

INTERNATIONAL LABOUR OFFICE  
INDIA BRANCH

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Industrial and Labour Developments in  
March 1966.

H.B. - Each Section of this Report may be taken out  
Separately.

<u>Contents.</u>	<u>Pages.</u>
<u>CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.</u>	
12. <u>Activities of External Services:</u>	1
13. <u>Press and Opinion:</u>	2
<u>CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.</u>	
25. <u>Wage-Earners' Organisations:</u>	
(a) 13th Annual Convention of Hind Mazdoor Sabha, Madras, 5 and 7 March 1966: Unemployment Insurance Move Welcomed.	3-5
(b) Social Responsibilities of Trade Unions: Seminar Sponsored by India International Centre and Gandhian Institute of Studies, New Delhi, 29-31 March 1966.	6-14
28. <u>Employers' Organisations:</u>	
39th Annual Session of Federation of Indian Chambers of Commerce and Industry, New Delhi, 12-13 March 1966: Call for Radical Change in Fiscal Policy.	15-22
29. <u>International Co-operation:</u>	
Twenty-second Session of ECAFE, New Delhi, 22 March - 4 April, 1966.	23-25
<u>CHAPTER 3. ECONOMIC QUESTIONS.</u>	
36. <u>Wages:</u>	
(a) Payment of Bonus: Employers warned by Labour Minister against delay.	26-27
(b) Summary of Annual Report on the Working of Payment of Wages Act, 1936 in Mines for the Year 1964.	28-29
(c) Survey of Wages and Productivity in Chemical Industry.	30-34
(d) Incentive Scheme for Public Sector Steel Workers.	35-

<u>Contents.</u>	<u>Pages.</u>
36. <u>Wages: (continued)-</u>	
(e) Minimum Wages for Construction Workers Revised.	36
(f) Central Wage Board for Leather and Leather Goods Industry constituted.	37-38
<u>CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN BRANCHES OF THE NATIONAL ECONOMY.</u>	
42. <u>Co-operation:</u>	
Annual Report of the Working of the Committee for Co-operative Training (National Co-operative Union of India) for the Year ending June 1965.	39-49
<u>CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.</u>	
50. <u>General:</u>	
Contract Labour in General and Electrical Engineering (Excluding Generation and Transformation of Electrical Energy) Industries: Results of a Survey published.	50-58
<u>Chapter 8. MANPOWER PROBLEMS.</u>	
81. <u>Employment Situation:</u>	
Census of Central Government Employees as on 31 March 1963: Report published.	59-68
83. <u>Vocational Training:</u>	
National Council of YMCAs to set up Technical Institute for Middle Level Technicians.	69-70
<u>CHAPTER 9. SOCIAL SECURITY.</u>	
92. <u>Legislation:</u>	
(a) Report of the Employees' Provident Fund Scheme for the Year 1963-64.	71-83
(b) Seamen's Provident Fund Act, No. 4 of 1966 Gazetted.	84
<u>LIST OF THE PRINCIPAL LAWS PROMULGATED DURING THE PERIOD COVERED BY THE REPORT FOR MARCH 1966.</u>	
<u>BIBLIOGRAPHY - INDIA - MARCH 1966.</u>	86-87

CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - MARCH 1966.

12. Activities of External Services.

Addresses:

a) During the month the Director of this Office was invited to deliver the valedictory address at the Steel Workers Trade Union College, Jamshedpur on 19 March 1966.

b) The Director also addressed the annual Convocation of the Xavier Labour Relations Institute at Jamshedpur.

Meetings:

The Director served on the Preparatory Committee of the Seminar on the Social Responsibilities of Trade Unions, held at New Delhi on 28 and 29 March 1966 under the auspices of the India International Centre and the Gandhian Institute of Studies.

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13. Press and Opinion.

India - March 1966.

The following references to the ILO appeared in journals received in this Office.

1. The February 1966 issue of Indian Labour Journal gives a list of Conventions and Recommendations adopted at the 48th International Labour Conference.

2. The same issue of the Journal publishes a news-item regarding Singapore's Membership of the ILO.

3. The same issue of the Journal under its 'Foreign Labour Intelligence' section publishes a short note on Occupational Health Services in Belgium and acknowledges the October 1965 issue of I.L.R. as its Source.

4. The March 1966 issue of the Indian Labour Journal publishes a short note regarding a New Insurance Act in Turkey. Acknowledgement is made to the November 1965 issue of the I.L.R. as the source.

5. Indian Worker, dated 28 March 1966 publishes a short note under title "Industrial Relations in the next decade by David A Morse, Director-General, ILO". A photograph of the Director-General is published alongside the note. Acknowledgement is made to "Courtesy of ILO Panorama."

6. The same issue of the Journal under its "World Labour Digest" section publishes a new-item about the opening of the 'ILO Centre for Advanced Training to Serve Developing Nations' (Turin Centre).

7. Asian Labour dated March 1966 publishes a news item about a Trade Training Centre in Sabah and another about a trade union training course of the ICFTU held at Taiwan. Both make incidental references to the ILO.



Chapter 2 International and National  
Organisations

25. Wage-Earners' Organisations.

India - March 1966.

13th Annual Convention of Hind Mazdoor  
Sabha, Madras, 5 and 7 March 1966:  
Unemployment Insurance Move Welcomed.

The 13th Annual Convention of Hind Mazdoor Sabha was held at Madras on 5-7 March 1966, under the presidentship of Shri Deven Sen.

Inaugurating the Convention, Shri S.R. Kulkarni, president of the All-India Port and Dock Workers' Federation, reviewed the progress made by organised labour in securing economic advancement during the three Five Year Plans.

He said the working people had remained where they were prior to independence.

Presidential

President's address.- Shri Deven Sen, President of the HMS, in his presidential address was critical of the Government's handling of the food problem. He suggested that as an immediate incentive for increased food production holdings up to six acres should be exempted from land revenue.

Nationalisation of banks should also help an easier flow of credit to the farmer, he said.

Shri Sen maintained that the real wages of the Indian worker had not improved during the past decades and demanded that the Planning Commission should agree to an ad hoc wage increase "of a suitable size" to labour.

On the Bonus Commission's report Shri Sen said that while it was supposed to eliminate disputes on bonus it had instead "ushered in an era of frustration, litigation, strike and dissension".

Shri Sen also criticised the installation of an electronic computer by the Life Insurance Corporation, which, he said, would result in 29 out of every 30 clerks of the corporation being thrown out of their jobs.

At a time when the country had a backlog of over 12 million unemployed, it was not proper for the Government to go in for such labour saving devices, he maintained.

General Secretary's Report.- In his report the General Secretary of the Hind Mazdoor Sabha expressed unhappiness over the slow increase of trade union membership, which at the beginning of this year stood at 728,066 compared to 659,703 two years ago.

Resolutions.- The Convention welcomed the proposed unemployment insurance scheme of the Union Government.

The Convention suggested that such benefits as retrenchment and lay-off compensation to which workers were entitled without contributing to them, must continue to remain non-contributory and only additional cover for unemployment should be on contributory basis.

In another resolution, the Convention demanded legislation for provision of social security against old age, invalidity and death not arising out of employment.

Workers whose wages were below subsistence level should not be required to contribute to the social security schemes, the Convention said.

The Convention viewed "with grave concern" the lay-offs, retrenchments and wage cuts resorted to by the textile mills and the closure of certain mills in the country "on the plea of dearth of working capital".

The resolution said the textile industry had been earning very good profits for the past quarter century and if any textile unit now found itself short of funds, the blame should squarely lie with the management.

The Convention therefore exhorted the workers to resist relentlessly the attempts of the employers to effect lay-offs, retrenchments or wage cuts.

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While viewing with utmost regret the "callous indifference" of the Central and State Governments to this developing crisis, the Convention urged the Government to take over those mills which threatened to close and run them without in any way jeopardizing the rights and interests of the workers or, in the alternative, to take necessary steps to see that the mills were run without in any way affecting the employment, wages or other rights of the workers.

As a long-term measure, the Convention urged the Government to enact suitable legislation to ensure that the mills made their purchases and sales only through the State Trading Corporation or any other similar agency so that the "malpractices" of managements could be eliminated altogether or at least minimised.

The Convention, by another resolution, called upon the Government to secure the prompt implementation of the Bonus Act. It also demanded that the Act itself should be amended to eliminate the causes of conflict as also to cover large sectors of industrial workers in the private and public sectors, who were at present excluded from the purview of the Act.

The attitude of the employers towards this question, the resolution said, was "deplorable" after securing an upper limit to bonus to their advantage, the employers had now challenged the constitutionality of minimum bonus and had thereby sought to condemn the very object of the legislation.

Another resolution extended its "unqualified support" to the demand by the All-India Railwaymen's Federation for the appointment of an independent wage board.

A resolution on wage boards said: (1) The date of appointment of the wage board should be the effective date for the purpose of retrospective effect for the enforcement of its recommendations and (2) the majority recommendations should be accepted by the Government as final.

(The Statesman, 6 March, 1966;  
The Hindustan Times, 7 March 1966).

Social Responsibilities of Trade Unions:  
Seminar Sponsored by India International  
Centre and Gandhian Institute of Studies,  
New Delhi, 29-31 March 1966.

A Seminar on 'Social Responsibilities of Trade Unions' sponsored by the India International Centre and the Gandhian Institute of Studies was held at New Delhi from March 29-31, 1966. It was inaugurated by the Union Home Minister, Shri Gulzarilal Nanda.

Participants.- The participants were drawn from among trade unionists, professional management and allied institutions and academic bodies, and Government institutions. Those present included, among others, the Minister for Labour, Employment and Rehabilitation, the Minister for Planning, Dr. P.S. Lokanathan, Director General, N.C.A.E.R., Dr. C.D. Deshmukh, President, India International Centre, Shri Jayaprakash Narayan (Gandhian Institute of Studies) and Shri V.S. Mathur, ICFTU, Regional Secretary.

Shri P.M. Menon, Director of this Office was a member of the Preparatory Committee.

Seminar Theme.- The area of discussion was divided broadly into four sections as follows:

I. Trade Unions and Community

This section will deal with the problems involved in the balancing of sectional and overall interests; enlargement of trade unions for the benefit of women workers and non-unionised workers such as agricultural labourers, contract labourers etc., engaged in the unorganised sectors of the economy; the role of trade unions in peace time and in national emergency.

Paper contributors:

1. Shri K.N. Vaid,  
Shri Ram Centre for Industrial Relations
2. Dr. S.D. Punekar,  
Tata Institute of Social Sciences
3. Prof. A. Das Gupta,  
University of Delhi
4. Shri S.R. Mohan Das.



## II. International Responsibilities of Trade Unions

This section will deal with the responsibilities of trade unions towards their members and other workers, e.g. developing the workers' spirit of self-help, raising the skill level of workers, etc.

### Paper contributors:

1. Shri Bagram Tulpule  
Mill Mazdoor Sabha, Bombay
2. Shri Raja Kulkarni  
Rashtriya Mill Mazdoor Sangh, Bombay
3. Shri L.C. Jain  
Indian Cooperative Union Ltd.

## III. Responsibilities of Trade Unions in a Dynamic Socio-Economic Structure

This section will deal with the present trade union policies and practices; regulation of industrial relations by codes of discipline in industry and of inter-union relations by code of conduct; and their current and future attitudes and responsibilities.

### Paper contributors:

1. Shri K.S. Basu  
Jammalal Bajaj Institute of Management Studies
2. Prof. R.C. Goyal  
Indian Institute of Management, Ahmedabad.

## IV. Labour Leadership and its Contribution to Formulation of Social and Economic Policies

This section will assess the contribution of the present-day labour leadership to the evolution of social and economic policies; factors which affect the making of such contributions in industries and individual firms; labour's contribution in the formulation of government's economic and social policies.

### Paper contributor:

Shri B.N. Datar, Planning Commission.

Besides, a basic paper on 'International Experience: Contemporary Developments in Trade Union Thinking and Policies in other countries', by Shri V.S. Mathur, was also discussed.

Other papers contributed included:

1. Trade Unions and National Planning by Shri Tarlok Singh, Member, Planning Commission and
2. Community Services in Labour setting by Mr. Emil Lindhal, former Chief, Labour Division of US. AID.

Opening addresses.- Inaugurating the Seminar, Shri Gulzarilal Nanda called upon trade unions in India to keep the wellbeing and progress of the community before them "in all their dealings".

Shri Nanda said that "gains secured at the expense of national good cannot endure". A rise in wages, for instance if not matched by an adequate rise in productivity nullified the monetary advantages obtained by workers because this retarded the pace of development and limited the scope of employment.

The Home Minister pleaded for a "positive approach" by the labour towards the public sector undertakings "recognizing the stake it has in the building up of the public sector as an instrument for distributing the fruits of development".

Shri Nanda called for active participation of the "rank and file" of a trade union in the working of the organisation. He noted that this would happen only when "internal leadership" of the organisation truly represented the "genuine needs and aspirations of the workers".

Shri Jagjivan Ram, Union Labour Minister, regretted the "stagnation" in trade union leadership. "The same people continued to be president and secretary of a union for decades", he said.

Shri Jagjivan Ram wanted workers to be represented in the leadership of trade unions. "The worker may be illiterate, but he is no fool. He has a sturdy common sense and can manage the affairs of a trade union", he said.

Anti-Social.- Shri Jayaprakash Narayan criticised "everyone's concern with one's rights". "Capital wants the highest possible return, labour the highest possible wages for the shortest possible work-day or week", he said. The result was that the economic field was turned into a battlefield. This was materially and spiritually anti-human and anti-social, he added.

Shri Narayan expressed the view that the quest for a new form of economic organisation, a new way of economic life, to face the divergent influences of capital and labour had not ended. The mode two "dominant ideologies of modern age communism and socialism" has failed to find an effective solution to these contradicting forces, he said.

Report on discussions: Group I. Trade Unions and the Community.- The basic question which the group took up for discussion was the one relating to social responsibilities of trade unions towards the community in the context of (a) democratic pluralist policy; (b) economic development with accent on self-reliance; (c) national defence; (d) the large body of unorganised sweated sections of the working class.

While it was agreed that there was a large area of common interest between trade unions and the community at large, widely differing views were expressed on the question of a conflict between the sectional interests of the trade unions and the overall interests of the community.

The group was of the view that the primary responsibility of a trade union was to safeguard the interests of its members relating to (a) employment, (b) wages, (c) working conditions, etc. It was felt that in order to discharge this obligation to its members effectively, the trade union must continue to function as an organisation of protest against obvious instances of injustice. At the same time, the unions should try to use all available avenues of constructive cooperation to achieve their ends.

On the issue of freedom and regulation, it was agreed that in the context of realities obtaining in ~~the~~ country, a judicious combination of both would ensure the creation of a climate favourable for the responsible exercise of freedom by the employers and unions alike, to the mutual benefit of both and the general welfare of the community.

Finally, it was the unanimous view of the group that in addition to their primary responsibility to their members, responsibility of the trade unions towards the community - national and local - could be split out as follows :-

- spell- /
- a. promotion of national integration
  - b. mobilization of workers for a national campaign for increase in production
  - c. maintenance of discipline in work place and outside
  - d. finding ways and means for the reduction of waste in production

- 10
- e. safeguarding of democratic institutions
  - f. maintenance of vigilance of prices
  - g. participation in social welfare
  - h. enlarging avenues of employment.

Group II. Internal Responsibilities of Trade Unions.- In the general discussion that followed the presentation of the three papers, the following points on the internal responsibilities of trade unions emerged:

The basic responsibilities of a trade union are first and foremost to its membership. These responsibilities imposed on unions a strong commitment to the preservation of democracy and freedom. Trade unions should exist and thrive as strong, democratic institutions without being dictated to by any other outside groups.

The Seminar then discussed various areas and levels of union functioning where changes and improvements were necessary to make unions stronger instruments and institutions.

Functional activities of unions in the matter of servicing of membership problems in both work and non-work spheres, promotion of better communication between leadership and rank-and-file within the union, between a union and its central affiliated organisation and other institutions of community, etc., were discussed.

There was a general feeling in the Seminar that the existing framework of labour legislation seemed unsuitable to deal with the dynamics and complexities of the current and future problems of development. Legislative policy should be tailored more towards better institutional growth of trade unions, and towards this, there should be better norms prescribed as well as better safeguards and protections given to promote institutional growth of trade unions. Trade Union finances are in a critical state and this resource problem came in the way of unions making their full contributions both to their own membership as well as to the community as whole.

Problems of union rivalries, political influence over unions were also discussed. It was felt that with improving standards of institutional development of trade unions, there is bound to be a change in the present situation. The vulnerability as well as the strength of unions before pressures of communal, caste and provincial passions were discussed.

The problems of attracting new personnel to serve the trade union movement, the inadequacy of traditional motivations for attracting persons to serve the labour movement and the need to promote new incentives and motivations to attract personnel were discussed as important issues of internal responsibilities of unions.

The ~~expansion~~ expansion of the industrial work force, the emergence of a different category of workers in industries, and the inadequacy of unions to attract this new force into unions, and also the need to grapple with the sociological problems of industrialisation were also extensively discussed.

Discussing the relationship between the trade union movement and the cooperative movement, the Seminar was of the opinion that there was no contradiction in the motivations between these two movements and trade unions could play an important role in the promotion of cooperatives. Towards this process, it was the feeling among the participants that the present administrative impediments in the encouragement of cooperatives should be removed.

Summing up, the Chairman pointed out that many of the vital issues raised during the discussions were such that no readymade easy solutions were available. It is through a process of evolution and experience with reality situations that many of these problems would get resolved. He however agreed that the present legislative framework needed immediate review as it was inadequate for the present and future needs of development. He stressed the importance of workers' education and training programmes.

Group III. Responsibilities of Trade Unions in Dynamic Socio-Economic Structure. - Members participating in the discussion emphasised that the representatives of all concerned including those of trade unions need to be associated at different levels of policy-making and of formulation/implementation of the plan targets.

Members agreed that much was left to be done on the main issue of reduction in income-disparities. Members were of the opinion that real wages are still lagging far behind the rate of increase in industrial production, productivity and national income. Members were convinced that wages of industrial workmen have not acted as an inflationary factor of any significance.

Members were of the view that industrialisation had to be based on modern methods and technological advancement. This however ~~did~~ did not mean that there should be an open licence to introduce modern technological devices in any sector of the economy, at any time and in any manner without any consideration of its social and economic, cost to the society, especially in respect of employment - actual and potential.

There was a consensus of opinion, in holding the view that the development and growth of the public sector in various sections of the economy, was welcome. However, it was felt that in respect of managerial performance, industrial relations and efficiency, it was not desirable to have double standards - one for public sector and the other for the private sector. In fact, trade unions expect the public sector management to emerge as pace setter to the private sector in matters of industrial relations.

It was agreed that for the peaceful uninterrupted and early successful transition of the existing social and economic institutions and social outlook of the people, it is necessary for the trade unions to work jointly and concertly with the cooperatives since their interest and objectives were common.

Group IV. Labour Leadership and its contribution to formulation of Social and Economic Policies.-

The discussion started with the presidential remarks of Dr. P.S. Lokanathan. While commenting on Shri Datar's paper he pointed out that the unions have shown less enthusiasm <sup>like</sup> in cooperation with N.P.C. Among other things he pointed out that unions are suffering from fear complex, for which in fact there is no reason. Trade unions should change their attitude and develop their own research cells.

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In one of the papers it was pointed out that within the next decade there would be substantial growth of the trade union membership. The growth of the trade unions would not be only in size but in more and more educated and skilled workers, who would provide leadership in the coming years.

At the magnitude of the development the trade unions will have enormous potential for bringing about social and economic changes within the country.

Role of unions in socio-economic planning was discussed. It was argued that the role of trade unions in the socio-economic planning should not be casual consultative but regular and effective. Views were expressed that the so-called consultation by the various agency of the Government did not give a sense of participation to the unions. There should be continuous and purposeful dialogue between the authorities and unions, and efforts should be made to implement the resolution of such dialogue with legal assurance.

The major difficulty of the trade unions was lack of resources for which establishment of an independent National Labour Foundation was suggested.

As a result of the discussion in the Seminar a declaration on the 'Social responsibilities of Trade Unions' was adopted.

The declaration detailed various difficulties that hampered the growth of trade unions, such as lack of resources, internal administration, shortage of trained personnel, etc. It said:

"The task of socio-economic transformation in India is not merely limited to getting some higher benefits for labour or even to telescoping the process of economic development into a short span of time, but extends to a basic transformation of the relationships among the different groups in society and of their status. A basic alteration in the scheme of values in the society is called for. Trade unions, as one of the major instruments in the society for such transformation, will have to develop their own thinking and methods to contribute to this process just as other groups are expected to do.

"The task of influencing the socio-economic policies of the community, therefore, must have high priority for the trade union movement. For this purpose, the trade unions must equip themselves by building up extensive research activities. Adequate media of communication have to be developed, including the building up of an effective labour press.

"The various aspects of the problems involved in economic development and social transformation must be studied and discussed, within the movement as well as between the movement and the other social groups.

" At present there are not enough opportunities for the trade union movement to participate in the formulation of public policy and its ~~implementation~~ implementation. Mere occasional consultation in large bodies on some general problems is not an effective means for such participation. What is needed is a continuing dialogue between the trade unions as a distinct group and the authorities responsible for the formulation of the public policy.

"At present such influence as the trade unions can bring on public policy is primarily through direct action at the plant or industrial level. To ensure a more positive participation, a greater responsiveness to the ideas and proposals put forward by the trade unions must be forthcoming from the side of the authorities. Moreover, the dialogue as well as the response must not merely be at the national level but at all levels."

(A set of papers circulated has been sent to Geneva by surface mail as annexures to this Report).

(Documents received from the India International Centre ).



## 28. Employers' Organisations.

India - March 1966.

### 39th Annual Session of Federation of Indian Chambers of Commerce and Industry, New Delhi, 12-13 March 1966: Call for Radical Change in Fiscal Policy.

The 39th annual session of the Federation of Indian Chambers of Commerce and Industry was held at New Delhi on 12 and 13 March 1966. The session was inaugurated by the Prime Minister and attended, among others, by the Minister for Railways, Shri S.K. Patil, the Defence Minister, Shri Y.B. Chavan and the Commerce Minister, Shri Manubhai Shah.

Presidential address.- Shri S.L. Kirloskar, in his presidential address criticised both Government and industry for the many failings in the economy of the country. He chided Indian industrialists for their "laxity, waste and inefficiency". There was no cost-consciousness in industry. As a result, export suffered.

Urging Indian business men to step up exports, Shri Kirloskar said there was no "set formula for selling successfully outside". The Government could at best create a set of enabling conditions. For the rest, "we must be fully on our own".

Speaking on the Fourth Plan, the federation chief said that even though the Plan was to be launched in a fortnight from now, its size and shape were still uncertain. However, he suggested a re-examination of the size of 215,000 million rupees proposed by the National Development Council.

He also pleaded for a "meaningful dialogue" between the Government and the Planning Commission on the one hand, and the business community on the other. "Our experience and viewpoint may be useful for the formulation and implementation of the plans", he added.

Shri Kirloskar accused the planners of having failed to enthuse the farmer to produce more. Agriculture, he said, must be organised to suit specific physical conditions. It could not be a tool to implement abstract political theories.

Whatever the size of the land holdings, the vital point was that it should be made highly productive and profitable.

Turning to conditions in industry, Shri Kirloskar pointed out that many industries were working shorter shifts. Some were threatened with closure and few had actually closed down for want of raw materials.

There was an acute scarcity of not only foreign exchange but also of rupee finance, both short and long-term. Industrial production had been kept down by a number of rigid controls on investment, production, distribution, prices and management. In addition, taxation had been heavy. He urged a thorough review of all controls and regulations - in short, of planning - under which the economy had been plodding on all these years.

On the budget, Shri Kirloskar reiterated his view that the new tax proposals "will eat up all the savings and kick high inflationary trend". It would defeat the programmes of productive enterprises for greater production. He hoped the Government would have a second look at the budget.

Shri Kirloskar also called for a re-examination of the credit policy of the Reserve Bank of India which he described as "anomalous". He could not understand, for instance, how restraints on credits used for productive purposes by industry and trade and a free use of unauthorised overdrafts by the State governments could hold the price line.

He gave a warning that the difficulty in obtaining internal credit for industry and trade, as also for financing exports, threatened to cause a greater damage to the economy than even the lack of foreign exchange.

Inaugural address.- The Prime Minister, Shrimati Indira Gandhi, in her inaugural address called on the younger generation in industry and trade to strive towards "dynamic changes in attitude and functions". While not ruling out a rethinking on the size of the Fourth Plan, she did not agree with Shri Kirloskar's view that a smaller plan might contribute to a faster rate of growth and even help the nation's fight against poverty.

On controls, the Prime Minister said she had an open mind. She was not for rigidity in planning. Controls might be desirable and even necessary in certain circumstances. But, she did not believe that controls by themselves had any virtue.

Mrs. Gandhi cited the instances of steel, pig-iron and cement where controls had been removed and this process might be extended to others at appropriate times. She, however, made it clear that the Government would not hesitate to impose any control if circumstances made it imperative.

The Prime Minister rejected the plea for the removal of controls on food grains. In conditions of scarcity, controls became necessary and even unavoidable. She conceded that controls might perpetuate scarcity conditions and said this would have to be prevented. For this purpose, she hoped the Government would be kept in touch with industry and trade.

Referring to Shri Kirloskar's criticism of the budget, Shrimati Gandhi said no Government would wish to add to the burden of the people, particularly in an election year, but for the necessary of finding resources for development. It would be popular to levy no taxes or reduce the incidence, but that would provide no solution to the problem of resources.

She affirmed the Government's policy of encouraging savings and promoting investment but pointed out that the basic difficulty was the paucity of not only working capital but also fixed capital for industry. Neither the budget nor the credit policy of the Reserve Bank could alter this fact.

Resolutions: Industrial Policy.— In a resolution on industrial policy, the Federation called for the removal of controls and regulations on industry and trade "to impart impetus and initiative to enterprise". The resolution, at least in areas where controls were admittedly acting as inhibiting factors normal laws of economics should be given a chance to operate.

The resolution said that in a country like India, where standards of living and levels of consumption were perhaps the lowest in the world, a fall in production and the slackening of demand were sure indications that there was ~~something~~ something basically wrong with the husbanding of the economy, policies and procedures. The country had been under the regiment of a controlled and regulated economy, and people had been made to believe that controls were synonymous with socialism.

If anything, experience had shown that this was not so. "A higher rate of economic development and production require a congenial atmosphere of relative freedom where initiative and work get their reward and where people save, invest and consume, looking forward confidently to the future", it said.

The resolution asked the Government to allow the private sector to manufacture defence equipment. "There is not sufficient appreciation of the contribution that the private sector can make in defence preparation", it said.

Efforts should be intensified to find import substitution in all fields where it was feasible. But where it was not foreign exchange should be sanctioned to import essential raw material.

The resolution also called for an integrated approach to hydro and thermal generation to overcome periodical cuts in electricity and power supply.

Moving the resolution, Shri Bharat Ram, a former president of the Federation, pleaded for a reorientation of industrial policy. Priority should be given to those schemes which would mature quickly.

He was convinced that with better economic management the country could achieve a larger degree of economic and industrial progress. Towards this end it was essential that there was complete realisation in deciding upon the size of the fourth Plan. According to him, productive assets created during the three Plan periods matched the expenses incurred. "Obviously something has gone wrong with our planning", he said.

The performance of public sector undertakings left much to be desired. Capital outlay in the public sector were heavy and efficiently low. These lead to a good deal of misdirection of resources or even to waste or extravagance, he said.

Referring to the rejection of some proposals of the private sector on the ground that the production of such items could be undertaken in the public sector, Shri Bharat Ram said this amounted to discrimination.

He pleaded for removal of controls urgently on ~~sugarcane~~ sugar, kerosene, drugs, non-ferrous metals, coal and coke, woollen hosiery, iron and steel, cotton, cotton yarn, viscose ~~steel~~, ethyl, alcohol, paper, motor vehicles, petroleum products, matches and bicycles.

Raw materials. - "If controls on these are removed, Indian economy will acquire a new growth and dynamism because controls in their actual implementation often impede the operation of those very forces which might make for the elimination of shortages", he said.

Shri S.S. Kanoria said care should be taken in fixing targets in planning. The gap between achievement and targets had resulted in inflationary pulls in the economy. According to him, planning in India had often meant misuse and waste of scarce resources.

In a country where industrial licensing covered almost the whole field of organised industry, the planners could not escape responsibility for the position in which a large number of industries had to curtail production for want of demand and accumulation of stocks while, in other cases, capacity remained unutilised because of shortage of agricultural raw materials and imports, he said.

Shri Kanoria demanded the scrapping of industrial ~~production~~ licensing. It operated as a high hurdle in the way of production which was the crying need of the country. "Competition, which is a spur to efficiency, is stifled and a few licence-holders enjoy the advantage of a sheltered market. It tends to create and perpetuate conditions of monopoly", he said.

Shri Kanoria suggested that the present system of exchange control should be replaced by one of "free" foreign exchange for industry. Exporters should be allotted a certain percentage of the foreign exchange earned on exports, which could be sold in the open market. The advantage of this system would be that foreign exchange for industrial uses would command a price that would truly reflect its scarcity and there would thus be a strong inducement to economize on the use of this scarce resource.

He referred to the Prime Minister's remarks about paucity of fixed and working capital in industry and said this could be remedied only when people invested in shares. But the Government policies made investment in shares unremunerative.

Shri S.P. Godrej said there was a famine on the industrial front just as on the food front. While conceding that the public sector had a role to play in development, he felt that to turn to it for everything was incorrect. For example, the Government had incurred losses by manufacturing railway coaches in the public sector.

Shri J.H. Doshi said private industry was put to hardship because the industries scheduled in the public sector took a long time to come up. For example, the Hindustan Organic Chemicals factory, conceived of in 1946 to manufacture basic chemicals, did not come up till recently. In the meantime, private industry suffered for want of basic chemicals.

Shri Ramkrishna Bajaj stressed the need for industry and business to build up a proper public image. The business community should evolve a code of conduct for itself. It should impose upon itself "self-discipline" and "self-restraint".

Transport Policy.— Moving the resolution on transport policy, Shri Babubhai Chinai, MP, emphasised the need to provide full opportunity to all forms of transport to develop unhindered. The resolution called for the immediate development of road transport, shipping and inland air services, and urged expansion of port facilities.

Intervening in the discussion, the Union Railway Minister, Shri S.K. Patil assured FICCI that the Railways did not play a "big brother" role in transport but were "a partner in a common trade" with the road transport industry.

He announced that a Cabinet Sub-Committee, of which he was chairman, was in the process of evolving a national transport policy. He was of the view that the essence of such a policy should be based on fair competition.

Shri Patil did not accept the criticism that there was some kind of rivalry between the Railways and road transport. But he was all for ~~heavily~~ healthy competition between the private and public sectors. He even urged the indigenous industry to give up its choistered existence and face competition from abroad.

The resolution says that it is a matter of common knowledge that ~~the~~ economy has been exposed periodically to grave stresses and strains due to inadequacy of transport facilities. If recently there were no serious bottlenecks, it was in major part due to the reduction in the tempo of economic activity. The Federation believes that in a country of vast dimensions such as India, with its ever increasing transport needs, there is room for all modes of transport - rail, road, water and air - to expand and develop and that there should be no reason for fear on the part of Railways, the prime carriers, of any unfair or undue competition from other modes of transport. The basic objective is to ensure that transport capacities keep ahead of the developments in other spheres. It urges the need for a national policy on transport.

Labour Policy.- The resolution on labour policy complained that while the authorities were anxious to put into effect that part of the policy which accrued immediate benefit to labour, there was not the same emphasis on those aspects ensuring increased production through greater efficiency and promoting a system of good industrial relations based on discipline and sound trade unionism. Any improvement in wages and other emoluments to labour which could not be sustained by the capacity of the industry or the economy to pay would not be in the interest of labour itself, it said.

In relation to other developing countries Indian labour laws and their administration were more complicated. The position was further aggravated by labour legislation being in the Concurrent List and the State Governments following independent and contrary policies, it said.

Industrial production was adversely affected by the tendency to increase the number of holidays not only under legislation and awards but also through sudden declaration of holidays by the Government to mark some event or other. Workers on their own tended to go out on processions during working hours or lay down tools without any regard for production or fear of consequences. Such indiscipline was also manifest in illegal strikes, go-slow, and violence which were indulged in by labour with impunity, without even an ~~admonition~~ admonition by trade union leaders or by the authorities.

According to the resolution the Employees' State Insurance Scheme had helped to increase absenteeism.

The resolution said employers were no less anxious than the Government to improve the living standards of workers within a stable social order. But such improvement could be achieved only by stages. "There is no shortcut to prosperity either to any section of the community or to the nation as a whole", it said.

Speaking on the resolution, several delegates felt that the unrest all over the country was politically oriented. Shri G.M. Modi criticised the proposed unemployment insurance scheme for workers. In a country where nearly 80 per cent. of the working class was unemployed or under-employed to think in terms of a scheme like this was daydreaming.

Shri D.C. Kothari wanted the Defence of India Rules to be invoked to curb strikes which were becoming frequent. He estimated the loss of production during the recent 12-day textile strike in Bombay at 102 million rupees to 150 million rupees. Only strong action could bring to an end these anti-social activities.

Shri Narayandas V. Bhatia felt that general disrespect for law and discipline was growing. The entry of the politician into the field of the labour was the root cause of all labour troubles.

Shri H.C. Jain demanded that strikes in private sector establishments should be declared illegal as the Government was doing when it came to public sector establishments. At least, as long as emergency continued, no strike should be allowed.

The Federation also adopted resolutions on family planning and agricultural development.

Office bearers.— Shri Ramanbhai B. Amin was elected president of the Federation of Indian Chambers of Commerce and Industry for 1966-67, and Shri L.N. Birla Vice-president.

(The Hindustan Times, 15 March 1966;  
The Statesman, 14 March, 1966 ).



29. International Co-operation.

India - March 1966.

Twenty-second Session of ECAFE, New Delhi,  
22 March - 4 April 1966.

The Twenty-second Session of the United Nations Economic Commission for Asia and the Far East was held at New Delhi from 22 March to 4 April 1966. The Session which was attended by about 300 delegates and observers from 40 countries was opened by the Prime Minister of India. India's Commerce Minister, Shri Manubhai Shah, was elected Chairman of the Session. Shri Koichiro Asakai of Japan and Shri Phlek Chhat of Cambodia were elected Vice-Chairmen.

The ILO was represented by the Director of the Office of the ILO in Bangkok.

Agenda.- The Agenda of the Conference included, among others, the following items:-

- Economic situation in Asia.
- Economic Development and Planning in the ECAFE Region.
- Asian Institute for Economic Development and Planning.
- Asian Development Bank.
- Development of trade in the ECAFE Region.
- Development of industry and natural resources in the ECAFE Region.
- Development of inland transport and communications in the ECAFE Region.
- Water resources development in the ECAFE region.
- Development of the lower Mekong basin.
- Social aspects of development in the ECAFE Region.
- Development of agriculture in the ECAFE Region.
- Technical Assistance, Special Fund and other activities in the ECAFE Region.
- Programme of work and priorities.
- Annual Report to the Economic and Social Council.

Prime Minister's address.- Inaugurating the session the Prime Minister, Shrimati Indira Gandhi appealed to advanced countries to open their doors to the products of the developing countries and provide them a growing market.

Shrimati Gandhi said the developed nations could extend help and co-operation to the less developed ones in the form of aid. But if they liberalised their trading patterns by allowing ample imports of manufactured and semi-manufactured goods it would be a "more concrete and more significant" help to the economic growth of developing nations she declared.

Shrimati Gandhi commended the excellent work done by the ECAFE in focussing the world's attention on the pressing problems of the region. She assured that India would take all necessary steps for promoting trade among Asian countries as well as the region's trade with the rest of the world.

Referring to development aid from abroad, Shrimati Gandhi said that the loans received by India were less than what many other countries had secured. They had not been equal to its needs. Moreover, even including P.L.-480, the aid formed only a small part of the total effort made by the country. She underlined the need for pursuing a vigorous policy to create export surpluses.

Shrimati Gandhi began her speech by referring to the upsurge in the hearts of the Asian people for a better and fuller life, and asked how there could be stable peace in the world when more than half the world's population was steeped in poverty. She emphasised the oneness of the world by saying that whether a country was developed or developing or had an agricultural or an industrial economy the world was one in hope, one in prosperity and one in difficulty. The United Nations symbolised this oneness of the world.

The Prime Minister referred to the critical days through which India was passing. The monsoon had been worst in living memory and had resulted in widespread failure of crops. The drought was likely to depress food production by 10-14 million tonnes. This was a big setback for India which was well on way to an economic breakthrough. But, by timely action and aid from friendly countries they had been able to avert a calamity.

"Now there is no famine, no starvation in the sense that we understood these words in the pre-Independence days." In this connection she referred to the special relief measures taken in scarcity areas. Despite this crisis on the food front. Shrimati Gandhi said India could look back with satisfaction on the progress achieved in other spheres such as industry, transport and communications, under successive five-year plans.

Shrimati Gandhi welcomed the establishment of the Asian Development Bank as an "encouraging augury" for the growth of economic co-operation between the countries of the region.

U.N. Secretary-General's message.- In a message to the Conference, the Secretary-General of the United Nations, U. Thant referred to the signing of the charter of the Asian Development Bank and hoped that it would help to make available to the developing countries of the region additional assistance on a scale much greater than the resources of the Bank itself. (The capital of the Bank is about 4,750 million rupees).

(The Hindu, 23 March 1966 ).

## Chapter 3 Economic Questions.

### 36. Wages.

India - March 1966.

#### Payment of Bonus: Employers warned by Labour Minister against delay.

On 14 March 1966, answering a question in the Lok Sabha, Shri Jagjivan Ram, Labour Minister said that "legal consequences" would follow if managements continued to default in the payment of the minimum bonus of four per cent. provided by the Bonus Act. He added that in addition to the coal mining industry, in certain other industrial sectors also, resistance was being put up by management in regard to their minimum ~~ella~~ obligations under the Act.

The Minister said it was a fact that some employers were banking on certain cases pending before the High Courts and the Supreme Court. "We are taking all possible steps to expedite the decision of the Supreme Court", he said.

As regards non-payment of minimum bonus by private collieries, the main subject-matter of the short-notice question, Shri Jagjivan Ram traced the efforts made by him to bring the employers and employees together and also the extension of time given to the employers, from time to time, to pay the minimum bonus.

He said the workers had given a further "grace period" of one month and if the employers failed to pay the bonus by March 31, "necessary action will be taken against them for contravening the provisions of the Payment of Bonus Act".

The short notice question had been put by Dr. Ranen Sen who asked whether the failure of the colliery managements had led to widespread agitations and unrest in the mining areas and whether hunger-strikes by miners' trade union leaders and workers had been launched all over the country as a protest.

The Deputy Minister for Labour, Shri Shah Nawaz Khan confirmed that letters had been received from workers' organisations that they would resort to direct action, if the managements failed to comply with the provisions of the Act.

He said that Shri Kalyan Roy, General Secretary, Indian Mine Workers' Federation, and one other retrenched workman of Bankola colliery, Raniganj, had gone on hunger-strike from 2 March. It had also been reported that Dr. Raj Bahadur Gaur, President, Singareni Collieries Workers' Union (AITUC), went on hunger-strike from 1 to 3 March, while Shri Shymalal Valmik, Vice-President of INTUC, Chandetta, was on fast from 8 March.

He said the colliery managements had sought time for payment of the minimum bonus on the ground that they had not been able to collect the increase in coal price sanctioned by the Government.

(The Hindustan Times, 15 March 1966).

Summary of the Annual Report on the Working  
of Payment of Wages Act, 1936 in Mines for  
the Year 1964.

A summary of the Annual Report on the Working of Payment of Wages Act, 1936 in Mines for the year 1964 has been published in March 1966 issue of the Indian Labour Journal. The following is a brief review of this article.

Introduction.- The two main objects of the Payment of Wages Act are (1) to ensure disbursement of wages actually payable within the prescribed time limit and (2) to prohibit unauthorised deductions from wages. The Act applies to all persons employed in mines drawing wages below 400 rupees per month. The Payment of Wages (Mines) Rules, 1956, framed by the Central Government also apply to all persons employed in mines either by the owner or by the contractor.

Inspections and Irregularities.- The number of inspections made during the year were 4,522 as against 4,884 during the previous year. A total of 17,922 irregularities were detected as against 18,698 during the previous year. The largest number of irregularities detected related to non-display of notices, etc., and the lowest number to recoveries of advance. The irregularities relating to delayed payment of wages during the years 1963 and 1964 accounted for 6.76 per cent. and 4.54 per cent. of the total number of irregularities. Out of 17,922 irregularities during 1964, 15,532 (86.66 per cent.) were got rectified. Of these 15,532 irregularities rectified during the year as many as 9,592 (61.75 per cent.) were got rectified within 3 months, 4,202 (27.06 per cent.) within 3 to 6 months, 1,728 (11.13 per cent.) within 6 to 9 months and 10 (0.06 per cent.) within a period of 9 to 12 months' time.

Claims.- The total number of claim cases for disposal during the year were 574 including 299 cases which were pending at the beginning of the year. Of these, 221 cases were disposed of during the year. Of these, 162 were in favour of employees and were awarded Rs. 80,466.44, 25 cases were against employees and the remaining 34 cases were withdrawn.

Prosecutions.- The total number of prosecutions for disposal in various courts during the year was 299 (including 45 pending cases of the previous year) and of these 163 cases were disposed of by courts during the year. Of these 163 cases, 148 resulted in convictions of the employers with fines amounting amounting to Rs. 4,006.00, 7 cases resulted in acquittal and 8 were withdrawn.

Annual Returns.- As required under Rule 18 of the Payment of Wages (Mines) Rules, 1956, during the year, 1,420 (36.3 per cent.) mines, employing 347,436 workers (out of 3,909 working mines) submitted such returns as against 1,425 (39.60 percent. Revised) mines employing 395,155 during the previous year. The total wages paid to these workers amounted to Rs. 490,797,160.00. Deductions of about Rs. 730.00 and Rs. 4,867.00 were made from wages of workers due to fines imposed, and damage or loss. Disbursement of about Rs. 421.00 from the fines fund was also made during the year.

Conclusions.- The enforcement of the Act and Rules was quite effective and purposeful during the year under report. The number of inspections made was slightly less from 4,884 to 4,522 during the year but it is significant that the number of irregularities detected had come down from 18,698 in 1963 to 17,922 during the year. The number of irregularities got rectified by the officers had also gone up from 14,955 in 1963 to 15,532 during the year.

(Indian Labour Journal, Vol. VII, No. 3,  
March 1966, pp. 237-239 )

Survey of Wages and Productivity in Chemical Industry.

The following information has been taken from an article entitled "Wages and Productivity in Chemicals Industry: Growth Benefits Labour Considerably" which has been published in Commerce, 12 March 1966.

Introduction.- Chemicals in India constitute a major industry. During the last 15 years, it has made phenomenal progress. The spectacular growth and expansion of this industry is indicated by the sharp increases in its total invested capital, employment and output. Between 1951 and 1963, the industry's productive capital increased from 300 million rupees to 2,129 million rupees; employment from 37,663 to 80,840; gross output from 370 million rupees to over 2,700 million rupees; and the value of net output from 144 million rupees to 830 million rupees. The industry's wage bill itself rose from 33 million rupees in 1951 to 196 million rupees in 1963. These sharp increases in the industry's magnitudes have resulted not only in the fast and phenomenal development of the industry; they have also raised the status of the industry in the national economy.

The industry today ranks fourth among India's top manufacturing enterprises, after cotton textiles, iron and steel and engineering industries. Its share in the national industrial capital is 7.8 per cent. The industry being highly mechanised and capital-intensive, its share in the country's total employment is only about 3 per cent., but it contributes nearly 6 per cent. of the gross output and 6.5 per cent. of the net output. In most of the Western countries, the chemicals branch accounts for 8-12 per cent. of their total manufacturing output. The Indian industry's ~~add~~ importance today is due to the foreign exchange earnings from its exports. The value of export of chemicals and chemical products rose to 98 million rupees in 1964-65 from 69 million rupees in 1963-64.

The following tables provide the indices of wages and productivity with 1951 as the base year, especially constructed for the purpose of this study.



Year	Value added by manufac- ture per person employed. (Rs.)	Index of Produc- tivity.	General price index of manufac- tured articles.	Price Index adjusted with 1951 as base.	Index of productivity at constant price.
1	2	3	4	5	6
1951 ..	3,831.1	100.0	118.9	100.0	100.0
1955 ..	4,186.3	109.3	99.4	84.5	129.3
1956 ..	5,382.0	140.5	104.9	88.2	159.3
1957 ..	5,854.6	152.8	108.0	91.5	167.0
1958 ..	6,162.3	160.8	108.2	91.6	175.5
1959 ..	6,408.9	167.3	109.7	92.8	180.3
1960 ..	6,637.5	173.3	120.8	101.6	170.6
1961 ..	7,575.2	197.7	127.2	106.3	186.0
1962 ..	8,409.9	219.5	128.1	107.0	205.1
1963 ..	8,458.8	220.8	130.3	109.4	201.8

Year	Wages per worker. (Rs.)	Index numbers of wages.	Consumer price index numbers (All-India general).	Consumer price index numbers adjusted with 1951 as base.	Index of wages at constant price level.
1	2	3	4	5	6
1951 ..	1,086.8	100.0	105	100.0	100.0
1955 ..	1,270.5	116.9	96	91.4	127.9
1956 ..	1,328.5	122.2	105	100.0	122.2
1957 ..	1,428.8	131.5	111	105.7	124.4
1958 ..	1,549.8	142.6	116	110.4	129.2
1959 ..	1,872.7	172.3	121	115.2	149.6
1960 ..	1,869.4	172.0	124	118.0	145.7
1961 ..	2,112.0	194.3	126	120.0	161.9
1962 ..	2,280.6	209.8	130	123.8	169.5
1963 ..	2,422.5	222.9	134	127.6	174.7

Relationship.— The following salient features of the wage-productivity relationship in chemicals industry may now be observed:

(1) As the index of wages shows, there was a continuous rise in wages throughout the three Plans. During the first Plan, wages rose by 16.9 per cent. The upward movement of wages gained momentum during the second Plan and began to register increases at higher rates. In 1959, there was a sharp rise in wages, and the index shot up by 29.7 points which was the record rise for any single year. There was, however, no increase in 1960. But, as the third Plan commenced, the upward movement of wages was revived, and by mid-third Plan the wages were up by 122.9 per cent. over the 1951 level. Thus, during the Plans, wages roughly moved up at the rate of over 10 per cent. per annum.

(2) The real earnings, adjusted for the rise in the cost of living, also gained significantly during the period. The gain was more than the increase in money wages during the first Plan owing to fall in the cost of living in 1955, as compared with 1951. Only in 1956 and 1960, owing to higher rise in the cost of living than in money wages, did the index of real earnings show a drop as compared with the previous year; otherwise, throughout the Plans, there was a steady improvement, with notable increases in 1959 and 1961. Over the entire period, real earnings went up by about 75 per cent. their rate of annual rise being over 6 per cent.

(3) There was also rise in productivity, though not much above the wage level. In fact, in 1955, 1959 and 1963, productivity at current prices lagged behind wages. The rise in productivity, as in wages, was greater during the second Plan. In 1956, the index of productivity showed a record rise of 31.2 points. Such a forceful rise, though not to the same height, occurred again only in 1961 and the index of productivity shot up by 24.4 points. Even then, the overall gain during the entire period was only of 120.8 percent. as against the rise of 122.9 per cent. in wages.

(4) At constant price level, productivity did not lag behind wages and remained above wages throughout the period. Except for 1960, when it fell in relation to the preceding year's figure, productivity had a steady rise, the over-all increase being 101.8 per cent. during the period which yields an annual rise of over 8 per cent. This rate of increase in productivity compares favourably with the growth rates of labour productivity in other countries mentioned earlier.

35

(5) On the whole, wages in chemicals industry would appear to have followed up so closely the gains in productivity that labour, it might be said, got the most of it.

This raises an important question. Higher productivity results from the combined efforts of the factors of production. Although one of the most important factors, labour is still only one among them. It cannot be ignored, especially in capital-intensive industries where large sums of money are invested in modern plants and machinery, that improved technology, efficient processes of production, scientific management and a high order of organisation, all contribute to higher productivity. In fact, with modern technology, the rigours of manual operations are considerably reduced. The results of higher productivity should therefore normally be shared equitably. For, if there is inadequate return on capital, if the provision of reserves diminishes, and if the profits decline, as a result of larger share of labour in value added, disincentives begin to operate in the industry which go to slow down the rate of progress. The clock must not therefore be allowed to be put back. Continued progress of the industry is, indeed, far more important than immediate, temporary gains from any increase in value added stemming from higher productivity for current consumption which are largely inflationary in character. On the other hand, greater savings from increases in value added and their investment quicken the tempo of development which brings forth benefits or gains of a permanent nature to all concerned.

The falling capital productivity in chemicals, it seems, was the result of decreasing capacity utilisation and increasing degree of idle capacity in recent years owing to serious short-ages of essential raw materials. Following drastic cuts in imports in the face of the country's precarious foreign exchange position, the industry complained of shortages of basic materials from time to time. Partly on account of this grievous position, and partly due to rise in the value of input, that is, higher cost of production, the second profitability ratio also followed the same course. The result was not only falling rates of return on capital but also lower gross margins in the industry. And yet, the industry endured the burden of higher wages in the past. It is in this context that the question of further increase in wages must be considered. So far, labour's share in value added has not exceeded the level of 22-23 per cent., and higher wages could be afforded with the gains in labour productivity notwithstanding lower profitability ratios. But this position cannot remain unaltered for long, unless productivity rises considerably.

The prospects of higher productivity in the immediate future depend very much on effective capacity utilisation in the industry, which, in turn, would depend on the adequate supplies of basic materials. Both of these presently appear uncertain; already, there are forecasts from responsible quarters of a fall in current and future output on this account. With such greivous economic position of the industry and the immediate prospects looking dim and dark, shall we deepen and hasten the crisis by inflating wages, or act with some restraint or even make hard sacrifices (as the slogan today is to build self-reliant economy)? The immediate wants of today are admittedly important. But the needs of the future ahead are no less important either. It is really an extremely difficult task before the Wage Board, but it has to be accomplished, and a balance struck between the two competing needs. If the labour, the industry and the Government join hands and tackle the problem, united and determined, a solution can be found to the satisfaction of all.

(Commerce, 12 March, 1966,  
pp. 416-417 ).

Incentive Scheme for Public Sector Steel  
Workers.

Workers in the three public sector steel plants at Bhilai, Durgapur and Rourkela are covered by the an incentive scheme to increase production.

Only those categories of workers which make a significant and identifiable contribution towards production are covered under the scheme. These include all the works employees (except office staff) and stores staff engaged on custody and handling of stores, and drivers of material carrying vehicles.

The average incentive earnings per worker monthwise in 1965 is given below for the Bhilai, Durgapur and Rourkela steel plants:

Month 1965	Average incentive earning per worker in Rs.		
	Bhilai	Durgapur	Rourkela
January ..	39.95	39.93	43.03
February ..	35.70	37.22	43.50
March ..	44.98	37.22	40.60
April ..	34.74	34.57	37.22
May ..	30.30	30.87	37.50
June ..	31.74	35.78	35.27
July ..	34.36	32.39	43.71
August ..	40.54	36.99	41.91
September ..	40.30	30.42	38.50
October ..	30.34	42.81	34.87
November ..	39.70	39.30	42.47
December ..	43.92	34.21	41.66

(The Indian Worker, 14 March 1966).

Minimum Wages for Construction Workers  
Revised.

The Government of India have revised the daily rates of wages of workers employed in the construction or maintenance of roads or in building operations.

This revision has been made as per recommendations of an Advisory Committee constituted by the Government for the purpose.

The revised rates of wages will come into effect from 1 March 1966.

The revised rates of wages will be as follows:-

Adults: (a) Beldar or Mazdoor - Rs. 2.50,  
(b) Beldar or Mazdoor (Female) - Rs. 2.50,  
(c) Watchman or Chowkidar - Rs. 2.50, (d) Other unskilled employees - Rs. 2.50.

Adolescents: Rs. 1.80.

The rates fixed are inclusive of the payment for the weekly day of rest and no separate payment would be necessary on this account.

(The Indian Worker, 28 February, 1966)

Central Wage Board for Leather and Leather Goods Industry constituted.

In pursuance of the recommendations made in Second and Third Five Year Plans, the Government of India has set up a Central Wage Board for Leather and Leather Goods Industry. The Chairman of the Board is Shri M. Sriramamurty. There are six members, two independent members, two representing employers and two representing workers.

Terms of reference.— The terms of reference of the Board are:

- (a) to determine the categories of employees (manual, clerical, supervisory, etc.) who should be brought within the scope of the proposed wage fixation;
- (b) to work out a wage structure based on the principles of fair wages as set forth in the Report of the Committee on Fair Wages; as conditions and problems in Tanneries differ substantially from those in leather and foot-wear industries, the Board shall take into account such differences while making its recommendations, and if necessary evolve separate Wage structure for these two industries.

In evolving a wage structure, the Board will take into account, in addition to the considerations relating to fair wages:—

- (i) the needs of the industry in a developing economy including the need for maintaining and promoting exports;
- (ii) the requirements of social justice;
- (iii) the need for adjusting wage differentials in such a manner as to provide incentive to workers for advancing their skill;
- (iv) the special features of the leather and leather goods industry; and
- (v) the desirability of extending the system of payment by results.

In applying the system of payment by results, the Board shall keep in view the need for fixing a minimum (fall-back wage) and also to safeguard against over-work and undue speed.

The coverage of the Wage Board will be restricted to establishments employing 20 or more workers.

The Board may consider the demands of labour for the grant of interim relief and make recommendations thereon. While recommending such interim relief, the Board will take into account the different levels of wages in various units of the industry.

The headquarters of the Board will be located at Madras.

(Department of Labour and Employment  
Resolution No. WB-19(2)/65 dated 21-3-66;  
The Gazette of India, Part I, Section 1,  
dated 9 April, 1966, page 324 ).



29

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

42. Co-operation.

India - March 1966.

Annual Report of the Working of the  
Committee for Co-operative Training  
(National Co-operative Union of India)  
for the Year ending June 1965\*.

The Committee for Co-operative Training held two meetings during the year. A meeting of the Text Book Sub-Committee was also held. Besides, a number of other urgent matters were dealt with by the Sub-Committees by way of circulation. The important decisions taken by the Committee include those relating to the revision of the course for senior officers and junior officers, supervision of the work relating to cooperative training centres, organisation of short duration seminars for senior officers of the cooperative departments and institutions, assessment of the quality of the teaching staff, etc.

Training Courses.- The Committee for Cooperative Training continued to administer the integrated programme of cooperative training and education. The four Co-operative Training Centres at Madras, Poona, Vallabh Vidyanagar and Gopalpur-on-Sea, were continued to be administered by the respective State Cooperative Unions, ~~which~~ whereas the other centres were being directly run by the Committee for Cooperative Training. The Committee continued to conduct the orientation course for the senior officers, the general basic course and the special courses on cooperative marketing, Land Mortgage Banking, industrial cooperation and cooperative banking for the intermediate category of personnel. A new course in cooperative audit was started at the Cooperative Training Centre, Madras and a number of other

\* Annual Report 1964-65, Committee for Cooperative Training (National Cooperative Union of India), 34, South Patel Nagar, New Delhi, pp. 38.

40

specialised courses were conducted to meet the varied requirements of the cooperative departments and institutions. With the appointment of a Deputy Director (Research) and another Deputy Director (Training) a beginning was made with Research in Co-operation at the National Co-operative College and Research Institute, Poona.

Progress of Courses.— The utilisation of the courses organised by the Committee showed a steady improvement. As compared with the participation of the departmental personnel in different courses that of the personnel belonging to the various cooperative institutions has not been quite satisfactory. The Committee undertook a review to examine this aspect and came to the conclusion that the constitution of a common cadre for the institutional personnel with proper training reserve will go a long way to improve the utilisation of the training facilities by the institutional personnel. In order that training facilities offered are utilised by more and more institutional personnel, the state level cooperative institutions, viz., the State Cooperative Banks, State Cooperative Marketing Federations, State Cooperative Unions, etc., have now been authorised to sponsor candidates employed with them or with their affiliated organisations for training and in their case, the Registrar's recommendation is not being insisted upon. The Committee has also undertaken a quick review to find out reasons for the lack of adequate response from institutions.

National Cooperative College and Research Institute, Poona.— The core function of the Institute continues to be the conduct of the orientation course for senior officers. During the year, two courses were organised. As against the capacity of 80, the actual number of persons trained was 82 indicating that the utilisation was extremely satisfactory.

Special efforts were made during the year under report, to equip the Institute so as to enable it to play a vital role. A Deputy Director Research and another for Training were appointed. A nucleus programme of research was initiated with detailed case studies on -

- (1) Poona Wholesale Consumers Store.
- (2) Labour Contract Society, Yerwada.
- (3) Janta Sahakari Bank, Poona.
- (4) Cooperative Housing Society, Poona.

Apart from organising orientation course and conducting research, the Institute was being equipped to organise a variety of short duration courses like seminars, workshops for functional officers and for persons of the senior category. During the year a workshop on cooperative banking was organised at the Institute, wherein some selected lecturers of the cooperative training centres teaching the subject of cooperative banking in the General Basic Course, prepared detailed reading and reference material and synoptic notes on the subject. The Institute also made preliminary arrangements for the conduct of a seminar on cooperation for the university teachers in Agricultural Economics.

In addition to the training facilities enumerated above the Committee is directly administering a scheme of providing study facilities to the newly appointment Registrars, Additional Registrars and Joint Registrars of Cooperative Societies from the I.A.S. cadre. Study courses for five such officers were arranged during the year under report bringing the total number to seven.

Intermediate Training Centres.— The thirteen Cooperative Training Centres continued to organise the following four types of courses:

1. General Basic Courses
2. Regular Special Courses
3. Other specialised courses
4. Refresher courses.

General Basic Course.— Twentytwo sessions of this course were completed during the year. Against the capacity of 1390 of these sessions the actual number of trainees who underwent training was 1100. The utilisation thus works out to 80 per cent. Of these 1100 persons, 840 were departmental officers and 260 belonged to Cooperative Institutions.

A comprehensive review of the working of the General Basic Course during the year was made at the Workshop-cum-Conference of the Principals held at Vallabh Vidyanagar (Anand). Suitable adjustments in the syllabus were made to meet the changes necessitated by the experience gained in the conduct of the courses.

47

Special Courses.- The Committee conducts on a regular basis five special courses on cooperative marketing, cooperative land mortgage banking, cooperative banking, cooperative audit and industrial cooperation courses. The progress of these special courses during the year is indicated below.

(a) Marketing.- This course is organised at the Cooperative Training Centres, Indore, Poona and Bangalore. Seven Sessions of this course were completed during the year. The capacity of the courses was 240 against which the utilisation was 154. Of these, 121 were sponsored by the departments and 33 by the institutions.

(b) Cooperative Land Mortgage Banking.- This course was earlier conducted at Madras and Vallabh Vidyanagar. However, in order to meet the increasing requirements for training in this field an additional course was started, during the year, at a third centre viz., Faizabad. During the year six sessions of this course were completed at the three centres. As against the capacity of 230, 177 candidates (101 departmental and 76 institutional) underwent training in these courses.

(c) Cooperative Banking.-This course is organised at the Cooperative Training Centre, Madras. During the year, three sessions of this course were completed. Against the capacity of 120, 108 persons underwent training. Fortyfour of these were from the departments while 64 were from the institutions. As would be seen from this, the course was popular with institutional candidates.

(d) Cooperative Audit.- A new course in cooperative audit was introduced during the year at the Cooperative Training Centre, Madras, after making comprehensive assessment of the requirements for training in this field in consultation with the various State Governments. During the year one session was completed. Against the capacity of 40, 37 candidates received training in this course.

(e) Industrial Cooperation.- The committee organised this course on behalf of the Ministry of Industry and Supply. The course was being conducted for some time at the National Cooperative College and Research Institute, Poona. Steps were taken during the year to give a permanent location to this course by shifting it to the Cooperative Training Centre, Vallabh Vidyanagar (Anand) where suitable accommodation was secured with the cooperation of the Sardar Vallabhai Vidya Peeth.

Two sessions of this course were completed during the year. The capacity of the session was 80 against which 71 candidates underwent training.

Other Specialised Courses.- The Committee is called upon from time to time to organise a number of specialised courses for which it has to prepare detailed schemes along with the syllabi for these courses. During the year, 10 such special courses were organised by the Committee in which 156 candidates were trained. The subjects on which these courses were organised were as under:-

- i. Course in cooperative audit for the personnel of the cooperative department, Government of Madhya Pradesh.
- ii. Course on selected provisions of the civil and criminal laws for the staff of the cooperative department of the Government of Madras.
- iii. A basic course of four months duration for the promoted inspectors of the cooperative department of the Punjab.
- iv. An all India course in labour construction cooperatives.
- v. A condensed basic course in cooperation for extension officer (industries) of Andhra Pradesh Government.
- vi. A basic course in cooperation for Block Level Extension Officers (industries) of Government of Orissa.
- vii. A three weeks refresher course in cooperative marketing for the staff of the cooperative department of West Bengal.
- viii. A three weeks refresher course in Cooperative Audit for the staff of the cooperative department of West Bengal.
- ix. A course in cooperation for directly recruited Senior Milk Inspectors of Cooperative Department of Uttar Pradesh.
- x. Refresher course for the Instructors of the Gram Sewak Training Centres located in Uttar Pradesh.

Refresher courses.- The scheme for the organisation of refresher courses was launched initially in 1964. The organisation of these courses gained momentum during the year. All the Centres organised these courses in which 192 candidates underwent training. The syllabus of the course was kept flexible so as to suit the requirements of each State.

144

Staff Recruitment and Development.- In any scheme of training, the quality of teaching staff has to be given the utmost importance. The Committee has been making special efforts to recruit competent staff from the cooperative departments and institutions and also from the open market. For purposes of direct recruitment during the year the Committee called for nominations by way of open advertisements in the newspapers and also made special requests to the cooperative departments and institutions for recommending suitable officers for the purpose. A specially constituted selected board consisting of experts in the field was constituted for selecting Principals/Dy. Directors and lecturers both for the National Cooperative College and Research Institute, Poona and the Cooperative Training Centres. On the basis of the selections so made, offers of appointment were sent to some of the candidates and others were placed in a panel for being appointed to the respective posts as and when vacancies arose. Out of 78 posts of Principals and Lecturers, 37 were manned by deputationists from the departments and institutions. Twentyfour were direct recruits and 9 were retired officers of the Government department, (8 posts remained vacant).

In order to equip the staff to discharge their functions efficiently, a programme of staff development was formulated. The directly recruited lecturers in all the training centres were attached to the cooperative departments and institutions for intensive study and for acquiring thorough practical knowledge. They were requested to undertake a number of case studies and projects. In addition, five lecturers were sent to undergo a course in 'Teaching Techniques' in the National Institute of Community Development (Industrial Wing). Participation in this course was found useful by them from the point of view of improving their skills. It is proposed to continue the programme on a regular phased bases.

Guest Lecturers and Collaboration.-While the teaching staff was fully responsible for the coverage of the syllabi prescribed in the various courses their efforts were continued to be supplemented by special lectures given by experts in the respective subjects. Each training centre prepared a planned programme of inviting guest lecturers to cover selected topics in the syllabus at the appropriate stages of training. The guest lecturers included experts in the field or subject matter viz officers from Government Departments, Instructors from the organization and study centres and teachers from the neighbouring universities and colleges. The members of the teaching staff

45

of the Cooperative Training Centres were also invited to deliver talks in the Orientation and Study Centres, universities, etc., thus initiating a process of collaboration between Cooperative Training Centres and the allied educational institutions.

The Zonal Education Officers appointed by the NCUI under the Member Education Programme were attached to the Cooperative Training Centres at Vallabh Vidyanagar, Kalyani, Indore and Hyderabad. These Officers functioned under the general supervision of the Principal.

Teaching Techniques.- All regular class room lectures were followed by group discussions, debates, panel discussions, etc., so as to enable the trainees to better assimilate subject.

Teaching Aids.- Practical Training.- Each course has a substantial component of practical training programme during which the trainees visit societies in different States to study their working. In the General Basic Course, this practical training programme was broken into two parts. After completing 10 weeks theoretical training, they undertook an observation tour of 6 weeks out of which two weeks were spent in the State in which the Centre is located and 4 weeks in the adjoining advanced State. After a further period of theoretical training, they were also attached to specific institutions and officers in the trainees' own State to participate in their working and to practice as understudy the different jobs which they were expected to perform after completion of training. This practical training programme was carefully planned by the centres after consulting the various institutions to be visited. Wherever possible, the Centres obtained in advance study material about the societies to be visited and distributed it to the trainees.

Adoption of Village Societies.-In addition to the practical training programmes consisting of observation tours and field placements, the centres continued to adopt a certain number of societies in the neighbouring areas for intensive study and development during their campus training. The trainees visited these societies every week to discuss problems with the Office bearers and committee members of the respective societies. This programme served as a practical training laboratory for the trainees where they could test the theoretical knowledge imparted to them in the class room.

Consumer Store at the Centre.- As an aid to practical training within the campus, the centres continued to run a consumer store for the trainees and staff. The trainees continued to run their mess on cooperative basis. In fact, in many cases, the Centres' consumer store managed the canteen and the mess for the trainees. The working of these consumer stores was periodically reviewed by the trainees themselves by way of regular inspections, audits, and by holding managing committee meeting and general body meetings.

Library.- Each training centre had a well equipped library which maintained important books and journals on the subject of cooperation. A trained librarian was sanctioned for these centres with a view to improving their working.

Audio Visual Aids.- A standard set of projector and other accessory equipment for exhibiting film strips on the subject of cooperation was available with each centre.

Information Room.- For the first time, the training centres were requested to organise an information centre wherein important information about the progress of cooperative movement in various sectors in the state concerned as well as in the whole country could be compiled. All the training centres initiated the process of collecting information for the purpose.

Research and Publications.- The National Cooperative College and Research Institute, Poona is expected to undertake in course of time a number of research projects on various subjects relating to co-operation. Accordingly, a programme for taking up national, regional and local studies is under formulation. In the meanwhile, the Committee for Cooperative Training had undertaken a research project on the subject of 'Linking of Cooperative Credit with Marketing'. The survey was carried out in the States of Gujrat, Madras, Maharashtra and Uttar Pradesh. After the field work, draft reports for each State were prepared and circulated for comments. They were also discussed in the functional committees of the National Cooperative Development Corporation. The reports are being finalised in the light of the comments received for publication under the Book Fund Scheme.



47

The Cooperative Training Centres also assisted in completing the survey of pilot projects on cooperative farming. This survey was undertaken as a part of the overall investigations conducted by the Committee of Direction on Cooperative Farming set up by the Ministry of Community Development and Cooperation under the Chairmanship of Prof. D.R. Gadgil.

With an initial contribution of 50,000 rupees from the Government of India, the Committee has set up a "Book Fund" for bringing out suitable text books on cooperation for use by the trainees at the various cooperative training institutes under the guidance of a Text Book Sub-Committee. The Text Book Sub-Committee undertook a comprehensive review of the available literature on cooperation and recommended certain books to be read as text books in certain subjects taught in the general basic course. In respect of some other subjects, the Sub-Committee proposed that the Committee might get text books written from suitable authors. In addition to text books, the Sub-Committee also suggested preparation of selected readings on various subjects for exhaustive reading by the trainees. In its work, the Text Book Sub-Committee allotted to individual experts the work of taking stock of existing literature on various subjects. In pursuance of this decision the comprehensive review was undertaken in respect of the following subjects:-

- i. Principles & History of Cooperation - new cooperative policy and different kinds of cooperative societies and their functions;
- ii. Cooperative Practice, Management and Administration;
- iii. Cooperative Accounts and Audit;
- iv. Community Development, Panchayati Raj and Sahakari Samaj.

With regard to special courses, the Sub-Committee decided that there was need for bringing out books on specialised subjects like cooperative marketing, land mortgage banking and industrial cooperation. Accordingly, the work of preparing a text book on Land Mortgage Bank has been entrusted to one of the ex-lecturers. In regard to the preparation of books on industrial cooperation and cooperative marketing, the work is in progress in consultation with the Ministry of Industry and Supply and the National Cooperative Development Corporation.

A new activity was undertaken by the Committee during the year under report, with the publication of a quarterly journal, entitled; "The Cooperative Law Journal" from 1-4-1965. This publication is the first of its kind and contains decisions of the various High Courts, State Cooperative Tribunals and the State Governments on cases which have a bearing on the working of cooperative societies. The journal also contains articles of interest on cooperative law. This publication received very good response from the subscribers during the year under report.

Courses for Junior Personnel.- The number of institutions for the training of junior category of personnel continued to be 67 during the year. One new junior cooperative training centre was opened in Maharashtra at Latur. However, the Departmental training institute at Madurai was discontinued by the Madras State Government as it had completed the programme of recruitment of this category of personnel.

The Committee continued to give guidance to the junior cooperative training institutions in regard to the syllabus, text books and other matters.

The Junior Cooperative Training Centres are administered by the State Cooperative Unions except in the States of Rajasthan, Uttar Pradesh, Punjab, Bihar and Jammu and Kashmir and the Union Territory of Manipur. The Committee has been pursuing action with the above State Cooperative Governments for the transfer of these centres to the respective State Cooperative Unions. The Government of Punjab have agreed in principle to transfer to start with one of the three junior cooperative training centres in the State to the State Cooperative Union. The Uttar Pradesh Government is also seized of the matter.

Administration.- With the reconstitution, the Committee has now a Chairman, a Vice-Chairman and a Member-Secretary besides the 14 members. Shri P.R. Dubhashi took over as the new Member-Secretary in May 1965 vice Shri B.V. Vora. The Member-Secretary is assisted by a staff of two joint Directors, three Deputy Directors, one Accounts Officer and one Administrative Officer and a small complement of office staff. The pressure of work has been on the increase owing to the organisation of a number of new courses and increase in the utilisation of the capacity of the courses.

499

Budget.— The Committee continued to receive 100 per cent. grant-in-aid from the Government of India in the Ministry of Community Development and Cooperation for the maintenance of the headquarters, running of the National Cooperative College and Research Institute, Poona, and the Intermediate training centres and other specialised courses. The Government of India in the Ministry of Industry continued to give 100 per cent. grant-in-aid for the courses in Industrial Cooperation. The yearwise expenditure on programmes of cooperative training undertaken by the Committee is given below:

<u>(Rs. in Millions)</u>		
1962-63	—	2.029
1963-64	—	2.465
1964-65	—	2.829

It will be seen that there has been a progressive increase in the expenditure on the schemes administered by the Committee. This is mainly due to the fact that a number of new courses were organised by the Committee and also owing to the continuous improvement in the utilisation of the capacity of the courses.

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50

CHAPTER 5. WORKING CONDITIONS AND LIVING  
STANDARDS.

INDIA - MARCH 1966.

50. General.

Contract Labour in General and Electrical  
Engineering (Excluding Generation and  
Transformation of Electrical Energy) Industries\*:  
Results of a Survey published.

In the series on Contract Labour Surveys being conducted by the Labour Bureau in certain selected industries in pursuance of the recommendations contained in the Second Five Year Plan to ascertain the extent and nature of contract labour, the results of the findings in respect of General and Electrical Engineering Industries have been published in February 1966 issue of the Indian Labour Journal. The following is a summary of this survey.

Sampling Frame.- The survey covered groups 36. Machinery (except electrical machinery) and 37. Electrical machinery, apparatus, appliances and supplies of the Standard Industrial Classification of the Bureau as adopted for factories.

The list of the registered factories for the year 1962 available in the Labour Bureau formed the sampling frame for the enquiry. According to this list the total number of working factories falling under the aforesaid groups was 4,946 - 4,125 in general engineering group and 821 in electrical engineering group.

Sampling Design.- Two-stage sampling was adopted. In the first stage, samples were selected primarily to ascertain the employment of contract labour. Out of 4,946 units in the frame, 1,370 - 1,123 in general engineering group and 247 in electrical engineering group were selected for this purpose. Before drawing the samples,

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\* Indian Labour Journal, Vol. VII, No. 2,  
February 1966, pp. 91-139.

the units in the frame were classified into two employment size-groups i.e. up to 100 and 101 and above and thereafter samples were elected randomly by adopting varying sampling fractions for each employment size-group. While drawing the samples, care was taken to see that each State was properly represented.

Jobs on which contract labour was employed.- Contract labour was generally employed both on regular as well as irregular jobs. The regular jobs entrusted to contractors were cutting of iron sheets and slabs, moulding, casting and chipping of machines and its parts such as stands of chaff-cutters, crude oil engines, etc., manufacture of machinery and equipment such as oil lamps for railways, bobbins, collapsible gates, window grills, grinders, agricultural implements, cycle and motor parts, charkha, dials, etc. and maintenance and repair work of machinery and equipment in general engineering and moulding, manufacture of various items of work such as cables, electric fans, etc. in electrical engineering. The irregular jobs got done through/by contract labour in general as well as in ~~electrical engi~~ electrical engineering industries were loading, unloading and stacking of the raw material and finished products and transportation of the same.

System of Recruitment.- The most common method of recruiting contract labour in this industry was direct as 114 contractors out of 116 adopted this method. The other two contractors utilised the services of the existing workers in addition to direct recruitment. The principal employers, in majority of the cases, did not exercise any control over the recruitment of workers employed by their contractors. The principal employers of only 7 contractors had imposed certain restrictions. Such restrictions were mainly concerned with the employment of dismissed or retrenched employees of the management, employment of children and presentation of the medical fitness certificate by the company's doctor, etc.

Advances.- The system of giving advances to contract labour before engagement was not common as most of the labour was recruited directly by the contractors. Only one out of 116 contractors covered gave from Rs. 100 to Rs. 250 per worker, as advance to his workers before engagement. Such advance was given directly by the contractor to approximately 25 per cent. of his workers in order to secure continuous service in future.

The recovery of advance was made from the wages of the workers in instalments. However, after engagement, 67 out of 116 contractors covered gave advance to their workers for meeting daily needs of life. The amount of advance varied from Rs.2 to Rs.80 per worker and the percentage of the workers who were paid such advances varied from 10 to 100. The recovery of the advances was made from the wages of the workers at the time of wage-payment.

The actual employment of direct as well as contract labour in the sampled units which were found to be working at the time of visit was 47,320, (30,778 in general engineering group and 16,542 in electrical engineering group). ~~An attempt has been~~ The total estimated employment at the time of visit to the sampled units in this industry worked out to about 0.375 millions (0.255 millions in general engineering and 0.120 million in electrical engineering). Of these, 11.4 thousand workers (10.6 thousand in general engineering group and 0.8 thousand workers in electrical engineering group) or 3 per cent. of the total estimated workers worked out to be contract workers. Industry group-wise comparison ~~employment~~ shows that the percentage of contract workers in the total estimated employment in general engineering was higher than (4.1) than in electrical engineering industry (0.7).

Employment of Women and Children.— The survey revealed that women and children accounted for a negligible proportion of the total estimated employment. Of the 11.4 thousand estimated workers employed through/by contractors 18 or 0.2 per cent. were women and 73 or 0.6 per cent. children. The employment of women workers was reported from Gujarat State in electrical engineering group of industries and that of children from Andhra Pradesh in General Engineering group of industries.

Wages and Earnings.— The survey revealed that the managements, were exercising control over the payment of wages of 24 per cent. of the workers employed through/by their contractors. Of the 1,368 workers employed through/by contractors at the time of visit to the sampled units, 1,040 or 76 per cent. were paid by the contractors independently, 315 or 23 per cent. of the workers were paid by the contractors under the supervision of the managements whereas the remaining 13 or 1 per cent. were paid by the management.

Dearness Allowance, etc.— The survey revealed that none of the contractors covered, paid any separate dearness allowance or any other cash allowance to his workers. Nor any payment in kind was made to the workers.

Retaining or Subsistence Allowance.— Only two contractors, one each in the general engineering and electrical engineering industries, out of a total of 116, paid retaining or subsistence allowance to their permanent seasonal workmen during the off-season, when there was no work for them. Generally, no conditions were attached to the payment of this allowance. It was reported that full wages were paid to the workers in the form of retaining/subsistence allowance.

Wage Period.— The findings of the survey indicated that the usual system of settling the wages of the workers was once in a month. Of the 116 contractors, 5 made payments to their workers daily, 12 weekly, 6 fortnightly, 87 monthly and 1 weekly as well as monthly whereas the remaining 5 contractors had not fixed any period for the payment of wages to their workers.

Overtime Payments.— Of the 116 contractors covered under the survey, only 39 reported that they took overtime work from their workers. Of these, 17 contractors made extra payment at single rate, 5 at single rate in addition to meals and refreshments, one at  $1\frac{1}{2}$  times the ordinary rate of payment, 7 at double the ordinary rate of payment whereas the remaining 8 contractors did not make any extra payment for overtime work.

Fines and Deductions.— The information collected during the course of the survey revealed that none of the contractors reported to have imposed any fine on his workers.

As regards deductions, only 42 out of 116 contractors covered reported that they made deductions from the wages of the workers in conformity with the Payment of Wages Act 1936. Of the 42 contractors, 38 belonged to general engineering and 4 to electrical engineering.

Bonus.— Workers of only 21 contractors out of 116 covered under the survey were getting some kind of bonus, either from the contractors or from the principal employers. Details regarding different types of bonus paid to the contract labour workers are as follows:—

Profit Sharing.- Of the 116 contractors, only 2 in general engineering group paid this bonus to their workers during the year 1963. Of these, one contractor paid 31 days' average wage per annum to only those workers who had put in at least 3 months' continuous service. The other contractors paid 4 per cent. of the wages earned during the year to those workers who had completed one year's service.

Annual Bonus.- The workers of two contractors in general engineering group only out of a total of 116 covered were paid this bonus during the year 1963-64. In one case it was paid by the contractor whereas in the ~~case of the~~ other case it was paid by the principal employer. The rate of payment in case of the contractor was Rs. 35 to Mazdoors and Rs.45 to Sirdars who were in service. In case of the principal employer, its rate of payment was 5 per cent. of the total wages earned during the year. This bonus was paid to only those workers who had worked for more than 6 months during the year 1963.

Festival/Puja Bonus.- Of the 116 contractors covered, only 4 in general engineering group paid such bonus to their workers during the year 1963-64. The rate of payment was 25, 26 and 30 days' wages per annum in three cases and 3 days' consolidated wage in the remaining one case.

Ex-gratia Bonus.- The workers of only 10 contractors out of 116 covered were paid such bonus during the years 1963 and 1964. In 9 cases it was paid by the contractors themselves whereas in the remaining one case it was paid by the principal employer. The rates of payment of the bonus paid by the contractors varied from Rs. 5 to Rs.30 for workers and between Rs.15 and Rs.100 for Sirdars and Mukadams in 6 cases and in the other 3 cases rates of payment were 32 days' basic wages on completion of one year's service; 24 days basic wages on completion of 9 months' service, 16 days' basic wages on completion of 6 months' service and 8 days' wages on completion of 3 months' service. Generally, no conditions were attached with the payment of such bonus but only those workers got it who were in service at the time of payment of this bonus. As regards the principal employer, its rate of payment was 39 days' basic wages on completion of 240 days' attendance during the year.



Working Conditions.- The Factories Act, 1948 limits the daily hours of work to 9 and weekly hours to 48. The actual daily and weekly hours of work of contract workers, as revealed by the survey, varied from  $6\frac{3}{4}$  to  $8\frac{1}{2}$  and 39 to 48 respectively. Of the 116 contractors covered, only in respect of 61 (55 in general engineering group and 6 in electrical engineering group) the principal employers exercised some indirect control over the working hours of the workers employed by their contractors and working within the premises of their factories. They did not allow any work beyond the specified working hours of their factories. Group-wise position is discussed below:-

Daily Hours of Work.- Of the 116 contractors, 10 took less than 8 hours' work from their workers, 102 took 8 hours' work, 2 took more than 8 hours' work whereas the remaining two contractors had no fixed hours of work.

Weekly Hours of Work.- Of the 116 contractors, 13 took less than 48 hours' work per week from their workers, 100 took 48 hours work per week whereas in case of the remaining 3 contractors weekly hours were not fixed.

Rest Interval.- Of the 116 contractors, as many as 114 allowed rest interval to their workers. Of these 2 allowed rest interval of  $\frac{1}{4}$  hour, 52 of  $\frac{1}{2}$  hour, 4 of  $\frac{3}{4}$  hour, 2 of 50 minutes, 48 of 1 hour, 2 of 2 hours whereas the duration was not fixed in respect of the remaining 4 contractors.

Shifts.- Of the 116 contractors, as many as 113 reported to have worked only one shift a day, 2 worked two shifts a day and the remaining one worked 3 shifts a day. Of the 3 contractors who worked more than one shift, only one had introduced the system of change-over of shifts of his workers every week.

Weekly Rest.- Of the 116 contractors, only 2 contractors who employed piece-rated workers did not allow any weekly-off to their workers. Of the remaining 114 contractors who allowed weekly-off to their workers, 37 allowed it with wages - 25 to all their workers and 12 to only monthly-rated workers. The remaining 77 contractors allowed weekly rest to their workers, both daily-rated and piece-rated, without wages.

Leave and Holidays with Pay.- Under the Factories Act, 1948, every worker who has worked for a period of at least 240 days during a calendar year, is entitled during the subsequent year to annual leave with wages at the rate of one day for every 20 days worked in case of adults and one day for every 15 days worked in case of children.

The data collected during the survey revealed that very few contractors allowed such leave with wages to their workers. Detailed position in respect of leave and holidays with pay is discussed below:-

Casual Leave.- None of the contractors covered in general and electrical engineering industries allowed any casual leave with pay to his workers.

Sick Leave.- Only one contractor in general engineering group out of 116 contractors covered, allowed 10 days' sick leave to his workers employed on daily rate on the advice of the company's doctor at half pay. The workers of another 67 contractors enjoyed sickness benefit as provided under the Employees' State Insurance Scheme.

Privilege/Earned Leave.- Of the 116 contractors, only 12 were allowed such leave to their workers. Of these, 11 contractors allowed it as per Factories Act, 1948, whereas the other contractor allowed 12 days' leave to his workers. However, another three contractors paid 1½ days' average wages per month in lieu of earned leave.

National Holidays.- Of the 116 contractors, only 60 allowed national holidays to their workers. Of these, 6 contractors allowed one holiday, 37 allowed 2 holidays and 17 contractors allowed 3 holidays to their workers. Generally, no conditions were attached except that the workers should be present on the preceding day of the holidays if employed on daily rate basis.

Festival Holidays.- Of the 116 contractors, only 46 allowed such holidays to their workers. Of these, 34 contractors allowed up to 5 holidays per annum, 11 contractors allowed between 6 and 12 holidays per annum, whereas the remaining one contractor allowed 16 holidays to his monthly-rated workers.

Welfare.- The survey revealed that very few contractors had provided welfare facilities such as medical aid and housing to their workers themselves. The principal employers had, however, extended some of the facilities meant for direct workers to the workers of their contractors also.

Social Security.- In case of accidents the workers employed in this industry were eligible for compensation either as per Workmen's Compensation Act, 1923 or the Employees' State Insurance Scheme, if applicable. In the factories which were covered under the Employees' State Insurance Scheme, the contract workers were also getting the benefit provided thereunder. The rate of employers' special contribution in the non-implemented areas was  $\frac{3}{4}$  per cent. of the wages. Where the Employees' State Insurance Scheme was put into force the employers were required to pay  $2\frac{1}{2}$  per cent. of the wages. The employees in places where the benefits of the Employees' State Insurance Scheme were available, were required to pay contributions at the rate prescribed in the Act. Employees at non-implemented areas did not pay any contribution. The survey revealed that the workers of 68 contractors out of 116 covered were paid compensation in case of accidents either under the Employees' State Insurance Scheme or the Workmen's Compensation Act, 1923. Of the remaining 48 contractors, the workers of 13 contractors were paid compensation which was generally fixed arbitrarily, whereas the workers of the other 35 contractors were not paid any compensation.

During the year ending with 30 June 1964, there were 12 nonfatal minor accidents. Of these, 9 accidents were reported to be compensated and the amount of compensation paid by the contractors in such cases was Rs. 406 approximately.

Maternity Benefit.- Of the 116 contractors covered, only 2 contractors in electrical engineering industry employed women workers but no maternity benefit was paid to them.

Provision for Future.- The Provident Fund Scheme framed under the Employees' Provident Fund Act, 1952 was introduced in November 1952 in this industry which happened to be one of the six scheduled industries initially selected for this purpose. The scheme as in force now covers all contract labour employed by or through a contractor or in connection with the work of an establishment covered under the Act. The findings of the survey, however, revealed that the workers of only 36 contractors out of 116 covered were getting the benefits of the Provident Fund Scheme. As regards, the sampled units in which contract labour was employed, in 5 out of 54 units, the Provident Fund Scheme was not enforced as the number of workers employed by these units was less than 20 per day.

The rates of contribution by the workers as well as by the contractors were  $6\frac{1}{4}$  per cent. of the consolidated wages in 6 cases and 8 per cent. in 27 cases. In the remaining three cases also the workers as well as employers' contribution was  $6\frac{1}{4}$  per cent. of the consolidated wages. The employers' contribution was however, shared between the management and the contractors. The contractor contributed 5 per cent. of the consolidated wages and the management  $1\frac{1}{4}$  per cent. only.

The conditions of eligibility for membership as well as payment of the Provident Fund Scheme were more or less the same as prescribed under the Act.

Gratuity/Pension.- Neither any contractor nor any principal employer paid any gratuity or granted any pension to contract workers.

Trade Unions.- The information collected from the contractors covered under the survey revealed that a majority of the contract workers were unorganised. The workess of 4 contractors in general engineering group out of 116 covered in both the groups were members of 4 unions. Of these, three were general ~~unions~~ unions of which contract workers could also become members whereas the remaining one union was exclusively for contract workers.

Industrial Relations.- None of the contractors covered had any set procedure for redressing the grievances of their workers. In majority of the cases, the disputes arising between workers and contractors/principal employers were normally settled directly.



## CHAPTER 8. MANPOWER PROBLEMS.

### INDIA - MARCH 1966.

#### 81. Employment Situation.

##### Census of Central Government Employees as on 31 March 1963\*: Report published.

The Directorate-General of Employment and Training of the Ministry of Labour and Employment has recently published a report on the Census of Central Government Employees as on 31 March 1963. The following is a summary of results of this report.

The Census of Central Government employees covers all persons actually holding on the date of the census, a Civilian post in and under the Central Government whose pay and allowances, honorarium or any other remuneration etc., are paid out of the Consolidated Fund of India. These employees will include the following categories of personnel holding either Gazetted or non-Gazetted posts:

- (i) permanent employees of the Central Government;
- (ii) temporary employees of the Central Government;
- (iii) State Government employees on deputation to the Central Government;
- (iv) honorary employees of the Central Government in receipt of honorarium;
- (v) regular work-charged employees subject to discharge at not less than one month's notice;
- (vi) employees paid out of contingencies subject to discharge at not less than one month's notice;
- (vii) part-time employees of the Central Government subject to discharge at not less than one month's notice;
- (viii) whole-time or part-time employees in Indian embassies and Missions abroad including locally recruited staff subject to discharge at not less than one month's notice;

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\* Census of Central Government Employees As on 31 March 1963: (Report 4): Directorate-General of Employment and Training, Ministry of Labour and Employment, Government of India, pp. 89.

- (ix) employees of ad-hoc committees set up by the Central Government;
- (x) employees in statutory corporations, industrial undertakings and any other bodies wholly owned or financed by the Government of India.

The total number of Central Government Employees (excluding casual labour) on 31 March 1963 was 2.349 millions. The bulk of these employees (1.280 millions or 55 per cent.) was employed in the Railways alone. The Ministry of Defence and the Department of Posts and Telegraphs came next in order of importance employing 0.362 millions (civilian employees) and 0.329 millions respectively. The total number of employees in all the other Ministries/Departments put together was 0.378 millions. The following table gives the total volume of Central Government employment each year during the period 1956-63. Employment in the two principal commercial departments, viz., Railways and Posts and Telegraphs has been shown separately. The figures for the period 1956-1959, however, relate to the 30 June of each year while the data for the subsequent period pertain to the 31 March of each year. The indices of employment in each year with 1956 as base have also been shown in columns 5 to 7 of the Table:-

Period.	Employment in the Central Government Establishments (Regular & Non-Regular)					
	Employment in the Central Govt. Estts. (In millions).			Index of Employment Base= 1956 = 100		
	Railways & Posts & Telegraphs.	Other Ministries/Departments.	Total	Railways & Posts & Telegraphs.	Other Ministries/Departments.	Total
1	2	3	4	5	6	7
1956 ..	1.253	0.539	1.792	100.00	100.00	100.00
1957 ..	1.292	0.547	1.839	103.11	101.48	102.62
1958 ..	1.347	0.567	1.914	107.50	105.19	106.81
1959 ..	1.391	0.598	1.989	111.01	110.94	111.00
1960 ..	1.418	0.607	2.025	113.16	112.61	113.01
1961 ..	1.458	0.636	2.094	116.35	117.99	116.86
1962 ..	1.505	0.651	2.156	120.01	120.77	120.32
1963 ..	1.609	0.740	2.349	128.30	137.28	131.09

It will be seen that the total employment under the Central Government increased from 2.156 millions to 2.349 millions during the year 1962-63, showing an increase of 0.193 millions (about 9 per cent.). This increase was in fact the highest so far on record in any single year. The increase was shared mainly by the Ministries of Railways (77,139), Defence (60,776) and Transport and Communications (26,969), which together accounted for nearly 86 per cent. of the rise in the total staff strength.

61

Out of a total of 2.349 millions of Central Government employees as on the 31 March 1963, 2.201 millions were regular employees while 0.148 millions were non-regular staff (work-charged personnel, contingency staff and locally recruited staff abroad). Ministry-wise distribution of the regular staff is given in the following table:-

Sl. No.	Ministry/Department.	No. of regular employees.	Percentage to total.
1.	Commerce & Industry . . . .	13,317	0.61
2.	Community Development and Co-operation.	999	0.05
3.	Defence. . . .	352,217	16.00
4.	Economic & Defence Co-ordination.	6,332	0.29
5.	Education. . . .	5,834	0.27
6.	External Affairs. . . .	10,619	0.48
7.	Finance. . . .	93,926	4.26
8.	Food and Agriculture. . . .	31,198	1.42
9.	Health. . . .	10,077	0.46
10.	Home Affairs. . . .	30,041	1.37
11.	Information & Broadcasting.	10,085	0.46
12.	Irrigation and Power. . . .	4,338	0.20
13.	Labour and Employment. . . .	5,506	0.25
14.	Law. . . .	905	0.04
15.	Mines and Fuel. . . .	6,592	0.30
16.	Railways. . . .	1,228,768	55.83
17.	Scientific Research & Cultural Affairs.	10,726	0.48
18.	Steel and Heavy Industries.	1,019	0.05
19.	Transport and Communications.	293,812	13.35
20.	Works, Housing & Rehabilitation.	34,923	1.59
21.	Indian Audit & Accounts Department.	38,049	1.73
22.	Cabinet Sectt. . . .	2,477	0.11
23.	Miscellaneous . . . .	8,877	0.40
	Total.	2,200,637	100.00

There were 0.148 millions of non-regular employees under the Central Government as on 31 March 1963 of whom 59,542 were working in the Posts & Telegraphs Department, 51,571 in the Railways, 12,849 in the Ministry of Works, Housing and Rehabilitation and 9,565 in Defence.

Employment of Women.- The number of women employed as regular employees in the Central Government establishments was 37,346 as on 31 March 1963, accounting for 1.7 per cent. of the total regular employment. This marked a slight improvement over the previous year's percentage of 1.5. The number of women employed in different Ministries in 1962 and 1963 is given below:-

Ministry/Department.	Women employed	
	1962	1963
(1)	(2)	(3)
1. Railways. ....	11,384	12,712
2. Transport & Communications....	6,224	8,986
3. Defence. ....	4,332	4,842
4. Finance. ....	1,567	1,895
5. Indian Audit & Accounts Department.	1,494	1,597
6. Health. ....	1,160	1,522
7. Others. ....	5,241	£ 5,792
Total.	31,402	37,346

Permanent and temporary employees.- Of 2.201 millions of regular employees 1.557 millions (about 71 per cent.) were permanent either in the posts they were holding or in lower posts. The proportion of permanent staff varies widely from Ministry to Ministry as may be seen from the following table:-

Ministry/Department.	Percentage of permanent employees
1	2
Commerce and Industry.	48.5
Community Development & Co-operation.	45.5
Defence.	32.8
Economic & Defence Co-ordination.	68.8
Education.	33.8
External Affairs.	36.4
Finance.	65.3
Food and Agriculture.	34.1
Health.	41.9
Home Affairs.	33.3
Information & Broadcasting.	44.8
Irrigation and Power.	41.4
Labour and Employment.	40.3
Law.	67.2
Mines and Fuel.	33.2
Railways.	86.4
Scientific Research & Cultural Affairs.	50.2
Steel and Heavy Industries.	55.7
Transport and Communications.	74.0
Works, Housing and Rehabilitation.	37.5
Indian Audit & Accounts Department.	66.5
Cabinet Secretariat.	48.3
Miscellaneous.	21.9
Total.	<u>70.7</u>

The percentage of permanent employees works out to 65 in the case of Gazetted staff, while it is 71 in respect of non-Gazetted staff. The following table gives the distribution of regular employees according to tenure of service and category of posts.



Nature of post/ tenure of service.	Gazetted		Non-Gazetted		Total	
	Number	Percent- age.	Number	Percent- age.	Number	Per- cent- age to total
1	2	3	4	5	6	7
Permanent:	21,706	65.0	1,534,940	70.8	1,556,646	70.7
Temporary.	11,675	35.0	632,316	29.2	643,991	29.3
Total.	33,381	100.0	2,167,256	100.0	2,200,637	100.0

above

It would be seen from the table that on 31 March, 1963 there were 33,381 Gazetted employees, and 2,167,256 non-Gazetted employees among the regular staff. Thus for every Gazetted employee in the Central Government there were, on the average, 65 non-Gazetted staff in 1963 as compared to 68 in the previous year. Excluding Railways and Posts and Telegraphs the number of non-Gazetted staff for one Gazetted employee in the residual departments worked out to 26. The following table gives the distribution of various Ministries according to the range of ratio of non-Gazetted to Gazetted staff.

Number of non-Gazetted staff employed for one Gazetted employee.	Name of the Ministry/Department.
1	2
Less than 10	.. 1.Commerce and Industry. 2.Community Development & Cooperation 3.Economic & Defence Co-ordination 4.External Affairs. 5.Health 6.Information & Broadcasting 7.Irrigation & Power 8.Labour & Employment 9.Law 10.Mines & Fuel.
10 and above but below 20	.. 1.Food & Agriculture 2.Scientific Research & Cultural Affairs 3.Steel & Heavy Industries. 4.Cabinet Secretariat.
20 and above but below 30	.. 1.Education 2.Finance 3.Home Affairs. 4.Works, Housing & Rehabilitation.
30 and above but below 40	.. Indian Audit & Accounts Department.
40 and above but below 70	.. Nil.
70 and above but below 80	.. Transport and Communications.
80 and above but below 100	.. Nil
More than 100	.. 1.Defence. 2.Railways.

The high ratio of non-Gazetted to gazetted employees in the Railways is due to the preponderance of staff engaged in 'open lines' who mostly belong to the non-Gazetted cadre.

Distribution by class of post.- The distribution of Central Government regular employees according to the class of post held by them is shown in the following table:-

Class of Posts.	Railways	Posts and Telegraphs	Others	Total
1	2	3	4	5
I. ..	2,037	816	11,732	14,585
II. ..	1,975	1,322	25,753	29,050*
III. ..	496,240	206,544	325,967	1,028,751**
IV. ..	727,405	60,563	335,866	1,123,834
Total.	1,227,657	269,245	699,318	2,196,220***

\* Includes 17,107 Gazetted staff.

\*\* Includes 56 Gazetted staff.

\*\*\* Excludes 4,417 (Railways - 1,111 Others - 3,306) employees in respect of whom details relating to class of post held were not available.

It would be observed that a little over half of the regular staff comprised of class IV employees. Class III staff came next in order of importance and accounted for 46.8 per cent. of the total. Only about 2 per cent. of the employees were holding either class I or class II posts.

Distribution by pay-ranges.- The distribution of Central Government employees (regular) by basic pay-ranges at the end of March of the years 1961, 1962 and 1963 is given. The following table gives the percentage distribution of Central Government employees by pay-ranges in 1962 and 1963 and the percentage of total pay-bill accounted for by employees in different pay-ranges in these years.

(Please see table on the next page)

Pay Ranges (Rs.)	Percentage of employees		Percentage of pay-bill accounted for	
	1962	1963	1962	1963
1	2	3	4	5
Below - 75	19.5	18.9	9.1	8.7
75 - 99	35.3	35.6	24.1	23.9
100 - 149	22.5	22.0	22.0	21.1
150 - 199	13.0	13.1	17.8	17.6
200 - 299	6.0	6.4	11.7	12.4
300 - 399	1.7	1.8	4.6	5.0
400 - 499	0.9	0.9	3.1	3.3
500 - 749	0.8	0.7	3.1	3.3
750 - 999	0.2	0.3	1.7	1.8
1000 - 1499	0.2	0.2	1.6	1.7
1500 - 1999			0.6	0.6
2000 - 2499			0.3	0.3
2500 - 2999	0.1	0.1	0.1	0.1
3000 above above			0.2	0.2
Total.	100.0	100.0	100.0	100.0

Out of 2.201 millions of regular employees, 1.199 millions or about 54 per cent. were drawing a monthly basic pay of less than Rs.100 in 1963. At the other end of the scale, the number of employees drawing more than Rs.1,000 per month was 5,458 accounting for only 0.3 per cent. of the total. Of these, 140 employees were drawing a pay of more than Rs.3,000. In all the pay-groups the proportions remained more or less the same in 1963 as compared to 1962.

The proportions of the total pay bill of the Central Government accounted for by employees in different pay ranges as on 31 March 1963 were also almost the same as those observed in the previous year. Employees receiving a pay of less than Rs.100 per month, who constituted nearly 54 per cent. of the total employment, received about 33 per cent. of the pay bill. Employees in the pay-group Rs. 100 - Rs. 199 comprising nearly 35 per cent. of all employees accounted for about 39 per cent. of the pay bill. Employees drawing more than Rs.200 per month who represented 11 per cent. of the total employment shared about 28 per cent. of the pay bill.

Average pay of Central Government employees.— The total annual pay bill of the Central Government (excluding payments on account of dearness and other allowances and remuneration to work charged personnel, contingency staff, etc.) has been estimated at Rs. 3,430 million rupees during the year ended on 31 March 1963 as against 3,150 million rupees during the preceding year. The average monthly pay of Central Government employees works out to Rs.130 in the year ended on 31 March 1963 as compared to Rs.128 in the previous year.

The following table shows the number of regular Central Government employees in different States (excluding the staff employed in Indian missions abroad) as on 31 March, 1963.

State/Union Territory.	No. of employees (31.3.1963)	Percentage to total
1	2	3
Andhra Pradesh. . . . .	125,443	5.7
Assam. . . . .	55,055	2.5
Bihar. . . . .	137,443	6.3
Delhi. . . . .	171,355	7.8
Gujarat. . . . .	91,637	4.2
Jammu and Kashmir. . . . .	2,384	0.1
Kerala. . . . .	33,556	1.6
Madhya Pradesh. . . . .	114,759	5.3
Madras. . . . .	177,420	8.1
Maharashtra. . . . .	358,760	16.4
Mysore. . . . .	62,364	2.8
Orissa. . . . .	18,540	0.9
Punjab. . . . .	68,580	3.1
Rajasthan. . . . .	118,522	5.4
Uttar Pradesh. . . . .	325,520	14.8
West Bengal. . . . .	325,435	14.8
Himachal Pradesh. . . . .	101 )	
Manipur. . . . .	2,373 )	
Pondicherry. . . . .	720 )	0.2
Tripura. . . . .	1,626 )	
Total.	2,191,593	100.0

Out of the 2.192 millions of regular employees a little less than half were working in establishments located in Maharashtra (0.359 millions), Uttar Pradesh (0.326 millions) and West Bengal (0.325 millions). Delhi accounted for 0.171 millions of employees representing about 7.8 per cent. of the total.

The following table gives the total number of regular Central Government employees in A, B and C class cities.

(Please see table on the next page)

Class and name of City,	No. of regular employees as on 31 March, 1963.
I. Class A -	
1. Delhi.	151,047
2. Calcutta.	118,873
3. Bombay.	112,773
Total.	<u>382,693</u>
II. Class B -	
1. Agra.	16,390
2. Ahmedabad.	15,940
3. Bangalore.	18,749
4. Hyderabad.	24,947
5. Kanpur.	42,870
6. Lucknow.	48,248
7. Madras.	70,209
8. Nagpur.	17,736
9. Poona.	48,338
10. Varanasi.	8,193
Total.	<u>311,520</u>
III. Class C.-	409,941
IV. Other places.	1,096,483
GRAND TOTAL.	<u>2,200,637</u>

It would be seen that out of a total of 2,201 millions of regular employees, 1.104 millions or 50.1 per cent. were working in the offices located in Class A, B or C cities. The three class A cities, viz., Delhi, Bombay and Calcutta accounted for 0.383 millions or 17.4 per cent. of the total number of Central Government employees.

Employment in the Central Quasi-Government Establishments.— Along with the census of Central Government employees, data on the distribution by pay-ranges have also been collected from establishments in the Central Quasi-Government sector. The coverage of data under this Sector has increased considerably in the 1963 Census in as much as 180 statutory corporations, public undertakings and other bodies financed by the Government of India submitted the returns as against 158 in the previous ~~year~~ Census.

The total employment as on 31 March 1963 in the reporting establishments was 0.432 millions. The following table gives the number of supervisory officers and others among these employees.

Category of Post.	Number of employees.	Number of employees on deputation included in Col.2.	Percentage of Col.3 to Col.2.
1	2	3	4
1. Supervisory officers.	68,012	1,497	2.2
2. Others (excluding casual labour).	254,160	3,007	0.8
Total.	422,172*	4,504	1.1

\* Excludes 9,480 employees for whom details are not available.

It would be seen that 2.2 per cent. of the supervisory officers in the public sector undertakings were Government employees on deputation. The corresponding percentage among other employees was 0.8.

The distribution of employees in the Central Government Quasi-Government establishments by pay-ranges is given in the following table:-

Pay Ranges (Rs.)	Central Quasi-Govt. establishments		Percentage of employees in Central Govt. establishments.
	No. of employees	Percentage to total	
Below - 100	179,659	43.0	54.5
100 - 199	155,617	37.2	35.1
200 - 299	39,399	9.4	6.4
300 - 399	18,369	4.4	1.8
400 - 499	9,961	2.4	0.9
500 and above	15,161	3.6	1.3
Total.	418,166*	100.0	100.0

\* Excludes 13,486 employees for whom details are not available.

Out of 0.418 millions employees in the Central Quasi-Government sector for whom details were available, 80.2 per cent. were drawing a monthly pay of less than Rs.200 as compared to a corresponding percentage of 89.6 per cent. for Central Government employees. There was a correspondingly higher percentage of employees in the public undertakings in the pay-ranges above Rs.200, as compared to Central Government employees. The average monthly pay of employees working under the Central Quasi-Government Organisations for the year ended 31 March, 1963 works out to Rs.167 as compared to Rs.130 for the Central Government employees.

83. Vocational Training.

India - March 1966.

National Council of YMCAs to set up Technical Institute for Middle Level Technicians.

An engineering institute designed to turn out 480 middle level technicians annually will be set up in Faridabad next year.

It has been sponsored by the National Council of YMCAs of India with the collaboration of its counterpart in West Bessa Germany and the Union and Punjab Governments. The Punjab Government has allotted 20 acres of the land for the institute.

The institute will offer a four year diploma course on integrated training in engineering and provide residential accommodation to the students.

The West German council will contribute 3 million rupees towards the estimated cost of 8 million rupees. Of this, 2.5 million rupees will be used for buying equipment for the institute and the rest for wages for the German experts who will work there.

The Union Government and the Punjab Government have sanctioned grants of 2.5 million rupees each.

The launching of the project was announced at a meeting which was inaugurated by Union Minister Shri S.K. Patil at New Delhi on 27 March 1966.

Shri Patil said India needed about 40,000 engineers and technicians every year, but produced only about 25,000. Great strides had been made during the last few years, though the standard of trained personnel had not been uniformly good. He was hopeful the country would overcome its handicap and soon begin producing the personnel needed.

Shri Patil commended the YMCAs' record of humanitarian service and was particularly happy that the organisation had "read the signs of the times" to venture into social reconstruction work.

Shri A.M. Thomas, Union Minister for Defence Production, who is chairman of the Board of Governors of the Institute, said the YMCA had broken new ground with the launching of the project.

Shri G.K. Chandiramani, Additional Secretary in the Education Ministry, said the Government was "absolutely keen" on getting on with the project whatever the cost.

He said the question of middle-level technicians had been engaging the attention of Governments all over the world. The Union Government was "very unhappy" about the mushroom growth of polytechnics of which there were more than 250 in the country. It realised that something drastic needed to be done to reorganise these.

Representatives of the West German Embassy, the Punjab Government and the Faridabad industrialists also spoke offering their co-operation for the project.

(The Hindustan Times, 28 March, 1966).



71

## Chapter 9. Social Security

### 92. Legislation.

India - March 1966.

#### Report of the Employees' Provident Fund Scheme for the Year 1963-64\*.

Scope and application.- The Employees' Provident Funds Act which extends to the whole of India except the State of Jammu and Kashmir (which State introduced its own scheme as from 1 June 1961) was applied to the Union Territory of Goa, Daman and Diu from 1 July 1964; and the Scheme from 31 July 1964. Pondicherry had been covered earlier from 1 October 1963.

The Act continued to be inapplicable to -

- (a) any establishment registered under any law relating to Cooperative Societies, employing less than 50 persons and working without the aid of power; and
- (b) any other establishment during the first three or five years of its being set up according as its employee strength is not less than 50 or 20.

The coverage which started in 1952 with 6 major industries and stood at 84 categories of establishments at the end of March 1964 expanded by 13 to 97 by the end of March 1965. The 13 categories newly covered with a membership potential of about 43,000 were the following:-

- (1) Pickers;
- (2) China clay mines;
- (3) Attorneys, as defined in the Advocates ~~Act~~ Act, 1961 (25 of 1961);

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\* Annual Report on the Working of the Employees' Provident Funds Scheme 1952 for the Year 1964-65: Employees' Provident Fund Organisation: 1966: pp. ii+47.

- (4) Chartered or registered accountants, as defined in the Chartered Accountants Act, 1949 (38 of 1949);
- (5) Cost and works accountants within the meaning of the Cost and Works Accountants Act, 1959 (23 of 1959);
- (6) Engineers and engineering contractors, not being exclusively engaged in building and construction industry;
- (7) Architects;
- (8) Medical practitioners and medical specialists;
- (9) Milk and milk products;
- (10) Travel agencies engaged in (i) booking of international Air and Sea Passages and other travel arrangements, (ii) booking of internal air and mail passengers and other travel arrangements and (iii) forwarding and clearing of cargo from and to overseas and within India;
- (11) Forwarding agencies engaged in the collection, packing, forwarding or delivery of any goods including car loading, break-bulk service and foreign freight service;
- (12) Non-ferrous metals and alloys in the form of ingots;
- (13) Bread.

Conditions alike of pay limit (not exceeding Rs.1,000 per month) and of minimum service (one year's continuous service or 240 days of actual work within 12 months or less) remained intact. Proposal for doing away altogether with the pay limit as in the Coal Mines Provident Fund was, however, being considered.

Coverage.- The statement below shows region-wise coverage position at the close of the year:-

(Please see the table on the next page)

Region	No. of factories/establishments covered under the Act.			No. of subscribers covered under the Act		
	Exempted	Un-exempted.	Total	Exempted	Un-exempted.	Total
1	2	3	4	5	6	7
Andhra Pradesh.	25	1,699	1,734	32,820	77,680	110,500
Assam.	21	248	269	10,786	13,494	24,280
Bihar.	94	821	915	136,962	77,112	214,074
Delhi.	81	1,390	1,471	52,855	56,701	109,556
Gujarat.	84	1,542	1,626	153,355	155,386	308,741
Kerala.	53	1,509	1,562	16,055	244,807	260,862
Madhya Pradesh.	42	808	850	84,070	72,129	156,199
Madras.	217	3,342	3,559	94,912	313,777	408,689
Maharashtra.	363	5,360	5,723	293,930	537,829	831,759
Mysore.	87	1,904	1,991	132,836	126,244	259,080
Orissa.	21	307	328	40,232	37,402	77,634
Punjab.	30	1,689	1,719	26,779	73,519	100,298
Rajasthan.	13	416	429	7,362	35,082	42,444
Uttar Pradesh.	100	1,572	1,672	58,600	194,369	252,969
West Bengal.	593	5,137	5,730	443,197	608,834	1052,031
<b>Total.</b>	<b>1,834</b>	<b>27,744</b>	<b>29,578</b>	<b>1584,751</b>	<b>2624,365</b>	<b>4209,116</b>

Contribution.— The normal statutory rate of provident fund contribution both for the employers and the employees continued to be 6½ per cent. of basic wages including retaining allowance and dearness allowance.

During the year under report the enhanced rate of 8 percent. was extended to establishments of the following 7 categories employing 50 or more persons:—

- (i) Tea Plantations (other than those in Assam)
- (ii) Rubber Plantations
- (iii) Cardamom Plantations
- (iv) Pepper Plantations
- (v) Lime stone mines
- (vi) Industrial and Power Alcohol
- (vii) Asbestos Cement sheets.

By 31 March 1965 the enhanced rate had covered 30 categories of establishments with 50 or more employees. A list of these 30 categories is given below:—

List of industries/classes of establishments in respect of which the statutory rate has been enhanced to 8 per cent. of pay

(Note:- This enhanced rate is applicable to factories/establishments employing 50 or more persons)

- From 1 January, 1963 (i) Cigarettes;
- (i) to (iv) (ii) Electrical, mechanical or general engineering products;
- (iii) Iron and Steel;
- (iv) Paper other than hand made paper;
- From 1 April, 1963 (v) Cement;
- From 1 November, 1963 \*(vi) Textiles (made wholly or in part of artificial silk and wool);
- (vi) to (xxiii) (vii) Matches;
- (viii) Edible oils and fats, other than Vanaspati;
- (ix) Rubber and rubber products;
- (x) Electricity including the generation, transmission and distribution thereof;
- (xi) Tea;
- (xii) Printing (other than printing industry relating to newspaper establishments as defined in the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955) including the process of composing types for printing, printing by letter press, lithography, photogravure or other similar process or book-binding;
- (xiii) Glass;
- (xiv) Stone-ware pipes;
- (xv) Sanitary wares;
- (xvi) Electrical porcelain insulators of high and low tension;
- (xvii) Refractories;
- (xviii) Tiles;
- (xix) Heavy and fine chemicals, excluding fertilisers but including the following-
  - (a) Turpentine,
  - (b) Rosin,
  - (c) Medical and pharmaceutical preparations,
  - (d) Toilet preparations,
  - (e) Soaps,
  - (f) Inks,
  - (g) Intermediates, dyes, colour lakes and toners,
  - (h) Fatty acids, and
  - (i) Oxygen, acetylene and carbon-dioxide gases;
- (xx) Indigo;
- (xxi) Non-edible vegetable and animal oils and fats;
- (xxii) Mineral oil refining;
- (xxiii) Newspaper establishments;

From 1 December, 1963.	*(xxiv)	Textiles(made wholly or in part) of cotton;
From 1 February, 1965	(xxv)	Tea plantations(other than the tea plantations in the State of Assam);
(xxv) to (xxxi)	(xxvi)	Rubber plantations;
	(xxvii)	Cardamom plantations;
	(xxviii)	Pepper plantations;
	(xxix)	Lime stone mines;
	(xxx)	Industrial and power alcohol;
	(xxxi)	Absestos cement sheets.

Note- \*This is part of the industry mentioned at item (vi) on prepage. Accordingly the enhanced rate has been applied to 30 industries/classes of establishments covered under the Act.

Administration and Finance.- The total contribution received during the year was 1,163.6 million rupees including 688.8 million rupees from exempted establishments. The above amount includes past accumulations transferred (from covered establishments which had earlier their own Provident Fund Schemes) to the Statutory Fund in the shape of securities which amounted to 29.2 million rupees as against past year's 43.2 million rupees.

A classified summary of the assets of the Fund for the period ended 31 March 1965 is given below:-

Class of Assets	Book value	Market value
	or Face value*	upto 31 March, 1965
	<u>RS.</u>	<u>Rs.</u>
<b>Government of India Securities -</b>		
(i) Securities in respect of investment made centrally.	19,87312,008	1,956,476,954 (a)
(ii) Past accumulations received in the shape of Government of India Securities.	165,209,195*	168,064,757 (a)
(iii) Investments from Administration Account.	29,210,449	28,574,992 (a)
(iv) Investments from Staff Provident Fund.	2,773,770	2,802,037 (a)
Past accumulations received in the shape of State Government Securities.	15,136,700*	14,857,169 (a)
Past accumulations received in the shape of Indian Municipal, port and improvement Trust Securities including Debentures.	3,255,200*	3,120,193 (a)
Past accumulations received in the shape of debentures of companies.	63,600*	63,600 (b)
Cash deposit in Banks.	20,000	20,000
Cash in hand and on current accounts in Banks.	18,901,946	18,901,946
Other Assets (Office equipment, furniture, etc.)	1,175,477(c)	723,616 (d)
<b>Total.</b>	<b>2,223,057,345</b>	<b>2,193,605,264</b>

continued:-

obtained

- (a) Based on quotations from Reserve Bank of India, Bombay.
- (b) Quotations not available.
- (c) Purchase price.
- (d) Book value.

The rate of interest to be paid in 1965-66 on the members' accumulation was raised from 4.25 percent.

Arrears continued to be the most worrisome problem. As at the end of 1963-64 arrears stood at 40.186 million rupees - 1.78 per cent. of the total contributions. As a result of special attention given to this problem (appointment of 4 Certificate Officers in West Bengal during the year at the expense of the Fund to speed up recovery of arrears, personal contacts with and demi official letters to State Government authorities, prosecution under Section 406/409 of the Indian Penal Code where employees' contribution was deducted from wages but not remitted, etc.) the arrears came down to 33.217 million rupees - 1.18 per cent. of total collections as at the end of 1964-65. Almost all the big defaulters were textile mills.

During the year 4,070 recovery cases involving a sum of 12.881 million rupees (as against 4,695 cases in previous year) were instituted. The region-wise break-up of recovery ~~and~~ cases and the amount involved as on 31-3-1965 is 23.919 million rupees.

Inspections and Prosecutions.- During the year 81,880 inspections were carried out of the establishments, both exempted and unexempted as also uncovered establishments. The yardstick for inspection was raised from 35 to 40 a month. It was emphasised that while on an average each establishment should be inspected once in 4 months, the establishments which are implementing the Scheme well be inspected less frequently and ~~are~~ those which are bad more often. The need for inspection of infant and marginal establishments at least once in a year was brought home to the field staff.

Details of cases filed, disposed of, pending, etc., during the year is given in the following table:-

	Prosecution cases launched during 1964-65.	Prosecution cases decided during 1964-65.	Prosecution cases pending in Courts as on 31.3.1965.	Prosecution cases pending with State Governments for sanction as on 31.3.1965.
Andhra Pradesh.	105	155	26	9
Assam.	..	2	5	..
Bihar.	100	168	174	45
Delhi.	117	181	128	..
Gujarat.	55	61	6	8
Kerala.	427	422	240	22
Madhya Pradesh.	85	74	47	69
Madras.	42	34	10	2
Maharashtra.	246	122	261	88
Mysore.	6	9	6	13
Orissa.	28	8	25	11
Punjab.	475	732	441	..
Rajasthan.	5	14	21	46
Uttar Pradesh.	41	11	67	1
West Bengal.	967	472	1,241	3,360
	<u>2,699</u>	<u>2,465</u>	<u>2,698</u>	<u>3,674</u>

Claims.- During the year a sum of 96.6 million rupees was paid in respect of 0.162 million claims as against 79.7 million rupees in 0.152 millions claims in 1963-64. Categorywise particulars of settlement are given below:-

	Claims		(Rs. in Millions)	
(i) Superannuation.	9,536	(10,261)	14.262	(12.534)
(ii) Retrenchment.	34,770	(28,627)	16.406	(14.169)
(iii) Dismissal.	3,458	(3,425)	1.696	(1.522)
(iv) Resignation and termination of service.	89,824	(85,402)	40.824	(33.411)
(v) Migration.	816	(1,032)	1.318	(0.625)
(vi) Permanent invalidation.	7,752	(9,026)	7.501	(7.239)
(vii) Death.	9,342	(9,586)	7.884	(6.355)
(viii) Others.	6,362	(4,802)	6.709	(3.800)

Analysis of claims settled during 1964-65 is given below:-

	Claims	Percentage
(i) Claims settled within 15 days.	104,070 (116,627)	64.3 ( 76.6)
(ii) Claims settled within one month but after 15 days.	42,543 ( 22,333)	26.3 ( 14.7)
(iii) Claims settled within 3 months but after one month.	14,103 ( 9,634)	8.7 ( 6.3)
(iv) Claims settled within 6 months but after 3 months.	765 ( 2,448)	0.5 ( 1.6)
(v) Claims settled within 9 months but after 6 months.	224 ( 725)	0.1 ( 0.5)
(vi) Claims settled within 12 months but after 9 months.	155 ( 394)	0.1 ( 0.3)
Total.	<u>161,860 (152,161)</u>	<u>100.00(100.00)</u>
		% %

Note.- The figures in bracket relate to the year 1963-64.

Reserve and Forfeiture Account.- The Reserve and Forfeiture Account was created in September, 1960 to receive employer's contribution not payable and therefore not paid to the subscriber at the time of final settlement together with interest thereon. The total amount forfeited by the close of the year stood at 19,301 million rupees. Until the creation of Special Reserve Fund and Death Relief Fund (about which more will be heard in subsequent paras) the forfeiture fund was used chiefly for payment of money order commission where remittances were made by money orders. After 1960-61 this concession was withdrawn. The details of the forfeiture accounts are given below:-

	(Rs. in Millions)
(1) Total amount forfeited.	19,301
(2) Amount utilised -	
(a) On account of money order commission; and on grant of financial assistance to made outgoing members where inadequate deposits had been made by the employer prior to the introduction of Special Reserve Fund.	1,155
(b) On transfer to Special Reserve Fund.	7,500
(c) On transfer to Death Relief Fund.	1,009
	<u>9,655</u>
(3) Net available in the Reserve and Forfeiture Account of the Fund.	9,646



Special Reserve Fund. - A Special Reserve Fund was created on 15 September 1960 with a view to making payment to an out-going member where his employer fails to remit to the Fund the whole or part of the amount deducted from the member's wages towards his own contribution pending recovery of the arrears from the employer. A sum of 2 million rupees was transferred to this Fund from the Reserve Fund and Forfeiture Account. After restricted drawl for some time the payment from the Fund was liberalised in June, 1962 and since then the organisation undertook to make good the loss arising to outgoing members from failure of the employers to remit the provident fund contributions (employer's or employee's share or both shares) - by drawing on the Special Reserve Fund. The heavy liability cast on the Organisation by the employer's default in the Sholapur Mills Case, (the default was of the order of 4.1 million rupees) and apprehension of such burdens in future together with widening gap between payments from the Special Reserve Fund and the recovery of dues in default compelled a review of the situation. At the 27th meeting of the Board held on 5 October, 1964 the Board reluctantly recommended that no payment from the Special Reserve Fund be made unless there was likelihood of recovery of the dues from the employers. After carefully considering the Board's recommendation the Government issued the following instructions in partial modification of the previous one:-

- (a) Where employers have defaulted in depositing the provident fund dues, only the amount of employees' share of contributions recovered from their wages but not paid by the employer to the Fund, together with interest thereon at usual rates should be paid to the outgoing members, or their nominees/heirs out of Special Reserve Fund.
- (b) The amount of employer's contribution not paid by the employer to the Employees' Provident Fund should not be paid to the outgoing members or their heirs/nominees from the Special Reserve Fund unless it is recovered from the employer.

The above instructions came into effect from 10 March, 1965. By the end of 31 March, 1965 a sum of 7.5 million rupees had been transferred to the Fund of which a sum of 5.417 million rupees had been paid out. The amount recovered from the employers against which payments had been made from the Fund was 0.853 million rupees. The amount credited in the Fund stood at 2.936 million rupees at the end of March 1965.

80

Death Relief Fund.- On first of January, 1964 Death Relief Fund was set up on a tentative basis to assure a minimum of Rs.500/- to a nominee or heir of a deceased member. A sum of 1 million rupees was transferred to this Fund from the Reserve and Forfeiture Account. The benefit of this Fund is admissible to the nominees or heirs of those deceased members whose pay did not exceed Rs.500/- at the time of the death. As the benefit was not intended for those who might after superannuation and receiving full retirement benefits seek re-employment, it was decided that as from 1 December 1964 no relief would be made available to such persons. The quantum of benefit from the Death Relief Fund would be determined in the following manner.

If the amount standing to the credit of a deceased member falls short of Rs.500/- by any sum that sum is paid from the Death Relief Fund. The amount standing to the credit of the deceased member will be the total of the following:-

- (1) the sum actually credited to the member's account in the ledger card;
- (2) the amount that may have to be paid out of the Special Reserve Fund;
- (3) the amount of non-refundable advance made to the member;
- (4) the balance of the refundable advance, if any, still outstanding;
- (5) interest.

Till 31 March 1965 a sum of 0.449 million rupees in 2,139 cases had been paid out of this Fund.

Advances.- Various kinds of advances admissible, the conditions under which they are advanced and the actual amount advanced are given below:-

(a) Advance for Insurance Policy.- With a minimum of 3 years' membership of the Fund an employee can get advance for payment of premia of his Life Insurance Policy new or old. The actual remittance is made by this Organisation. During the year under report 35,752 members (as against 45,107 members during the previous year) availed themselves of this facility and a sum of 2.511 million rupees (as against 2.961 million rupees previous year) was withdrawn on this account.

81

(b) Advance for Housing.- Para 68 of the Employees' Provident Funds Scheme which permitted advance for purchase of dwelling house or sites or for construction of dwelling house - provided a member had completed 7 years and had Rs. 500 or more to his credit as his own contribution - was amended in February 1965 (a) enlarging the admissibility of loan to making substantial additions, alterations or improvements to the dwelling houses and to completion of construction of a house already begun by the member; and (b) requiring in the applicant 10 or more years' membership and an accumulation of Rs.1,000 on account of his own contribution. The widespread abuse of the loan facility which followed in the wake of liberalisation compelled the tightening up of the qualification for advances. A sum of 7,096 million rupees was advanced during the year in 10,151 cases (as against a sum of 8 million rupees in 9,825 cases previous year).

(c) Advance for Purchasing Shares of Consumer Cooperatives.- An advance up to Rs.30 is granted for purchasing shares of a co-operative society which aims at a minimum membership of 250. A sum of 0.419 million rupees was advanced during the year in 13,532 cases (as against a sum of 0.16 million rupees in 6,022 cases previous year).

(d) Special Advance during Temporary Closure of an Establishment.- Where an establishment is locked up or closed for more than 30 days and the worker does not get any compensation during the unemployment period, he could get an advance up to his own contribution with interest thereon. An amount of 813,781 rupees was paid in 6,551 cases.

(e) Unemployment Relief Advance.- In the case of individual retrenchment pending final withdrawal, a member may, at his option, be allowed, for the period during which he is out of employment, monthly payments not exceeding 6, of an amount equal to the pay drawn by him for the month immediately preceding the month in which he was retrenched, or 1/6th of the amount standing to his credit including interest, whichever is less. This provision was introduced in May 1964, and by the end of March 1965 an amount of 0.296 million rupees was paid in 1,032 cases.

(f) Advance for Illness.- A new provision introduced in the Scheme on 25-1-1964 providing for an advance in cases of hospitalisation lasting a month or more, major surgical operation and T.B., Leprosy, paralysis, cancer, continued to operate.

An amount of 126,512 rupees was paid in 521 cases during the year 1964-65.

82

Amendments.— (a) In may 1964 para 69(1)(b) of the Scheme was amended to enable a member to get his accumulations easily on his retirement on account of permanent and total incapacity for work occasioned by bodily or mental infirmity. Certificate of incapacity issued by the medical board existing for any establishment or a group of establishments or by a doctor acting on behalf of a Civil Surgeon is acceptable for the above purpose. Where there is no medical officer in an establishment the employer should designate in this behalf a registered medical practitioner stationed in the vicinity of the establishment. In the case, however, of an establishment covered by the Employees' State Insurance Scheme, the Medical Officer of the Employees' State Insurance Corporation Dispensary must be designated.

(b) In may 1964 clause (d) of para 69(1) was amended to enable a retrenched member to secure, for the period during which he is out of employment, monthly withdrawals not exceeding 6, of a non-refundable character from the Fund of an amount equal to his pay last drawn, or 1/6th of the amount standing to his credit, whichever is less.

(c) In August 1964 para 36 of the Scheme was amended casting on the employer an obligation to maintain an inspection note book in order for an Inspector to record his observations on his visit to the establishment.

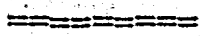
(d) As from 1 October 1964 administration and inspection charges were linked to pay and fixed respectively at ~~37 per cent~~ .37% and .09% of the pay. Until then charges were 3% and .75% of the contributions. Necessary amendments were carried out to paras 30 and 38 of the Employees' Provident Funds Scheme.

(e) To quicken the pace of settlement of claims where there is no nomination at all or the nominee is a minor or lunatic but without appointment of a guardian under the Guardians and Wards Act, 1890, or a manager under the Indian Lunacy Act, 1912, Commissioner/Chairman of the Central Board of Trustees had been authorised to make payments if the claim did not exceed Rs. 1,000/2,000 after making necessary inquiry about the title of the claimant. In a good number of cases the amount involved was higher than Rs. 2,000. To avoid frequent references to the Chairman and higher authorities sub-para (1) and (3) of paragraph 72 were amended in October 1964 enhancing the powers of the Commissioner/Chairman respectively to Rs. 5,000/- and 10,000/-.

(f) Wide-spread abuse of the loan facility for housing which following in the wake of liberalisation compelled review of the situation and in February 1965 para 68-B was amended whereby 7 years' membership and a minimum of Rs.500 to the credit of a member on account of his own contribution were raised respectively to 10 years' and Rs.1,000. In view of the demand for facility of loans for making substantial additions, alternatives for improvements to the existing dwelling house and for completion of construction of dwelling house already started, the scope of para 68-B was enlarged by necessary amendment.

Income and Expenditure.- The expenses of the administration are met from special levies called the administrative and inspection charges realised from the employers respectively of unexempted and exempted establishments. A decision was taken to link the administrative and inspection charges to the wages on which contribution is payable instead of relating it to the contributions. The administrative charges which were 3% of the contribution and in the case of establishments to which the enhanced rate of 8% applies 2.4% of the contribution, were changed to .37% of the wages for all establishments. Similarly the inspection charges which were .75% of the contribution and in the case of establishments governed by 8% rate .6% of the contribution were changed to .09% of pay. The new rates slightly less than the earlier ones in their overall incidence did away with the different rates for different kinds of establishments. The income from administrative and inspection charges as also the expenditure are given below:-

<u>A Income</u>	<u>(In million rupees)</u>
(a) Administrative and Inspection charges.	14.698
(b) Interest on investment.	1.262
(c) Damages on delayed remittances.	0.043
Total.	<u>16.003</u>
 <u>B Expenditure</u>	 <u>11.785</u>



Seamen's Provident Fund Act, No.4 of 1966  
Gazetted.

The Seamen's Provident Fund Bill, 1965, vide pages 64-67 of the Report of this Office for May-June 1965, as passed by Parliament, received the assent of the President on 26 March 1966 and has been gazetted as the Seamen's Provident Fund Act, 1966 (No.4 of 1966).

The Act provides for establishment of a provident fund for seamen. "Seaman" is defined in the Act to mean "a person employed or engaged as a member of the crew of a ship under the Merchant Shipping Act but does not include a master, navigating or engineering officer, radio officer, medical officer, welfare officers, parser, electrician, nurse, musician, pilot, apprentice or deck barber.

(The Gazette of India, Extraordinary,  
Part II, Section 1, dated  
28 March 1966, pp. 29-41).

85

LIST OF THE PRINCIPAL LAWS PROMULGATED  
DURING THE PERIOD COVERED BY THE REPORT  
FOR MARCH 1966.

INDIA - MARCH 1966.

CHAPTER 9, SOCIAL SECURITY.

Seamen's Provident Fund Act, No.4 of  
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28 March 1966, pp. 29-41 ).

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CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

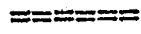
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- \*(c) "Report on Family Living Survey Among Industrial Workers 1958-59": Ahmedabad: Labour Bureau: Ministry of Labour and Employment: Government of India: Printed in India by the Manager Government of India Press Simla for the Manager of Publications, Civil Lines, Delhi: 1965: pp. v+106.
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CHAPTER 6. GENERAL RIGHTS OF WORKERS.

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- \*(b) "Industrial Relations in Retrospect": Indian Aluminium Company Ltd., 1, Middleton Street, Calcutta-16: March 18, 1966.



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