

6837  
COPY NO. 2.

INTERNATIONAL LABOUR OFFICE  
INDIA BRANCH

|                        |
|------------------------|
| I.L.O. REGISTRY-GENEVA |
| 14 JUL 1954            |
| 683-2-170a             |
| on:                    |

Industrial and Labour Development in May-June 1954.

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

| <u>Contents.</u>   | <u>Pages.</u> |
|--|---------------|
| <u>CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.</u>   |               |
| <u>11. Political Situation and Administrative Action:</u>  |               |
| (a) Uttar Pradesh: Provident Fund for Sugar Workers: Tripartite Conference approves Principle.                             | 1-2           |
| (b) House of the People to be known as Lok Sabha.  | 3             |
| <u>CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.</u>  |               |
| <u>25. Wage-Earners' Organisations:</u>  |               |
| (a) 24th Session of the All-India Trade Union Congress, Calcutta, 27-30 May 1954: Rationalisation move opposed.            | 4-6           |
| (b) Fifteenth Session of General Council of the Indian National Trade Union Congress: End of Managing Agency System urged. | 6-7           |
| <u>29. International Co-operation:</u>   |               |
| Productivity studies in Indian Industries: Technical Aid Agreement concluded with U.S.A.                                   | 8-9           |
| <u>CHAPTER 3. ECONOMIC QUESTIONS.</u>  |               |
| <u>33. Full Employment Policy:</u>   |               |
| Unemployment in Displaced Persons Townships: New Industries to be established.   | 10            |
| <u>34. Economic Planning, Control and Development:</u>   |               |
| (a) Increased Finance for Private Sector: Formation of Banks' Syndicate suggested: Shroff Committee's Report published.    | 11-15         |
| (b) States' Financial Target under Five Year Plan: Statement in Parliament.  | 15            |

| <u>Contents.</u>   | <u>Pages.</u> |
|--|---------------|
| <b>36. <u>Wages:</u></b>   |               |
| (a) Minimum Wages (Amendment) Act, 1954<br>(No. 26 of 1954).   | 16            |
| (b) No Wage Discrimination between Factory<br>and Farm and Men and Women Workers:<br>Labour Appellate Tribunal's Award.  | 17            |
| (c) Payment of Cash Compensation in lieu of<br>Cut in Supplies of Rice to Assam Tea<br>Garden Workers: Workers' Claim upheld<br>by Labour Appellate Tribunal.  | 18-19         |
| (d) Two Weeks Wages as Bonus for Ahmedabad<br>Textile Workers: Arbitrator's Award.   | 20            |
| (e) West Bengal: Monetary Payment in lieu of<br>Food Concessions for the Tea Garden<br>Workers: Wages Revised under Minimum<br>Wages Act, 1948.  | 21            |
| <br><b>38. <u>Housing:</u></b>   |               |
| Training Workers in Building Trade:<br>Central Plan offers good scope for<br>Jobless.  | 22-24         |
| <br><u>CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN</u><br><u><del>MAXXGWRXNS</del> BRANCHES OF THE</u><br><u>OF THE NATIONAL ECONOMY.</u>  |               |
| <br><b>41. <u>Agriculture:</u></b>   |               |
| The Rajasthan Agricultural Rents Control<br>Act, 1954 (Act No. XI of 1954).  | 25            |
| <br><b>42. <u>Co-operation:</u></b>  |               |
| Punjab: Organisation of Co-operative<br>Societies: New Bill published.   | 26            |
| <br><b>43. <u>Handicrafts:</u></b>   |               |
| (a) Development and Promotion of Small-Scale<br>Industries in India: Ford Foundation<br>International Planning Team's Recommenda-<br>tions accepted by Government: Small<br>Industries Corporation to be set up. | 27-36         |
| (b) Problems of Handloom Industry reviewed<br>by Commerce and Industry Minister.   | 36-39         |
| <br><b>44. <u>Merchant Marine and Fisheries:</u></b>   |               |
| (a) Regulated Employment for Maritime Workers:<br>Seamen's Employment Scheme enforced in<br>Bombay Port.   | 40-41         |
| (b) Madras Minor Ports Harbour Craft Rules.  | 41            |

Contents.

Pages.

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

50. General:

- (a) The Factories (Amendment) Act, 1954 (No. 25 of 1954): Measure to implement I.L. Conventions relating to Prohibition of Employment of Women and Young Persons during Night in Factories. 42-46
- (b) Mines Rules, 1954: Draft published. 46

52. Workers' Welfare and Recreation:

Hyderabad: 26 Factories directed to provide Workers' Canteens. 47

53. Women's Work:

- (a) Meeting of National Congress of Women, Calcutta, 4-7 June 1954: Equal Wages for Equal Work demanded: New National Federation formed. 48-51
- (b) Service Conditions of Nurses: Inquiry Committee appointed. 52

55. Protection of Minors:

Employment of Children in Railways and Major Ports: Draft Rules published. 53

56. Labour Administration:

Conditions of Work in Ceylon during 1953: Administration Report of the Commissioner of Labour. 54-62

CHAPTER 6. GENERAL RIGHTS OF WORKERS.

66. Strike and Lockout Rights:

- (a) Bihar: Cotton Textile Industry declared a Public Utility Service. 63
- (b) Hyderabad: Motor Transport Industry declared a Public Utility Service. 63
- (c) West Bengal: Sugar Industry declared Public Utility Service. 63

67. Conciliation and Arbitration:

The Industrial Disputes (Banking Companies) Commencement of Decision Ordinance (No. 7 of 1954): Time limit for Government Decision on Bank Disputes Award extended. 64

68. Labour Courts:

The Industrial Tribunal (Central Procedure) Rules, 1954. 65

| <u>Contents.</u>   | <u>Pages.</u>             |
|--|---------------------------|
| <u>CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS.</u>  |                           |
| <u>71. Employment and Salaried Intellectual Workers:</u>   |                           |
| (a) Higher Pay Scales for School Teachers in West Bengal: Government's Decision announced.   | 66-67                     |
| (b) Higher Pay Scales for Teachers: South Indian Teachers' Unions' Demand.   | 68-69<br><del>68-69</del> |
| <u>CHAPTER 8. MANPOWER PROBLEMS.</u>   |                           |
| <u>81. Employment Situation:</u>   |                           |
| (a) Extension of Lay-Off Compensation Benefits to Workers in Plantations: Industrial Disputes (Amendment) Bill, 1954, introduced in Council of States. | 70                        |
| (b) Territorial Army (Amendment) Bill, 1954: Compulsory Enrolment in Territorial Army.   | 71                        |
| (c) Rationalisation Scheme for the Textile Industry in Uttar Pradesh: Approved at Tripartite Conference.   | 72-74                     |
| (d) Employment Exchanges: Working during March-April 1954.   | 74-76                     |
| <u>85. Migration and Colonisation:</u>   |                           |
| Displaced Persons (Compensation and Rehabilitation) Bill, 1954.  | 77-78                     |
| <u>CHAPTER 9. INCOME SECURITY.</u>   |                           |
| <u>94. Application:</u>  |                           |
| (a) Contributory Health Service for Central Government Employees comes into effect from 1 July 1954.   | 79                        |
| (b) Madhya Pradesh: Working of the Workmen's Compensation Act, 1923 for the Year 1952.   | 79-81                     |
| (c) Madras: Draft Employees' State Insurance (Medical Benefit) Panel System Rules, 1954.   | 82                        |
| <u>CHAPTER 11. INDUSTRIAL SAFETY.</u>  |                           |
| <u>111. Prevention of Accidents:</u>   |                           |
| (a) The Punjab Economiser Rules, 1952.   | 83                        |
| (b) The Rajasthan Economiser, Inspection, Administration Rules 1954 and Boiler Attendant Rules, 1954.  | 83                        |
| (c) Rajasthan Boilers Rules, 1954.   | 83                        |

CHAPTER 12. INDUSTRIAL COMMITTEE.

121. Special Information:

Second Session of the Industrial Committee  
on Cement, Hyderabad, 24 and 25 March 1954:  
Wages Standardisation Boards to be set up. 84-85

RECORD OF PRINCIPAL DECISIONS ON LABOUR AND  
ALLIED SUBJECTS - INDIA - MAY-JUNE 1954. 86-87

LIST OF THE PRINCIPAL LAWS PROMULGATED DURING  
THE PERIOD COVERED BY THE REPORT FOR MAY-JUNE 1954. 88

BIBLIOGRAPHY - MAY-JUNE 1954. 89-92.

\*\*\*\*\*

'L'

CHAPTER I. INTERNATIONAL LABOUR ORGANISATION

INDIA - MAY-JUNE 1954

11. Political Situation and Administrative Action.

Uttar Pradesh: Provident Fund for Sugar Workers: Tripartite

Conference approves Principle

A Tripartite Labour Conference to discuss problems relating to the sugar industry in Uttar Pradesh was held at Naini Tal on 7 and 8 June 1954. The State Labour Minister, Mr. Sampurnanand, presided. Besides officers of the Labour and Cane Departments, who formed the Government wing and advisers of delegates, the Conference was attended by nine representatives of the industry and nine representatives of labour in sugar mills.

The agenda of the Conference included the following:

1. Payment of bonus;
2. Retaining allowance;
3. Leave and Provident Fund;
4. Standing Orders.

Payment of Bonus. The Conference decided to appoint a committee to settle the amount to be given to workers of sugar factories for the 1950-54 seasons. The committee will also consider whether the payment of bonus should be made under the 'slab system' or the present 'step up system' or under any other arrangement equitable and acceptable to the parties concerned.

During the discussion there seemed to be, according to official accounts, no particular objection to either system provided the "workers got their due share in the earnings of the factories". Representatives of the industry, however, suggested that the amount hitherto given as bonus was too high.

The bonus committee would also report to the Government the names of factories, if any, which had incurred losses so that they would be excluded from the payment of bonus.

Default by certain factories in the payment of bonus since the 1947-48 season was also discussed.

Retaining allowance: The Conference recommended the appointment of another committee to consider the payment by sugar factories of a retaining allowance to their workers.

During discussions it appeared that the question of a retaining allowance to the workers for the 1949-50

2

season had already been settled through a decision of the High Court which had held such payment legal and valid. The view was expressed that cases concerning subsequent seasons should also be settled in the light of the High Court decision and those factories which had not yet paid the retaining allowance should now be persuaded to do so. Mr. Sampurnanand made an appeal to this effect to the industrialists present.

The Committee to be appointed in this connection will determine the categories of workers who should be entitled to this allowance.

Leave and Provident Fund. The Conference accepted in principle the proposal that provident fund should be introduced in sugar factories but recommended that a committee should go into the details including the class of workers to whom the scheme should apply. Industrial representatives suggested that there should be connected provisions regarding the age of retirement. The committee will go into this also. It was agreed that committees concerning retaining allowance should also be asked to deal with these matters.

There was no unanimity concerning the question of casual, sick, privilege and earned leave for the workers and consideration was postponed to a future date.

Standing Orders. As regards standing orders which deal with employment conditions of the workers among the points particularly stressed in the course of the discussions, from the side of the employers, were exclusion of the clerical and the watch and ward staff of the mills from the category of workmen; and authority to engage workers by stages in proportion to the volume of work and also to dispense with their services towards the close of the season accordingly. The labour side pressed for a provision in the standing orders for compulsory re-employment of seasonal workers from year to year and exclusion of those cases of illegal strike from the purview of misconduct which did not involve acts of violence.

Among other issues raised were the top heavy administration of the factories and certain items of wasteful expenditure by the management, setting apart of a portion of the factories earnings for renovation of machinery and payment of bonus to workers in the shape of shares of company, so that the workers may become co-partners in the mills and the money may become available for future expansion of the industry.

After these broad outlines had been discussed, the Conference recommended that the Government may appoint a sub-committee to work out the details of the changes which were required to be made in the present standing orders and then take suitable action in the matter.

House of the People to be known as Lok Sabha

With effect from 14 May 1954, the House of the People will be known as 'Lok Sabha', and its Secretariat as the 'Lok Sabha Secretariat'.



4

CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.

INDIA - MAY-JUNE 1954.

25. Wage-Earners' Organisations.

24th Session of the All-India Trade Union Congress,  
Calcutta, 27-30 May 1954: Rationalisation move  
opposed.

The twenty-fourth session of the All-India Trade Union Congress was held at Calcutta from 27 to 30 May 1954; Mr. V. Chakkarai Chettiar, President of the A.I.T.U.C. presided. The session, among other subjects, adopted a resolution on unemployment which inter alia opposed the move for rationalisation in the textile industry.

A.I.T.U.C. to Consider Political Action:

Presidential Address.- Mr. Chakkarai Chettiar, in his presidential address read at the session said the question of political action by trade union organisations was being seriously considered. He said: "Our trade unions will have to undertake responsibility of political action in the coming days".

In Britain, he said, there was a time when political activities of trade unions were not held "in high favour and judgments in courts of law denounced such political action". This led to a crisis in trade union movements. But the organised strength of the working class forced Parliament to introduce legislation authorising political action by trade unions.

Mr. Chettiar said: "What our brothers in the Soviet Union and People's China and other countries have achieved, we in the rest of the world can surely do. We shall unceasingly work for them. In India we have won political freedom and that has to be preserved and protected, and enriched with the achievement of contentment and happiness for all".

The President alleged that the Government had always sided with the employers. Most tripartite conferences were virtually bipartite. The attitude made it all the more urgent for trade unions to come closer. They must realise that unity was the foundation of a successful trade union movement.

Mr. Chettiar warned employers that labour would never support rationalisation and would resist it by all means.

Resolutions: Unemployment Problem.- In a resolution on unemployment the A.I.T.U.C. asked the Government to advance funds to small industries to enable them to survive competition from monopolies.

5

~~from monopolies.~~

It condemned "Government encouragement" to textile mill-owners to effect rationalisation, which would "involve loss of jobs for more than 100,000 workers".

To effectively solve the problem of unemployment, the A.I.T.U.C. suggested a six-point programme of "immediate action". The programme envisages reduction in prices of consumer goods by 30 per cent., introduction of an unemployment insurance scheme, banning of retrenchment and closure of factories, breaking of big monopoly rings, reduction of taxes on peasants and execution of schemes relating to irrigation, river-valley projects and public works.

The Five-Year Plan, it said, was unable to solve the problem of unemployment by any measure.

It also suggested that the Constitution be amended so as to give the Government the power to take over those industrial concerns which would lock or threaten to lock workers out.

Rationalisation.- On rationalisation, the resolution adopted by the session stated that the A.I.T.U.C. would support all technical changes which would bring benefits to the people and raise the living standards of the workers, while lightening his burden of work. It however could not but oppose the present rationalisation scheme, "the only aim of which is to exploit the working class and rivet its members to the chains of slavery in the name of creating plenty and prosperity and goods at a lower price".

The rationalisation schemes of the employers, according to the A.I.T.U.C. resolution, would throw 125,000 weavers out of employment in the cotton textiles, 50,000 workers in jute industry, and a large number in the engineering and other industries.

The argument for resorting to rationalisation to help the industrial crisis was only to "cover its refusal to limit the fabulous profits of the business magnates and for keeping top-heavy and wasteful managements rampant with speculative and fraudulent practices, for refusing to carry out the necessary social and economic changes which can put more money in the pockets of the peasants, the working class and the middle class employees. This alone can really and effectively solve the crisis of markets that our industries are facing".

The proposed measures of rationalisation, the resolution added, would not only create unemployment, but also it was against the interest of the nation as a whole. It would strengthen the power of the monopoly groups of capitalists in the country, who alone could command the necessary capital resources. It would lead to the ruin of small industries and traders without any benefit to the country or the people of any class except the monopolists.

Industrial Housing.- In a resolution on industrial housing, the meeting proposed a housing cess on all gross

6

profits of the employers in order to force the employers to make their contribution towards financing the scheme of industrial housing. Besides the Government of India must increase its own housing funds substantially and should require all States to make obligatory annual allotments for industrial housing.

Office-bearers.— Mr. V. Chakkarai Chettiar and Mr. S. A. Dange were re-elected President and General Secretary respectively for the coming year.

(The Statesman, 28 and 30 May 1954;  
The Hindustan Times, 30 May 1954;  
Amrita Bazar Patrika, 29 May 1954).

Fifteenth Session of General Council of the  
Indian National Trade Union Congress: End  
of Managing Agency System urged.

The fifteenth session of the General Council of the Indian National Trade Union Congress was held on 23 May 1954 at Rajkot. The Council, presided over by Mr. S. R. Vasavada, adopted ten resolutions and reviewed the progress of the INTUC. The Labour Ministers of Bombay, Hyderabad and Saurashtra, and the Union Deputy Labour Minister, Mr. Abid Ali, who were specially invited to address the session, expressed satisfaction at the progress made by the INTUC and exhorted workers to participate in the national reconstruction programme by subscribing to the National Plan Loan.

Ten resolutions, adopted by the Working Committee of the INTUC, were endorsed by the General Council.

A resolution on the managing agency system said that the system was a relic of the colonial pattern of economic exploitation and was allied to the feudal system of perpetuation of hereditary rights. The Council demanded an end to the system.

As regards the wage policy, the General Council held that, despite occasional bonus and the dearness allowance, the wage level had dropped far below the existing cost of living. It felt that the "time has come when the wages of the working class should be revised, raised and standardised at new levels". The best method of securing this was by means of bipartite agreements, and, in the event of their failure through competent tripartite commissions.

In a resolution on rationalisation, the Council expressed concern at the tendency to import automatic machinery to curtail the number of workers. Such devices resulted in actual and potential unemployment. The claim of industry that such machinery would reduce consumer prices "is not borne out by facts". The Council, therefore, urged the Planning Commission to recommend to the Union Government a total ban on the

17

manufacture, import and installation of such machines.

The Council welcomed the proposal to establish exchanges for the recruitment of seamen. It hoped that, as a result, corruption and other undesirable practices would come to an end.

The Council adopted a resolution asking the Government to appoint a tripartite committee to report on the conditions of work in manganese mines.

By another resolution, the Council wholeheartedly supported Mr. Nehru's appeal to invest in savings certificates and called on the working class to participate in the national endeavour by subscribing to the National Plan Loan.

The Council also expressed its concern over the Assam Government's order modifying the Appellate Tribunal's award to tea workers (vide pp. 8-19 of this report). "Any such action strikes at the very root of our faith in the arbitration machinery and may lead to a disturbance of industrial peace", it said.

On prohibition, it said that the reform had brought immense social, economic and moral relief to the working class.

(Indian Worker, 29 May 1954;  
The Times of India, 25-1954).

25 May 1954  
J

29. International Co-operation

India - May-June 1954

Productivity studies in Indian Industries;  
Technical Aid Agreement concluded with U.S.A.

The Government of India signed on 16 June 1954 an agreement with the U.S. Government whereby the latter would provide technical assistance to certain Indian industries, mainly in the private sector, for increasing their productivity and improving their management. The assistance would be of the value of \$ 805,000 and will be mainly in the form of provision of productivity teams and individual experts in these fields and the required supporting equipment, supplies and technical literature.

The following assistance is visualised under this project:

(a) Four productivity teams and a production engineer will be furnished to assist in the improvement of production technology, quality of production, standards of working conditions and related technical aspects in the metal working industry in India.

(b) A productivity and management team of five engineers will be furnished for assistance to the news print industry and specially to the National Newsprint and Paper Mills Ltd., Madhya Pradesh. Industrial specialists on certain specific industrial and research problems will be provided.

(c) Technical assistance and books on business management and other related technical literatures will be provided.

Soil Fertility: - A supplementary Indo-U.S. Operational Agreement was signed in New Delhi on 24 June 1954, providing for additional technical assistance, equipment and supplies to help in the further expansion of the programme to determine the fertility of Indian soils, evaluating the performance of various fertilisers on them and developing soil-testing services for farmers.

A soil-testing laboratory already exists at the Indian Agricultural Research Institute, New Delhi, and under the agreement, 16 State laboratories for soil testing are to be established. The Indian Agricultural Research Institute Laboratory will provide training facilities for personnel to operate the State laboratories. In addition, one completely

9

equipped mobile laboratory will be made available for use in river valley project areas and other special areas as required.

The estimated joint cost of the project is 135,000 dollars and 1,620,000 rupees. The U.S. contribution will be utilised for payments outside India in dollars for the procurement of equipment and supplies and their transportation to India while the rupee expenditure will be used for outfitting laboratories, bring scientific and other personnel and other costs incurred in India in connection with the project.

(The Hindustan Times, 17 June 1954;  
The Statesman, 24 June 1954)

NOTE: Some confusion has been caused by use of the expression 'productivity studies'. Investigation shows that the work of these teams will not be in conflict with that of the I.L.O. team dealing with productivity, and productivity studies. The position will be explained separately and copy of the agreement will also be furnished to headquarters.

Chapter 3. Economic Questions.

33. Full Employment Policy

India - May-June, 1954

Unemployment in Displaced Persons Townships: New Industries to be established.

It is understood that the Union Rehabilitation Ministry is launching a two-year programme to create new opportunities for employment through establishment of industries in some of the refugee townships.

Discussions have taken place during recent weeks between the Ministry and the Planning Commission on measures for building up the economy of these townships as a result of which the Planning Commission has agreed to allot 50 million rupees to the Rehabilitation Ministry for encouraging the establishment of industries, which is expected not only to increase employment within the townships but also generally to stimulate the economy of the region in which the industries are to be located.

It has been decided that the 50 million rupees should be spread over the last two years of the Five Year Plan period. A sum of 7.5 million rupees has been allocated for the current financial year.

For implementing this programme, the Rehabilitation Ministry has, for the present, selected Ulhasnagar and Sardarnagar in Bombay, Hastinapur in U.P., Rajpura in PEPSU and Faridabad in Punjab. Between them, these five townships have a total population of about 155,000, out of whom about 40,000 are employable adults. A sizable proportion of the latter are at present believed to be in need of employment.

As regards the eastern region, the West Bengal Government has already, been requested to prepare suitable schemes.

It is understood that the modus operandi of the authorities in implementing the programme of industrialising these townships will be to offer a variety of concessions and facilities to industrialists, who may or may not be displaced persons.

(The Statesman, 3 May 1954).

34. Economic Planning, Control and Development.

INDIA - MAY-JUNE, 1954

Increased Finance for Private Sector; Formation of Banks' Syndicate suggested; Shroff Committee's Report published.

The Shroff Committee on "Finance for the private sector" appointed by the Reserve Bank of India in its report released recently has said that leading banks in India, with the co-operation of insurance companies, should form a syndicate under the leadership of the Imperial Bank of India for underwriting or investing in new issues of shares and debentures of industrial companies. The Committee was appointed under the chairmanship of Mr. A. D. Shroff in October 1953 to examine how increased finance could be made available to the private sector through sources other than those which are under the consideration of the Taxation Inquiry Commission. In its 162 page report, the Committee said that to facilitate the formation of a syndicate the Imperial Bank of India Act should be suitably amended.

Private Sector and the Five Year Plan.- Examining the role of private sector in the five year plan, the Committee states that while some progress has been registered in regard to investment in new capital, it has not been commensurate with the expectations; and in order to reach the planned targets, annual investment in new capital will have to be raised to about double that in the period 1951-53. As regards investment in modernisation and replacement of equipment, very considerable leeway remains to be made up in the remaining years of the Plan. Finally, in respect of working capital, the problem has so far not proved acute for the large-scale industries. But medium and small-scale industries have suffered from lack of liquid funds; and, further, the planned increase in working funds to sustain a higher output has yet to materialise. Thus even if, as contended by the Planning Commission, finance were not a major limiting factor so far - a view which is not substantiated by the data available to the Committee - it will undoubtedly be so in the coming years if present trends in savings and supply of liquid resources continue.

Factors inhibiting investment in private sector. The Committee states that private investment is being affected adversely by the threat of nationalisation, which persists despite the assurance given by leading members of Government that the statutory powers for nationalisation of undertakings in the private sector will not be used unless compelling reasons arise. The Committee is of the opinion that in respect of large investments in scheduled industries which take time to fructify, it should be possible for Government to give some assurance of immunity from nationalisation, at least for a reasonable period.

The Committee emphasises that private enterprise should not be subjected to unfair competition from Government-owned

1. Report of the Committee on Finance for the Private Sector Reserve Bank of India, Bombay, April 1954, Pp. 14 & 162. Price Rs 3/-



10

units in the same industry through grant of special concessions to such units.

Besides, the procedural uncertainties and difficulties which arise from the regulative powers assumed by the State have the effect of delaying and retarding private investment. The Committee considers it essential that the work of the several authorities from which licences or sanctions have to be obtained should be co-ordinated and the procedure for obtaining such licences or sanctions should be simplified and rationalised.

According to the Committee, a major factor impeding private investment in India today is the imposition of a variety of additional obligations on employers by legislative measures or by tribunal awards in regard to payments to labour employed and conditions of employment. The Committee urges that early steps should be taken to remove the confusions and uncertainties in regard to labour legislations and awards and to ensure that a rise in the rewards of labour does not run ahead of the increase in the productivity of labour.

The Committee believes that there have also been several weaknesses within the private sector which have tended to make investors shy of subscribing to industrial shares and debentures. The Committee recommends that organised bodies of businessmen and industrialists should make all possible effort to enforce proper codes of conduct and to raise the standards of business management and morality.

Existing agencies.- The Committee assesses the work of the existing agencies of industrial finance in India and makes the recommendation that in cases when sanction is given by the Controller of Capital Issues to raise capital for a particular purpose and the company concerned is not able to utilise the money for that purpose due to the non-availability of machinery and other reasons, the capital becomes immobilised, the Government should have the power of liquidating the company and returning the capital raised to the shareholders.

Credit expansion and development.- Recent developments such as increased production in several fields of economic activity, abatement of inflationary pressures from abroad and deterioration in the employment situation, as well as the need to step up development outlays in both the public and private sectors in order to achieve the planned targets, warrant adjustments on the monetary front. In the circumstances, the Committee feels that in addition to the steps already taken by the Reserve Bank, there are other directions in which the Reserve Bank can give a lead and help commercial banks to undertake their new responsibilities with a greater degree of confidence. The Committee does not think it advisable for the Reserve Bank to finance directly investment in private industries. But it feels that the Reserve Bank can facilitate larger investment by commercial banks and other financial institutions by suitable adjustment in the loaning and rediscounting practices. In creating the financial conjuncture in which credit flows easily into preferred lines, the commercial banks and other financial institutions have a vital part to play. In the Committee's view, there are various adjustments in outlook and policy which commercial banks and other institutions can make without jeopardising their stability or restricting their field of operations.

Commercial Banks and Industrial Finance.- On the question of long-term advances by commercial banks to industries, the

19

Committee is of the opinion that in the general interest of the credit structure of the country, it does not appear desirable to encourage a tendency on the part of banks to loan on the Reserve Bank for providing liquidity against such advances which they may make on their own judgment and initiative.

The Committee recommends that banks should endeavour to increase their investments in the shares and debentures of first class industrial concerns, to make larger advances to approved parties against such shares and debentures and subscribe to a greater extent to the shares and bonds of specialised institutions like the Industrial Finance Corporation of India and the State Financial Corporation.

The leading banks in India, the Committee suggests, in co-operation with insurance companies, should form a consortium or syndicate under the leadership of the Imperial Bank of India for under-writing of investing in new issues of shares and debentures of industrial companies. To facilitate this, the Imperial Bank of India Act should be suitably amended.

The Committee further recommends that the Reserve Bank should treat shares and bonds of the Industrial Finance Corporation of India and State Financial Corporations as on a par with Government securities for advances under the Reserve Bank of India Act, on such term regarding margin, etc., as the Reserve Bank may deem appropriate. In order to ensure the marketability of these shares, the statutory restrictions on the holdings of such shares should be removed.

In view of the steep rise in the operating costs of banks in recent years as a result of the Awards given by various Industrial Tribunals, the Committee recommends that the Government of India should immediately appoint an Expert Committee to examine, among other things ways and means of rationalising the wage and salary structure in the banking sector and to explore possible avenues of reducing the burden of operating costs to banks.

Having regard to the peculiar difficulties of the smaller banks, the Committee suggests for the consideration of the Reserve Bank of India whether any of the directives or criteria laid down by the Bank could be suitably relaxed, without prejudice to sound banking principles, in view of the special characteristics of the smaller banks such as their deposit structure, and other local conditions.

Further measures suggested by the Committee to help commercial banks include liberalisation of the Reserve Bank of India's Bill Market Scheme and the existing Remittance Facilities Scheme also formulated by the Reserve Bank of India, initial financial assistance by Reserve Bank for opening new offices and expansion of commercial banks, a deposit insurance scheme on the model of U.S.A., and the formation of an All-India Association of Banks to look after the common interests.

Indigenous bankers and money lenders.— Making certain suggestions for the better utilisation of indigenous bankers and shroffs, the Committee recommends that the question of linking indigenous bankers and shroffs directly with the Reserve Bank should be actively pursued by the Bank in consultation with the shroffs.

14

It further suggests that since shroffs are engaged mainly in lending to trade and industry, they should be exempted from the purview of moneylending legislation.

Long-term financial requirements of industries.- Dealing with the question of long-term industrial finance, the Committee discusses mainly the role of insurance companies and Industrial Finance Corporations. Among other measures in this regard, the Committee suggests that to enable insurance companies to invest a larger proportion of their funds in industrial shares and debentures, Section 27 of the Insurance Act may be amended so as to require the companies to invest their funds as under: 25 per cent. in Government securities, 20 per cent. in Government securities or other approved securities and the balance of 55 per cent. in other investment specified in Section 27A. Removal of certain restrictive provisions and anomalies in the Act is also recommended. A number of suggestions relate to the work of the Industrial Finance Corporation.

Special problems of small-scale Industries.- The Committee is satisfied that genuine hardship is caused to small industries on account of delay in payments by Governments and Government agencies against goods supplied to them. The Committee, therefore, recommends that the Central and State Governments should explore the possibility of opening letters of credit in favour of suppliers stipulating for payments on the presentation of inspection notes by a duly authorised officer of the indenting department.

The Committee recommends that in order to augment the finance available to small industries, a Special Development Corporation for small industries should be constituted immediately. In the setting up of this Corporation, the broad features of which are described in the report, the Reserve Bank of India should take the initiative and work out, in collaboration with the other interests concerned, the actual details of its working. The proposed Special Development Corporation for small industries should, through a separate and specialised department, take a lead in organising the small industries and rendering assistance in the matter of co-operative or joint purchase of raw materials, standardisation of products, organised marketing, distribution and publicity. Through this department, it should also make available technical services and managerial advice, if possible, through training centres.

The measures taken by State Governments to help small industries through formation of industrial cooperatives, are in the opinion of the Committee commendable and deserve support. The Committee feels that small-scale producers should also make increasing efforts to come together and effect improvements in the organisation of production and marketing.

Certain other suggestions designed towards better use of the State Aid to Industries Acts and the State Financial Corporation are also made.

Special institutions.- The Committee feels that apart from the existing institutions to provide short-term and long-term finance, industrial investment can be assisted through the formation of investment trusts and unit trusts. The Committee feels that unit trusts in particular would be eminently suitable

15

to conditions in India and that steps should be taken by both the public and the private sectors to encourage the formation of such institutions. In regard to the proposal to set up an Industrial Development Corporation, owned and managed by the Government of India, the Committee feels that such an institution could assist industrial development in several ways and, therefore, urges the Government of India to expedite the formation of this State-sponsored Corporation. The Committee also welcomes the steps that have been taken recently to establish, with support from Government of India and the International Bank for Reconstruction and Development, a privately-owned and managed Industrial Development and Finance Corporation. The Committee hopes that this private Corporation will secure the full and generous support of all sections of the community and in particular of industrialists, banks and financiers both in the country and abroad.

The Committee recommends that a central organisation for the provisions of technical and managerial assistance to industries should be set up jointly by Government, special financial institutions like the Industrial Finance Corporation of India, the privately-owned Industrial Development and Finance Corporation etc., and private industries.

States' Financial Target under Five Year Plan: Statement in Parliament

According to a statement laid on the table of the Council of States by Mr. Jaisukh Lal Hathi, Deputy Minister for Irrigation and Power, nine Part 'A' and 'B' States fell short of the target fixed under the Five Year Plan of finances to be raised by States from their own-resources while seven States exceeded the targets.

The States fell short of the target of normal budgetary resources expected to be raised by them to the extent of 950 million rupees only, 2228 million rupees were raised against the target of 3178 million rupees. But this as well as 150 million rupees shortfall on State trading schemes was partially offset by the excess of 240 million rupees on account of ways and means advances and 564 million rupees on account of withdrawal from reserves, leaving a nett short-fall of 287 million rupees.

Bombay, Madhya Pradesh, Madras, Andhra and Orissa among the Part 'A' States failed to achieve their targets and all except Rajasthan and Travancore-Cochin among the part 'B' States.

The figures are exclusive of the adjustments following ~~and~~ additions to the State Plan of the order 340 million rupees for which only 40 million rupees were to be found. Based on the actuals for 1951-52, revised estimates for 1952-53 and Budget estimates for 1953-54, the figures include the 210 million rupees annually transferred from the Centre to the States as from 1952-53 in pursuance of the Finance Commission's recommendations, and also the increase in receipts in 1953-54 from the loans ~~raised~~ raised from the public above the Budget estimates.

(The Statesman, 7 May 1954).

16

36. Wages.

India - May-June 1954.

Minimum Wages (Amendment) Act, 1954  
(No. 26 of 1954).

The Minimum Wages (Amendment) Act, 1954, as adopted by the Parliament of India, received the assent of the President on 20 May 1954 and has been gazetted on 21 May 1954.

The enactment provides that the appropriate Government shall fix the minimum rates of wages to persons employed in employments in Part I of the Schedule ~~at the Commencement of the Minimum Wages Act, 1948~~ (employments other than agriculture) and in Part II of the Schedule (agriculture) before 31 December 1954. The appropriate Government may, however, instead of fixing minimum rates of wages for the whole state, fix such rates for a part of the state or for any specified class or classes of such employments in the whole state or part thereof. Where an employment has been added to a schedule subsequently, minimum rates of wages shall be fixed before the expiry of one year from the date of notification of such addition.

The law also provides that such rates of wages may be reviewed at intervals not exceeding five year for purposes of revision, if necessary.

The Act provides that the appropriate Government may refrain from fixing minimum rates of wages in respect of any scheduled employment in which there are in the whole State less than one thousand employees engaged in such employment, but if at any time, whether before or after the expiry of any time limit specified the appropriate Government comes to a finding after an inquiry that the number of employees in any scheduled employment in respect of which it has refrained from fixing minimum rates of wages has risen to one thousand or more, it shall fix minimum rates of wages payable to employees in such employment ~~with~~ one year from the date on which it comes to such finding.

The enactment further provides that the appropriate Government may, if it is of opinion that, having regard to terms and conditions of services applicable to any class of employees in a scheduled employment generally or in a scheduled employment in a local area, it is not necessary to fix minimum wages in respect of such employees of that class as are in receipt of wages exceeding such limit as may be prescribed in this behalf, direct, by notification in the Official Gazette and subject to such conditions, if any, as it may think fit to impose, that the provisions of this Act or any of them shall not apply in relation to such employees.

(The Gazette of India, Extraordinary, Part II-  
Section 1, 21 May 1954, pp. 171-173 ).

17

No Wage Discrimination between Factory and Farm  
and Men and Women Workers: Labour Appellate  
Tribunal's Award.

The Labour Appellate Tribunal, Bombay, held on 28 April 1954, that no distinction should be made in the matter of basic wages between factory and farm workers and between male and female workers, and dismissed seven appeals ~~by~~ filed by sugar factories and six appeals filed by employees of sugar factories against the award of the Industrial Court of Bombay in April last year fixing the wages of an unskilled workman.

The Industrial Court had fixed the wages at 23 rupees 2 annas and 6 pies for a month of 26 ~~day~~ working days or 14 annas three pies per day on the pre-war level of prices.

The Tribunal stated that the sugar industry was a major national industry, being the second largest in the country.

"Having regard to all the circumstances, we see no reason to make any distinction in the matter of basic wages between a factory and a farm worker. From the mere fact that they are engaged in agricultural operations, it does not follow that their minimum needs are less than those of the factory workers", they said.

The Tribunal said that it was strenuously urged before them that the scale of wages for females ~~should~~ should be lower. The Tribunal stated: "No evidence was adduced before the lower court to show that the work performed by women was less strenuous or that they did not put in the same hours of work as men. Clause (D) of Article 39 of the Constitution provides that the State shall direct its policy towards securing that there be equal pay for equal work for both men and women".

"We hold that no distinction should be made in the matter of minimum basic wages between male and female workers of these seven factories".

(The Hindu, 30 April 1954 ).

Payment of Cash Compensation in lieu of Cut in Supplies of Rice to Assam Tea Garden Workers: Workers' Claim upheld by Labour Appellate Tribunal.

Giving its decision in an industrial dispute between the Indian National Trade Union Congress, Dibrugarh, representing the workmen of all tea estates in Assam and the Management of all tea estates in Assam represented by the Indian Tea Association, Calcutta and others, the Labour Appellate Tribunal of India, has held that the workmen in the tea gardens of Assam are entitled to cash compensation for the cut in rice supply, as long as the cut remains in force, in addition to the minimum wages fixed by the State Government under the Minimum Wages Act, 1948, in 1952 (~~vide pp. \_\_\_\_\_ of the report of this Office for \_\_\_\_\_ 1952~~).

History of the case.- The practice in the tea gardens of Assam was to pay their workmen a certain amount of cash and supply them in addition, certain quantities of rice and other articles of food and at concession rates. Before February 1950, workmen were being supplied five seers of rice per week at concession rates. From February 1950, the quota was reduced by half a seer per week, and the employers agreed to pay the workers cash compensation for the cut at the rate of six pies per working day. In November 1950, the quota was further reduced to 3 1/2 seers a week, in accordance with the all-India ration scale. The question of compensation for this further cut was referred to the Industrial Tribunal, which held that employers were under legal obligation to pay cash compensation to the workers for the cut in rice quota and fixed the rate of compensation at the controlled price of rice. In an appeal against this award, the Labour Appellate Tribunal reduced the rate of compensation.

Meanwhile, in March 1952, the Government of Assam issued a notification under the Minimum Wages Act, 1948, fixing the minimum wages of tea garden workers; paragraph 2 of the notification, stated that "the rates are exclusive of concessions enjoyed by the workers in respect of supply of ~~foodstuffs~~ foodstuffs and other essential commodities and other amenities which will continue unaffected". The employers took the attitude that they were under no obligation to pay, with effect from the date of enforcement of the minimum wages (i.e. 30 March 1952), compensation for the rice cut, over and above the minimum wages fixed by the Government. The reason was the fact that the minimum wages fixed exceeded the total of the cash wages which workers were being paid, the value of the concessions at which rice was being supplied to them as also the amount of compensation for the cut, which they were directed to pay under the award of the Appellate Tribunal. The Industrial Tribunal, Assam, which adjudicated upon this issue, upheld the contention of the employers on the ground that the compensation for the rice cut had been merged in the minimum wages fixed. The workers appealed against this award to the Appellate Tribunal.

The judgment.- The Appellate Tribunal stated that the entire controversy turned round upon the interpretation of paragraph 2 of the Government's notification fixing the minimum wages, and characterised as wrong the Industrial Tribunal proceedings; to consider in deciding the case, the report of the advisory board set up under the Act, as the Government was not bound to adopt the report. Holding that the minimum wages fixed expressly relate to basic rates of wages plus dearness allowance, the award pointed out that the compensation for the rice-cut had at the time of fixing the minimum wages, become an amenity. Thus the Government not only fixed the ~~compensation for the rice-cut~~ basic wages and dearness allowance but by paragraph 2 of the said notification also preserved all the amenities which the workmen were enjoying or to which they were entitled. For these reasons, the Tribunal awarded that the workmen were entitled to cash compensation for the rice-cut, so long as the cut remained in force.

On 2 May 1954, the State Government announced its decision to modify the award as it held the view that the weaker section of the tea industry in Assam had not yet recovered from the effect of sharp recession of the prices last year and by notification exempted such uneconomic gardens from liability to implement the Labour Appellate Tribunal's judgment in favour of cash compensation on account of reduction of cereal ration to labourers in view of the introduction of the all-India ration scale to tea estates.

All trade unions of Assam including the Assam branch of INTUC strongly protested against the Government's decision to modify the award. And on 14 June 1954, the Government of Assam decided to withdraw its earlier notification, modifying the award of the All-India Labour Appellate Tribunal. <sup>(The</sup> correct position is slightly different, as ascertained from the Ministry of Labour, Government of Assam now wishes to withdraw the modification effected by themselves, in the Appellate Tribunal's award but there are legal difficulties in the way. The only possible way of giving effect to the present wishes of the Assam Government will be by issue of an Ordinance. But the employers have approached the Supreme Court of India challenging even the ~~notification~~ modified award. Further action is therefore, held up pending the decision of the Supreme Court).

It is understood that a sum exceeding 15 million rupees would be required immediately to be paid by the ~~tea industry~~ tea industry of Assam to implement the award with retrospective effect.

(The Assam Gazette, Part II-A, 26 May 1954, pp. 1958-1961; The Statesman, 3 May and 16 June 1954 ).



20

Two Weeks Wages as Bonus for Ahmedabad Textile  
Workers: Arbitrator's Award.

Mr. H.V. Divatia, umpire on the bonus dispute between the Ahmedabad Millowners' Association and the Ahmedabad Textile Labour Association, in his award published on 19 May 1954, declared that a group of 22 mills, "which have made fairly good profits", should pay their workers two weeks' basic wages as bonus for 1952.

The award adds: "This payment may be taken into consideration when determining bonus for 1953. All other conditions for award of bonus should be the same as laid down in last year's award for 1951".

The bonus issue was referred to Mr. Divatia, former Chief Justice of Saurashtra, when conflicting awards were given by the arbitrators, Mr. Khandubhai Desai and Mr. Amritlal Hargovinddas, two months ago.

In his award, Mr. Divatia stated: "I desire to make it clear that the payment is not recommended as a modification of the Labour Appellate Tribunal's formula and granted on "ad hoc" basis".

The umpire admitted that his award would cause dissatisfaction to both sides, but hoped that this dissatisfaction would act as an incentive to explore a fresh method of approach and result in both sides agreeing to a new formula which, while reconsidering the claims of labour to bonus, would not reduce the competitive capacity of Ahmedabad mills in relation to other textile mills in the country, "especially in Bombay".

Mr. Divatia felt that private arbitration could be successful and could continue to exist only if such an agreed formula was evolved.

(The Times of India, 21 May 1954).

West Bengal: Monetary Payment in lieu of Food  
Concessions for Tea Garden Workers: Wages  
Revised under Minimum Wages Act, 1948.

By a notification under the Minimum Wages Act, the West Bengal Government has enhanced the minimum wages fixed earlier for clerical employees in the tea gardens in the State in lieu of withdrawal of food concessions, with effect from 15 October 1953.

The increase will be to the extent of eighteen rupees per month per clerical employee in the tea plantations of the terai area of the district of Jalpaiguri (Dooars) and Cooch Behar and nine rupees per month per employee in the hill areas of the Darjeeling district. In the case of members of ~~xxx~~ superior subordinate staff employed in the terai area of Jalpaiguri (Dooars) district, and Cooch Behar the increase will be 18 rupees per month and in the case of the monthly paid subordinate staff in the hill areas of the district of Darjeeling, five rupees eight annas per month.

(Notification No.1792Lab./G/2W-9/54 dated 31 May 1954; and No.163Lab./G/2W-3154 dated 4 June 1954; The Calcutta Gazette, Part I, dated 17 June 1954, page 1936 ).

'L'

22

## 38. Housing.

India - May-June 1954.

Training Workers in Building Trade:  
Central Plan offers good scope for  
Jobless.

Reference was made at page 24 of the report of this Office for April 1954 to the Housing Minister's announcement that the Central Government has decided to start a scheme to train skilled and unskilled workers for employment in the building trade. The scheme has been drawn up with a view to attracting unemployed young men to take up construction work as career. The scheme envisages ultimately the opening of employment-cum-training centres in a few important places in the country. For the present, however, a pilot scheme will be launched in New Delhi.

The first year's programme under the pilot scheme includes training of (1) educated unemployed persons, (2) workers of the Central Public Works Department from the work-charged staff, and (3) persons with basic knowledge and some practical experience and junior supervisory personnel of the Central Public Works Department. The number of persons likely to be trained annually under each category is 72, 192 and 144 respectively, the duration of the training being four, three and four months respectively for each course.

An apprentice will receive training in elementary theoretical instructions in the properties of materials, simple structures, construction techniques, and use of raw materials. He will, however, have to work as an understudy to masons engaged in construction work. He may be accompanied by a supervisor to ensure standard quality of workmanship. The minimum educational qualifications for the trainees will be the matriculation standard. Nominees of the Central and State Governments will be given preference in selection for the first course of training under the pilot scheme.

Along with the pilot scheme, it is proposed to run an advanced training course for teachers of various training schools in some States. The class for training masons will serve as an object class for this advanced training. At a later stage, seminars in which some of India's most efficient building masons from various regions or States may participate can be organised by the advanced trainees.

Central organisation.- If the pilot scheme is successful, the question of opening similar short training classes at a number of selected places throughout the country under a Central organisation will be considered. The Central organisation will prepare simple instruction manuals with diagrams and picture for workers with ordinary educational qualifications.

The Central organisation will also co-ordinate and supervise the training schools. This organisation and the schools will maintain a follow-up register of trainees and act as an agency for meeting the demand for trained technicians from various quarters. A list of all trained workers will also be given to employment exchanges.

Guaranteed employment.- To provide a further incentive to unemployed young men, the scheme guarantees employment for a period of eight or nine months. The trained artisans and workers will be absorbed either as work-charged staff by the Central Public Works Department and the States Public Works Departments or fixed up through Government persuasion with private contractors engaged on Government work.

The period of guaranteed employment will also give the workers experience of working independently under normal industrial conditions. Thereafter, it is felt, they will be in a position to stand on their own. If they choose, they may organise themselves into small co-operatives and work as petty building contractors. Such workers co-operatives have been organised in Hyderabad and are said to be doing fairly well (vide pp. 39-40 and 31-32 of the reports of this Office for March and May 1953 respectively).

During the period of training the students will be provided with free board and lodging and a small stipend for out-of-pocket expenses. The stipend will be given to educated unemployed trainees and members of the educated training class only. No stipend will be given to the employees of the Central Public Works Department, or State Public Works Departments in addition to their normal wages. The trainees will also be allowed to keep for their out-of-pocket expenses the money they may earn during the period of practical training.

According to present estimates, the expenditure on the pilot scheme is expected to be about two hundred thousand rupees.

Rural housing.- The Ministry of Works, Housing and Supply feels that the scheme will supplement the work of the Rural Housing Cell which was established in the Ministry some time ago (vide pp. 25 of the report of the Office for October 1953). While the cell will supply the specialised knowledge, the personnel trained under the scheme, it is hoped, will considerably help in widespread introduction of aided self-help is for the time being the only answer to the difficult problems of rural housing, slum clearance, sweepers' housing and housing of low-income groups. The trained technicians can, in this sphere, act as guides in self-help operations, in slum areas and villages. This aspect will be kept in view in the future programmes of works. The men trained here can be employed by the State Governments or local bodies for work in various field areas to complete slum clearance projects. In the matter of rural housing, these trained men can give the necessary technical control and guidance.

techniques in various states. Aided self help

Improved quality.- The Central Public Works Department and the States Public Works Departments are employing a huge work-charged staff. This personnel is not now being given any training in the work they are expected to do. The training courses for Public Works Department employees will not only improve the quality of work and output but also create a trained labour force and benefit the workers. After training, they can look forward to promotions from unskilled jobs to semi-skilled or skilled jobs. Among the other benefits that are likely to accrue to labour will be better income and increased scientific productivity.

So far, there has been no scientific planned system of training labour engaged in the building trade. The practice has been that skill has been passed on from generation to generation through a kind of trade apprenticeship based on the personal efforts and relations of the worker and the master-mason. The benefits of researches to better output through improved techniques and methods of work, resulting in increased wages, have been denied to unskilled labour, which is mostly recruited from rural areas. The scheme, it is expected, will fill this lacuna and give as impetus to housing activity in the country.

(The Times of India, 4 May 1954).

25

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

INDIA - MAY- June, 1954.

41. Agriculture.

The Rajasthan Agricultural Rents Control Act, 1954 (Act No. XI  
of 1954).

An Act to fix maximum rents receivable by land-holders from tenants has been adopted by the Rajasthan State Legislature and gazetted on 17 April 1954.

The Act, which has come into force in the districts of Alwar and Bharatpur from 16 May 1954, and will come into force in any other area of Rajasthan, on such date as the Government may notify in the official gazette, provides that notwithstanding any custom, usage or practice to the contrary or anything contained in any law, decree, order, agreement or instrument, no landholder shall receive as cash rent for any holding in any area to which this Act applies an amount exceeding twice the land revenue assessed or cash rent fixed under the Act in lieu of kind rent. However, widows, minors, disabled persons and students under 21, will be entitled to charge rents to the extent of three times the assessed land revenue from their tenants, if the holding does not exceed 6 bighas of irrigated land or 10 bighas of non-irrigated land or 25 bighas of non-irrigated land in all. Where a tenant is paying a rent lower than the maximum fixed under the Act, the provisions of the Act shall not operate to effect an increase in the rent.

(Notification No. F.12(21)-L/54 dated 17 April 1954; Rajasthan Gazette, Part IV-Section 1, 17 April 1954, pp.45-47).

42. Co-operation.

INDIA - May-June, 1954.

Punjab: Organisation of Co-operative Societies: New Bill published.

The Punjab Co-operative Societies Bill, 1954, designed to replace the Co-operative Societies Act, 1912, in its application to the State of Punjab, has been published by the Government of East Punjab on 14 May 1954.

The Statement of Objects and Reasons, appended to the Bill, points out that since the enactment of Act II of 1912, four decades have elapsed and there have been vast changes in the socio-economic set-up of the State. The present Bill seeks to provide for changes in the economic needs of the society.

The emphasis of Act of 1912 was more on the credit side of the movement, as indebtedness then was the primary economic evil needing redress. The emphasis, of late, has been on the non-credit side of the movement. Necessary legal provisions and safeguards for its proper expansion have to be made. Planning is now the accepted policy of the Central and State Governments and it is necessary that co-operative movement should also be developed on a planned basis. The provisions of the Bill have been designed to ensure these objectives.

(Punjab Government Gazette, Extraordinary,  
14 May 1954; pp.443-478).

43. Handicrafts.

India - May-June 1954.

Development and Promotion of Small-Scale Industries in India: Ford Foundation International Planning Team's Recommendations accepted by Government: Small Industries Corporation to be set up.

The Ford Foundation International Planning Team which made a study of small industries in India for a period of three months recently on the invitation of the Government of India, has submitted its report\*. Among the chief recommendations are the establishment of four Regional Institutes of Technology for Small Industries, a Marketing Service Corporation and Small Industries Corporation. These main recommendations have been accepted by the Government of India which has decided to implement them as early as possible. The main conclusions and recommendations of the Team are briefly reviewed below.

Conclusions.- The Indian market is one of the largest potential domestic markets in the world. If this market is fully developed in both the cities and the villages, it can stimulate perhaps the greatest industrial revolution ever seen, and make India one of the foremost producing and consuming areas in the world.

In the field of agriculture, which necessarily was given first development priority, good progress is being made. The rate of development of small industries is, however, slow, far slower than is possible. Many small industries are now facing a crisis, deteriorating in output and in employment, and increasingly unable, because of declining demand and production, to pay better wages or lift the standard of living of its employees.

Reasons for deterioration of small industries.- There are several reasons for this deterioration and this slow rate of progress: too little initiative on the part of private sector; too great reliance upon Government to take action; and upon Government purchasing orders; outdated production and marketing methods; lack of credit facilities and lack of systematic approach towards improvement.

---

\* Report on Small Industries in India by the International Planning Team. The Ford Foundation Ministry of Commerce and Industry, Government of India. 1954. pp. 81, price 9 annas.



The study team's major impression, however, is that the basic causes of present deficiencies in small industry are methods of management and production which fall far short of meeting modern demands for efficiency, plus reluctance or failure to adopt improved rationalised ~~know~~ methods.

Rationalisation, an essential need.- The challenge for rationalisation must be met as part of a forward looking industrial programme that will encourage and accelerate evolutionary growth. Without rationalisation, the natural talents of Indian workers and craftsmen are being wasted in a hopeless race against modern technology. Unless and until these workers are helped to produce more goods and more wealth, neither wages nor living standards can be raised. "You cannot divide what you do not first produce". To prevent rationalisation, to stop the processes of modernisation, is not only illogical, it will force stagnation and retrogression of Indian small industry.

In large part resistance to modernisation derives from fears, which are widespread, of technological unemployment. These fears are illfounded and unjustified. Perpetuation of inefficient outdated methods has more drastically reduced employment than any modernisation could have done - and without opening prospects for the future.

Modernisation on the other hand creates employment. Improvements mean more and better products at lower and lower cost price, and result in greatly expanded demands and markets, and thus expanded job opportunities. Reluctance or failure to appreciate this concept is not only responsible for many of the difficulties observed, but are real obstacles in the way of any organic effort toward improvement.

Many of these fears stem from the belief that rationalisation is an overnight process, throwing workers out of jobs in masses, as machines and labour saving methods are introduced. On the contrary, rationalising industry is a relatively slow evolutionary process which takes years and which India should accelerate. In large part workers displaced by improved methods will be shifted to other jobs created by the modernisation process. Any temporary unemployment should be absorbed by setting in motion a challenging public works programme, a capital investment in the human welfare of the people of the nation which should be made.

Without modernisation Indian industries which cling to obsolete equipment are condemned to mediocrity and eventual elimination. Only by adopting efficient methods of production, as soon and as widely as possible, can small and village industry take advantage of the good opportunity it now has to lay a basis for a promising long term development.

This, not to say that handwork and manual skills do not have a place in the Indian economy. They have a permanent place. But it is unsound to use hand power for the sake of hand power, when machine power will enable industry to meet greater demands at greatly reduced cost, and enable Indian workers and craftsmen to produce according to their skills and capacities.

Private initiative should be encouraged.- The study team is strongly of the opinion that for lasting industrial growth, private initiative should be encouraged to the fullest. The assumption, too widely held, that Government should assist in managerial responsibility, while profits remain with the manufacturer, is not conducive to a sound economic base for industrialisation. While Government initiative, controls and guidance will be needed at the beginning of an industrial development programme, the Government should make it clear that it is anxious for the private sector to take the initiative, and firmly intends to withdraw from management control at the earliest possible date where it has been necessary for the Government to initiate action. The growth of active, responsible, independent small industries and a gradual rise of many among the more gifted artisans to the status of self-reliant small industrialists will be an important contribution to the social and economic structure of India.

The team took as its basic task the finding of ways and means of ultimately providing more and better employment for the people, especially in rural areas. It is in substantial agreement in recommending a series of proposals which it believes, will lead to such increased employment.

The team has studied the commendable efforts that have been made to assist small industries. These efforts have been largely sporadic and have dealt chiefly with isolated segments of the problem. Lacking a systematic approach, they fall far short of making any appreciable impact toward the overall advancement of industrial development and no satisfactory overall solution or appreciable progress can be expected from them. It would be a false illusion to think otherwise.

The team has in consequence made an effort to base its proposals and recommendations on a systematic approach, not to the segmented problems of small industry, but to its overall problems - from raw materials supply, product design, techniques and equipment, to trade education, finance and credit, to the value of co-operatives and trade associations and to marketing and distribution. It also recommends the setting up of pilot plants to demonstrate efficient methods of increasing production, raising wages and manufacturing higher quality products at lower cost. The team believes that such proposals will, if brought to successful fruition, make possible higher production and higher wages, and accelerate and enhance the progress now being made to foster the welfare of small industry and of India's village workers and craftsmen.

Recommendations: I. Multi-purpose institutes of technology for small industries.- The Ministry of Commerce and Industry specifically requested the team to investigate the feasibility of an Institute of Technology for Small Industry to meet needs for research and basic technical assistance, as well as for training. The team recommends the establishment of not one but at least four such institutes located geographically so as better to serve the whole of India. In general, the Institutes would act as service agencies to impart simply and quickly to the small industrialist for his immediate use modern advances in science and technology, in business management, finance and marketing.

To achieve this purpose, the Institutes should: (i) initiate and carry on investigations and surveys of existing methods as well as conduct experiments and applied research for promoting development of small industry, e.g., concerning the broad technical field, improved tools, machinery, methods, raw materials, products of quality, marketing, credit, finance, etc.; (ii) disseminate the methods and results thus obtained to the industrialists, their deputies, or skilled workers. Dissemination and promotion of these improvements should be done through educational short refresher courses and information and consultation service given at the Institutes and at the Branch Units, and through mobile demonstration units and travelling industrial extension workers.

The Institutes should of course draw every possible benefit from existing facilities, such as research and scientific laboratories. Vocational and technical institutes giving comparatively long basic training to young prospective workers are now comparatively few in number and frequently use outmoded tools and methods. The proposed Institutes should lead and assist in bringing these institutions up to a higher general standard.

II. Design and methods of supply.- Indian handicrafts and small industries could produce and sell more both in India and abroad, and tap the growing "quality market", as soon as modern requirements of production and supply are met. To increase distribution and sales of these products, however, the most urgent general needs are: (1) good design and technical quality; (2) reliable organisation of supply; (3) co-ordinated promotion in India and abroad.

Some constructive efforts to meet these needs are now being made, but the study team is convinced that more substantial and faster progress is needed and possible, and would be assisted by setting up the following three types of organisations, as part of a long term development programme: a) a National School of Design to serve as a centre for creative studies in design and fashion, (b) a customers service corporation to provide satisfactory channels of supply and a reliable procurement service for Indian and foreign buyers, and (c) export development offices, one in North America, and one in Europe, to promote and stimulate foreign trade in handicrafts and artcrafts, serve as contact with foreign buyers and their demands, and engage in promotional activities. To attract both domestic and foreign buyers, the team recommends

also organisation of large scale and well publicised trade exhibitions of Indian crafts in one of India's major cities. This could be the first step as soon as the School of Design and the Customers' Service Corporation have shown their first results.

III. Credit and finance.- Without proper financing there can be no efficient planning of small industry, nor purchase of material, nor production, nor marketing, nor any fair profit. Credit and finance problems must be tackled as part of the whole programme for industrial growth.

At the present time, the team finds, real finance does not seem to exist at all, and there is a severe lack of capital as well as credit, largely because of low productivity and overpopulation in many branches of small industry. Small industries have no working capital for filling orders for buying raw materials or improved equipment. The commercial banks are apparently not able to grant credit to small industries.

The present economic difficulties of small business are so great that a very strong effort is needed if beneficial results are to be achieved. In this effort, however, the general principle must be that credit should chiefly be given to gain certain results, such as securing modern equipment and better utilisation of manpower.

The team recommends the following actions and considerations:

- (a) that Commercial Banks delegate more authority to branches to make loans to small business, and work generally toward decentralising more of their loan business;
- (b) that Commercial Banks establish Local Boards of Directors, or, if that is not feasible, at least set up Local Advisory Boards. In case of disagreement between the local management and the Advisory Boards, decision on loan applications should be referred to a higher authority;
- (c) that Co-operative Banks should expand into the industrial field;
- (d) that a system of loans against the security of real estate mortgages be considered and developed;
- (e) that, to encourage venture capital, the general atmosphere for conducting business be favourable, and fair chances of reasonable profits be considered essential;
- (f) that an adequate amount of Government funds, now allocated for small industry under the Five Year Plan, be set aside to provide loans for venture capital. A definite allocation of these funds should be made to the State Finance Corporation;

(g) that State Finance Corporation, like those that have already been set up in some States, be established in all States, with a portion of their funds also set aside exclusively for the use of small industry;

(h) that a competent Field Organisation be set up immediately to process loan applications from small industry within the framework of the State Directorates of Industries. This Organisation would act as agent ~~for~~ of the State Finance Corporation;

(i) that a sound system of instalment credit, primarily to spur purchase of modernising machinery and equipment (not excluding consumer goods) be considered.

IV. Trade Associations.- At present trade associations, that is, voluntary associations of members of a given industry or trade, are very few in India; many exist only on paper. Trade associations are an indispensable part of a democratic society, and play an important role in economic life and industrial growth. When properly ~~established~~ established and functioning such associations help acquaint members of new methods and techniques and stimulate their use, serve as information centres to their members, and perform the essential service of acting on behalf of their trade on all matters between the trade and Government or the local authorities. The team recommends, therefore, (1) that all existing local, state and national trade associations be strengthened and developed; (2) that Government both Centre and State, take the initiative in organising and promoting meetings to discuss these problems; (3) that formation of new general associations of entrepreneurs and vocational trades be encouraged; and (4) that a survey be made of present trade associations for the whole business sector.

V. Co-operative Societies.- A major conclusion reached by the team is that co-operatives should stand on their own feet. For the Government to subsidise and spoon-feed them is usually the kiss of death. The policy and approach to co-operatives needs basic change. The Government should withdraw from a paternalistic and functional attitude toward co-operatives and from direct organisation of them. While Government can and should encourage them, the team strongly emphasises that co-operatives are after all a people's movement, and must evolve out of the felt needs of the people themselves.

Further, the team feels that the first essential is education of the public and of co-operators on the contribution that co-operatives can make toward solving economic problems. This educational effort should be directed toward training men and women in co-operation so that they of their own accord, can then organise and man successful co-operatives. In this field Government can be of important assistance.

With these basic principles in mind, the study team makes these recommendations: (1) that Government withdraw gradually from direct organisation of co-operatives, shifting its efforts towards education for co-operatives which will lead to formation of co-operatives by the people themselves; (2) that a public relations programme for co-operatives be initiated to inform the thinking public, spur co-operation and overcome present disillusion and resentments; (3) that seminars and short term schools for co-operators be begun in every State in the land, and within a year, a co-operative programme for education on co-operatives be established in each State; (4) that present training programmes for co-operators, such as those now being undertaken by the Reserve Bank, should be expanded, to include an even larger number of executives of co-operatives and persons in the Government concerned with co-operation; (5) that a Research and Service Department for co-operatives be organised within the appropriate Ministry or Government agency to conduct studies and promote knowledge of co-operative practices and principles.

VI. Programme to develop industrial production.- In essence the great fundamentals of the industrial process may be stated in one phrase: "You cannot divide what you do not first produce". More production means more goods, more wealth to divide. More wealth means higher wages and lower cost per product. It means more and more employment as more goods are sold. This industrial process is evolutionary. It does not take place overnight. As through the use of efficient production tools and methods, more needed goods are produced at lower prices, workers released from present tasks take up other tasks, in the same or other fields in which effective demands are being created by the very process of rationalisation ~~it~~ itself. This evolutionary process can start from the simplest beginnings.

The team pointed out as an inspiring example, a spinning mill owned by a handloom weavers co-operative, visited in South India. There the use of better equipment, and the building of a fine modern plant (even including air conditioning) have permitted the society to give a higher return to its owner members. If it is given complete freedom to operate in the most modern manner, under a high level board, it can and will become almost a shrine in world textile progress and point the way in showing how rationalisation can bring benefits in higher wages and growing employment.

It is with this basic principle of evolutionary industrial growth in mind, that the team makes the following recommendations. They constitute illustrative examples of action that could be taken, as demonstration projects, to accelerate India's evolutionary growth and advance its social and economic standards:

34

(1) A Small Industries Corporation - to be formed by the Central Government, and with regional and State branches, for the servicing of small industry in the field of Government indents in all its purchases from industry. The primary purpose of the Corporation is to provide the necessary incentive and help small industry to improve its techniques of production and management by working on assured orders; and to assure small industry of its due place and share in India's expanding economy. Its whole effect would be to move small industry forward.

(2) A Plant for Production and Training - to help solve the problem of training workers in mass production methods and at the same time provide badly needed goods. The team recommends that the plant manufacture relatively large central diesel electric generating plants for community use in villages and small towns. It will thus help provide villages with sources of power well before the commendable multi-purpose river valley developments can be brought to bear in sufficient amounts. Availability of power is the first essential of industrial growth. The plants should be large, employing 1,000 to 2,000 workers per shift, of whom one third would be trainees, and two thirds a permanent work corps. It should be designed and built, and in the beginning, managed and directed by men trained in mass production, and equipped with the most modern machinery available. Since the requirements of such a plant are greater than can be met easily by private enterprise, it should be initially started by the Government; a Government-owned joint-stock corporation or corporations are a possible means of finance and operation. It will make possible an eventual complete transfer to private ownership and operation - a transfer believed essential.

(3) Small plants for demonstration - to manufacture goods in which the skills of village craftsmen predominantly enter, such as agricultural implements. The plants should be decentralised, so that they can stimulate progress in village areas. The Government will need only to initiate the effort; all plants should be sold to private owners as soon as possible.

VII. Marketing and distribution. - Basic development of marketing must take place on these general lines; Firstly, that "made-in-India" products must be good and of uniform quality, and to this end, industry cannot rely wholly on Government, but must police itself. Secondly, products must be geared to meet consumers' felt needs, and be so designed and so marketed that they awaken latent needs. Thirdly, aggressive efforts must be made to reach and stimulate the huge potential market of the villages as yet barely touched. This effort should be accompanied by a genuine attempt to provide service as well as sales. Provision for sound service at reasonable cost to the customer is an essential basis of industrial selling. With these principles in mind, the team feels that it may be advisable - (1) for the Central Government to establish an autonomous Marketing Service Corporation starting immediately on a moderate scale, which can deter-

25

determine consumer demands through surveys, encourage producers to meet these demands, and secure and process orders from wholesalers and retailers, at least on an initial basis. It is a paramount requirement that the Corporation operate as a profit business. Once the industrial process starts working, this Corporation would be integrated as a marketing news service within the proposed multi-purpose Institutes, and its functions become purely service and advisory;

(2) to set up as an integral part of the Marketing Service Corporation a marketing news service, establishing contracts and reporting liaison with all principal foreign and domestic markets. The multi-purpose Institutes should take a leading part in conducting this service, with the view toward later integrating the service into the Institutes;

(3) that immediate industry-wide conferences in each major export commodity - such as lac and mica - be held for appraisal of available scientific research on new uses for the commodities in both domestic and foreign markets and further finance their own organisations to work with purchasers and laboratories abroad to keep abreast of foreign market demands and developments.

Government decision on the report.- According to a Resolution dated 7 June 1954\*, the Government of India has decided to implement the following recommendations as early as possible:-

(1) The Establishment of Four Regional Institutes of Technology for Small Industries which would act as Service Agencies and would assist small industries in improving their technique of production and management; in obtaining credit and finance; in securing proper raw materials; in marketing their goods to the best possible advantage; and in promoting patterns of development calculated to make small scale industries ancillary to large scale industries by bringing about co-ordination of production programmes.

(2) The Establishment of a Marketing Service Corporation which would later integrate its activities with those of the Institutes.

(3) The Establishment of a Small Industries Corporation to organise production for meeting Government orders.

The other recommendations made by the Team are under consideration.

---

\* Resolution dated 7 June 1954; The Gazette of India, Extraordinary, Part I-Section 1, 8 June 1954, p.387.



36

The Government had also decided to appoint a Director of Small Scale Industries and to constitute a Small Scale Industries Board of which he would be the ex-officio Chairman and which would consist of representatives of the Ministries concerned in the Government of India, and of State Governments. The functions of the Director and the Board would be to control and co-ordinate the activities of the organisations mentioned above and also to frame and implement programmes generally for the development of small scale industries in this country. It is proposed to expand the Board in due course to include representatives of both large scale and small scale industry and other interests concerned.

-----

Problems of Handloom Industry reviewed by  
Commerce and Industry Minister.

Addressing the third meeting of the All-India Handloom Board at Bombay on 16 June 1954, Mr. T.T. Krishnamachari, Union Minister for Commerce and Industry, said: "Reservation of counts for handloom has not worked well. It is no solution. But I am prepared to await the recommendations of the Kanungo Committee to whom this issue has been referred for investigation".

The Minister stated that the Governor of the Reserve Bank had told him that the Reserve Bank would be prepared to help Government-approved schemes for the development of co-operative societies of handloom weavers.

Better position of handloom industry.- Mr. Krishnamachari stated that the production of handloom cloth was very encouraging and the quality had also considerably improved. As against the intake of 62,000 bales of yarn every month, the handloom industry touched 83,000 bales two months ago. Now the average was 78,000 bales. The rate of consumption of cloth had also increased. Consumption of sugar, cloth and edible oils had all gone up, which only reflected improvement in the condition of agriculturists. If the current monsoon proved good and helpful, he expected a further increase in the consumption of cloth. Even if a third shift was worked by mills, the out-turn of cloth would be consumed by the people of India. In Uttar Pradesh where the normal consumption of dhoties was 8,000 bales per annum, it had, today increased to 14,000 bales. The Minister, however, added that he was not suggesting to millowners to work a third shift, as there was not enough Indian cotton.

37

Mr. Krishnamachari asked the Handloom Board to examine and submit proposals to the Government in regard to the aid to be given to outside agencies. He said in some places producing co-operative societies were not able to meet the demands and in some places production was too high and the demand was poor. Both in production and marketing, outside agencies had to be utilised. The Board must examine ~~how~~ how the aid could be equitably distributed.

The Governor of the Reserve Bank had told him, the Minister said, that the Reserve Bank would be prepared to help Government-approved schemes for the development of co-operative societies of handloom weavers. He would like the Board to prepare schemes and submit the same to the Government for approval. He reminded the Board that the future of the handloom industry lay in co-operative endeavour.

Labour problems in industry.- The Board, the Minister said, would have to discuss and draft concrete proposals for dealing with the exploitation of weavers by capitalists and pseudo-capitalists. The Board would have also to consider the inroads into the industry made by outsiders. Personally he was in favour of registration of looms with a certain amount of flexibility for new-comers. When once the handloom weaver received Government help and enjoyed a steady income, other might also like to enter the field. He stated: "Should we allow more people to enter into the industry. If you succeed in giving good wages to the handloom weavers, more people will be attracted to the industry - traditional and non-traditional. If we are not going to allow any newcomer in the field, then a system of registration will have to be evolved. In evolving a system of registration, we will have to provide for certain amount of flexibility each year. A certain percentage will have to be accommodated".

Work of the Board reviewed.- Reviewing the work of the All-India Handloom Board, Mr. T. Swaminathan, chairman of the Board, recalled that the All-India Handloom Board, in its present form, met for the first time in December 1952, when the industry was, indeed, in a sad plight. There were large accumulations of handloom cloth, weavers compelled to stop production and there was acute distress among handloom weavers all over the country. The Board and its Standing Committee got down to work as speedily as possible and, in August 1953, laid down a number of general principles which should apply to the allocation of funds for the assistance of the handloom industry. Dispersed as the industry was throughout the entire country, it was obvious that the actual execution of work had to be done through the States. In the absence of adequate resources, the States had not a machinery of sufficient size and efficiency for dealing with the large and urgent problem of the handloom industry. It was only after September 1953, that gradually resources were made available to the State Governments with which they could organise a machinery for dealing with this problem.

During 1953, a sum of 14.9 million rupees was sanctioned to State Governments in the form of grants and 14.8 million rupees as loans. These sanctions were communicated to State Governments in instalments from September 1953 up to March 1954. Procedural formalities led to a certain hiatus and schemes actually did not get going until towards the end of the financial year. The result was that the States utilised only about 4.4 million rupees for the purpose of granting loans and about 1 million rupees for the purpose of making grants. The balance of the sums already sanctioned were made available immediately back to States in the beginning of the new financial year. Procedural difficulties have been overcome to a considerable extent and it is expected that work on the rehabilitation of the handloom industry will get into full swing during the current financial year.

One single major problem of the industry, Mr. Swaminathan said was marketing. This applied of course, not only to the handloom industry but to every other industry, both small and large, particularly when economic conditions were not those of a boom. Naturally, therefore, the All-India Handloom Board singled out the problem of marketing and the problem of organisation for immediate attention. The bulk of the grants and the loans were made to organisation and marketing. Grants for opening sales depots and for rebates on the sale of handloom cloth figured largely in the assistance given to States. Similarly, share capital advanced to weavers for joining co-operatives and working capital advanced to co-operatives were also important and substantial items in the lists of loans made available to States. It was gratifying that exports of handloom cloth during 1953 were of the order of 65 million yards. With the deputation of marketing officers to Baghdad, Colombo, Rangoon and Singapore, it may reasonably be hoped that there will be a considerable increase in the Indian export of handloom cloth.

The Board, Mr. Swaminathan said, has not in its pre-occupation with the immediate problem, forgotten the basic remedy for the difficulties of the handloom industry, namely, the long term improvement of efficiency, designs, etc., of the industry. A number of improvements to the basic tools of the industry were being gradually introduced. States were also going in for dye-houses and finishing points for improving the quality and finish and increasing the range of varieties of the products of the industry. Steps are being taken to organise research both as regards the improvement of the equipment and as regards the improvement of the finish and designs of handloom textiles.

Co-operative societies.— The chairman said that State Governments were now in a position to set up a machinery for dealing with the problems of the handloom industry. The organisation of weavers into co-operatives was making steady if unspectacular progress. In the co-operative organisation lay the answer to many of the difficulties of the handloom weaver and it was only right and proper that States should give urgent attention to the education of the weaver towards organising himself. Working through the co-operative organisation, the handloom weavers will ultimately get the largest benefit out of any assistance that may be made available to the industry.

When the Board started functioning it was reported to it by State Governments that roughly 727,000 weavers, were within the co-operative fold. The State Governments had reported that during 1953-54, 35,200 weavers were newly brought into the fold.

The Central Government, the chairman stated, hoped to make available a sum of 50 million rupees to the handloom industry during 1954-55. With the balance left over from 1953-54 the total assistance available to the industry during 1954-55 may be expected to be between 60 million rupees and 70 million rupees including loans and grants.

(The Hindu, 17 June 1954 ).

'L'

44. Merchant Marine and Fisheries.

India - May-June 1954.

Regulated Employment for Maritime Workers:  
Seamen's Employment Scheme enforced in  
Bombay Port.

*employment*  
A scheme for <sup>of</sup> seamen based on equitable distribution of the available volume of employment among effective seamen, under the Indian Merchant Shipping Act, 1923, for the port of Bombay was enforced with effect from 7 June 1954. A Seamen's Employment Board consisting of 5 members each representing the Government, employers and workers respectively has also been set up to administer the scheme.

The scheme.- The scheme is embodied in the Indian Merchant Shipping (Seamen's Employment Office, Bombay) Rules, 1954, published by the Government on 15 May 1954. These rules provide for the appointment of an Advisory Seamen's Employment Board, consisting of representatives of the Government, Shipowners and seamen, and a Seamen's Employment Office to administer the scheme.

The scheme provides for registration of seamen with the Employment Office, which shall keep two kinds of rosters of such registered seamen, viz., a general roster and a company roster on application by a shipping company or a group of shipping companies in respect of seamen customarily employed by them.

All shipowners seeking to engage seamen at Bombay shall furnish to the Director indents for the various categories of seamen in respect of ~~the various~~ specific ships as soon as such requirements become known and, in any case, not less than fifteen days in advance of the date when the seamen are actually required. In urgent cases, the Director may, in relaxation of the preceding requirement, accept such indents from the shipowners at shorter notice. On receipt of indents from shipowners, the Director shall arrange to call up the requisite number of seamen from the appropriate roster in accordance with such procedure as may be prescribed after consultation with the Board. Seamen who report to the Employment Office on or before the due date in response to the call shall be eligible for employment in the order in which their names stand in the relevant rosters. The Director shall offer to shipowners the services of the seamen of each category as are eligible and available for employment on the principle of rotation.

A shipowner shall as a rule engage seamen for employment in the order in which they are offered provided that for reasons stated to the satisfaction of the Director - (a) the shipowner may reject any seaman so offered; and (b) any seaman may refuse engagement on any ship for which he is proposed or selected.

The Director General of Shipping may, after consulting the Board, lay down guiding principles for enabling the Director to determine whether the reasons advanced for rejecting a seaman or a ship are satisfactory.

(Notification No.S.R.O.1611 dated 15 May 1954; The Gazette of India, Extraordinary, Part II- Section 3, 13 May 1954, pp.828-852.  
Notification No.S.R.O.1614 dated 19 May 1954; The Gazette of India, Extraordinary, Part II- Section 3, 19 May 1954, p. 855.  
Notification No.S.R.O.1852 dated 7 June 1954; The Gazette of India, Extraordinary, Part II- Section 3, 7 June 1954, p. 939 ).

Madras Minor Ports Harbour Craft Rules.

The Government of Madras published on 2 June 1954 the text of the Madras Minor Ports Harbour Craft Rules, 1954, made in exercise of the powers conferred under the Indian Ports Act, 1908. The rules provide for the licensing and regulating catamarans (fishing boats) plying for hire and flats and cargo, passenger, and other boats plying ~~whether~~ whether for hire or not, licensing and ~~for~~ regulating, the crews of any such vessels and prescribe the quantity of cargo or number of passengers or of the crew to be carried by any such vessels.

(Fort St. George Gazette, Part I, Rules Supplement, 2 June 1954, pp. 207-216 ).

'L'

42

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - May-June, 1954

50. General.

The Factories (Amendment) Act, 1954 (No.25 of 1954): Measure to implement I.L.O. Conventions relating to Prohibition of Employment of Women and Young Persons during Night in Factories.

The Factories (Amendment) Bill (vide pp.50-52 of the report of this Office for September 1953), which among others, gives effect to the I.L.O. Conventions Nos. 89 and 90 prohibiting employment of women and young persons during night in factories, and amends the provisions of the Act relating to annual leave with wages, was passed by the House of the People on 28 April 1954 and gazetted as Act No.25 on 8 May 1954. The Council of States had passed the Bill in March 1954 (vide pp.58-59 of the report of this Office for March 1954).

Debate in the House of People:- Mr. V.V. Giri, Union Labour Minister, moving the Bill for consideration said that apart from the amendments incorporated in the present Bill, the Government had under consideration certain other proposals for the amendment of the Act. These, however, required detailed examination and consultation with all the interests concerned, including employers' and workers' organisations, and would be brought before the House in a separate Bill in due course.

The present Bill, among other things, seeks to give effect to the I.L.O. Conventions prohibiting employment of women and young persons during night in factory. They also seek to simplify the provisions relating to annual leave with wages as well as to remove some practical difficulties experienced in the working of the Act during the last four and a half years.

Explaining the need for increasing the period of leave allowed to be carried forward, Mr. Giri said it was felt that workers could not afford to go on leave very often and that when they want, they would prefer to be away for comparatively long periods.

The ~~and~~ amendments incorporated in the present Bill, Mr. Giri said, had been examined in consultation with the State Governments and the all-India organisations of workers and employers, and there was a "large measure" of agreement between the various parties in regard to them.

Mr. Giri said he would take this opportunity to explain the measures the Government of India had taken for improving the administration of the Factories Act, "particularly in view of the criticism voiced on the floor of the House and outside on various occasions in regard to laxity in the enforcement of the provisions of this Act."

The House was no doubt aware, Mr. Giri continued, that the Factories Act being a concurrent subject, the responsibility

for the administration of the Act vested in the State Governments. Laws and regulations could be effective only to the extent they were implemented, and implementation called for the establishment of an adequate enforcement machinery.

The question of strengthening factory inspectorates and the appointment of medical inspectors had, therefore, been actively pursued since 1946 and the position had been constantly under review. The sanctioned strength of inspectorates in Part "A" States had increased from 60 to almost double the number. Medical inspectors of factories had also been appointed in some of the major States.

The need for adequate training of factory inspectors had also been fully appreciated. Arrangements had been made under the various foreign technical assistance programmes for the training of inspectors in some of the industrially advanced countries. At the same time training and refresher courses were being held by the Central Organisation of the Chief Adviser of Factories from time to time for the benefit of inspectors, particularly those newly appointed.

The Central Organisation of the Chief Adviser of Factories had also undertaken studies into incidence of occupational diseases and other health hazards in various industries, Mr. Giri said. These surveys were being conducted on an industrywise basis. As a result of the investigations so far carried out, recommendations had been made for reducing the incidence of occupational diseases and for improving working conditions in general and they had been communicated to the States Governments and others for further necessary action.

In social legislation, if a reasonable standard of compliance was to be maintained, said Mr. Giri, the co-operation of all parties was very necessary. It was recognised that voluntary action achieved better results than compulsion, and a new method of approach for ensuring the effective implementation of the provisions of the Act was being considered in some of the better organised industries by securing an agreement with the employers and workers as to the methods of compliance with the Factories Act and rules and also as to the observance of certain practices outside the scope of the Act but affecting the safety, health and welfare of the workers. These agreements did not, of course, supersede in any way the requirements of the Act.

Mr. Giri told the House that the Government had decided to set up a Central Labour Institute in Bombay. The Institute would function as a centre for research on problems bearing on the well-being of industrial workers and for imparting specialised training in labour problems. The scheme envisaged was a composite one, comprising a museum of industrial safety, health and welfare; an industrial hygiene laboratory; a training centre; and a library-cum-information centre.

Mr. P.T. Punnose (Communist) said that on the whole, the



changes sought to be made were for the better. He, however, wanted some machinery to be devised to see that the Acts passed by the House are implemented. A large number of workers did not get the benefits to which they were entitled under the Factories Act. The number of inspectors being very small, a large number of factories were not visited by them at all. What was more objectionable, they got their information from the management and not from labour. In the Government owned transport industry in Travancore-Cochin, there were "casual" workers who had put in four, five or six years of service. The overtime allowance was meagre. In some of the coir factories in Alleppy, managements dismissed workers before they could claim the benefit of annual leave. There were factories on the Malabar Coast which stipulated that its employees should not take more than four or five days' leave at a stretch. To prevent some of these abuses, Mr. Punnoose urged that the qualifying period for annual leave with wages should be reduced to 90 days.

Mr. M.S. Gurupadaswamy (P.S.P.) said there was no use passing legislation when it was not properly implemented. In many of the States there was no inspection by factory inspectors.

Bi-partite agreements between employers and labour, on which the Labour Minister had laid stress were, no doubt, good in principle but they served only a limited purpose, Mr. Gurupadaswamy said. Experience had shown that in these agreements the bargaining power was always on the side of the employers. The Government always tried to help the employers with whom they seemed to have a sympathetic understanding. In many cases labour departments in the States encouraged fissiparous tendencies among labour ranks.

The Factory Act had failed to remedy the situation where employers engaged labour seasonally, discharged them and re-engaged them to avoid the provisions of the Act, he said.

He wanted the Minister to see that labour got more benefits. For instance, every male labourer should have one day's rest after working ten days, and every woman one day after eight days.

Mr. R. Venkatraman (Congress) said the Factories Act was a piece of legislation which compared well with legislation in the most modern countries of the world. It had been progressively amended and brought into line with the U.K. Act from time to time. If it was not so in practice, it was largely, if not entirely, due to the fact that the unions were not strong enough to bring the legislation to the attention of the authorities charged with the duty of enforcing it.

Mr. Venkatraman complained that no figures relating to factories and other statistics were available beyond 1951-52. The State Governments took a long time in furnishing these data which made it difficult for the House to form its conclusion.

Mr. Venkataraman said the power given under the Bill to the employer to split factories into smaller units or combine them was capable of great abuse. To escape the provisions of the Act, bidi factories in certain areas had been split and agents, who were not governed by the Act, were appointed to bring together the total output. Conditions of utmost filth and squalor prevailed where children and adults worked to manufacture bidis.

45

When the Government brought forward the comprehensive legislation promised by the Minister, he hoped the relevant clause would be suitably amended.

He also thought there was no need for the amendment proposed by the Minister to the clause relating to employment of women and children in moving machinery and transmission machinery. The Act as it stood banned such employment, but the amendment sought to authorise such employment if the machinery was not dangerous.

Mr. R. Venkatraman suggested the Government should declare in respect of overtime to facilitate change of shifts, that such work should not exceed half an hour or one hour.

The amendment in regard to the hours of rest was also likely to be abused. As at present the hours of rest should follow a work period of five hours whereas the amendment provided that the work period might be expanded to six hours before rest. If it were the Government's intention as had been stated to protect continuous work such as in printing presses, newspapers offices, etc., an exemption might be made in these cases.

He also felt the adoption of the 'standard family' (one male and one female adult and two children under the age of 14) for purposes of computing concessions, was likely to put the workers to hardship.

Minister's reply to debate.— Replying to the debate, the Labour Minister, Mr. Giri, said the international convention which was being enacted did not in any way interfere with the advantages that women and children workers were having before. He assured the House that the Government would soon bring forward a "really comprehensive measure" regarding factory legislation. While formulating the provisions of this measure, he said, all the suggestions made by members during the debate would be considered. He would place the suggestions made by members about factory legislation and other points likely to be incorporated in the proposed comprehensive Bill before the Indian Labour Conference which was a fully representative body representing three Central organisations of employers and four workers' organisations and those of the States. "I have always said, and I shall repeat it again", he said, "that I am a believer in bipartite and tripartite agreements because these agreements are based on detailed discussion between the various interests at the highest level.

"Bipartite and tripartite agreements, in my humble opinion, are more useful than legislation itself. If legislation is to be implemented, then there must be people to see that it is implemented, but generally results of bipartite and tripartite agreements based on detailed discussion and looking into all sides of the matter by employers' and workers' representatives are not only ~~more~~ binding but generally acted upon because on both sides there is a respect for such agreements.

The Labour Minister referred to the criticism regarding factory inspectors and said that ~~as~~ as the Labour Minister in Madras, earlier, he had given personal directions to these inspectors in that State. And now, as Labour Minister at the Centre, he was doing the same. His instruction to inspectors was that whenever they visited factories, they should meet the labour representatives there.

It was not entirely correct to say that the Factories' Act did not apply to casual labour. He said it did apply to them in many respects. He said he hoped that with the co-operation of the States Governments and others concerned, the Act would be implemented in a proper manner.

(The Hindustan Times, 28 and 29 April, 1954; The Gazette of India, Extraordinary, Part II-Section 1, 8 May 1954, pp.159-170)

Mines Rules, 1954: Draft published.

In exercise of the powers conferred by section 58 of the Mines Act, 1952, the Central Government has published the draft of the Mines Rules, 1954.

The draft rules relate, chiefly, to the following subjects: constitution, membership, quorum and other rules of procedure of the Mining Board set up under the Act; business of courts of inquiry set up to inquire into accidents in mines; powers and duties of certifying surgeons; detailed health and sanitation provisions including lavatory and drinking water facilities; first aid facilities and medical appliances to be provided; regulations relating to employment of persons, including description of persons holding positions of supervision or management etc., weekly day of rest, notice regarding hours of work, compensatory days of rest and employment of adolescents; leave with wages and overtime; and welfare amenities to be provided, including rest shelters, canteens and powers and duties of welfare officer.

(Notification No. S.R.O. 1606 dated 7 May 1954; The Gazette of India, Part II-Section 3, 15 May 1953, pp.1013-1042).

52. Workers' Welfare and Recreation.

INDIA - MAY-JUNE, 1954.

Hyderabad: 26 Factories directed to provide workers' canteens.

In exercise of the powers conferred under the Hyderabad Factories Rules, 1952, the Government has directed the occupiers of 26 factories in the districts of Warangal, Adilabad, Hyderabad, Nizamabad, Aurangabad and Mandel to provide in or near their factories an adequate canteen according to the standards prescribed in the rules. The canteen shall be made available for the use of workers, within six months from 10 June 1954.

(Order No. B/106/52/80 dated 1 June 1954; The Hyderabad Government Gazette, Part I-D, 10 June 1954, pp. 652-653).

48

53. Women's Work.

India - May-June, 1954

Meeting of National Congress of Women, Calcutta, 4-7 June 1954:

Equal Wages for Equal Work demanded: New National Federation.

formed.

An open session of the National Congress of Women, a new Central Organisation for Women, was inaugurated on 4 June 1954 by Mrs. Urmila Debi at Calcutta; Mrs. Anasuyabhai Gyanchand presided. The session was held for 4 days from 4 to 7 June 1954. About 850 delegates from different parts of India attended the session; observers from Pakistan, Nepal, United Kingdom, Australia and the Women's International Democratic Federation were also present.

The session decided to form a new organisation called National Federation of Indian Women. The session also adopted many resolutions on the problems of women, among other matters, calling for the application of the principle of equal wages for equal work and removal of discrimination in employment and promotion of suitably qualified women.

Mrs. Urmila Debi in her inaugural address, advised the sponsors to organise women to fight for their rights and at the same time instil in them a sense of freedom, self-reliance and dignity.

Mrs. Urmila Devi said that during the past few decades there had been a remarkable awakening among women in India, but, the progress of the few had made the backwardness of the many look more tragic.

She did not believe that freedom for women meant their deliverance from the onerous duties of home life. They had a dual role to play. At home, they had to look after the material comforts of the families and shape the character of their children. They had also an important role to play in the wider social sphere. But few Indian women were today equipped for this role. No law, however, comprehensive and generous, could bring them to this stage of perfection. They must reach that stage ~~themselves~~ by their own efforts.

The President, Mrs. Gyanchand, spoke mainly of the danger of war and the need for peace to build a happy life. "We women", she said, "may not understand the difference between various isms, but we do understand the difference between war and peace, between hunger and contentment, between insecurity and security, between a world in which our children can be wiped out with the hydrogen bomb and a world of peace and plenty. We want peace so that our children may never know the horrors of war".

Resolutions.- The chief among the resolutions adopted by the session are given below:-

1) Equal pay for equal work.- The Congress demanded the application of the principle of equal wages for equal work for all workers regardless of whether they were men or women working

49

in factories, plantations, mines, in schools, offices, shops, business concerns or in Government service. It also urged fixation of equal minimum wage for both men and women. All benefits such as free medical treatment for families, house allowance, travelling allowance for the worker and his family should be made equally applicable to men and women employed in all Government services.

2. Discrimination in employment.- The session urged the removal of discrimination against employment and promotion of suitably qualified women in any profession or in Government service including higher posts. Discrimination against married women should also be ended. The Congress urged the setting up of a pool of Government employees facing retrenchment and asked for their planned absorption in either Government or state-aided institutions or offices.

3. Maternity and Child welfare.- The Congress stated that the Government had not paid attention towards the maternity and child welfare problems and pointed out that 200,000 women died during child birth per year and 137 out of every 1000 babies died within the year of their birth in India. The Planning Commission had admitted in the five-year plan that to save women and children from diseases and death it was necessary to open one maternity centre for every 10,000 of population. But the Government had not so far taken any effective steps towards this. The Elore Committee recommended that 200,000 qualified doctors, 400,000 trained nurses and 400,000 midwives were needed in India. But the reports of the Government stated that there were only 7,000 trained dais, 50,000 midwives and 100 specialists in children's diseases in the whole of India. They were absolutely insufficient for a population of 350 million.

The Congress pointed out that many State Governments had enacted maternity benefit law for women working in the factories. But these Acts suffered from many defects so that women workers were unable to secure any benefit from these and suffered from the same disabilities as the women in general in this respect.

The Congress, therefore, asked that a maternity centre and child welfare centre should be opened for every 10,000 of population, where women and children be treated and given medicines free of charge. Extension of beds in existing hospitals was also demanded.

Health centres, it said, should provide training to mothers in child care. There should also be arrangements for physical exercises for women. Trained dais should be appointed in every village and mohalla (neighbourhood) who should work without charging any fee from the public and whose salaries should be paid by Government. Women in the employment of Government or private agencies should be given maternity leave with full pay. Creches and nurseries should be opened for the children of working women. Free milk centres for expectant and nursing mothers and children should be opened. The Congress felt that non-official committees should be appointed to look after the welfare centres and hospitals and appealed to women's organisations to play an active part in the achievement of these demands.

4. Industrial health insurance.- The session also urged that maternity benefit amenities for three months should be applied to all establishments whether industrial, commercial or administrative, where women were employed on a salary basis, and the evasion of the law should be strictly punished. The industrial health insurance scheme should be extended to provide free medical aid to the family of workers.

5. Conditions of working women.... Commenting on the existing conditions of working women the Congress said that except in textiles, mines and plantations the number of women employed in large-scale industries was almost negligible. By far the largest number of women was engaged in cottage industries such as handloom, bidi, coir, paddy husking or work on a contract basis with no permanent employment such as in construction work, road making etc. The question of permanency was also acute with municipal workers of local bodies.

In recent years there had been a tendency on the part of employers to exclude women from employment in factories. Women workers were usually the first victims of such measures as wage cut and retrenchment. Large numbers of women employed in Government departments such as Civil Supplies, Telephones, etc., were facing retrenchment due to closure, without any guarantee of alternative employment. In matters of benefits the women were generally treated as single head though they might be married or had families to support. As a rule women were generally forced to accept a lower scale of pay than men and employers found ways and means of evading payment of maternity benefit to them by devious methods. No adequate provision was made for creches for the children of working women and provision of housing, medical aid, water supply, sanitation and educational facilities was most unsatisfactory in working class areas.

6. Scope for employment for women.- Asking for more scope of employment for women, the Congress expressed its deep concern at the difficulties facing women in the present growing economic crisis when increasing numbers of women were seeking employment but were unable to find jobs.

The main reason why women were at present unable to become earners, it said, were firstly the lack of education and training, secondly the restriction of employment of women to a very few professions and thirdly the fact that house work and care of the children continued to be a drudgery.

The Congress urged for a substantial increase in training centres for elementary teachers training, training of nurses and midwives, health workers, adult literary teachers and social workers. It also asked for opening of at least one vocational and technical training centre in every city with 200,000 population where training for typing, shorthand, handicrafts should be given. There should also be a nation-wide scheme for absorbing spare time of housewives not highly educated and trained, by providing a network of centres on mohalla or ward basis for doing such work as sewing, tailoring, leather work, paper making etc., at home. In rural areas handicrafts centres specially suitable

to the needs of women should be started. The Congress asked all women's organisations to take the initiative in starting handicraft centres and also urged the Government of India to ensure opening of Governmental cottage industry centres throughout India on a nation-wide basis.

The Congress urged better service conditions and training facilities for nurses.

7. Agricultural workers.- In a resolution on agricultural workers, the conference stated that an equal minimum wage should be fixed for both men and women agricultural workers. Medical facilities, provision of lady doctors and trained midwives for women in rural areas were also demanded.

New Federation of Women constituted.- On the last day of the session the Congress unanimously adopted the Constitution of a new organisation named National Federation of Indian Women.

The Federation, it was announced, stands for a sovereign, democratic, and prosperous India in a peaceful world where freedom is guaranteed to all nations and there is an end of discrimination due to colour, sex, religious faith and political belief. The Federation stands for friendship, unity and solidarity of women throughout the world.

The Federation shall work for emancipation of Indian women social, economic, cultural and political, based on equality of rights between men and women and full social justice; physical, intellectual, moral, artistic, and educational well-being and security of children; and protection of the rights of mothers and ensurance of a happy motherhood for all women.

The Federation shall struggle for the achievement of its aims and objects by all just and legitimate means. The Federation shall co-operate with other national and international organisations of women with similar aims and objects. The Federation will be open to affiliation for women's organisations with over 100 members and also to individuals.

The Congress elected a Council which at its first meeting elected a 29-member Executive Committee including the following office-bearers: President - Mrs. Pushpamoyee Bose (West Bengal) and Joint Secretaries - Mrs. Anusuya Gyanchand (Delhi) and Mrs. Hajrah Begum (Delhi).

(Amrita Bazar Patrika, 5-8 June 1954).



53. Women's Work

India - May-June 1954

Service Conditions of Nurses:

Inquiry Committee appointed

The Government of India has set up a committee under the chairmanship of the Minister of Health, Madras, to review the conditions of service, emoluments, etc., of the nursing profession.

Other members of the committee are the Health Ministers of Assam, Bombay, Punjab, Orissa, Uttar Pradesh and West Bengal. The Chief Nursing Superintendent of the Directorate-General of Health Services will be the Secretary of the Committee.

The Committee has been requested to submit its report to the Government within six months.

(The Statesman, 27 May 1954)

53

55. Protection of Minors.

INDIA - MAY-JUNE 1954.

Employment of Children in Railways and Major Ports: Draft Rules  
Published

In supersession of the Employment of Children (Federal Railways) Rules, 1940, the Central Government has published the draft Employment of Children (Railways) Rules, 1954, to be taken up for final consideration after 1 July 1954.

These rules, which have been made under section 7 of the Employment of Children Act, 1938, relate to the hours of rest of children employed in railways.

Similar draft rules, Employment of Children (Major Ports) Rules, 1954, for major ports have also been published.

(Notification No. S. R. O. 1607 and No. 1608 dated 11 May 1954; The Gazette of India, Part II-Section 3, 15 May 1954, pp. 1042-1044 and pp. 1044-1045).

56. Labour Administration.

INDIA - MAY-JUNE, 1954

Conditions of Work in Ceylon during 1953; Administration Report of the Commissioner of Labour.

The following information about the principal aspects of labour administration in Ceylon during the year 1953 is taken from the Administration Report of the Commissioner of Labour.<sup>1</sup>

I. Wages Board's Legislation. The Wages Boards (Amendment) Act No. 5 of 1953 was passed during the year. Among the principal changes made by the Act are those which give a Wages Board greater powers in regard to the fixing of working hours and weekly and annual holidays. According to the interpretation given by the Courts, workers who were employed in a trade incidental to the employer's main trade did not reap the benefits of the ordinance. This situation was remedied by a suitable amendment. The extent of permissible deductions from wages has been increased so that workers can discharge, through their employers, any commitments in such matters as co-operative society bills, charitable contributions, insurance premia etc. The prescriptive period in respect of recoveries and offences has been increased from one year to two years. The other changes relate largely to procedural matters affecting the Wages Boards and matters of a technical nature designed to remove existing loopholes.

Enforcement. More workplaces were visited during the year by officers of the Department than in the previous year. The total number of estates inspected was 2,739 and the number of other establishments inspected 1,764, making a total of 4,503 inspections. Those visits comprised 2,405 routine inspections of estates, 1,532 routine inspections of other establishments, 334 inspection visits to estates as a result of complaints and 232 such visits to other establishments. The tendency to regard certain statutory obligations such as the exhibition of notices as matters of minor significance continued to be prevalent among many employers. A perfunctory attitude towards maintaining records was again noticeable.

Inspecting officers of the Department checked the wages of 457,041 estates workers and 35,874 workers in other establishments. The estate workers comprised 213,025 men, 190,186 women and 53,830 children. In the case of the other establishments the corresponding figures were 29,006 men, 5,083 women and 1,785 young persons. The total amount detected as short payments resulting

---

1. I-Civil(F): Administration Report of the Commissioner of Labour for 1953. Printed at the Government Press, Ceylon. To be purchased at the Government Publications Bureau, Colombo; Price Rs. 3.50, pp. 108.

from non-payment of the legal minimum rates of wages for different categories of workers in trades governed by Wages Boards decisions was 470,274.40 rupees. Of this amount the short payments in the Tea Growing and Manufacturing and Rubber Growing and Manufacturing Trades totalled 175,503.38 rupees. For an appreciable portion of this amount the numerous small employers were responsible - those who had purchased small parts of large estates which were blocked out and sold in fragments. There is evidence to indicate that the owners in their anxiety to get back the capital expenditure within the shortest period of time used every means including infringement of statutory obligations in order to do so. Another unfortunate aspect to which attention must be drawn is the number of cases where large underpayments occurred and where such underpayments could not be ascribed to the incapacity of the employer to pay his ignorance of his legal obligations or the vagaries of the trade in which he engaged.

Fine how

Prosecution.- During the year under review, 67 prosecutions as against 76 last year were entered under the Ordinance which together with 33 that were pending since last year, made a total of 100. ~~42~~ convictions were obtained; 13 cases were withdrawn on satisfactory adjustments being made by the accused persons and 4 resulted in acquittals, while the other cases were still pending. Twenty prosecutions were against employers who had recently acquired small estates. Fines imposed in the cases where convictions were obtained amounted to 2,845.94 rupees. Arrears recovered for workers as a result of legal proceedings amounted to 2,604.63 rupees.

II. Industrial Relations: Legislation.- During the year, the Joint Agreement between the Ceylon Estates Employers' Federation and the Ceylon Workers' Congress regarding the procedure for the settlement of disputes in the plantations signed in 1951 continued to regulate the relations between these 2 major organisations of employers and workers.

Three hundred and eighty-eight conferences were held under the chairmanship of labour Officers in informal attempts to settle disputes without recourse to the provisions of the Act. The results are analysed below:

|  |                           |                  |
|--|---------------------------|------------------|
| (1) No. of disputes in connection with which                                       | (a) Estates..             | 338              |
| Conferences were held in 1953  | (b) Other establishments. | 50               |
| (2) No. of disputes settled at such conferences.                                   | (a) Estates.              | 265 <sup>1</sup> |
|  | (b) Other Establishments. | 39               |
| (3) No. of disputes in respect of which conferences held in 1953 ended in failure. | (a) Estates.              | 73               |
|  | (b) Other establishments  | 11               |

At the end of 1953, there was one case pending before a Board of Conciliation set up under the Industrial Disputes

---

1. Includes some disputes which were partially settled and not pursued further.

(Conciliation) Ordinance before its repeal. This case resulted in a compromise settlement.

The following is an analysis of cases considered for action under Section 3(1) of the Industrial Disputes Act.

|   |       |           |
|---|-------|-----------|
| No. of cases pending consideration at the end of 1952.  | .     | 14        |
| No. of notices of disputes received during the year.  | .     | 65        |
|   | Total | <u>79</u> |
| No. of notices withdrawn  | .     | 5         |
| No. of cases referred for settlement by Conciliation under Section 3(1) of the Act                                | .     | 5         |
| No. of cases referred to the Port Commissioner for disposal   | .     | 1         |
| No. of cases settled without being so referred for settlement by conciliation                                     | .     | 19        |
| No. of cases not so referred for settlement by conciliation   | .     | 24        |
| No. of cases pending consideration at the end of the year.  | .     | 23        |
|   | Total | <u>77</u> |
| No. of cases referred for settlement by conciliation pending before Authorised Officers, etc. at the end of 1952. | .     | 7         |
| No. of cases referred for settlement by conciliation during the year.   | .     | 5         |
|   | Total | <u>12</u> |
| No. of cases settled by conciliation under the Act during the year  | .     | 4         |
| No. of cases in which reports were made under Section 12(4) of the Act.   | .     | 5         |
| No. of cases pending before authorised officers etc. at the end of the year.                                      | .     | 2         |
| No. of cases in which the reference was held invalid.   | .     | 1         |
|   | Total | <u>12</u> |
| 1 No. of cases in which recommendations made by Authorised Officers etc. were;                                    |       |           |
| (i) Accepted by workers   | .     | 4         |
| (ii) Accepted by employers  | .     | 1         |
| (iii) Rejected by workers   | .     | -         |
| (iv) Rejected by employers  | .     | 4         |

These cases relate only to those disputes which were not settled by information discussions and conferences and in respect of which the provisions of the Industrial Disputes Act were involved by the parties.

Two collective agreements relating to the dock, harbour

1. No communication was received from the Union in respect of one case.

and port transport industry and one relating to the workers of the Colombo Gas and Water Co. Ltd., were concluded during the year.

Strikes and lock-outs.- Eighty-seven strikes were reported during the year as against 75 in 1952. The total number of workers involved and man-days lost were 378,082 and 462,582 in 1953 as against 11,523 and 56,404 respectively in 1952. This large increase in the number of man-days lost was due entirely to two widespread strikes on plantations, one an Island-wide oneday token strike of estate workers (resulting in the loss of 353,056 man-days) as a protest against the proposal of the employers' representatives of the Wages Board for the Tea (growing and Manufacturing trade asking for a reduction in the basic minimum wages of workers in that trade and the other a strike on estates in the Mamunukula Planting district (resulting in the loss of 66,833 man-days) in support of the stand taken by the Ceylon Workers' Congress in connection with the dispute on Kandahena Estate, Mamunukula. If these two strikes due to exceptional causes are excluded, the balance figure of 42,683 is much less than the figure for 1952 and it would therefore not be correct to conclude that conditions were more turbulent than in the previous year.

The amount of wages lost by workers as a result of strikes was 1,022,083.10 rupees as against 170,815.65 rupees in 1952.

The following table analyses strikes during 1952 and 1953 by causes:

| Causes  | 1952                  |             |     |             | 1953                  |             |     |              |
|---|-----------------------|-------------|-----|-------------|-----------------------|-------------|-----|--------------|
|   | Plan-<br>ta-<br>tions | Oth-<br>ers | No. | Per<br>cent | Plan-<br>ta-<br>tions | Oth-<br>ers | No. | Per<br>cent. |
| 1. Dismissal or loss of Employment in any way. Failure to provide work.     | 8                     | 5           | 13  | 17.33       | 6                     | 11          | 17  | 19.54        |
| 2. Wage increases. Higher rates for piece work, &c.                         | 5                     | 9           | 14  | 18.67       | 4                     | 11          | 15. | 17.24        |
| 3. Other wage disputes (e.g. delay in payment, cash advances, &c)           | 8                     | 18          | 26  | 34.67       | 5                     | 18          | 23  | 26.44        |
| 4. Estate rules, working arrangements, discipline, disputes with sub-staff. | 9                     | 3           | 12  | 16.00       | 9                     | 4           | 13  | 14.94        |
| 5. Food matters. Welfare.   | 2                     | 1           | 3   | 4.00        | 3                     | 2           | 5   | 5.74         |
| 6. Right of association and meeting.  | 1                     | 0           | 1   | 1.33        | 1                     | 0           | 1   | 1.15         |
| 7. Factional disputes and domestic matters.                                 | 1                     | 0           | 1   | 1.33        | 0                     | 0           | 0   | 0            |
| 8. External matters (e.g. arrest by Police, &c).                            | 0                     | 2           | 2   | 2.67        | 0                     | 0           | 0   | 0            |
| 9. Assaults by employer or agent or others.                                 | 2                     | 1           | 3   | 4.00        | 3                     | 1           | 4   | 4.60         |
| 10. General demands.  | 0                     | 0           | 0   | 0           | 0                     | 3           | 3   | 3.45         |
| 11. Sympathetic strikes.  | 0                     | 0           | 0   | 0           | 2                     | 4           | 6   | 6.90         |
| Total   | 36                    | 39          | 75  | 100.00      | 33                    | 54          | 87  | 100.00       |

There was one lockout of 26 employees during the year, in a firm in Colombo for 1 1/2 days, arising from a demand for reduction of working hours. The dispute was settled on the employees agreeing to maintain the status quo pending negotiations.

Trade Unions.- Fifty-three Unions applied for registration under the Trade Unions Ordinance during the course of the year. Forty Unions were registered in the same period, comprising 12 unions which had applied for registration previously and 28 unions which had applied during 1953. At the end of the year 25 applications for registration were still under consideration. The rules and forms submitted in support of applications for registration were frequently found to be not in compliance with the provisions of the Ordinance. The time involved in the rectification of these defects in consultation with the executives of the Unions concerned was the major contributory factor to delays in the registration of such unions.

At the end of 1952, 257 unions were functioning. While 40 new unions were registered during the year as indicated above, the registration of 38 unions was cancelled for a variety of reasons. The number of registered unions functioning at the end of 1953 was, therefore, 259, including trade unions of public servants. The total number of unions of public servants functioning at the end of 1952 was 148.

At the close of the year two unions had political funds, namely, the Ceylon Estates Staff's Union and the Ceylon Labour Union. No contributions were made during the last 3 years to the political fund of the Ceylon Labour Union.

The total membership of workers' Unions at the end of 1953 was 307,369 as against a membership of 297,370 at the end of the previous year. On the assumption that the organisable workers in the country number approximately 1,500,000, the present membership of workers' unions gives a density percentage of 25. The largest concentration of membership is in the unions covering the plantation industries. These unions had 196,078 members at the close of the year giving 63.8 per cent. of the total membership of workers unions.

A classification of unions according to trades and membership is given below:

| <u>Trade/Industry</u>   | <u>Number of Unions</u> | <u>Total membership</u> |
|-------------------------|-------------------------|-------------------------|
| Employers ..            | 12                      | 1,662                   |
| Employees-              |                         |                         |
| (1) Central Government  | 126                     | 48,841                  |
| (2) Imperial Government | 1                       | 1,683                   |
| (3) Local Government    | 8                       | 4,772                   |
| (4) Non-Government      | 60                      | 252,073                 |
| <b>Total</b>            | <b>195</b>              | <b>307,369</b>          |

| Workers' Unions-                 | <u>Number of Unions</u> | <u>Total Membership</u> |
|----------------------------------|-------------------------|-------------------------|
| (1) Plantations and Agricultural | 13                      | 196,078                 |
| (2) Industrial ..                | 16                      | 10,406                  |
| (3) Transportation ..            | 31                      | 15,600                  |
| (4) Clerical ..                  | 18                      | 13,679                  |
| (5) Professional ..              | 67                      | 15,041                  |
| (6) General ..                   | 50                      | 56,565                  |
| Total                            | <u>195</u>              | <u>507,369</u>          |

The affiliation of unions and membership to Federations of trade union is indicated below;

| Federations:                         | <u>Number of Unions federated</u> | <u>Total membership</u> |
|--------------------------------------|-----------------------------------|-------------------------|
| <b>Employers-</b>                    |                                   |                         |
| (1) Employers' Federation of Ceylon. | 7                                 | 168                     |
| <b>Employees-</b>                    |                                   |                         |
| (1) Ceylon Federation of Labour      | 8                                 | 37,229                  |
| (2) All Ceylon Trade Union Congress  | 5                                 | 26,842                  |
| (3) Ceylon Trade Union Federation.   | 13                                | 25,404                  |
| Total                                | <u>--</u>                         | <u>89,475</u>           |

III. Employment service.- The demand for labour was steady during the year, as in the previous year; consequently, there was no wide-spread unemployment in any part of the Island. There were some fluctuations in the market prices of coconut products, but these did not affect labour in these industries and employers continued to maintain their labour forces in spite of these price fluctuations. Employment opportunities continued to be satisfactory in the tea and rubber plantations as the market prices of these commodities were fairly steady. Under-employment and seasonal unemployment, however, are prevalent among the rural population whose main occupations are agriculture and fishing.

The following table shows registrations for employment and placement, category-wise, during the year:

| <u>Category</u>           | <u>No. registered</u> | <u>No. placed</u> |
|---------------------------|-----------------------|-------------------|
| Technical and clerical .. | 13,386                | 1,528             |
| Skilled ..                | 8,056                 | 669               |
| Semi-skilled ..           | 17,545                | 1,371             |
| Unskilled ..              | 27,643                | 2,820             |
| Total                     | <u>66,628</u>         | <u>6,388</u>      |



The numbers remaining on the registers of the employment exchanges awaiting employment at the end of the year were as follows:

|                        |    |               |
|------------------------|----|---------------|
| Technical and Clerical | .. | 8,574         |
| Skilled                | .. | 6,462         |
| Semi-skilled           | .. | 13,676        |
| Unskilled              | .. | 23,034        |
| Total                  | .. | <u>51,546</u> |

In the course of visits to private establishments, officers of the employment exchanges impressed on employers the necessity to "Ceylonise" their staffs. This was done in pursuance of the Government's present policy of effecting Ceylonisation by persuasion. This subject which is closely linked with the Indian immigrant problem was being reviewed at the end of the year.

The report states that some of the proposals made by the I.L.O. expert on employment services had been implemented. The major proposals involving increase in the staff and provision of a better standard of premises and furniture which were regarded as unsatisfactory as well as proposals for setting up Youth Employment and Higher Appointment Services and the establishment of Advisory Committees as provided for in the I.L.O. Employment Services Convention were under consideration.

Unemployment relief. The following table gives the total number of persons employed on un-employment relief schemes at the end of each year since 1950:-

| <u>Station</u> | <u>1950</u> | <u>1951</u> | <u>1952</u> | <u>1953</u> |
|----------------|-------------|-------------|-------------|-------------|
| Colombo        | 5,618       | 6,794       | 4,074       | 3,524       |
| Galle          | 289         | 199         | 182         | 156         |
| Kandy          | 1,863       | 1,500       | 907         | 509         |
| Other Areas    | 524         | 228         | 136         | 26          |

Employment information.- The Report on the Man Power Survey conducted by Dr. Saks, the I.L.O. Expert, was received in November 1953. The Employment Information Programme inaugurated by him was continued during the year. The information collected under this programme is furnished from time to time to the Department of Census and Statistics for publication in the Statistical Abstract and in the Quarterly Bulletin of Statistics. The question of covering more establishments coming under certain Industrial Codes is under consideration.

Training schemes.- During the year, three special training schemes for training Ceylonese for employment as gardeners and conservancy labourers were approved during the year; 54 persons were trained in conservancy work, of whom 18 were placed in employment.

Vocational training.- The Report mentions that the work of Mr. R. Hynes, I.L.O. expert in organising suitable vocational training programmes is being continued.

This is the first attempt made in Ceylon to establish on a

voluntary and practical basis a co-ordinated scheme of training for apprentices in the electrical trades, to be worked in collaboration with the Ceylon Technical College through the release of apprentices for theoretical work for half a day a week without loss of pay. Workers' representatives were not invited to take part in the formulation of this scheme, because the employers were to be given a chance of first organising the scheme on a practical basis. Workers' representatives will, it is hoped, be invited at a later stage to give their comments and co-operation after the scheme has been tested in actual practice.

IV. Shops Ordinance: Legislation.- During the year the Shops and Offices (Regulation of Employment and Remuneration) Bill was introduced in the House of Representatives and passed the second reading. This Bill, which is a completely new one, is intended to replace the existing Shops Ordinance No.66 of 1938. It will extend the protection in regard to such matters as hours of work, holidays, intervals, for rest and meals, and facilities affecting the health and comfort of employees, already enjoyed by shop employees, to employees in mercantile offices and similar establishments. It also makes provision for regulating the emoluments paid to employees either by consent as between employers and employees or through the machinery of Remuneration Tribunals constituted on the same lines as the Wages Boards. The Bill has also a number of features which have been incorporated as a result of experience gained by the department in the working of the Shops Ordinance and the Wages Boards Ordinance. It will provide protection by law for the first time to white collar workers who are not enjoying the privileges which had hitherto been enjoyed by manual workers under the Wages Boards Ordinance. The Bill has very wide coverage and it is expected that nearly 150,000 workers will benefit.

Employment.- A total of 8,992 shops inspections were done during the year. Of this number 1,137 were new inspections while 7,855 were re-inspections. Considerable laxity still exists, in spite of the vigorous measures taken by the department in the observance of those provisions dealing with the payment of overtime wages and the granting of weekly and annual holidays, especially in the smaller establishments. Difficulties in ascertaining the actual wages and reluctance on the part of the employers to volunteer information were among the handicaps which faced the enforcement staff. Notwithstanding the administrative difficulties mentioned above, recoveries of short payments in overtime and holiday wages by the department amounted to 24,612.50 rupees. The figure represents a considerable increase over the sum of 17,266.24 rupees recovered and disbursed to workers in 1952.

V. Maternity Benefits.- Provision of maternity benefits to women workers continued to be governed by the Maternity Benefits Ordinance No.32 of 1939 as amended subsequently. The obligations of employers under this Ordinance are now generally well understood, and consequently the standard of conformity with these provisions has been very satisfactory. Many employers, particularly those on estates, have made provisions in excess of the requirements of the law. A number of estates now have fully equipped maternity wards under the supervision of qualified doctors and apothecaries. Only one prosecution was launched under the Ordinance. Non-compliance with the provisions

of the Ordinance in the few cases that were detected for the most part related to such matters as non-maintenance of forms, or inadequate records.

VI. Accidents.- The number of accidents reported in 1953 increased considerably as compared with 1952. The figures are as follows:-

|                     |       |             |             |
|---------------------|-------|-------------|-------------|
|                     |       | <u>1953</u> | <u>1952</u> |
| Fatal accidents     | .. .. | 22          | 4           |
| Non-fatal accidents | .. .. | 2,065       | 1,127       |

This increase is attributed to the fact that the requirements of the Ordinance as to the reporting of accidents are gradually becoming more widely known, and not to any marked deterioration in the safeguarding of dangerous machinery, which in many factories could hardly be lower.

VII. Mines.- According to the report of the Inspector of Mines the downward trend in the plumbago market that was evident in the previous year continued throughout 1953 and resulted in a large number of small mines closing down. There were some occasions during the year when the large mines too found difficulty in selling their production. However, the large mines continued to work throughout the year. At the end of the year 23 mines employing 1,014 men were reported to be working as compared with 58 mines employing 1,223 men the previous year.

VIII. Industrial Hygiene.- The Report gives an account of the services provided by the Directors of Industrial Hygiene, ~~which~~ which included medical supervision of employees, industrial hygiene survey of establishments, and advisory technical consultant services.

IX. Indian estate labour.- Indian labourers despatched to Ceylon during 1953 numbered 41,921 in comparison with 57,247 during the previous year. Approximately 45,963 returned to India against 58,152 for 1952. In the early months of 1953 two main factors unsettled the normal migratory flow. The more serious was the pre-occupation with the question of "citizenship". The other was owing to temporary difficulties which arose in Ceylon in regard to food supplies and the issue of ration cards. Labourers became in consequence reluctant to visit India and a marked decrease resulted in the numbers travelling during the first half of the year. In the succeeding half year registration figures returned to normal.

CHAPTER 6. GENERAL RIGHTS OF WORKERS.

INDIA - MAY-JUNE, 1954

66. Strike and Lockout Rights.

Bihar: Cotton Textile Industry declared a Public Utility Service.

In exercise of the powers conferred under the Industrial disputes Act, 1947, the Government of Bihar has declared the cotton textile industry in the State to be a public utility service for the purposes of the said Act for a period of six months from 6 June 1954.

(Notification No. III/DL-9033/54 L-8816 dated 28 May 1954, Bihar Gazette, Part II, 2 June 1954, p.1498).

Hyderabad: Motor Transport Industry declared a Public Utility Service.

In exercise of the powers conferred under the Industrial Disputes Act, 1947, the Government of Hyderabad has declared the motor transport industry in the State to be a public utility service for a period of six months from 29 April 1954.

(Notification No. I/40/52/64 dated 21 April 1954, Hyderabad Government Gazette, Part II, 29 April 1954, p.436).

West Bengal: Sugar Industry declared Public Utility Service.

In exercise of the powers conferred under Section 2 of the Industrial Disputes Act, 1947, the Government of West Bengal has declared the sugar industry in the State to be a public utility service for the purposes of the Act for a period of six months with effect from 1 June 1954.

(Notification No. 2766Dis. ID/1A-10/54 dated 29 May 1954; The Calcutta Gazette, Part I, 5 June 1954, p.1716).

67. Conciliation and Arbitration.

INDIA - MAY-JUNE, 1954.

The Industrial Disputes (Banking Companies) Commencement of Decision Ordinance (No. 7 of 1954); Time Limit For Government Decision on Bank Disputes Award extended.

The Government of India issued on 24 May 1954, an ordinance on the Labour Appellate Tribunal award on the bank dispute (vide pp. 21-23 of the report of this Office for April 1954) extending the time limit of 30 days given to the Government under the Industrial Disputes Act, 1947, to take a decision by a further period of three months.

The Ministry of Finance in a press communique issued in this connection stated: "The Government of India has had under examination, the award of the what is known as the All-India Bank Dispute. Under Section 15 of the Industrial Disputes (Appellate Tribunal) Act, 1950, the appropriate Government (here the Government of India) has the power if it is of the opinion that it would be inexpedient on public grounds to give effect to the whole or part of a Tribunal decision, to reject the decision or modify it, before the expiry of 30 days from the date on which the Tribunal's decision is pronounced, when the decision becomes otherwise enforceable.

"The appellate Tribunal made its award on 29 April 1954, so that unless the Government of India comes to a decision before 27 ~~May~~ May, the decision of the Tribunal takes effect. The Tribunal's award covers a very complicated dispute, the adjudication of which involved the establishment of three Tribunals and has taken five years. Moreover, it affects a very important sector of the country's economy and a large number of banking companies. Banking also stands in a special category because other interests, as for instance those of the depositors, are involved. Finally, the Government has also to consider the effect of the award on the general economy of the country as a whole.

"The limit of 30 days given to Government by the law to take a decision on the award is wholly inadequate for a proper consideration of the complex issues involved and the Government feels it essential to have adequate additional time. It has accordingly decided to issue an ordinance amending Section 15 of the Industrial Disputes (Appellate Tribunal) Act, 1950, so as to extend, for this cause, the period of 30 days by a further three months.

"The Government hopes that before the expiry of this period it would be in a position to announce its decision on the Tribunal's award. Pending this, the existing position in regard to salaries and other conditions of service of the bank employees will remain unchanged."

(The Gazette of India, Extraordinary, Part II-Section I, 24 May 1954, pp. 185-186; The Statesman, 25 May 1954)

65

68. Labour Courts.

INDIA- May-June, 1954

The Industrial Tribunal (Central Procedure) Rules, 1954.

In exercise of the powers conferred under section 58 of the Industrial Disputes Act, 1947, the Central Government published on 27 May 1954, the Industrial Tribunal (Central Procedure) Rules, 1954, which relate to the procedure for dealing with applications or complaints in writing received by it under section 33 or section 33A of the Industrial Disputes Act, to Industrial Tribunals.

(Section 33 of the Industrial Disputes Act relates to prohibition of changes in conditions of service etc., during the pendency of conciliation or adjudication without the conciliation or adjudicating authorities' permission. Section 33A concerns special provision for adjudication on complaints received from an aggrieved employee regarding such change in conditions of service.)

(Notification No. S.R.O. 1793 dated 27 May 1954; The Gazette of India, Extraordinary Part II-Section 3, 27 May 1954, page 925).

66

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN  
CATEGORIES OF WORKERS

INDIA - MAY-JUNE 1954

71. Employees and Salaried Intellectual Workers

Higher Pay Scales for School Teachers in

West Bengal: Government's Decision announced

The West Bengal Government has announced its decision to increase the pay scales of primary and junior basic school teachers in rural areas and the dearness allowance of teachers of non-Government colleges with roll strengths of up to 1,500. These increases, together with the enhanced emoluments granted early in the year for secondary school teachers, will cost the Government 9.325 million rupees a year.

In view of its financial difficulties, the Government proposes to give effect to the decisions in two stages. The increased emoluments of teachers of secondary schools, sponsored training schools and non-Government colleges will be given effect to from 1 April 1954 and those of primary school teachers from 1 January 1955.

The revised salaries of primary school teachers are:

Trained matriculates (Category A) now in scale of 40-1-45 rupees will get additional pay of 10 rupees in the scale of 50-1-55 rupees and the usual allowances.

. Matriculates or trained non-matriculates (Category B) now getting 35 rupees per month as basic pay will be put in the scale of 45-1-50 rupees with the usual allowances.

Untrained non-matriculates (Category C) whose present basic pay is 20 rupees, will get a special allowance of 7 rupees 8 annas provided they agree to go through training and do welfare work outside school hours.

Teachers of junior basic schools will get a starting pay of 50 rupees instead of 40 rupees, as at present in the scale of 25--80 rupees with usual allowances.

The dearness allowances of 15 rupees given by the Government to 1,254 teachers of 72 colleges, subject to the condition that the college authorities

601

paid an equal amount, will be increased to 17 rupees 8 annas provided the college authorities pay an equal sum.

Inquiry Commission to be appointed.- The Government Press Note issued on the subject emphasises the anxiety of the Government to improve the economic conditions of school teachers within the limits of the funds available.

Meanwhile, it has been decided to appoint an inquiry commission to consider all problems relating to secondary schools, the system of grants-in-aid to them, the emoluments of their teachers, the standard of education given and the syllabuses and courses of study prescribed for students and the examinations they undergo. The Government, the Press Note adds, will take due note of the recommendations of the commission.

(The Statesman, 16 May 1954)



68

Higher Pay Scale for Teachers: South Indian

Teachers' Union's Demand

A meeting of the South Indian Teachers' Union was held at Tanjore on 30 May 1954 under the chairmanship of Mr. S. Natarajan, President of the Union. The meeting, among others, passed a resolution demanding higher emoluments for teachers. The following scales of pay were recommended: Principal 600-25-800; Professors 300-20-600 rupees; Lecturers 200-10-350 rupees; Demonstrators and Tutors 100-10-300 rupees (plus an allowance of 20 rupees for Honours men of Class I and II).

Headmasters 250-15-400 rupees; Assistants (Grade A) 100-10-300 rupees; Assistants (Grade B) 70-5-150 rupees (an allowance of 10 rupees to be paid for a higher academic qualifications, say passing the Intermediate); Assistants (Grade C) 50-3-90 rupees.

Moving the resolution, Mr. E.H. Parmeswaran, M.L.C., pointed out at the outset, that the recommendations of the Central Pay Commission and the Central Advisory Board had not yet been implemented by the State Government. He then emphasised that a teacher was the pivot of any scheme of educational re-organisation and on his willing cooperation depend the success of any scheme.

Seconding the resolution Prof. L.N. Subrahmaniam of Madanapalle, pointed out that it was not merely the problem of attracting the best talents into the ranks of the profession, but one of retaining them. We wanted the recommendations of the University Commission to be given effect to in the remaining 28 colleges all over the State from the next academic year onwards.

Other resolutions.- A resolution moved from the chair urged the Government to modify its order so that teachers are given the freedom to contest elections to the local bodies as well as to the legislature. Moving the resolution, Mr. S. Natarajan, President, said that it was the fundamental right of teachers, as of any other citizen in the Republic of India, to seek election to such bodies.

A resolution moved by Mr. H. Visvesvaran urged the Government of India to appoint a special commission

89

to study the problems of agency, control, finance and supervision with regard to elementary education, in view of the fact that the Government were committed to a policy of providing free, compulsory primary education for all children at least up to the age of 14.

Another resolution passed at the conference stressed the need for starting multi-purpose schools, whenever possible, and urged both the Central and State Governments to give liberal grants.

The conference requested the State Government to take over the administration of the Provident Fund and allow the same rate of interest which employees under local bodies got for their contributions.

Another resolution, moved by Mr. T.P. Srinivasavaradhan, Secretary of the S.I.T.U. urged the Government to revise the rules so as to facilitate the effective organisation of practical activities, both curricular and extra-curricular within the limits of the budget provision.

Other resolutions passed at the conference pleaded for the provision of pension for teachers employment in local bodies and aided managements, requested Government to make it compulsory for every teacher to take a life insurance policy and appealed to the Government for the grant of dearness allowance and house rent allowance to teachers of all grades under all managements at the rates applicable to employees of the Central Government and to extend the age of retirement to the sixtieth year.

(The Hindu, 1 June 1954)

70

CHAPTER 8. MANPOWER PROBLEMS.

INDIA - MAY-JUNE 1954.

81. Employment Situation.

Extension of Lay-Off Compensation Benefits to Workers in Plantations: Industrial Disputes (Amendment) Bill, 1954, introduced in Council of States.

Mr. V.V. Giri, Union Minister for Labour, introduced in the Council of States on 6 May 1954, the Industrial Disputes (Amendment) Bill, extending the provisions relating to lay-off benefits in the original Act to plantation workers.

The Statement of Objects and Reasons of the Bill says that the Industrial Committee on Plantations has recommended that these provisions should be applied to the plantation industry with effect from 1 April 1954, subject to the condition that none of the provisions of the Act derogated from the effect of any statutory notifications issued by the Governments or of any agreements or contracts entered into between the parties requiring the provisions by employers of a minimum number of days of work or wages or compensation ~~xxx~~ to workers (vide pp. 34-38 of the report of this Office for *January* 1954). The Bill is intended to give statutory effect to this recommendation.

The Industrial Disputes Act, 1947 was amended recently to provide for payment of lay-off compensation to workers in factories covered by the Factories Act, 1948 and in mines coming under the Mines Act, 1952 (vide pp. 97-99 of the report of this Office for *December* 1953).

(The Gazette of India, Extraordinary,  
Part II-Section 2, 10 May 1954,  
pp. 282-282 ).

71

Territorial Army (Amendment) Bill, 1954:  
Compulsory Enrolment in Territorial Army.

A Bill to amend the Territorial Army Act, 1948, was introduced in the Lok Sabha (House of the People) on 21 May 1954 by Mr. Mahavir Tyagi, Minister for Defence, Government of India. The Bill provides for the imposition of compulsory liability for enrolment in the Territorial Army for certain categories of employees, namely, Government officials and employees of specified public utility services.

The Statement of Objects and Reasons appended to the Bill declares that recruitment to the urban units of the territorial army has not so far been satisfactory, especially in the technical units. The Bill seeks to impose compulsory liability for enrolment in the territorial army for certain categories of employees, namely, Government servants and employees of specified public utility concerns in selected age groups. It is proposed to utilise this liability to fill up deficiencies in the authorised strength of the territorial army units. The Bill, if enacted, will also facilitate expansion of the territorial army in an emergency. Public utility concerns have been included in the compulsory enrolment scheme in order to ensure that essential services continue to function in an emergency.

The Bill seeks to provide the necessary legal basis for calling for particulars regarding age, calling up for inquiry and medical examination, of persons liable to be enrolled under the scheme, the registration and calling up of the persons considered fit for service in the territorial army and other allied matters.

(The Gazette of India, Part II-Section 2,  
Extraordinary, 21 May 1954, pp.334-338 ).

72

Rationalisation Scheme for the Textile Industry  
in Uttar Pradesh: Approved at Tripartite  
Conference.

A tripartite conference between representatives of the State's textile industry, labour and the Government, convened by the Government of Uttar Pradesh at Naini Tal on 1 June 1954, approved a scheme for rationalisation for the textile industry in the State.

Mr. Sampurnanand, Labour Minister, U.P., who inaugurated the meeting, said that the question of rationalisation was to be discussed with the basic assumption that it would not result in retrenchment. The employers had agreed to this. The scheme rationalisation, the Labour Minister said, should advance cautiously but firmly and should entail retrenchment of workers only to the extent they would be absorbed by retirements and natural wastages. The Minister then invited representatives of labour and employers to express their views on the matter. A full dress discussion followed in which 16 speakers participated. Those from labour included Mr. Surya Prasad Awasthi, Mr. Ganga Sahai Chaubey, Mr. Bimal Mahrotra, Mr. Arjun Arora, Mr. Kashi Nath Pande and Mr. Amulya Ratan Tewari.

The speakers on behalf of the industry were Mr. Padmapat Singhania, Mr. Mangathram Jaipuria, Mr. Hari-shankar Bagla, Mr. F.M. Modi and Mr. P.K. Sehgal.

There was on the whole general agreement on the question of introduction of the scheme and the consensus of opinion was in favour of the scheme as outlined by the Minister.

The conference also approved of the idea of constituting mill-wise committees for attending to details relating to each mill in Cawnpore.

Necessity for rationalisation.— The Labour Minister, addressing a press conference on 13 June 1954, on the conference, explaining the rationalisation scheme in the textile mills of Cawnpore, said that if the rationalisation scheme was not put through between five to nine thousand workers would be thrown out of employment. If the scheme was implemented, it would result in an increase of the basic wages of workers by about 55 per cent.

The Minister referred to the problems with which the state textile industry was confronted. He said that there were a number of problems facing the industry and rationalisation was the only way to meet the crisis, both in labour and industry. The geographical position, he said, was also responsible for these. Some forty years ago cotton was available in U.P. in large quantity. Now the industry had to import it from Bombay and Madhya Pradesh and that too at one time for their whole year's requirements which meant that a good deal of the money of the industrialists was locked up. A few years ago labour was also cheap.

Another difficulty the industry was facing was that wages paid to workers in Cawnpore were higher than those paid in Ahmedabad and Bombay. In 1939, Cawnpore was decidedly cheaper but today the cost of index figure there was higher than in Bombay. In Bombay the cost of index figure was 250 while in Cawnpore it was 450. Besides, dearness was higher at Cawnpore than in Bombay. Hence the Cawnpore industrialist was at a greater disadvantage than the Bombay industrialist.

During the last five years in Cawnpore they had retrenched 15,000 workers. The textile industry in the State was at present employing 46,000 workers. The Government, he said, had been trying their level best to prevent employers from making retrenchment though they could easily retrench surplus staff after compensation for 15 days to four months under the Industrial Disputes Act as amended by the Government of India.

The Labour Minister said that if the proposal he had made ~~was~~ be accepted there would be no retrenchment and all the 46,000 workers would remain employed. The scheme aimed at taking the fullest advantage of the existing machinery in textile mills by arranging for more shifts. The existing machinery would not be replaced by big machinery, he said, as some people thought.

Mr. Sampurnanand stated that the principles agreed at Naini Tal were that there should be no retrenchment, that wages should go up in view of increased work load involved (one worker for example would be required to mind four looms as in Bombay instead of two as at present in Kanpur) and those putting in work beyond a stipulated minimum standard would be given still more money.

He calculated that under the scheme the average wages including dearness allowance could go up to 115 rupees a month against the present 85 rupees while the extra efficient could earn up to 130 rupees a month.

Committee set up.— A Press Note issued by the Government of Uttar Pradesh on 5 June 1954, stated that the Uttar Pradesh Government had accepted the recommendations made by the State Tripartite Labour Conference (textiles) for the constitution of a committee at Kanpur to work out the details and to supervise the scheme of rationalisation in the textile mills there. With the consent of the parties concerned, Government had nominated the following to form this committee: The Labour ~~Minister~~ Commissioner, U.P., Mr. Padampat Singhania, Mr. H. Hill, Mr. Mangruram Maipuria, Mr. Suriya Prasad Awasthi, Mr. Rajaram Shastri and Mr. Ganga Sahai Chaube.

74

The general principles of the scheme have already been agreed upon in the tripartite conference held on 1 and 2 June in Nainital. This committee will be concerned with the fixing of details of the scheme and devising ways and means for their smooth operation in the mills, the Press Note added.

It will also be the function of the committee to co-ordinate the working of the scheme in different textile mills in Kanpur and to guide the arrangement, where necessary. For this purpose, the committee will be authorised to issue instructions touching the cases of individual mills, as also general instructions which would affect all such mills.

Separate orders will be issued for the constitution of committees at the level of individual mills, for which also a recommendation has been made by the tripartite conference, the Press note said.

(The National Herald, 2 and 15 June 1954;  
The Hindu, 8 June 1954;  
The Statesman, 15 June 1954 ).

Note: Though agreement, in principle, was reported to have been reached, it appears that this is not quite the case. All parties are not adhering to the 'Agreement' and the actual position is that the matter is still unsettled.

-----

Employment Exchanges: Working during March-April 1954.

According to the review of work done by the Directorate General of Resettlement and Employment for the month of March 1954, there was a slight easing of the employment situation. The number of registered unemployed declined by over 13,000 and the number ~~of~~ vacancies notified and placings effected increased. The number of fresh registrations at exchanges during the month were much the same as ~~the~~ in the previous month which was the lowest since February 1953.

The employment situation in general showed little or no change during the month of April 1954.

Most of the exchanges continued to report a shortage of stenographers, trained teachers, qualified doctors, engineers, surveyors, overseers and draughtsmen. A large number of exchanges continued to report a surplus of clerical applicants, unskilled office workers, carpenters, semi-skilled technicians and unskilled labourers.

Registrations and placings.- The following table shows the registrations for employment and placings during April and March as compared to February 1954.

75

|                     | April<br>1954 | March<br>1954 | February<br>1954 |
|---------------------|---------------|---------------|------------------|
| Registrations ----- | 111,311       | 106,573       | 106,229          |
| Placings -----      | 12,956        | 13,802        | 12,695           |

Placings by wage groups.- The table below shows the number of placings by wage groups during April and March:-

| Month      | Emoluments                        |  |   |                            | Total  |
|------------|-----------------------------------|--|---|----------------------------|--------|
|            | Below<br>Rs.30/-p.m.<br>and above | Rs. 30/-p.m.<br>but less than<br>Rs.61/-p.m. | Rs.61/-p.m.<br>and above<br>but less than<br>Rs.101/-p.m. | Rs.101/-p.m.<br>and above. |        |
| April 1954 | 560                               | 5,624  | 5,357   | 1,424                      | 12,965 |
| March 1954 | 512                               | 6,048  | 5,865   | 1,377                      | 13,802 |

Vacancies notified and submissions.- The number of employers who used the exchanges during April was 4,596 as against 4,008 during March and 3,886 during February 1954. The number of vacancies notified by them was 18,706 as against 18,976 during March 1954, i.e. a fall of 270. The number of vacancies notified during February was 18,979. Of the vacancies notified 13,280 were under Central and State Governments and 5,426 in private establishments. The corresponding figures for March and February were 13,692 and 5,287; 12,538 and 6,014 respectively.

The number of persons submitted to employers during April was 67,636 as against 60,954 during March and 64,672 during February. Twelve thousand nine hundred and sixty-five applicants were placed in employment as against 13,802 during March and 12,695 in February. Of the total number of placements effected 3,662 were with private employers and 9,303 in Central and State Government establishments. The corresponding figures for March were 3,827 and 9,975 respectively.

Register of Unemployable.- The number of persons seeking employment assistance through the exchanges on the last day of April 1954 was 526,290 as against 525,761 for the previous month. Of those on the live register 2,402 were known to be employed persons who desired further employment assistance. The corresponding figure for March was 2,466.

The composition of the live register occupation-wise is shown in the table given below:-



| <u>Occupation</u>        | Number of live Register for April 1954 | Number on live Register for March 1954 |
|--------------------------|--|--|
| Industrial supervisory   | 4,829                                  | 4,858                                  |
| Skilled and semi-skilled | 50,519                                 | 51,546                                 |
| Clerical                 | 148,111                                | 145,480                                |
| Educational              | 12,225                                 | 11,203                                 |
| Domestic Service         | 19,978                                 | 19,544                                 |
| Unskilled                | 256,003                                | 258,223                                |
| Others                   | 34,625                                 | 34,907                                 |
| <u>Total</u>             | <u>526,290</u>                         | <u>525,761</u>                         |

Employment position of special type of applicants.-  
 The employment position in respect of certain special type of applicants during March and April 1954 is shown in the table given below:-

| Category  | Total No. of registrations |        | Total No. of placements |       | No. on Live Register |        |
|---|----------------------------|--------|-------------------------|-------|----------------------|--------|
|   | April                      | March  | April                   | March | April                | March  |
| 1. Displaced persons.                           | 7,896                      | 8,280  | 815                     | 954   | 46,181               | 45,780 |
| 2. Ex-Servicemen.                               | 5,985                      | 6,522  | 1,088                   | 1,138 | 27,589               | 27,891 |
| 3. Scheduled Caste Applicants.                  | 11,306                     | 11,444 | 1,726                   | 1,923 | 46,799               | 48,055 |
| 4. Scheduled Tribe Applicants.                  | 1,295                      | 1,184  | 280                     | 177   | 3,964                | 3,729  |
| 5. Surplus and discharged Government employees. | 2,141                      | 2,587  | 757                     | 965   | 10,402               | 10,204 |
| 6. Highly qualified Applicants.                 | 662                        | 681    | 92                      | 118   | 4,824                | 4,883  |
| 7. Women.                                       | 4,489                      | 4,883  | 873                     | 796   | 20,023               | 19,989 |

(Review of work done by the Directorate-General of Resettlement and Employment during the months of March and April, 1954; Ministry of Labour, Government of India ).

85. Migration and Colonisation.

India - May-June 1954.

Displaced Persons (Compensation and Rehabilitation)  
Bill, 1954.

Mr. A. P. Jain, Minister for Rehabilitation, Government of India, introduced in the House of the People on 14 May 1954 a Bill to provide for payment of compensation and rehabilitation grants to displaced persons. The Statement of Objects and Reasons appended to the Bill, declares that negotiations have been in progress with the Government of Pakistan for more than six years with a view to arrive at an equitable solution of the problem of immovable evacuee property. The Government of India has all through been of the view that the immovable evacuee properties including agricultural land in India and Pakistan should be exchanged in lump on Government to Government basis, the debtor country paying to the creditor for the difference between the values of such properties in the two countries. The proposals made by the Government of India from time to time have, however, been turned down by Pakistan. There has been a persistent demand from displaced persons that these properties should be transferred to them in permanent ownership. The properties have been fast deteriorating and many of them have already been declared unfit for habitation or have crumbled down. To halt further deterioration and to facilitate the rehabilitation of displaced persons from West Pakistan, this Bill provides that the right, title and interest of evacuees in evacuee properties in India should be acquired by Government. The compensation to be paid to displaced persons will be confined to the utilisation of the acquired evacuee property in India as well as any amount realised from Pakistan on account of the difference between the values of evacuee properties in the two countries. The loans so far advanced to displaced persons from West Pakistan, the properties built by the Government for their rehabilitation and the provision made till May 1953 for their rehabilitation for the future under the Five Year Plan or otherwise will be utilised for rehabilitation by giving grants. The Bill provides for the payment of rehabilitation grants.

It also provides for the appointment of a Chief Settlement Commissioner, Settlement Commissioners and Settlement Officers who will determine and pay the amount of compensation and rehabilitation grant payable to persons having verified claims. Managing officers and managing corporations will be entrusted with the custody, management and disposal of the assets in the pool.

Provision is made for the setting up of the Displaced Persons Welfare Corporation for the purpose of providing educational and medical facilities to displaced persons from West Pakistan and rendering assistance to institutions engaged in such activities. The payments due to educational and medical trusts with verified claims will be placed at the disposal of this corporation along with other properties for being utilised for the above mentioned purpose.

The Bill envisages the distribution as compensation and rehabilitation grants to displaced persons from West Pakistan

of assets worth roughly 1,850 million rupees including acquired evacuee properties worth about 1,000 million rupees. In addition evacuee agricultural lands in Punjab, PEPSU and other States will be acquired and utilised.

(Gazette of India, Part II-Section 2,  
Extraordinary, 14 May 1954,  
pp. 309-324).

DPK.

79

CHAPTER 9. INCOME SECURITY

94. Application

INDIA - MAY-JUNE, 1954.

Contributory Health Service for Central Government Employees  
Comes into effect from 1 July 1954.

From 1 July 1954, a new contributory health insurance scheme for Central Government employees will come into force. Under the scheme all classes of Central Government employees including Ministers, Deputy Ministers and Parliamentary Secretaries will be entitled to free medical attendance and treatment at their residence (in cases requiring such attention) and at the consulting rooms of the medical officers employed by the Government.

For this medical service a compulsory monthly contribution on a graded scale will be levied. The lowest contribution will be eight annas for salaries up to 75 rupees and the highest 12 rupees for salaries of 2,000 rupees and above. "Family" includes children or step-children and parents who are mainly dependent on and residing with the Government servant concerned.

The beneficiaries of the scheme will also be entitled to special concessions for treatment of special diseases like tuberculosis, cancer and poliomyelitis. Facilities for hospitalisation are also being provided for.

At present 16 dispensaries have been opened in Delhi. There will be three classes of medical officers - staff surgeons, junior staff surgeons and Assistant surgeons. The scheme also contemplates employment of specialists for the diseases of eye, ear, nose and throat.

(The details of the scheme were reviewed at pp. 70 of the report of this Office for ~~March 1954~~ 1952).

(The Statesman, 18.6.1954).

Madhya Pradesh: Working of the Workmen's Compensation Act, 1923  
for the year 1952.<sup>1</sup>

Number of Accidents and amount of compensation paid.- During the

1. Government of Madhya Pradesh: Report on the Administration of the Workmen's Compensation Act, 1923 (VIII of 1923), in Madhya Pradesh during the calendar year 1952, Nagpur: Government Printing, Madhya Pradesh, 1953. pp. 9. Price annas six.

year under report 1,386 accidents were reported to the State Government under the Indian Mines Act of 1925, of which 40 were fatal and the rest were either serious or minor. In the factories coming under the purview of the Factories Act, 1948 7 fatal, 72 serious and 2,005 minor accidents occurred.

During the year under review compensation was awarded in 221 (224)<sup>1</sup> cases of which 102 - 85 men and 19 women related to fatal accidents, 116 - 107 men and 9 women to permanent disablement and 3 - all women to temporary disablement.

During the year a sum of 148,955 rupees (167,371) rupees) was awarded to dependants, 60,984 rupees (52,792 rupees) paid to workmen, 9,377 rupees (6,538 rupees) remitted to other commissioner and 4,990 rupees (4,726 rupees) returned to depositors, leaving a balance of 99,148 rupees (89,716 rupees) at the end of the year.

Employers' returns. The following table gives a summary of the annual returns furnished by employers.

| Industry                               | Average number employed per day | A C C I D E N T S  |                                    |  |                             |           |           |                          |           |           |                          |           |           |
|--|---------------------------------|--|------------------------------------|--|-----------------------------|-----------|-----------|--------------------------|-----------|-----------|--------------------------|-----------|-----------|
|  |                                 | Number of cases of injuries in respect of which final compensation has been paid during the year |                                    |  | Amount of Compensation paid |           |           |                          |           |           |                          |           |           |
|  |                                 | Death  | Perma-<br>nent<br>Disable-<br>ment | Tempo-<br>rary<br>Dis-<br>able-<br>ment. | Death                       |           |           | Permanent<br>Disablement |           |           | Temporary<br>Disablement |           |           |
|  |                                 |  |                                    |  | Rs.                         | As.       | Ps.       | Rs.                      | As.       | Ps.       | Rs.                      | As.       | Ps.       |
| <b>Factories:</b>                      |                                 |  |                                    |  |                             |           |           |                          |           |           |                          |           |           |
| Adults                                 | 85,598                          | 4  | 73                                 | 828                                      | 9,300                       | 0         | 0         | 29,760                   | 11        | 0         | 12,624                   | 13        | 3         |
| Minors                                 | 472                             | ..   | ..                                 | ..                                       | ..                          | ..        | ..        | ..                       | ..        | ..        | ..                       | ..        | ..        |
| <b>Mines:</b>                          |                                 |  |                                    |  |                             |           |           |                          |           |           |                          |           |           |
| Adults                                 | 78,950                          | 42   | 67                                 | 1,357                                    | 57,086                      | 0         | 0         | 57,075                   | 4         | 9         | 17,819                   | 2         | 6         |
| Minors                                 | 344                             | ..   | ..                                 | ..                                       | ..                          | ..        | ..        | ..                       | ..        | ..        | ..                       | ..        | ..        |
| <b>Municipalities and Local Boards</b> |                                 |  |                                    |  |                             |           |           |                          |           |           |                          |           |           |
| Adults                                 | 171                             | ..   | ..                                 | ..                                       | ..                          | ..        | ..        | ..                       | ..        | ..        | ..                       | ..        | ..        |
| Minors                                 | ..                              | ..   | ..                                 | ..                                       | ..                          | ..        | ..        | ..                       | ..        | ..        | ..                       | ..        | ..        |
| <b>Miscellaneous</b>                   |                                 |  |                                    |  |                             |           |           |                          |           |           |                          |           |           |
| Adults                                 | 4,630                           | ..   | 3                                  | 48                                       | ..                          | ..        | ..        | 2,044                    | 0         | 0         | 742                      | 13        | 0         |
| Minors                                 | 1                               | ..   | ..                                 | ..                                       | ..                          | ..        | ..        | ..                       | ..        | ..        | ..                       | ..        | ..        |
| <b>Total Adults</b>                    | <b>1,69,349</b>                 | <b>46</b>  | <b>143</b>                         | <b>2,235</b>                             | <b>66,386</b>               | <b>0</b>  | <b>0</b>  | <b>88,880</b>            | <b>15</b> | <b>9</b>  | <b>31,186</b>            | <b>12</b> | <b>9</b>  |
| <b>Total Minors</b>                    | <b>817</b>                      | <b>..</b>  | <b>..</b>                          | <b>..</b>                                | <b>..</b>                   | <b>..</b> | <b>..</b> | <b>..</b>                | <b>..</b> | <b>..</b> | <b>..</b>                | <b>..</b> | <b>..</b> |

Proceedings before the Commissioner. - Forty-three applications were pending at the commencement of the year, of which 18 related

1. The figures in brackets denote corresponding figures for 1951.

to fatal accidents, 24 to permanent disablement, and 1 to temporary disablement. One hundred and thirty-four applications were received during the year, 47 relating to fatal accidents, 84 to permanent disablement and 3 to temporary disablement. One hundred and twelve applications were disposed of during the year, 5 were dismissed for non-appearance, 68 were admitted by the opposite party, 17 were allowed in full, 16 were allowed in part, and 6 were dismissed after contest. Sixty-five applications were pending at the close of the year.

Four applications relating to recovery of compensation (under section 31) were pending at the commencement of the year, one was filed during the year and all were pending at the close of the year.

At the commencement of the year under report 32 cases of deposit under section 8 were pending, One hundred and two proceedings were filed during the year and 4 were received from other Commissioners for disposal and 97 were disposed of, leaving 34 pending at the close of the year.

Registration of Agreements.-- Thirty-three memoranda of agreements were pending from the previous year, 21 for the payment of compensation for permanent and 12 for temporary disablement. One hundred and seventy-five memoranda were received during the year making a total of 208 memoranda for disposal. Of these 208 memoranda, 164 were registered without modification. Registration was refused in one case for inadequacy and in two for other reasons. At the close of the year 41 memoranda were pending. The amount of compensation involved in 164 (209) agreements registered was 67,258 rupees 10 annas and 8 pies (70,268 rupees 5 annas and 4 pies).

Eight appeals under section 30 were pending at the beginning of the year and 8 were filed during the year. Of these 6 were disposed of, leaving 10 pending at the close of the year. No reference under section 27 of the Act was pending from last year and no new reference was made during the year.

The report says that the working of the Act is, on the whole, satisfactory, but many workers are still unaware of their rights under the Act.

(The working of the Act during the year 1951 was reviewed at pages 82-84 of the report of this Office for January 1953).

Madras: Draft Employees' State Insurance  
(Medical Benefit) Panel System Rules, 1954

The Government of Madras published on 26 May 1954 the draft of the Employees' State Insurance (Medical Benefit) Panel System Rules proposed to be made in exercise of the powers conferred under the Employees' State Insurance Act, 1948. The draft rules deal, inter alia, with the scale of medical benefit to be provided under the rules, terms of service of insurance medical practitioners, the duties and responsibilities of the allocation committee, preparation of medical list of insurance medical practitioners, assignment of insured persons to insurance medical practitioners, provision of alternative arrangements where there is not an adequate number of insurance medical practitioners available within a reasonable distance, procedure for obtaining general medical services, provisions relating to investigation, disputes, appeals, etc. The draft rules will be taken into consideration by the Government after 26 June 1954.

(Fort St. George Gazette, Part I,  
Rules Supplement, 26 May 1954,  
pp. 182-197).

CHAPTER 11. INDUSTRIAL SAFETY

India - May-June, 1954

111. Prevention of Accidents.

The Punjab Economiser Rules, 1952.

The draft rules relating to the procedure for registration of economiser units, inspection of economiser units and economisers, investigation of accidents and appeals, published under the Indian Boilers Act, 1923, (vide page 87 of the report of this Office for January 1953) has now been approved and gazetted on 18 June 1954, as the Punjab Economiser Rules, 1954.

(Notification No. 50-HS-LP-54/31164 dated 2 June 1954; Punjab Government Gazette, Part I, 18 June 1954, pp.487-494).

The Rajasthan Economiser, Inspection, Administration Rules 1954 and Boiler Attendant Rules, 1954.

The draft Rajasthan Economiser Rules (Vide p.93 of the report of this Office for February 1953) made under the Indian Boiler Act, 1923, have now been approved and gazetted on 24 April 1954. The rules relate to procedure regarding registration and inspection of economiser units, investigation of accidents and hearing of appeals under the rules.

The Rajasthan Government published on the same date the Rajasthan Boiler Attendants Rules, 1954, under the Indian Boilers Act, 1923, relating inter alia, to the duties of boiler attendants and examination for certificate of competency for boiler attendants.

(Notification No.F.15(11)Lab./52 dated 15 January 1954; Rajasthan Gazette, Part IV-C, 17 April 1954, pp.1-16 and 17-35).

Rajasthan Boilers Rules, 1954.

The draft Rajasthan Boilers Rules, published earlier in February 1953 (vide p.93 of the report of this Office for February 1953) have now been approved and gazetted on 1 May 1954. These rules, made under the Indian Boilers Act, 1923, deal, inter alia, with duties of inspectors, procedure for registration and inspection of boilers, investigation of accidents to boilers, and the procedure for filing appeals under the rules.

(Notification No.F.15(12)Lab./52 dated 15 January 1954; Rajasthan Gazette, Part IV-Section 3, 1 May 1954, pp.40-57).



84

CHAPTER 12. INDUSTRIAL COMMITTEES

INDIA - MAY-JUNE 1954

121. Special Information

Second Session of the Industrial Committee on  
Cement, Hyderabad, 24 and 25 March 1954: Wages  
Standardisation Boards to be set up

The second session of the Industrial Committee on Cement was held at Hyderabad on 24 and 25 March 1954, Mr. Abid Ali, Union Deputy Minister for Labour presiding.

The agenda of the meeting was as follows:-

(1) Action taken on the suggestions made at the first session of the Industrial Committee on Cement held in 1948.

(2) Standardisation of wages and conditions of work in the Cement Industry.

(3) Abolition of contract labour in the Cement Industry.

(4) Tripartite Agreements on the Cement Industry on the standards of compliance with the provisions of the Factories Act, 1948.

The Committee arrived at the following three agreements:-

i) Contract Labour. - One of the agreements provided for the abolition of contract labour in any occupation connected with the manufacturing process including quarry operations by the 20 June 1956 at the latest. It also provides for the appointment of a Sub-Committee to study the difficulties involved in the abolition of contract labour in loading and unloading operations and to work out the piece rate system applicable to existing contract labour.

ii) Standardisation of wages. - The second agreement provided for the setting up of a Central Wages (Standardisation) Board and State Wages (Standardisation) Boards in the States concerned, to prescribe basic minimum (standard) rates of wages and dearness allowance and also to deal with the absorption of dearness allowance in basic wages. The Central Board was to give its decision by 31

85

March 1955 at the latest. In regard to matters on which an agreement was reached by the Central Board no dispute was to be referred for adjudication for two years from the date of the agreement.

iii) Working conditions.- The third agreement provided for the setting up of Tripartite (Technical) Committees at the Centre and in the States to draw up an agreement on the standard of compliance with the provisions of the Factories Act relating to safety, health and welfare and improvement of working conditions.

(Government of India, Ministry of Labour.  
Note for circulating to the Indian Missions  
Abroad for the month ending the 21st April,  
1954, pp.2-3).

86

Record of Principal Decisions on Labour and Allied

Subjects.

India - May-June 1954.

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

Government of India's Resolution on Report on Small Industries in India by the International Planning Team, The Ford Foundation.

"The Government of India have examined the ~~the~~ recommendations made by the Ford Foundation International Planning Team on Small Industries and have decided to implement the following recommendations as early as possible:

- (1) The Establishment of Four Regional Institutes of Technology for Small Industries which would act as Service Agencies and would assist small industries in improving their technique of production and management; in obtaining credit and finance; in securing proper raw materials; in marketing their goods to the best possible advantage; and in promoting patterns of development calculated to make small scale industries ancillary to large scale industries by bringing about co-ordination of production programmes.
- (2) The Establishment of a Marketing Service Corporation which would later integrate its activities with those of the Institutes.
- (3) The Establishment of a Small Industries Corporation to organise production for meeting ~~the~~ Government Orders.

The other recommendations made by the Team are under consideration.

The Government has also decided to appoint a Director of Small Scale Industries and to constitute a Small Scale Industries Board of which he would be the ex officio Chairman and which would consist of representatives of the Ministries concerned in the Government of India, and ~~the~~ of State Governments. The functions of the Director and the Board would be to control and co-ordinate the activities of the organisations mentioned above and also to frame and implement programmes generally for the development of small scale industries in this country. It is proposed to expand the Board in due course to include representatives of both large scale and small scale industry and other interests concerned."

CHAPTER 12. INDUSTRIAL COMMITTEES.

Second Session of the Industrial Committee on Cement, Hyderabad, 24 and 25 March 1954.

At the second session of the Industrial Committee on cement, held at Hyderabad, on 24 and 25 March 1954, the following three agreements were reached:

"(i) One of the agreements provided for the abolition of contract labour in any occupation connected with the manufacturing process including quarry operations by the 20th June 1956 at the latest. It also provides for the appointment of a Sub-Committee to study the difficulties involved in the abolition of contract labour in loading and unloading operations and to work out the

piece rate system applicable to existing contract labour.

(ii) The second agreement provided for the setting up of a Central Wages (Standardisation) Board and State Wages (Standardisation) Boards in the States concerned, to prescribe basic minimum (standard) rates of wages and dearness allowance and also to deal with the absorption of dearness allowance in basic wages. The Central Board was to give its decision by 31 March 1955 at the latest. In regard to matters on which an agreement was reached by the Central Board no dispute was to be referred for adjudication for two years from the date of the agreement.

(iii) The third agreement provided for the setting up of Tripartite (Technical) Committees at the Centre and in the States to draw up an agreement on the Standard of compliance with the provisions of the Factories Act relating to safety, health and welfare and improvement of working conditions.<sup>2</sup>

---

1. Resolution No.53-Cot. Ind. (A)(12)/54 dated 7 June 1954; The Gazette of India, Part I, Section I, Extraordinary, 18 June 1954, p.387.

2. Government of India, Ministry of Labour. Note for circulation to the Indian Missions Abroad for the Month ending the 21st April 1954, pp.2-3.

88

LIST OF THE PRINCIPAL LAWS PROMULGATED DURING THE PERIOD  
COVERED BY THE REPORT FOR MAY-JUNE 1954

INDIA - MAY-JUNE, 1954

Chapter 4. Problems Peculiar to Certain Branches of the  
National Economy.

The Rajasthan Agricultural Rents Control Act, 1954 (Act No. XI of 1954). (Rajasthan Gazette, Part IV, Section I, 17 April 1954, pp.45-47).

Chapter 5. Working Conditions and Living Standards.

The Factories (Amendment) Act, 1954 (No.25 of 1954). (The Gazette of India, Extraordinary, Part II-Section I, 8 May 1954, pp.159-170).

Chapter 6. General Rights of Workers.

The Industrial Disputes (Banking Companies) Commencement of Decision Ordinance (No.7 of 1954). (The Gazette of India, Extraordinary, Part II-Section I, 24 May 1954, pp.185-186).

89

BIBLIOGRAPHY

INDIA - MAY-JUNE 1954.

Chapter 1. International Labour Organisation.

- \*(a) India - A Reference Annual. 1954. The Publications Division. Ministry of Information and Broadcasting. Government of India. pp.485. Price Rs.7-8-0.
- \*(b) Bombay - 1951-52. A Review of the Administration of the State. Obtainable from the Government Book Depot, Charni Road Gardens. Bombay-4. 1954. pp.141. Price Annas 9.

Chapter 2. International and National Organisations.

- \*(a) Federation of Indian Chambers of Commerce and Industry. Proceedings of the Twenty-seventh Annual Meeting held at New Delhi on the 6th and 7th March 1954. 28, Ferozshah Road, New Delhi, 1954. pp.194.
- \*(b) Presidential Address of Shri R.G. Saraiya at the Twenty-seventh Annual Session of the Federation of Indian Chambers of Commerce and Industry held on Saturday the 6th March 1954 at New Delhi. pp.17.
- \*(c) Presidential Address of Shri Shantilal Mangaldas at the 12th Annual General Meeting of the Saurashtra Millowners' Association held at Ahmedabad on 12th April 1954. pp.16.
- \*(d) Seventeenth Annual Report of the Employers' Association of Northern India, Kanpur for the Period 1st January to 31st December 1953. For Presentation to the Annual General Meeting to be held on Wednesday the 14th April 1954. The Citizens Press, Kanpur, 1954. pp.58.
- \*(e) Hind Mazdoor Sabha. Report of the 4th Annual Convention held at Kanpur 25-27 December 1953. Published by Secretary, Hind Mazdoor Sabha, All India Headquarters. Servants of India Society's Home, Girgaum, Bombay-4. pp.34.
- \*(f) Trade Union Publications Series. Published by the All India Trade Union Congress, Bombay-4.
  - No.1. Capital and Labour in the Jute Industry. by Indrajit Gupta, General Secretary, Bengal Chatyal Mazdoor Union, 1953. pp.63. Price annas 8.
  - No.2. Report on Bombay Motor Transport Workers, by Madhubhai B. Buch, General Secretary, Bombay State Transport Employees' Union, Nadiad. pp.8
  - No.4. Forced Labour in India. by G.V. Chitnis, pp.36. Price Annas 8.
  - No.6. The Problem of Social Security in India, by K.B. Panikkar. pp.39. Price Annas 4.
  - No.7. The Engineering Workers' Movement in West Bengal, by M. Elias, pp.16. Price Annas 2.
  - No.8. Capital and Labour in the Indian Tea Industry. By Samat Kumar Bose. pp.xi plus 156. Price Re.1 As.4.

- 90
- No.9. Government Tribunals and the Demands of Railwaymen. pp.20. Price Annas 2.
- No.10. Report on Jamshedpur Trade Unions, by Ali Amjad (Jamshedpur Labour Union). pp.8.
- No.11. Report of the All-Hyderabad Trade Union Congress. Presented by Dr. Raj Bahadur Gour, M.P. to the Second Session of the AHTUC (April 11-13, 1954). pp.38. Price Annas 4.
- No.12. Defence Industry in India. By G.S. Krishna. pp.52.

### Chapter 3. Economic Questions.

- \*(a) Indian Textile and Engineering Diary and Directory of the Indian and Pakistan Textile Industry. 1954. 65th Annual ~~Session~~ Edition - Printed and Published by John Worrall Ltd., Oldham, England. pp.616. (Sent to Geneva with our Minute No.D.6/690/54 dated 7 May 1954).
- \*(b) Soviet Planning. A comparative study of the Nature of Economic Planning, and an Analysis of the Achievements of Soviet Russia, India, Japan, Germany, Britain and the USA since 1928. The Employers' Association, Calcutta. pp.143. Price Re.1/-.
- \*(c) The Cotton Mills of India, 1854 to 1954. By S.D. Mehta, M.Com., Ph.D. The Textiles Association (India) Bombay. 12. pp.308. (Sent to Geneva with our Minute No.D.6/754/54 dated 19 May 1954).
- \*(d) Indian Chemical Manufacturers Association, 23-B, Netaji Subhash Road, Calcutta. Survey of the Indian Chemical and Pharmaceutical Industry, 1951. ~~xxxx~~ pp.104 plus xxiii plus 16. (Sent to Geneva with our Minute No.D.5/770/54 dated 21 May 1954).
- \*(e) Report of the Jute Enquiry Commission 1954. Government of India, pp.274. (Sent to Geneva with our Minute No.D.1/807/54 dated 23 May 1954).
- \*(f) An Economic Review of Refugee Rehabilitation in India. A study of Nilikhori Township by V.K.R.V. Rao. Publication Division. Delhi School of Economics. University of Delhi, Delhi 1954. pp.56. (Sent to Geneva with our Minute No.D.7/858/54 dated 10 May 1954).
- \*(g) India's National Laboratories. The Publications Division. Ministry of Information and Broadcasting. Government of India. pp.79. Price Rs.1-8.
- \*(h) Report of the Committee on Finance for the Private Sector. Reserve Bank of India, Bombay. April 1954. pp.162. Price Rs.3/-.

### Chapter 4. Problems Peculiar to Certain Branches of the National Economy.

- \*(a) Report of the Taccavi Policy Committee, Madhya Pradesh 1952. Nagpur. Government Printing, Madhya Pradesh, 1954. pp.118. (Sent to Geneva with our Minute No.D.3/801/54 dated 27 May 1954).

- \*(b) Administration Report of the Rural Welfare Department for the year 1952-53. Superintendent, Government Press, Madras, 1954. pp.87.
- \*(c) Report on Small Industries in India, by the International Planning Team. The Ford Foundation. Ministry of Commerce and Industry, Government of India. 1954. pp.81. Price 9 Annas.
- \*(d) Bhoodan or Land Through Love. Published by the Department of Information and Public Relations, Government of Hyderabad, pp.31. Price Re.1/- . (Sent to Geneva with our Minute No.D.6/573/54, dated 12 June 1954).
- \*(e) Statements showing the Working of Co-operative Societies in the State of Bihar for the Year ending 31st December 1949 (1-1-1949 to 31-12-1949). The Superintendent, Government Printing, Bihar, Gulzarbagh P.O. pp.117. Price Rs.3/-.

Chapter 5. Working Conditions and Living Standards.

- \*(a) Report on an Enquiry into Conditions of Labour in the Cashewnut Growing Industry in India. Labour Bureau. Ministry of Labour. Manager of Publications, Civil Lines, Delhi, 1954. pp. ii plus 46. Price Rs.2 Annas 6. (Sent to Geneva with our Minute No.D.1/689/54 dated 7/5/1954).
- \*(b) Report on an Enquiry into the Family Budgets of Workers in Bhopal City. Director, Labour Bureau, Ministry of Labour, Government of India. Manager of Publications, Delhi. 1954. pp. 1 plus 52. Price Rs.3/- . (Sent to Geneva with our Minute No. D.3./944/54 dated 29 June 1954).
- \*(c) Government of Madhya Pradesh. Labour Department. Annual Report on the Administration of the Factories Act, 1948, in Madhya Pradesh for the year ending the 31st December 1951. Government Printing, Madhya Pradesh, Nagpur. 1954. pp.63. Price Re.1/- .

Chapter 8. Manpower Problems.

- \*(a) Census of India Papers. Manager of Publication, 1953.
  - Paper No.5.1953. Maternity Data -1951 Census. pp.95 Price Re.1 Annas 4.
  - Paper No.6.1951. Age Tables - Uttar Pradesh 1951 on Y-Sample. pp.63. Price Rs.6 As.14.
  - Paper No.7.1951. Age Tables - Punjab 1941-on Y-Sample pp.23. Price Re.1 As.2.
  - Paper No.8.1951. Age Tables - Madras. 1941 on Y-Sample. pp.38. Price Rs.2 As.2.
  - Paper No.9.1951. Age Tables - Madhya Pradesh 1941 on Y-Sample. pp.30. Price Rs.2 As.6.
  - Paper No.10.1951. Age Tables - Bombay 1941. on Y-Sample. pp.31. Price Rs.2/- .
 (Sent to Geneva with our Minute No.D.5/872/54 dated 12 June 1954).



Chapter 10. Social and Industrial Medicine.

- \*(a) Government of India. Ministry of Labour. Office of the Chief Adviser, Factories, New Delhi.
  - Report No.1. Investigation on the Incidence of Occupational Diseases in the Manufacture of Dichromate and in the Mining and Concentrating of Chromite. pp.55.
  - Report No.2. Environmental and Medical Studies in the Storage Battery Industry. pp.50.
  - Report No.4. Health Hazards in Mica Processing. pp.11.
  - Report No.5. Vital Capacity of the Lungs of Silica and Fire-clay Brick Working in Bihar with Special Reference to Dust Exposure, Exercise Tolerance Test and Incidence of Silicosis. pp.46.
  - Report No.6. Cardiac Response to effort of Silica and Fire-Clay Brick Workers in Bihar. Results of ~~Exercise~~ Exercise Tolerance Test with Special Reference to Vital Capacity Measurement and Incidence of Silicosis. pp.10.
- (Sent to Geneva with our Minute No. ~~Dr 5/372/54~~ dated A.7/806/54 dated 20 May 1954).

M

-----

'L'

---

\* Publications received in this Office.