Tripartite Conference.

The criterion for selecting textile units for the introduction of automatic looms and the number of looms to be allotted to each selected unit were discussed at a meeting of representatives of employers and labour and Government, convened by the Government of India on 22 December 1958. The Union Minister for Labour and Employment, Shri Gulzarilal Nanda, presided over the meeting, which was attended by the Union Minister for Industries, Shri Manubhai Shah.

The two Ministers pointed out that there was a growing preference in foreign markets for flawless cloth produced on automatic looms and that India's exports would continue to fall if they did not switch over to automatic looms.

The Government, therefore, proposed to install 2,500 looms annually during 1959, 1960 and 1961. In carrying out this proposal, the Government would be guided by the recommendations of the 15th Indian Labour Conference in regard to modernisation and rationalisation in industry.

It was felt that textile exports were important even from the point of view of trade unions since dwindling exports would result in loss of employment. The proposal to install 2,500 automatic looms annually was marginal in character and could be supported without much difficulty by the industry and the unions. It was agreed that before the actual implementation of the proposal, the workers should be apprised of its object and scope to obviate any misapprehension. In this connection, it was emphasised that employers should desist from recruiting new hands while existing workers were being rendered surplus.

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In choosing units for introducing the scheme, the Government should consult the appropriate employers' and workers' interests. Also, the country should be divided into appropriate regions for distributing the looms. It was agreed that 48 looms might be fixed as the minimum and 144 as the maximum to be allotted to an individual undertaking. In exceptional cases, a maximum of 300 looms for a single unit might be allotted with the approval of the union or unions in the concerned unit. It was suggested that a two-man committee consisting of the Textile Commissioner and a representative of the Ministry of Labour and Employment should be set up to select the units and to allot looms.

In the selection of units, the prime consideration will be the extent to which the code of discipline in industry has been observed.

Machinery for the settlement of disputes, which may arise in the course of the implementation of the proposal, was also discussed.

It was agreed that the working of the scheme should be reviewed once a year, and more frequently if either party should desire it.

Extent of Displacement.- According to a report in the Hindustan Times of 28 December 1958, the following criteria will be kept in view by the two-member committee which will allocate automatic looms to textile mills.

First, units with established trade contacts in foreign countries and having sizable annual exports to their credit will be given preference. Such units will be asked to give evidence that equipped with automatic looms they will be able to step up their exports.

Secondly, rationalisation should lead to as little retrenchment as possible. The bigger undertakings with substantial capacity to absorb surplus labour will be given preference. An employer who controls more than one mill will be preferred as he would be in a better position to provide alternative jobs.

It has been estimated that on the basis of an average of 16 automatic looms per worker, the margin of reduction would be roughly 25 to 30 per 100 looms. Even the case of units which are allotted a maximum of 144 looms, the probable displacement would be between 35 to 45. For a large-sized mill, their absorption should not present any difficulty.

Thirdly, the financial capacity of an undertaking to buy automatic looms will be verified to avoid unutilised allocations.

The Government of India is keen to avoid complaints of regional discrimination in allocation of looms. It has, accordingly, laid down that the total three-year target of 7,500 looms should be distributed evenly between different regions.

On two important questions - sharing of the benefits of rationalisation and distribution of workload - the Government favours bilateral settlement at unit level or between the industry and the representative union in a particular area. These benefits might be reflected in a varying margin between cost of production and price of the product, in improved wages including bonus and in better working conditions. It is not possible to lay down any general formula for distribution of benefits.

The question of work-load has also been left for settlement at unit level as it depends on a number of varying factors such as wages, working conditions, etc.

The committee will also function as arbitration and adjudication machinery for dealing with disputes between the parties.

Labour Acceptance of Automation. - On 4 December 1958, Shri Manubhai Shah, Union Minister for Industry, announced in the Lok Sabha that Shri S.A. Dange, Shri Asoka Mehta, Shri Khandubhai Desai and Shri S.R. Vasavada, representing the three central trade union organisations, had agreed in principle to consider the scheme of introducing 2,500 automatic looms in the textile industry every year for the next three years.

(The Statesman, 8 December 1958;  
The Hindu, 23 December 1958;  
The Hindustan Times, 28 December 1958).

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Zonal Cell of Experts to be set up: National  
Productivity Council's Decision.

Inaugurating the first annual convention of the Institute of Industrial Engineers at Bombay on 20 December 1958, Shri Manubhai Shah, Union Minister for Industry, said that efficiency of top management in Indian industry needed to be improved and announced that under the Council of National Productivity, the Government of India proposed to provide five "zonal cells" of productivity experts which would advise industrialists on proper management. He also said that the Government proposed to invite efficiency experts in the country to meet together to decide as to what programme should be adopted to prepare a climate in which higher productivity could be attained.

Shri Shah said that the Government was contemplating the establishment of a Central institute of management which would offer courses of training to young men in techniques of good management. At a later stage several branches of this institute would be started in various parts of the country.

It was also proposed to send about 100 engineers to foreign countries to study the latest techniques of management, the Minister said. Every branch of activity such as industry, commerce, banking, etc., would be asked to recommend candidates for the purpose. These students would study particularly problems like higher production, <sup>excessive</sup> capital concentration in industry and too many men working in a group of industries.

Industrial Development.- Shri Shah said that during the first decade since independence India had crossed the threshold of "incubation of industrial development". The country was now launching a drive to produce prototype machines and it was, therefore, essential to concentrate now in not merely production of consumer goods but on heavy machinery.

Shri Shah said that while it was heartening to see the labour in India compare favourably with its counterpart in other industrial countries, even in regard to production of high precision machines, the same could not, however, be said of the efficiency of top management. "Top management in our country is the poorest. Industrial production today is in the hands of people who have lots of money. But management, as the real essence of productivity, is not known to them. If anybody is to learn or re-learn techniques of higher production it is the management."

The Minister said India was one of the few under-developed countries in the world where inheritance was considered enough to reach the top. However, it was gratifying to note, he added, that things were ~~left~~ fast moving and the country was at present on the threshold of an era where management must undergo radical changes.

Referring to the role of labour in achieving higher productivity, Shri Shah said labour was the real locomotion in any productivity drive and unless it was given a fair deal the ideal of productivity would be difficult of achievement. "In the welfare of the man behind the machine lies the key to greater productivity in industry and in the nation."

The initial mistake committed by the industrialised countries of the West, and to some extent by India, was, Shri Shah said, to attach too much importance to what was termed as the "drag of labour" on industry. Productivity was essentially a social growth and unless labour was prosperous and contented industry could not progress.

(The Hindustan Times, 22 December 1958).

36. Wages.

India - December 1958.

Minimum Wages (Amendment) Bill: Non-Official Bill to extend the Act to Certain Employments.

Shri Ram Krishan, Member of Parliament (Punjab - Congress) introduced in the Lok Sabha on 12 December 1958 a Bill to amend the Minimum Wages Act, 1948. The Bill seeks to add the following new items to Part I of the schedule to the Act:

- " 13. Employment in any cotton ginning and pressing mill.
- 14. Employment in any brick kiln."

(The Gazette of India, Extraordinary,  
Part II, Sec.2, 12 December 1958,  
pp. 1274-1275 ).

Appointment of Wage Boards: Minister's Statement  
in Lok Sabha.

Replying questions in the Lok Sabha on 11 December 1958, Shri Abid Ali said that the Government did not propose to appoint any more wage boards at present. The Government would like to watch the results of the wage boards already appointed for certain industries and would consider only thereafter whether any further boards should be appointed.

(The Statesman, 12 December, 1958).



Bombay (Vidarbha Region) Wage Board Rules, 1958.

The Government of Bombay published on 11 December 1958 the text of the Bombay (Vidarbha Region) Wage Board Rules, 1958, made in exercise of the powers conferred under the Central Provinces and Berar Industrial Disputes Settlement Act, 1947. The rules prescribe the procedure for referring to a Wage Board for decision any industrial matter or dispute relating to leave with or without wages.

(Bombay Government Gazette,  
Part IVB, 11 December 1958,  
pp.1469-1471 )

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Bihar: Minimum Wages Act, 1948, to be extended to  
Certain Employments.

The Government of Bihar has given notice of its intention to add the following employments to Part I of the Schedule appended to the Minimum Wages Act, 1948.

- "(1) Printing Presses;
- (2) Automobile Engineering Shops;
- (3) Dam Construction and Irrigation Works; and
- (4) Brick laying. "

The proposal will be taken into consideration by the Government after 3 March 1959.

(Bihar Gazette, Part II,  
3 December 1958, page 4023).

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### 37. Salaries.

India - December 1958.

#### Andhra: Revised Pay Scales for Non-Gazetted Officials Announced.

The decision of the Government on the Pay Committee recommendations were announced in the Andhra Pradesh Assembly on 18 December 1958, by the Chief Minister, Shri N. Sanjiva Reddi, who said, that additional taxation would have to be levied to meet the extra burden of 40 million rupees to the exchequer as a result of the implementation of the new salary scales for employees drawing 250 rupees and less.

The new scales will come into effect from 1 November 1958.

The Chief Minister hinted that the new taxation proposals might be brought before the House in the budget session. A small portion of the expenditure on the implementation of the proposals, estimated at about 5 million rupees would be available by way of Central subsidy, he said. To start with, the financial commitment would be somewhat less. The present commitment was over and above the various measures of relief given to non-gazetted staff including village officers and staff from 1 April 1957, at a cost of 25 million rupees per annum.

The Pay Committee has recommended that as regards class IV employees (who number about 40,000) whose emoluments prior to 1957 were ranging from 41 rupees to 63 rupees, the minimum emoluments should be 56 rupees per month made up of a basic pay of 26 rupees and dearness allowance of 30 rupees. For semi-skilled employees like drivers, the minimum emoluments will be 71 rupees comprising of a basic pay of 41 rupees with dearness allowance of 30 rupees. So also in the case of the lowest grade of the clerical staff, the minimum emoluments will be 84 rupees which includes a basic pay of 50 rupees and dearness allowance of 34 rupees.

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"I am sure", the Chief Minister said, "all the members will agree that these scales will give some substantial relief to the low paid sections of Government employees. With these changes the pay scales will compare favourably with those obtaining in most States."

The Pay Committee has also recommended that the existing multiplicity of pay scales be reduced from some hundreds to a bare 33. Increments will, in all cases, be annual, thus taking into account the increased responsibilities which most of the staff have to incur year after year.

As regards executive and technical posts, substantial increases in pay have been made taking into account the time and expense which trained personnel have to incur in securing technical qualifications, and also to retain them in the State service.

Rates of dearness allowance in all cases have been fixed by taking into account present and prospective increases in the cost of living as well as existing allowances like house rent, which the committee desired to be merged into one all-inclusive item.

"The committee expects and Government agree" said the Chief Minister, "that almost all employees will opt to come over to the new scales of pay, thus removing the existing differences between the pay scales in the Andhra and Telengana regions which have been a source of discontent to the staff and of embarrassment to Government. All employees will be given a period of three months to exercise their option between the existing and the new scale of pay. Where they opt for the new scales of pay the initial pay will be so fixed that they do not get less than their total emoluments under all heads at present. The initial pay will be fixed in the new scales at the next higher stage, and in addition, one increment for every five completed years of service, subject to a maximum of two increments."

Benefit to Teachers.- The Chief Minister wanted to make special mention of the very considerable relief which would accrue on account of these proposals to teachers, who, he said, as a class, have been poorly paid in the past, particularly in the case of aided schools and local bodies whose number is about 70,000. In the case of teachers of higher and secondary grades, whether in aided or local body or Government institutions will come under the uniform scales, i.e., 30 rupees to 60 rupees, 45 rupees to 120 rupees respectively.

The Travelling Allowance in the higher category of services is reduced and some increase in the Travelling Allowance of the low paid staff is made.

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The present recommendations of the committee do not cover employees of local bodies other than teachers, regarding whom the committee will report in due course. The report of the committee does not also cover service rules and regulations which are separately being examined by it.

The financial effects of these proposals are likely to be heavy, but Government have decided that these extra commitments should be borne so as to secure relief for the weaker sections of their employees.

Recommendations of Committee.— The following is a summary of the recommendations of the Pay Committee:

Higher scales of pay are recommended for superintendents and upper division clerks working in the Secretariat. Separate scales have been proposed for Ministerial employees working in headquarters office and district or subordinate offices.

Secretariat Superintendents: Rs. 200-10-310-15-400 (existing in Andhra Rs. 200-20-400; in Telengana Rs. 200-8-1/2-285-13-350).

Upper division clerks: Rs. 100-5-140-7-1/2-200 (in Andhra Rs. 90-170; two grades in Telengana Rs. 135-200 and Rs. 105-170).

Lower Division clerks: Rs. 50-3-92-4-120 (in Andhra Rs. 51-100 and Telengana Rs. 65-120 and Rs. 50-105).

Typists: Rs. 50-3-92-4-120.

In the offices of the heads of departments (headquarters) the grades will be: Superintendents: Rs. 150-7-1/2-210-10-300; U.D. clerks Rs. 90-4-110-5-150-7-1/2-180; L.D. clerks Rs. 50-3-92-4-120; Stenographers (same as U.D. clerks); Steno-typists and Typists (same as L.D. clerks). The typewriting special pay of Rs. 10 now drawn by existing incumbents will be declared as personal pay.

Persons possessing the certificate of lower shorthand examinations and appointed as stenographer may be given a shorthand special pay of Rs. 15 and for those having a higher grade certificate Rs. 25 per month whether they be appointed in L.D.C. or U.D.C. grade. Stenographers possessing the higher qualifications only will be promoted to the U.D.C. grade.

Following are the grades in the district offices: Superintendents and managers Rs. 150-7-1/2-210-10-250; U.D.Cs. Rs. 90-4-110-5-150 and L.D.Cs. Rs. 50-3-92-4-120.

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The Committee observed that at present a distinction is maintained in the scales obtaining in the headquarters offices and those in the district offices. Certain significance has been attached to the work in the offices of the heads of departments and it is not considered expedient to remove this distinction by adopting uniform scales of pay for headquarters and district offices, as the existing gulf between the two sets of scales is so wide that any attempt at uniformity will result in hardship to some and undue benefit to others.

Dearness Allowance.- The Committee suggested the following rates of dearness allowance on a slab system, while abolishing the ad hoc increase of Rs.6 sanctioned from 1 April 1957, the city allowance of Rs.6 sanctioned from 1 January 1958, for those drawing up to Rs.200 and the Ad Hoc allowance of Rs.5 to teachers in primary schools drawing not more than Rs.90 and teachers in secondary schools drawing not more than Rs.175, sanctioned in July 1958. The committee assured all these allowances were taken into consideration, while fixing the new rates of dearness allowance.

A dearness allowance of Rs.30 will be given for pay upto 43 Rs.34 for Rs.55-59; Rs.35 for Rs.60-149; Rs.40 for Rs.150-179; Rs.43 for Rs. 180-209; Rs.48 for Rs.210-239; Rs.53 for Rs.240-260; Rs.58 for Rs.270-299; Rs.60 for Rs.300-340; Rs.65 for Rs.350-399; Rs.70 for Rs.400-499; and Rs.75 for Rs.500-1,000 (with marginal adjustments up to Rs.1,075).

The committee recommended the abolition of "efficiency bars". The committee said that in fixing the pay scales for the higher categories of employees, due consideration has been given to the fact that emoluments of an employee should be such as to afford him to lead comfortable life consistent with his responsibilities. With a view to reducing the disparities in scales of pay of Central and State Government employees, it hoped that the State Government would pursue the matter with the Central Government to keep the interests of the entire country in view and not deal with the pay scales of Central Government employees in isolation.

Regarding the existing anomalies in the scales of pay applicable to employees from Andhra and Telengana regions of the State the Committee said that the existing scales in Telengana will remain in operation for sometime to come till the present incumbents in Telengana either retire or get promoted, when the existing disparities will eventually disappear.

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For the lower category of Class IV employees such as peons and malis, the pay scale of Rs.26-1-40 is suggested. Class IV employees may be designated as "attenders". For the present category of attenders, jamedars and dafedars the scale is Rs.30-1-45. For shroffs, motor drivers and others Rs.41-2-65 is proposed, and Rs.50-2-64-3-85 for tractor drivers and drivers of bull-dozers. Twenty per cent of the posts of drivers should be in the higher grade of Rs.50-2-64-3-85 to act as an incentive for promotion. Motor drivers serving under Ministers will draw an allowance of Rs.25 per month.

The committee felt that full opportunities of promotion for Ministerial employees in all offices, by transfer of some employees from the district to headquarters offices and from directorate office to Secretariat should be given.

House Rent Allowance Merged in Dearness Allowance.-The house rent allowance now drawn is merged in dearness allowance and will discontinue in future.

Hours of Work.- Office hours are to be changed as between 10 a.m. and 5 p.m. both in the city and districts (at present the hours in the city are 11 a.m. to 5 p.m. and in the districts 10-30 a.m. to 5 p.m.).

Those who opt to the present scales will continue to draw dearness allowance and house rent allowance at the existing rates.

Scales of Technical and Executive Services.- Scales of pay recommended for various technical and executive services are: Unskilled workers Grade II Rs.26-40, Grade I Rs.30-50, higher grade elementary trained teachers Rs.30-60, semi-skilled workers, Rs.41-65 and Rs.50-85, skilled workers Rs.50-100 and Rs.62-100.

Posts requiring a qualification of matriculation plus training for one or two years will carry Rs.50-120 and Rs.62-120 and secondary grade teachers will get Rs.45-120. Posts requiring post-matriculation training for three years or more will have a salary of Rs.75-150, Rs.90-150 and Rs.90-180. Graduate trained teachers Rs.90-200. Posts requiring an ordinary degree plus training or a technical degree will carry a salary ranging from Rs.100-200 to Rs.250-500. Assistant Lecturers will get Rs.150-280.

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Educational Services.— For Inspectors of Oriental Schools Rs.150-7-1/2-210-10-280; Senior Deputy Inspectors Rs. 90-4-100-5-155-7-1/2-210. Junior Deputy Inspectors Rs.75-3-105-4-125-5-150; Principal, Professors and Lecturers Rs.250-10-300-20-500; Assistant Lecturers Rs.150-7-1/2-210-10-280 and part-time lecturer Rs.150 (fixed) no change. Headmasters and Headmistresses and special posts Rs.250-10-300-20-500 and Schools Assistants Rs.150-7-1/2-200-10-280.

Three grades have been proposed for teachers. They are: Higher Grade Teachers (middle trained) Rs.30-1-42-2-60; Secondary Grade Training Rs.45-2-53-3-100-4-120 and Graduates-trained Rs. 90-4-100-5-155-7-1/2-200; Tutors, Demonstrators and Pandits Rs.90-180.

Hours of Work increased.— In accordance with the recommendations of the Committee, hours of work in Government offices will be from 10 a.m. to 5 p.m., instead of the present working hours 11 a.m. to 5 p.m.

(The Hindu, 19 December 1958 )

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38. Housing.

India - December 1958.

Housing Under the Second Five Year Plan: Activities to be Stepped up.

The Government of India has decided that though the actual expenditure or payment in the second Plan on schemes connected with housing and slum clearance should not exceed 840 million rupees, the State Governments may be allowed to approve projects worth 1,200 million rupees.

This is the result of a re-examination of the provision for housing in the second Plan which was reduced from 1,200 million rupees to 840 million rupees in the revised Plan.

The Minister for Works, Housing and Supply, Shri K.C.Reddy, informed the Congress Parliamentary Party on housing on 16 December 1958, that the progress of expenditure in the first three years of the Plan, even on the revised plan was not satisfactory. The State Governments had not been able to utilise fully the amount made available to them for the implementation of the five housing schemes - subsidized industrial housing scheme, low income group housing scheme, slum clearance scheme, plantation labour housing scheme, and village housing projects scheme.

The slow progress had primarily been due to low priority given by most States to housing programmes. The Union Ministry of Works, Housing and Supply has taken a number of remedial measures in this regard so that house building activities reach the tempo envisaged in the Plan and the States utilize their pro-rata share. The Ministry will shortly inform the State Governments of the extent to which they can sanction projects in order to reach the target of 1,200 million rupees.

It is also proposed to raise the Central Government's share of the subsidy under the slum clearance scheme from 25 per cent to 37-1/2 per cent. The State Governments' share of the subsidy will continue to be 25 per cent. The enhanced rate of subsidy for slum clearance will ordinarily apply only to the six major cities of Calcutta, Bombay, Ahmedabad, Madras, Kanpur and Delhi, in view of the high cost of land in these cities and the fact that some of the worst slums are to be found there.

Since paucity of adequately developed land is holding up not only the implementation of the housing schemes initiated by the Centre but also house-building activities in general in the private sector, it has now been decided that there should be specific scheme for bulk acquisition and development of land. Details of this scheme are being worked out and will be communicated to the State Governments along with an estimate of the funds that can be made available to them during the next two years of the Plan for this purpose.

39. International Economic Relations.

India - December 1958.

India Signs Trade Pact with Iraq.

A trade agreement between India and Iraq was signed in Baghdad on 29 December 1958. The two Governments have agreed to help expand the trade in traditional goods like Iraqi dates and Indian tea and in extending the trade to a number of new products.

Among the goods listed as available for import from Iraq are dates and hides and skins. Among other items, cotton textiles, tea, jute manufacture, light engineering products, plastic goods, pharmaceuticals and chemicals are listed for export from India to Iraq.

(The Hindustan Times, 30 December 1958).

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CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN BRANCHES  
OF THE NATIONAL ECONOMY.

INDIA - DECEMBER 1958.

41. Agriculture.

Bombay Inams (Kutch Area) Abolition Act, 1958  
(No. XCVIII of 1958).

The Bombay Inams (Kutch Area) Abolition Bill (vide pages 37-38 of the report of this Office for August 1958) as passed by the Bombay Legislature received the assent of the President on 15 December 1958 and has been gazetted as Bombay Act No. XCVIII of 1958. The Act abolishes certain inams in the Kutch Area of the State of Bombay and provides for matters consequential and incidental thereto.

(Bombay Government Gazette,  
Part IV, 25 December 1958,  
pp. 539-550 ).

44. Merchant Marine and Fisheries.

India - December 1958.

Merchant Shipping Act, 1958: Parts I and II of the Act comes into force.

In exercise of the powers conferred under the Merchant Shipping Act, 1958 (vide page 61 of the report of this Office for November 1958) the Central Government has appointed 15 December 1958 as the date on which Parts I and II of the said Act shall come into force. (Part I of the Act deals with short title, application of act and definitions and Part II deals with establishment and functions of National Shipping Board and power to make rules in respect of matters in the Part II).

(Notification SO 2583A dated 10 December 1958; the Gazette of India, Part II, Sec.3, Sub-sec.ii, page 2829 ).

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(The Gazette of India, Part II, Sec.3, Sub-sec.ii, page 2829)

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - DECEMBER 1959.

50. General.

Factories (Amendment) Bill, 1958: Non-Official Bill  
to provide for Medical and Educational Facilities  
for Workers.

Shri Ram Krishan, Member of Parliament (Punjab - Congress) introduced on 28 November 1958 in Lok Sabha a Bill to amend the Factories Act, 1948. According to the Statement of Objects and Reasons of the Bill, under the present Act, there is no proper and suitable provision for medical and educational facilities for the workers and their dependents. The workers are not also provided quarters. The purpose of the Bill is to provide such amenities to the workers and their dependents.

The Bill provides that "in every factory wherein more than two hundred workers are employed there shall be provided and maintained a dispensary containing all necessary equipment, medicines, etc., and in the charge of a well qualified doctor and all the medicines will be provided free to the workers and their dependents."

In every factory wherein more than two hundred workers are employed; every worker shall be provided housing accommodation. In factories where there is not sufficient number of quarters, the workers who are not provided quarters shall be paid one-tenth amount of the basic salary as "house rent allowance".

In every factory wherein one hundred and fifty or more workers are ~~ordinary or~~ ordinarily employed adequate and suitable library containing all labour Acts in simple regional language shall be provided and maintained.

In every factory wherein five hundred or more workers are ordinarily employed there shall be provided and maintained a Primary School, where the children of the workers shall be provided free education.

(The Gazette of India, Extraordinary,  
28 November 1958, pp.1209-1211).

42

Mines (Amendment) Bill 1958: Non-Official Bill introduced  
in Rajya Sabha.

Shri Seeta Parmanand, Member of Parliament (Madhya Pradesh-Congress) introduced in the Rajya Sabha on 19 December 1958 a Bill to amend the Mines Act, 1952. The Statement of Objects and Reasons of the Bill explains the reasons for the various clauses of the Bill thus:-

If the enquiry in mining accidents has to serve any useful purpose it is necessary to fix a reasonable time limit for the submission of the report.

The practice of sending workers underground in the mines without any training and without the guidance of an experienced worker results in injuries in many cases. The recent conference in Calcutta on safety in mines has focussed attention on this. In other countries all underground workers are given a short course on the appropriate mining operations; the workers to be employed are also given a general idea of underground mining conditions. This system should also be introduced in India.

Notice regarding hours of work in mines should be in the language or languages of the majority of the workers. Such notices at present are usually in English which is not understood by the workers.

Now that women's wages are on a par with those of men workers and the attitude towards women workers is changed, the insistence on the observance of certain hours in respect of women may result in the dismissal of women workers. This will result in great hardship to them.

If the period of annual holiday is not taken into account for the purpose of determining the worker's right to earn similar leave in the following year, it is feared he will never get such leave if he has already taken such leave and all other leave due to him. It is, therefore, necessary to include this leave for the purpose of completing his attendance of 265 days.

The inordinate delay in punishing the persons held guilty by a Court of inquiry leads to travesty of justice. The only deterrent punishment would be for Government to take powers to cancel the certificate of competency on the receipt of the decision of the Court of inquiry holding a person guilty.

(The Gazette of India, Extraordinary,  
Part II, Sec.2, 19 December 1958,  
pp. 1354-1357 ).

43

Madras Beedi Industrial Premises (Regulation of Conditions  
of Work) Act, 1958 (Act No. XXXII of 1958).

The Madras Beedi Industrial Premises (Regulation of Conditions of Work) Bill, 1958 (vide pages 46-47 of the report of this Office for April 1958) as passed by the Madras Legislature received the assent of the President on 3 December 1958 and has been gazetted as Madras Act No. XXXII of 1958.

The Act prohibits the ~~management~~ manufacture of beedi (indigenous cigarette) except in places licensed for the purpose. The competent authority shall, in deciding whether to grant or refuse a licence, have regard to the following matters, namely: (a) the suitability of the place or premises which is proposed to be used for the manufacture of beedis; (b) the status and previous experience of the applicant; (c) the financial resources of the applicant including his financial capacity to meet the demands arising out of the provisions of the laws for the time being in force relating to welfare of ~~workers~~ labour; (d) whether the application is made bona fide on behalf of the applicant himself or benami on behalf of any other person; (e) whether the beedi manufactured by the applicant will be sold and marketed by himself or through a proprietor or a registered user of a trade mark registered under the Trade Marks Act, 1940 (Central Act V of 1940), in relation to beedi or any other person; (f) the welfare of labour in the locality; (g) the interest of the public generally; and (h) such other matters as may be prescribed.

The Act contains detailed provisions regarding cleanliness, ventilation, drinking water, latrines and urinals, washing facilities, creches in ~~premises~~ premises ordinarily employing more than 50 female employees, first aid and canteens in premises employing not less than 250 employees.

Hours of work.- Hours of work of employees in a beedi industrial premises are fixed at nine hours a day and 48 hours in any week and the period of work including overtime work should not exceed ten hours in any day and in the aggregate 54 hours in any week. Wages for overtime work are fixed at twice the ordinary rate of wages.

Weekly holiday.-Provision is made for a paid weekly holiday to be allowed to employees in beedi industrial premises.

Employment of children.- Employment of children under 14 years of age in any beedi industrial premises is prohibited and no woman or young persons (between 14 and 18 years of age) shall be allowed or required to work in any beedi industrial premises except between 6 a.m. and 7 p.m.

Annual leave with wages.- Every employee who has worked for a period of not less than 240 days in a beedi industrial premises during a calendar year shall be allowed in the subsequent calendar year, leave with wages for a number of days calculated -

- (i) in the case of an adult, at the rate of one day for every twenty days of work performed by him during the previous year calendar year;
- (ii) in the case of a young person, at the rate of one day for every fifteen days of work performed by him during the previous calendar year.

Notice of dismissal.- No employer shall dispense with the services of an employee employed continuously for a period of not less than six months, except for a reasonable cause and without giving such employee at least one month's notice or wages in lieu of such notice, provided however that such notice shall not be necessary where the services of such employee are dispensed with on a charge of misconduct supported by satisfactory evidence recorded at an enquiry held for the purpose.

The State Government is empowered to apply the provisions of the Payment of Wages Act, 1936, to beedi industrial premises. The provisions of the Industrial Employment (Standing Orders) Act, 1946, shall apply to every beedi industrial premises wherein 50 or more persons are employed or were employed on any one day of the preceding 12 months. The provisions of the Industrial Disputes Act, 1947, shall apply to matters arising in respect of all beedi industrial premises.

(Fort St. George Gazette, Part IVB,  
10 December 1958, pp.175-187).

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Kerala Shops and Commercial Establishments Bill, 1958.

The Government of Kerala published on 27 November 1958 the text of the Kerala Shops and Commercial Establishments Bill, 1958, to be introduced in the Legislative Assembly of the State. According to the Statement of Objects and Reasons of the Bill, the law relating to the regulation of conditions of work and employment in shops, commercial establishments, restaurants, theatres and other establishments in force in the State is contained in the Travancore-Cochin Shops and Establishments Act, 1125 and the Madras Shops and Establishments Act, 1947. It is considered necessary to have a uniform law on the subject applicable to the whole State. The Bill seeks to achieve the above object.

The salient provisions of the Bill are summarised below:-

Extent.- The provisions are to apply in the first instance to the city of Trivandrum, all the municipalities constituted under statutes and all areas within the jurisdiction of panchayats. Power is given to the State Government to extend the provisions to specified areas.

Hours of work.- No employee in any establishment shall be required or allowed to work for more than eight hours in any day and forty-eight hours in any week; provided that the total number of hours of work including overtime, shall not exceed ten hours in any day except on days of stock taking and preparation of accounts and the total number of hours of overtime shall not exceed fifty for any quarter.

Where an employee works in any establishment for more than eight hours in any day or for more than forty-eight hours in any week he shall in respect of such overtime work be entitled to wages at the rate of twice of the ordinary rate of wages.

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Weekly Holidays.- Every employee in an establishment shall be allowed in each week a holiday of one whole day.

Holidays and Leave.- Every employee in an establishment shall be entitled, after twelve months' continuous service in that establishment, to holidays with wages for a period of 12 days, in the subsequent period of twelve months, provided that such holidays with wages may be accumulated up to a maximum period of twenty-four days.

Every employee in an establishment shall also be entitled during every twelve months of continuous service (a) to leave with wages for a period not exceeding 12 days on the ground of any sickness incurred or accident sustained by him and (b) to casual leave with wages for a period not exceeding 12 days on any reasonable ground.

Notice of dismissal.- No employer shall dispense with the services of an employee employed continuously for a period of not less than six months, except for a reasonable cause and without giving such employee at least one month's notice or wages in lieu of such notice, provided however that such notice shall not be necessary where the services of such employee are dispensed with on a charge of misconduct supported by satisfactory evidence recorded at an inquiry held for the purpose.

Employment of Children and Women.- No child below 14 years shall be required or allowed to work in any establishment except as an apprentice in such employment as may be specified by the Government.

No woman or any person who has not attained the age of seventeen shall be required by allowed to work whether as an employee or otherwise in any establishment before 6 A.M. and after 7 P.M.

The State Government is empowered to apply the provisions of the Payment of Wages Act to any class of employees in establishments.

Other provisions of the Bill deal inter alia with provisions relating to health and safety, enforcement and inspection, offences, penalties and procedure.

(Kerala Gazette, Extraordinary,  
Vol. III, No. 123, 27 November 1958,  
pp. 1-12 ).

51. Hours of Work.

India - December 1958.

Kerala Industrial Establishments (National and Festival Holidays) Act, 1958 (Act No. 47 of 1958).

The Government of Kerala published on 29 December 1958 the text of the Kerala Industrial Establishments (National and Festival Holidays) Act, 1958, which received the assent of the Governor on 24 December 1958. The Act provides that every employee in an industrial establishment shall be allowed in each calendar year a holiday of one whole day on 26 January, 15 August and 1 May and four other holidays each of one whole day for such festivals as may be specified by the Inspector in consultation with the employer and employees. Provision is made for the payment of wages for each of the above holidays.

(Kerala Gazette, Extraordinary,  
29 December 1958, Vol. III, No. 145,  
pp. 1-5 ).

Madras Industrial Establishments (National and Festival Holidays) Act, 1958 (No. XXXIII of 1958).

The Madras Industrial Establishments (National and Festival Holidays) Bill, 1958 (vide pages 30-31 of the report of this Office for July 1958) as passed by the Madras Legislature received the assent of the Governor on 4 December 1958 and has been gazetted as Madras Act No. XXXIII of 1958. The Act provides that every employee in an industrial establishment shall be allowed in each calendar year a holiday of one whole day on 26 January and 15 August and five other holidays each of one whole day for such festivals as the Inspector may, in consultation with the employer and the employees, specify in respect of any industrial establishment. Every employee shall be paid wages for each of the above holidays.

(Fort St. George Gazette, Part IVB,  
10 December 1958, pp. 189-193 )

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52. Workers' Welfare, Recreation and Workers' Education.

India - December 1958.

Central Board for Workers' Education set up.

The Ministry of Labour and Employment, Government of India, has by a notification set up a Central Board for Workers' Education with Shri P.M. Menon, Secretary to the Government of India, Ministry of Labour, as Chairman. The Board consists of 15 persons representing the Central Government, State Governments, Universities, Employers' and Workers' Organisations and a representative of Indian Adult Education Association. The Board has been registered as a Society with Office at New Delhi, under the Societies Registration Act, 1860.

(The Gazette of India, Part I,  
Sec.1, 20 December 1958,  
pp. 329-330 ).

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Chapter 6. General Rights of Workers.

66. Strike and Lockout Rights.

India - December 1958.

Orissa: Jaypore Sugar Company declared as Public Utility Service.

In exercise of the powers conferred under the Industrial Disputes Act, 1947, the Government of Orissa has declared the Jaypore Sugar Company Limited, Rayagado, in the State of Orissa, to be a public utility service for the purposes of the said Act for a period of six months from 17 December 1958.

(The Orissa Gazette, Part III,  
26 December 1958, page 1390 ).

Plantation Strike in Kerala: 4 - 30 October 1958:  
Violence, Sabotage and Intimidation of Management  
alleged.

On 4 October 1958 plantation workers (A.I.T.U.C.) in Kanan Devans planting district (High Range) of Kerala State went on strike failing an agreement on the workers' demands for increased bonus for 1957, national festival holidays, provident Fund and gratuity. The strike in High Range was later followed by a strike in other tea and rubber plantations of the State in response to a call for support by a Joint Action Committee of the A.I.T.U.C., I.N.T.U.C., U.T.U.C., and H.M.S.

Acts of Violence.- During the strike incidents of co-ercion, intimidation, duress, rowdyism, malicious damage and assault were alleged by the Managements. The Police resorted to fire on more than one occasion. According to a pamphlet issued by the Kanan Devan Planters' Association, Munnar, ("The High Range Strike"), "Throughout the strike we have had one great asset ----- namely the sympathy and understanding of a wide section of the public and of the Union Government ---- violence failed to achieve its ends. For thousands of workers were at one with their employers in this determination that hooliganism should not be allowed to subvert the orderly processes of law in the conduct of the community's affairs-----". The High Range Strike would appear to have been designed to gain control of the labour force of an industry which is vital to the success of the Second Five Year Plan -----."

Commissions of Enquiry.- To enquire into the incidents of firing and the conduct of the Police, the State Government has appointed two Commissions. The proceedings of the Commissions have not yet been finalised.

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Negotiations.- At a conference called by the Labour Minister held in Ernakulam on the 31 October and 1 November it was decided to constitute a small sub-committee consisting of the Labour Minister, Shri Prakulam Bhasi (U.T.U.C.) and the Secretary of the A.P.K. to examine the trading results of 10 plantation companies. A plenary session of the conference was to pursue the subject of bonus for 1957 at the meeting arranged on 6 November in the light of the factual data collected by the sub-committee.

At the plenary session, however, no progress was made. Shri B.K. Nair (I.N.T.U.C.) made it clear that his position with regard to the Munnar area was consistent in that he wanted a reference made to adjudication. He was prepared to negotiate for a settlement with regard to the rest of Kerala.

The Labour Minister confirmed that he was opposed to the principle of adjudication in this dispute. As the A.P.K. <sup>(Association of Planters of Kerala)</sup> representatives would not abandon the Munnar area to an unknown fate the conference ended in deadlock.

The following points were submitted to the Conference by the A.P.K. just before it broke up:-

- (1) that, in the circumstances of the case, they would expect the Labour Department to use its good offices with the unions so as to make it possible for them to discuss an industry-wide settlement; and
- (2) that, if such a result could not be achieved they would expect Government to take cognizance of the fact that an industry-wide dispute has been in existence in the State for the last several weeks, and to order adjudication on that basis.

As the Labour Minister continued to refuse adjudication, the problem remained unsolved.

On the 14 November, the Kerala Government announced that a Conciliation Board would be constituted to settle the Plantation labour dispute. The Press Note explained the grounds for this decision. Apart from the argument that the Tribunal "would take at least 5 years for declaring the Award", the reasons given were:-



1. "The Government was of the view that the vast majority of the plantation workers would not get additional bonus if the issue was adjudicated by a Tribunal as the Supreme Court had ruled recently as that the bonus formula of the Labour Appellate Tribunal was applicable to the plantation industry also."
2. The Government felt that even the principle of bonus as a deferred wage would not stand if it was referred to a Tribunal as the Supreme Court ruling was binding on every Tribunal.

The reactions of the non-communist Unions to the appointment of the Conciliation Board, as reported in the Press, were:

Shri G. Ramanujam, President, I.N.T.U.C., Said:-

"The Kerala Government's move to set up a Conciliation Board is the weakest and the most ineffective step that can be taken to solve the dispute under the Industrial Disputes Act. It will only add to the delay and will finally end up with a mere report that will not take us anywhere.

"The move to set up a Conciliation Board seems to be designed to prevent the Government of India appointing a National Tribunal. It is a pure negative step. If there is no unanimity in the Board of Conciliation as there is every likelihood - what next? There will be no finality about it and its recommendations cannot therefore solve this dispute."

Shri K.S. Subramanian, General Secretary of the U.T.U.C. - led Kerala Plantation Labour Federation said:-

"the Kerala Government's proposal to set up a Conciliation Board to settle the plantation dispute was "infructuous, ineffective, and dilatory", and the UTUC would not, therefore, take "any active part" in the constitution of the board."

Shri A. Subbiah, Secretary of the Hind Mazdoor Sabha, said:-

"he had written a letter to the Government informing them that he did not believe that any concrete result could be achieved even by the inclusion of labour representatives on the Board of Conciliation."

The proposed Board of Conciliation has not yet been constituted.

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Strike called off.- The strike on the High Range was finally called off on 30 October 1958, work being resumed in ~~other~~ some Estates on 31 October and in others on the next day.

Loss to the Nation.- According to the Managements the loss suffered by the nation may be gauged from the following table. The figures are necessarily approximate:-

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Crop expected in October 1958 (approx.)	-----	4,000,000 lbs.
Crop Actually Plucked " " "	-----	1,800,000 "
Loss of Crop "	-----	<u>2,200,000 lbs.</u>
Loss in Central Revenues	-----	Rs. 1,600,000
Loss in State Revenues and State Transport Revenues	-----	Rs. 1,450,000
Loss in Foreign Exchange	-----	Rs. 4,400,000

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The 2,200,000 lbs of tea lost due to the strike would have fetched approximately 5,100,000 rupees in Indian and Foreign markets.

The loss in wages to pluckers who would otherwise have worked will not be less than 600,000 rupees.

(The Hindu, 4 October, 16 November and 21 November 1958;  
The Mail, 21 November 1958;  
Pamphlet entitled "The High Range Strike" issued by the Kanan Devan Planters' Association, Mumbar ).

67. Conciliation and Arbitration.

India - December 1958.

Industrial Disputes (Amendment) Bill: Non-Official  
Bill to fix a Time-Limit for Completion of Proceedings.

Shri Ram Krishan, Member of Parliament (Punjab-Congress) introduced in the Lok Sabha on 12 December 1958 a Bill to amend the Industrial Disputes Act, 1947. The Bill seeks to fix a time limit of six months for the tribunals or labour courts to complete proceedings and to submit their awards.

- (i) To amend the Industrial Disputes Act, 1947.
- (ii) To provide for the time limit for completion of proceedings and submission of awards.
- (iii) To provide for the time limit for completion of proceedings and submission of awards.
- (iv) To provide for the time limit for completion of proceedings and submission of awards.
- (v) To provide for the time limit for completion of proceedings and submission of awards.

(The Gazette of India, Extraordinary,  
Part II, Sec. 2, 12 December 1958,  
pp. 1278-1279).

'L' (i) To provide for the time limit for completion of proceedings and submission of awards.

Code of Discipline in Industry: Sanctions laid down.

In a letter addressed to the Central Organisations of employers and workers, the Ministry of Labour and Employment, Government of India, has brought to their attention, sanctions to enforce the code of discipline in industry laid down by the Standing Labour Committee at its meeting in October 1958 (vide Section 11, pp.2-17 of the report of this Office for November 1958) to be imposed by the central organisations of employers and workers themselves in keeping with the voluntary character of the code.

The Standing Labour Committee recommended the following steps to be taken by the organisations against their constituent units guilty of breaches of the Code:-

- (i) To ask the unit to explain the infringement of the Code;
- (ii) To give notice to the unit to set right the infringement within a specified period;
- (iii) To warn and in cases of a more serious nature to censure the unit concerned for its actions constituting infringement;
- (iv) To impose on the unit any other penalties open to the organisation;
- (v) To dis-affiliate the unit from its membership in case of persistent violation of the Code.

Report of the Committee on Industrial Disputes

The Committee was further of the view that grave, wilful and persistent breaches of the Code by any party should be widely publicised. It also recommended that employers' and workers' organisations should give no countenance, in any manner, to non-members who did not observe the Code.

The organisations have been requested to inform the Ministry of action taken in this matter.

(The Hindustan Times, 12 December 1958;

Text of letters, received in this Office )

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(The Hindustan Times, 12 December 1958)

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Review of Work of Negotiating Machinery in Railways.

The Railway Board is understood to have taken several measures to increase the usefulness of the Permanent Negotiating Machinery, which provides for periodical meetings between railway administrations and at various levels and railway labour to discuss common problems.

A review of the working of this machinery since its inception in January 1952 shows that 6,267 meetings were held up to 31 March 1958. This constitutes a notable example of settling staff problems through discussions.

It is said that during 1957-58 about 26,000 items concerning labour-management affairs were discussed at 1,070 meetings of the Machinery. In 1956-57, 20,000 items were discussed at 948 meetings and necessary action taken.

As a result of a recent official review, the Railway Board is said to have suggested some steps to settle disputes and other issues more expeditiously. It is proposed to conduct similar reviews periodically at different administrative levels.

The Railway Board is also said to have deputed a senior officer with experience of labour problems to attend meetings of the Machinery at the lowest administrative levels in order to make an on-the-spot study of its working.

(The Hindustan Times, 24 December 1958).

West Bengal Industrial Disputes Rules, 1958.

The Government of West Bengal gazetted on 4 December 1958 the text of the West Bengal Industrial Disputes Rules, 1958, made in exercise of the powers conferred under the Industrial Disputes Act, 1947. The rules deal inter alia with procedure for reference of industrial disputes to boards of conciliation, courts of enquiry, labour courts and industrial tribunals, procedure for notice of change in conditions of service, constitution of works committee, procedure for application under section 33 of the Act, procedure for obtaining copies of proceedings, procedure for notice of strike or lock-out and re-employment of retrenched workers.

(The Calcutta Gazette, Part I,  
4 December 1958, pp.3931-3958).

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CHAPTER 8. MANPOWER PROBLEMS.

INDIA - DECEMBER 1958.

81. Employment Situation.

Abolition of Rickshaw Pulling: Minister's Statement  
in Parliament.

In reply to a question in the Lok Sabha on 16 December 1958, Shri Abid Ali, Union Deputy Minister for Labour stated that not many of the rickshaw pullers were likely to be thrown out of employment as abolition of rickshaw pulling was being done gradually and the rickshaw pullers would get absorbed in other avocation. He disclosed that about one 120,000 persons in the country depend on rickshaw pulling for their livelihood.

(Press Release dated 16 December 1958,  
issued by the Press Information Bureau,  
Government of India, New Delhi )

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Employment Exchanges: Working during September 1958.

General Employment Situation.- According to the Review of Work done by the Directorate-General of Resettlement and Employment during the month of September 1958, the number of registrations effected dropped by 8,755 and was 198,976 during the month under review. A total of 6,682 employers utilised the services of the Employment Exchanges as against 6,643 in the preceding month. The number of vacancies notified by these employers was 31,534 which was 593 more than the figures for the last month. Despite an increase in the number of vacancies notified, placements recorded a decrease of 784 and was 20,210 during the month under report. The number of unemployed registrants on the live register which was continuously on the increase since March 1958 recorded a further rise by more than 25,000 and stood at 1,153,900 at close of September 1958 as against 1,128,741 at the end of August 1958.

Widespread shortages continued to persist in respect of draughtsmen, overseers, experienced stenographers, fast typists, compounders, mid-wives and nurses. Shortage in respect of experienced civil, mechanical and electrical engineers, skilled fitters, turners, accountants and doctors was also fairly widespread. A good number of exchanges experienced shortage in respect of general mechanics, electricians, trained teachers, physical training instructors, sanitary inspectors, health-visitors, librarians, dressers and music teachers.

Widespread surpluses persisted in respect of clerks, untrained teachers, freshers from schools and colleges, motor drivers, peons, unskilled office workers and unskilled labourers. A fairly large number of exchanges reported an excess of supply in respect of primary school teachers, motor mechanics, semi-skilled fitters, carpenters, chowkidars, attenders, postmen and sweepers. A number of exchanges also reported surplus of trained teachers.

Registrations and placings.- The following table compares registrations and placings during the months of August and September 1958:-

	<u>August 1958.</u>	<u>September 1958.</u>
Registrations	207,731	198,976
Placings	20,994	20,210

Register of unemployed.- The number of persons seeking employment assistance through the agency of the employment exchanges on the last day of the month was 1,153,900 which was 25,150 more than the figure at the close of the previous month. The increase in the Live Register was prominent in the State of Kerala (12,787), Bihar (5,552), West Bengal (5,200), Uttar Pradesh (1,971), Orissa (1,569) and Andhra Pradesh (1,070). On the other hand, a notable decrease was observed in Delhi Administration (1,317) and the State of Madras (1,077), Bombay (846), Assam (698) and Madhya Pradesh (666). In all 20,052 employed and self-employed persons of whom 550 were women remained on the Live Register at the end of the month under report.

The following table shows the occupation-wise position of the Live Register:-

<u>Occupation.</u>	<u>Number on Live Register as on 30 September 1958.</u>
1. Industrial Supervisory -----	9,294
2. Skilled and semi-skilled -----	85,666
3. Clerical -----	311,543
4. Educational -----	65,931
5. Domestic service -----	42,452
6. Unskilled -----	584,001
7. Others -----	55,013
Total.	<u>1,153,900</u>

Employment position of special category of workers.- The following table shows the employment position of special categories of applicants during the month under report:-

<u>Category.</u>	<u>Registrations.</u>	<u>Placings.</u>	<u>Number on Live Register.</u>
1. Displaced persons -----	4,031	512	44,560
2. Ex-service personnel -----	5,332	773	27,559
3. Scheduled castes -----	24,304	2,868	124,479
4. Scheduled tribes -----	7,768	871	29,104
5. Women -----	12,244	1,581	85,130

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Employment Market Information.- The Working Group of Employment Service met at the D.G.R.E. on 24, 25 and 26 September 1958 and discussed inter alia the progress of the scheme for the collection of employment market information. It was decided to extend the study of the private sector to 151 employment market areas in different parts of the country during the Second Five Year Plan period. Of these, it is proposed to cover 22 areas during 1958-59, 69 areas in 1959-60 and the remaining during 1960-61.

Vocational Guidance and Employment Counselling.- Youth Employment Service and Employment Counselling Unit has been sanctioned in Rajasthan during the month, bringing the number of Units sanctioned during the current financial year to date to 4 as against the 8 proposed during the same period.

A meeting of the Working Group on Vocational Guidance was held to finalize the agreement between the Ministry of Education and the Ministry of Labour and Employment (D.G.R.E.) regarding Vocational Guidance in school and the National Employment Service.

A meeting of the State Directors of National Employment Service and of the Directors of State Bureaux of Educational and Vocational Guidance was held to discuss arrangements for collaboration of State level between National Employment Service and educational authorities.

The third meeting of the Working Group of the Employment Service was held in the D.G.R.E. on 24, 25 and 26 September 1958. About 60 items relating to the employment exchange policy and procedure were discussed in the conference.

Central Co-ordinating Section.- Damodar Valley Corporation.- Out of 4,284 persons declared surplus in the DVC, 3,617 have been secured alternative employment. At the end of the month 367 persons were left for whom alternative employment was needed.

Hirakud Dam Project.- The Chief Engineer, Hirakud Dam Project, has reported that 852 surplus personnel of whom 795 belonged to skilled and 57 to unskilled categories, were awaiting employment assistance at the end of the month under report.

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Vacancies from various employers in Rajasthan and West Bengal, Steel Plants of Rourkela and Bhilai Neyveli Lignite Corporation were circulated to D.V.C. and Hirakud Dam Projects along with the Kaisers Engineering Corporation, Jamshedpur. The Neyveli Corporation and Kosi Project authorities have agreed to depute their recruiting teams to visit Hirakud Dam Project and D.V.C. to select suitable candidates.

Military Project 'Amar' Ambala Cantt.- Considerable difficulties are being experienced to supply some of the technical personnels required at the Project, in view of the unattractive wages offered by the Project authorities. However, out of about 1,700 workers needed, 1,500 have been supplied and due to the heavy rains it was possible to continue the construction programme with the less staff.

Expansion of the Employment Services.- During the month of September 1958, one new exchange has been sanctioned at Jharia (Bihar) coal fields, bringing the total number of employment exchanges sanctioned under the Second Five Year Plan to 87. The total number of exchanges functioning in the country at the end of the month is 204.

(Review of the Work done by the Directorate-General of Resettlement and Employment, during the Month of September 1958; issued by the Ministry of Labour and Employment, Government of India, New Delhi ).

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Bombay Relief Undertakings (Special Provisions)  
Act, 1958 (No.XCVI of 1958): Provision made for  
Unemployment Relief.

THE Bombay Relief Undertakings (Special Provisions) Bill (vide pages 95-96 of the report of this Office for April 1958) as passed by the Bombay Legislature received the assent of the President on 23 November 1958 and has been published as Bombay Act No.XCVI of 1958. The Act empowers the State Government to conduct industrial undertakings as a measure of unemployment relief and to fix revised terms of employment and other facilities temporarily for relief undertakings.

(Bombay Government Gazette,  
Part IV, 11 December 1958,  
pp. 528-530 ).

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Back log of Unemployed in the Registers of Employment Exchanges: Minister's Statement.

In replying to a question in the Lok Sabha on 16 December 1958, Shri Abid Ali, Deputy Labour Minister said that the number of unemployed is swelling every year. As on 31 October 1958, the following number of registrants remained unemployed: 4,637 from the register of 1956; and 11,593 from the register of 1957; and 37,681 from the register of 1958 (upto October).

Of the 55,293 persons registered at the Employment Exchange in Delhi 1,136 registered themselves over three years ago and have not been provided with jobs.

These persons remained unemployed due to lack of employment opportunities suitable to or acceptable by them.

(The Hindustan Times, 16 December 1958).

83. Vocational Training.

India - December 1958.

Punjab: State Council for Training in Vocational Trades  
set up.

The Government of Punjab has constituted a State Council for Training in Vocational Trades to co-ordinate different training programmes.

The new body, under the chairmanship of the Industries Minister, will be affiliated to the National Council for Vocational Trades and shall also function as a State agency for the implementation of Central policies.

Specifically, the State Council shall carry out the policy of the National Council about the award of national trade certificates in engineering, building, textile and leather trades; establish a State board of examinations in vocational trades; and arrange for ad hoc or periodical inspections of the training centres and institutes and see that the standards prescribed by the National Council are followed.

It will ensure that the staff is employed according to the qualifications the National Council has prescribed and will relax qualifications in special circumstances.

The 12-member body will comprise, besides officials of various Government departments, two representatives each of the organisations of employers and workers and a technical representative of the Railways.

(The Hindustan Times,  
17 December, 1958 )

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Labour Ministry's Training Scheme: Working during  
September 1958.

According to the Review of Work done by the Directorate-General of Resettlement and Employment, during the month of September 1958, the total number of additional seats sanctioned for the craftsmen training institutes went upto 21,182.

National Apprenticeship Scheme.- Under this Scheme, 50 seats in Orissa and 50 seats in Bombay were sanctioned during the month of September 1958. Thus the total number of sanctioned seats went upto 1,461.

Evening Classes for Industrial Workers.- Under this scheme only 25 seats in Madhya Pradesh were sanctioned during the month of September 1958. Thus the total number of sanctioned seats went upto 1,452.

The following table gives the total number of training institutes and centres and the number of persons (including displaced persons) undergoing training:-

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<u>Number of Training Institutes and Centres.</u>	<u>Number of seats sanctioned.</u>	<u>Number of persons undergoing training.</u>
371	26,157	22,547

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Stores and Equipment.- Indents for machinery worth 78,000 rupees were placed on Directorate General of Supplies and Disposal during September 1958 for the new Central Training Institute, which is proposed to be established in Bombay.

(Review of the Work done by the Directorate-General of Resettlement and Employment during the Month of September 1958; issued by the Ministry of Labour and Employment, Government of India, New Delhi )



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Russian equipment for India: Agreement signed.

According to a Tass report, an agreement between the U.S.S.R. and Indian Governments was signed in Moscow on 12 December 1958, for the gift of equipment for the Bombay Technological Institute and for aid in the training of Indian engineers. Between now and 1960, the U.S.S.R. is to present India with various kinds of equipment for the Institute's laboratories to the value of three million roubles.

It was also agreed that 50 Indian experts will be admitted to Soviet higher educational establishments to improve their skill. Soviet professors and teachers will be sent to India.

(The Hindustan Times, 13 December 1958).

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CHAPTER 9. SOCIAL SECURITY.

INDIA - DECEMBER 1958.

91. Pre-legislation Measures.

Conversion of Existing Provident Fund Schemes for Workers  
into Pension Schemes and Single Organisation for Administration  
of E.P.F. and E.S.I. Schemes suggested: Report of the Study  
Group on Social Security.

The conversion of existing provident fund schemes for workers into a statutory pension scheme has been suggested by the Study Group on Social Security set up by the Government of India. Shri Abid Ali, Deputy Minister of Labour placed the report\* on the table of the Lok Sabha on 20 December 1958. The report also suggests the integration of the Employees' Provident Fund Scheme and the Employees' State Insurance Scheme to be administered by a single agency.

The Study Group of which Shri V.K.R. Menon, Director of this Office was the chairman, was set up in August 1957 in pursuance of ~~the~~ one of the recommendations on labour policy in the second Plan. The terms of reference of the Study Group were to: (a) examine the experience gained by the working of existing social security schemes; (b) study how these schemes and any other privileges given to workers could be combined in a comprehensive social security scheme; (c) work out the administrative details of such an integrated scheme; (d) examine whether, without any appreciable increase in the total liability of employers and workers, additional advantages can be given to the working class; and (e) examine and make recommendations regarding conversion, wholly or partly, of the present provident funds into suitable pension schemes as envisaged in the Second Five-Year Plan.

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\* Report of the Study Group on Social Security, 1958 (Government of India, Ministry of Labour and Employment): pp. 98. (A copy of the report has been sent to Geneva under this Office minute No. D.3/24/59 dated 3 January 1959).

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The report states that, under existing conditions, any large extension of social security measures will not be possible either in terms of coverage or actual benefits. The aim should be to improve upon existing measures and to simplify administrative procedure, restricting additional financial levy for the time being, to what is required for this limited purpose.

Single Agency.— The report recommends that one single agency should be set up which should as a first step assume administrative responsibility for administering the Employees' State Insurance Act and the Employees' Provident Funds Act, the Coal Mines Provident Funds and Bonus Schemes Act and the Assam Tea Plantations Provident Fund Scheme Act. In case of workers covered by both the Employees' State Insurance Act and one of the Provident Fund Acts, employers will pay to this organisation in one single payment, the contributions due under ~~both~~ both. Inspectorate and supervisory staff will be unified. These and other consequential measures will aim at simplification and added convenience to both parties - employers and workers.

The present arrangements in respect of the Coal Mines Labour Welfare Fund Act and the Mica Mines Labour Welfare Fund Act by which the respective welfare funds are responsible for medical care and treatment of workers in coal and mica mines is working satisfactorily and should continue.

The report points out that the coverage under the Employees' State Insurance Act and the Employees' Provident Funds Act are not identical, and adds that all the same the advantages of setting up a single organisation still exist. It further recommends that it should be the aim to make the coverage under the two enactments identical as far as practicable and in stages by a prescribed target date. As one step towards facilitating this, action should be taken to delete the provision in the Employees' Provident Funds Act under which newly established factories are exempted from its provisions for the first three years.

Increase in benefits.— The report suggests that the quantum of cash benefits at present granted under the Employees' State Insurance Act should be augmented as follows:

- (i) Sickness benefit should be payable upto a maximum period of 13 weeks in any three benefit periods of 26 or 27 weeks each.
- (ii) Extended sickness benefit, at full normal benefit rate may be granted in case of tuberculosis, or other prescribed long term diseases for a further period of 39 weeks but only to such persons as have completed at least two years of qualifying service.
- (iii) The maternity benefit rate should be raised so as to be equal to the full average wage of the insured woman and subject to a minimum of 1 rupee per day. (This has already been done, effective from June 1958).

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There is considerable scope for improving the standard of medical care and treatment for workers covered by the Employees' State Insurance Act. The provision of medical care and treatment (including hospitalisation) for families of workers is urgently needed as it is this omission that has brought in the largest and quite legitimate criticism from organisations of workers and individual workers themselves. All these improvements could be provided only if substantial additional funds are available. For this purpose, the levy on employers should be increased to the maximum that the law already provides for. The justification which existed for levying contributions at lesser rates has, with the considerable extension of the scheme, lost much of its force. The standard of medical care and treatment should be greatly improved and the scope extended to cover families. In fact, a beginning has already been made in this direction.

Pension Scheme for Employees.— The enactments relating to Provident Funds have proved a real boon to workers covered thereby, in the form of provision for old age. But payment in lump sum has obvious disadvantages compared with a regular pension scheme. The time is ripe for converting the Provident Funds into a statutory Pension Scheme to be administered by the Organisation Organisation. A scheme of Old age, Invalidity and Survivorship Pension-cum-gratuity is recommended for adoption. This involves payment of a small gratuity sufficient to meet immediate needs and using the rest of the resources towards giving the maximum pensionary benefits. Though the Assam Tea Plantations Provident Fund Act is an Act of the State Legislature, it is hoped that it would be merged in the new Scheme. Otherwise, the workers in plantations in Assam would be deprived of a valuable benefit.

Resources.— The report suggests the following measures to augment the resources for providing pensions of reasonable amounts:—

- (a) Increasing the present rate of contributions of workers and employers to Provident Fund from 6-1/4 per cent to 8-1/3 per cent.
- (b) While the statutory amendments and administrative arrangements required for the conversion into a Pension Scheme will take time, the increase of Provident Fund contributions (to 8-1/3 per cent) should be given immediate effect by amendment of the rules under the respective Acts. Delay in effecting the increase will adversely affect the insured workers as a year of contribution at the existing rate (6-1/4 per cent) will be taken as only nine months for reckoning length of service.

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Translated in terms of percentage contributions the recommendations regarding rates of contribution in paras above imply that as a transitional arrangement rates for the three classes of factories may be laid down as follows:-

- (a) For factories, the employees of which would be eligible only to the benefits under the Employees' ~~Prev~~ State Insurance Act, there will be no change. Their rates of contribution, when raised to the maximum that the law provides for, work out to about  $4\frac{2}{3}$  per cent by employers and  $2\frac{1}{3}$  per cent by employees.
- (b) For factories, the employees of which would be eligible only to ~~benefits~~ under the proposed Scheme of Old-Age Invalidity and Survivorship Pension-cum-Gratuity, their rates of contribution will be raised to  $8\frac{1}{3}$  per cent by employers and ~~employees of which~~  $8\frac{1}{3}$  per cent by employees.
- (c) For factories, the employees of which are covered for the full range of benefits under the Employees' State Insurance Act plus the proposed scheme of Old-Age, Invalidity, and Survivorship Pension-cum-Gratuity, their rates of contributions as under (a) and (b) above would work out to about 13 per cent by employers and  $10\frac{2}{3}$  per cent by employees.

In addition, the employers will be liable to pay an administrative charge not exceeding 0.4 per cent of the total wage bill in cases under (b) and (c) above. No separate administrative charge will be leviable in cases under clause (a).

Workmen's Compensation Act.— The Workmen's Compensation Act originally provided coverage for both workers in organised industry as also in several scattered employments. With the gradual extension of the Employees' State Insurance Act more and more workers in organised industry will be governed by this Act. Several cases will still remain, particularly of scattered employments where the responsibility for payment of compensation will continue to rest with the individual employer concerned. A pension scheme can be adopted even in these residuary cases by requiring the employer to pay to the organisation a lump sum amount and the organisation then taking on the responsibility for making recurring pensionary payments to the injured worker or his dependants as the case may be. It is recommended that steps should be taken to revise the relevant schedule to the Workmen's Compensation Act to increase the present scales of lump sum payments to meet the cost of the new pensionary liabilities.

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Retrenchment benefit. While the provisions in the Industrial Disputes Act relating to compensation on retrenchment and lay-off have afforded some relief and acted as some deterrent to hasty retrenchment, certain unsatisfactory features have nevertheless been revealed. The permanent remedy may be in the form of a scheme of unemployment benefit but a scheme of this type will not be practicable for some time to come. Till then, improvements should rather be in the direction of avoiding closures - and consequent retrenchment, as far as possible, as, e.g., by creation of a fund through which industrial units in temporary difficulties can be assisted and kept running where such a course is in the interests of the workers and the public interests at large.

The report states that comparative studies made of some countries in Europe by the I.L.O. show that the employer's liability towards cost of social security measures for the workers - expressed as a percentage of the wages - is, in many cases higher than what the Group has recommended - this, in spite of the fact that adequate standards of medical care, hospitalisation etc. are provided in these countries by the State for the population as a whole including industrial workers.

92. Legislation.

India - December 1958.

Kerala Employees' Insurance Courts Rules, 1958.

The Government of Kerala published on 23 September 1958, the text of the Kerala Employees' Insurance Courts Rules, 1958, made in exercise of the powers conferred under the Employees' State Insurance Act, 1948. The rules deal inter alia with constitution of employees' insurance Courts, conditions of service of judges, and other officers of courts, and fees and costs in applications and proceedings before the court.

(Notification No. D. Dis 766/57/L & LAD, dated 13 September 1958; Kerala Gazette, No. 37, dated 23 September 1958, Part I, Sec. IV, pp. 1-16 ).

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LIST OF PRINCIPAL LAWS PROMULGATED DURING THE  
PERIOD COVERED BY THE REPORT FOR DECEMBER 1958.

INDIA - DECEMBER 1958.

CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN BRANCHES OF THE  
NATIONAL ECONOMY.

Bombay Inams (Kutch Area) Abolition Act, 1958 (No. XCVIII of 1958).  
(Bombay Government Gazette, Part IV, 25 December 1958, pp. 539-550).

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- (i) Madras Beedi Industrial Premises (Regulation of Conditions of Work) Act, 1958 (No. XXXII of 1958). (Fort St George Gazette, Part IVB, 10 December 1958, pp. 178-187).
- (ii) Kerala Industrial Establishments (National and Festival Holidays) Act, 1958 (Act No. 47 of 1958). (Kerala Gazette, Extraordinary, 29 December 1958, Vol. III, No. 145, pp. 1-5).
- (iii) Madras Industrial Establishments (National and Festival Holidays) Act, 1958 (No. XXXIII of 1958). (Fort St George Gazette, Part IVB, 10 December 1958, pp. 189-193).

CHAPTER 8. MANPOWER PROBLEMS.

Bombay Relief Undertakings (Special Provisions) Act, 1958  
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- \* "First Annual Report" of the "Madras Institute of Management", pp. 12.

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- \*(a) "Reappraisal of the Second Five Year Plan - A Resume". Issued by the Planning Commission, Government of India. pp.33.
- \*(b) "Progress Report on the Working of the Directorate of Economics and Statistics for the years 1956-57 and 1957-58", of the Government of Madhya Pradesh, pp.25.
- \*(c) The National Sample Survey No.11 - "Report on the Sample Survey of Manufacturing Industries, 1949 and 1950". pp.36: Issued by the Cabinet Secretariat, Government of India.
- \*(d) Issued by the National Productivity Council New Delhi:-
  - (i) "Progress report for the Month of November 1958". pp.10 plus Appendices.
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- (e) The New Capitalism: Its Aim is a Classless Society: By Paul G. Hoffman; Society for the Propagation of Democratic Thought, India Exchange, Calcutta-1.
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- (g) Problems of Indian Economic Development: By B.R. Shanoy (University of Madras, Madras-5. Rs.10).

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CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN BRANCHES OF THE  
NATIONAL ECONOMY.

- \* (a) The National Sample Survey No. 10. "First Report on Land Holdings, Rural Sector", pp.145. Issued by the Cabinet Secretariat, Government of India.
- \* (b) "Annual Report for the year 1957 on the working of the Indian Dock Labourers Act, 1934 and the Indian Dock Labourers Regulations, 1948". Issued by the Office of the Chief Adviser Factories, Ministry of Labour and Employment, Government of India. pp.33.
- (c) Co-operatives For Rural Development: Publications Division, Government of India, Delhi-8.
- (d) India's Food Resources and Population: By P.C. Bansil; Vora & Co., Bombay-2. Rs.10.

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