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INTERNATIONAL LABOUR OFFICE
INDIA BRANCH

Industrial and Labour Developments in June 1955.

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

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I.L.O. REGISTRY-GENEVA

25, JUL 1955

File No. 3-2-180

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CHAPTER I. INTERNATIONAL LABOUR ORGANISATION

INDIA - JUNE 1955

11. Political Situation and Administrative Action.

Third Meeting of the Joint Consultative Board of Industry and Labour New Delhi, 15-16 March 1955

The third meeting of the Joint Consultative Board of Industry and Labour was held on 15th and 16th March 1955, with Mr. Gulzari Lal Nanda, Union Minister for Planning, presiding. Besides the representatives of employers' and workers' organisations constituting the Board, the Union Labour Minister, the Deputy Labour Minister, the Secretary and Joint Secretary of the Ministry of Labour and the Director, Labour and Employment Division of the Planning Commission, attended the meeting by special invitation. The meeting started with a general discussion.

General Discussion.- Opening the proceedings the Chairman emphasised the significant role assigned to the Board in securing industrial peace and the need for strengthening its organisation. In the present pattern of planned development, there was no place for strikes or lockouts and it was felt that compulsory adjudication should be restricted to the minimum. The J.C.B. provides the necessary bipartite agency for joint consultation at the highest level, that will secure mutually acceptable agreements between Industry and Labour. For the effective discharge of these functions, the Board would require to meet more often and to set up a well-equipped secretariat to secure necessary data on relevant problems and place the results of such studies before the Board for decision. The work of this secretariat would require to be supplemented by bipartite bodies at the regional level as well.

Mr. Khandubhai Desai, Union Labour Minister, endorsed in general terms the views expressed by the Chairman on the role of the J.C.B. in securing bipartite agreements. He hoped that with the provision of machinery for the bipartite settlement of disputes, at different levels, the existing adjudication machinery would be rendered unnecessary. Regarding decisions taken by the Board, he felt that their moral weight would be brought to bear on Government in the formulation of policies.

He considered that misunderstanding was the main obstacle to harmonious industrial relations. The correct spirit would imply an appreciation of the difficulties experienced on the sides of both employers and workers. He emphasised that employers must arrive at a decision on giving their unequivocal support to trade unions. In the light of experience it may be said that a large proportion of delays in production may be ascribed to the non-acceptance by employers of the contribution made by workers in Industry and a passive opposition to the unionisation of their workers.

He went on to emphasise that representatives of workers should not come to the Board merely with a view to solving immediate problems but should rather strive to establish the J.C.B. as an effective machinery for joint consultation.

Mr. G.D. Somani (All India Organisation of Industrial Employers) expressed agreement with these sentiments and considered that the J.C.B. would require to be materially strengthened to deal with the present problems, the complexity of which might perhaps explain why the results so far have not been great. As regards relations with trade unions, he felt that employers were not opposed to unionisation and would be glad to deal with effectively organised unions. At present employers were faced by unions that were not truly representative of workers or persisted in making unrealistic demands.

Mr. S.P. Dave (Indian National Trade Union Congress) expressed the agreement of the I.N.T.U.C. on common principles and objectives laid down by the Board and was also of the opinion that strikes and lockouts were a luxury that the nation could not afford. For the successful working of the Board he considered it vital to secure the early and effective implementation of the decisions taken so far. He was also glad to know that employers would welcome working with effective trade unions.

Mr. S.P. Huthesing (All India Organisation of Industrial Employers) supplemented ~~Mr.~~ Somani's remarks by adding that an early decision on wage policy was required and that the Board should discuss this problem in all its implications so as to evolve a commonly acceptable formula.

Mr. Jenkins (Employers' Federation of India) drew attention to the accepted abolition of the Appellate Tribunal and the Recommendation of the Board at its earlier meetings that the industrial tribunals in the lower tiers should be simultaneously strengthened.

Rounding up the discussion the Chairman expressed satisfaction at the unanimous support given to the Board. A beginning would have to be made in reviewing the awards of industrial tribunals and the details of existing legislation but not with a view to preserving unhealthy or controversial features to be found in such precedents. The Board itself would have to provide the future basis for a code of substantive law. While appreciating the difficulties of employers in dealing with unrepresentative trade unions, he advised the latter to strengthen their organisations. In endeavouring to secure benefits for workers, trade unions should ~~not~~ make reasonable demands in the proper perspective.

The Chairman considered that the decisions arrived at by the J.C.B. should be morally binding on the four bodies represented on the Board and their member organisations. It would be necessary to undertake periodic follow-up studies to ensure their effective implementation. He assured the members that while a number of subjects might be taken up for discussion the decisions of the Board would be clearly defined for acceptance.

Commonwealth Conference on Efficient Production: The Chairman informed the Board that Sir Frederick James had met him last month and asked for his views on a proposed conference of industrialists and trade unionists from all the Commonwealth countries to discuss the problems of efficient production. The idea had been sponsored by the Duke of Edinburgh and it was planned to hold the Conference in England sometime in July 1956. He thought that the idea behind the Conference was the same as was underlying the J.C.B. He stated that when arrangements for holding the Conference were finalised, an invitation would be sent to the Board for participation. The members of the Board welcomed this proposal.

Association of Technicians and Managers in the Work of the Board: The Chairman referred to the Personnel Management Conference recently held in Ahmedabad where top technicians of the industry as also those who had to deal with workers at plant level had gathered. That conference had shown interest in the J.C.B. and the managers and technicians present had expressed a desire to be associated with the work of the Board. He asked the members of the Board as to how the Board could make use of these persons in its work. After discussion, it was decided that technicians and managers need not be permanently represented on the Board, but their representatives may be invited when any particular problem in which their participation would be helpful was discussed by the Board.

Labour Relations under the Second Five-Year Plan: On the suggestion of the Chairman, it was agreed that the Board should give serious consideration at an early date to formulating the principles and policies that should govern labour relations in the Second Five-Year Plan in the light of the experience gained during the First-Five-Year Plan. This was considered to be of crucial importance in view of the greater accent on industrialisation that would be placed in the Second Five-Year Plan.

Sub-Committees of the Board. It was agreed that the Board should consider at its next meeting the following subjects:

1. Remuneration to labour in all its aspects; this would include the question of wages and bonus.
2. Joint consultation and participation of workers in industrial management; this will include the regional set-up of the J.C.B. also.
3. Discipline and efficiency; this would also include the problems of increasing productivity.

It was decided that a Sub-Committee should be appointed for each of these subjects. The Sub-Committees should consist of experts on the subjects from both employers' and workers' organisations. The Sub-Committees should examine the questions in all their implications and submit their reports to the Board. These reports would be the basis for discussion at the Board. It was decided that a notice should be sent to various organisations represented on the Board asking them to nominate at an early date, their representatives to the Sub-Committees.

The Board also discussed the draft Industrial Disputes Amendment Bill of the Central Government.

Punjab: Labour Advisory Board set up.

The Government of Punjab has set up a Tripartite Labour Advisory Board to tackle employer-employee disputes in the State. The Minister for Labour and Excise and the State Labour Commissioner are the Chairman and the Secretary respectively. The Secretary to the Labour Department and the Director of Industries are among its members.

Indian Labour Gazette,
April 1955. p.1136.

Separate Ministry for Iron and Steel set up.

In view of the importance of developing and expanding the iron and steel industry, the Government has set up from 15 June 1955 a new Ministry of Iron and Steel.

(For details about the new Ministry, see pp. 40 of this report).

Progressive use of Hindi for Official Purposes of the Union;
President appoints Commission under Constitution.

The president of India has constituted a Commission to be called the official Language Commission, in pursuance of Article 344 of the Constitution, to make recommendations on the progressive use of Hindi as the official language of the Union.

(Under the Constitution of India, which came into force in 1950, the official language of the Union shall be Hindi with Devanagari script. Article 344 provides that the "President shall, at the expiration of five years from the commencement of this Constitution and thereafter at the expiration of ten years from such commencement, by order constitute a Commission which shall consist of a Chairman and such other members representing the different languages specified in the Eighth Schedule.....".)

The Commission, of which Mr. B.G. Kher will be the Chairman will make recommendations on the following:

- (a) the progressive use of the Hindi language for the official purposes of the Union;
- (b) restrictions on the use of the English language for all or any of the official purposes of the Union;
- (c) the language to be used for all or any of the purposes mentioned in Article 343 of the Constitution;
- (d) the form of numerals to be used for any one or more specified purposes of the Union;
- (e) the preparation of a time schedule according to which and

the manner in which Hindi may gradually replace English as the official language of the Union and as a language for communication between the Union and State Governments and ~~amongst~~ between one State Government and another.

In making their recommendations, the Commission shall have due regard to the industrial, cultural and scientific advancement of India, and the just claims and the interests of persons belonging to the non-Hindi speaking areas in regard to the public services.

The Gazette of India, Extraordinary,
Part I-Section 1, 7 June 1955,
pp. 349-350.

New Geographical Terms for Middle East and Far East:
Government of India's Decision.

The Government has decided to discontinue the use of the expressions "Middle East" and "Far East" in describing certain regions of the world. These expressions had gained currency owing to the situation of those regions in relation to certain other regions of the world. They have, however, no meaning in relation to India or to the geographical position of those regions in Asia or the world. The regions hitherto known as "Middle East" and "Far East" will, therefore, hereafter be described as "West Asia" and "East Asia", respectively.

The Hindustan Times, 18 June
1955.

West Bengal: New Departments set up for Housing and Social
Services.

The Government of West Bengal has set up two new departments to deal with housing and social services respectively. Mr. K.N. Das Gupta, Minister for Works and Buildings will be in charge of housing and Dr. J.R. Dhar, Minister for State will be in charge of Social Services.

The creation of the new portfolios indicate the importance the State Government has decided to give to them in the last year of the Five-Year Plan and in the second Five-Year Plan.

Amrita Bazar Patrika, 11 June
1955.

CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.

INDIA - JUNE 1955.

25. Wage-Earners' Organisations.

Nineteenth Session of the General Council of the I.N.T.U.C., Trichur, 29-30 May 1955: Memorandum to be prepared on Second Five Year Plan: Regulations of Industrial Relations and Abolition of Appellate Tribunal to be urged.

The nineteenth meeting of the General Council of the Indian National Trade Union Congress (INTUC) was held at Trichur (Travancore-Cochin) on 29 and 30 May 1955. The meeting was inaugurated by Mr. P. Govinda Menon, Chief Minister, Travancore-Cochin and Mr. G.D. Ambekar, President of the I.N.T.U.C. presided. Mr. Khandubhai K. Desai, Union Labour Minister also addressed the session.

The Council, inter alia, decided to place before the Union Government a memorandum on the Second Five Year Plan relating to labour matters.

New Technique required: Mr. Menon's address.- Mr. Menon in his inaugural address said that patriotic trade unionism in India had to develop new techniques to advance the cause of labour and hoped that I.N.T.U.C. would develop the technique which would lead India to a truly socialistic State.

Mr. K. Desai, in his speech said that the aim of the community development schemes was to initiate a process of transformation of the social and economic life in rural India which contained the bulk of the country's population. The programme, besides awakening the spirit of selfhelp and mutual aid among the villagers should strive to make them economically stronger by increasing productivity and providing increased opportunities for all kinds of work, he said.

Mr. Desai urged employers to move with the times because after the Congress declaration for a socialistic pattern of society, they could not go on without respecting the workers. If they learnt to love their labourers, the unrest in industry would come to an end and thereby the national economy would be strengthened.

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Mr. Desai said they in India should not copy the trade unionism of foreigners. They should evolve a method of their own and work for the welfare of the human society as a whole discarding parochialism and narrow-mindedness.

Decisions.- The Council adopted seven resolutions, which are briefly reviewed below.

i) Employees Provident Fund Scheme.- The Council, while welcoming the recent decision of the Indian Labour Conference held in Bombay (vide pp.2-10 of the report of this Office for the month of May 1955) to extend the provident fund scheme so as to cover industries employing 10,000 workers or more, urged for extension of the scheme to cover commercial establishments and plantations and mines and also to raise the rate of contribution from six and one-fourth per cent to eight and one-third per cent.

ii) Plantation industry.- By a resolution, the General Council stated that in view of the prosperity in that industry accompanied by a very high rate of profit to capital and also in view of the fact that wages for plantation labourers were on sub-normal level and were only governed under the Minimum Wages Act, there was "urgent necessity" for increasing the wage level of plantation labour and to bring it on a par with the level of wages prevalent in other organised industries. The resolution also said "a case for substantial bonus to plantation labour was established.

iii) Jute industry.- The Council viewed with concern "unilateral attempts made by the jute industry to introduce modernisation and rationalisation relying upon the recommendations made by the Jute Enquiry Commission in spite of the accepted policy of the Government not to permit rationalisation by creating unemployment.

iv) Wage Policy.- The General Council said that the rate of increase in wages following the attainment of independence had not been commensurate either with the rate of increase in the ~~profits~~ ~~capital~~ productivity of labour or in the profits to capital. The effect of rationalisation had been a shrinkage in the existing volume of employment to some extent accompanied by a fall in labour cost, the benefit of which had gone more to capital than to labour or to the consumers. The consequence had therefore been concentrating of wealth in a few hands. The INTUC felt there was immediate necessity for formulation and standardisation of norms about wages and the creation of National Wage Boards and wage boards for different industries and zones to decide wages on the lines envisaged by the fair wages committee.

v) Rationalisation.- The General Council adopted a resolution welcoming the Union Government's declared policy of not encouraging modernisation and rationalisation which might create unemployment. It recalled the tripartite agreement on principles of rationalisation and urged the creation of an effective machinery immediately either by suitable legislation or otherwise which might examine all cases of rationalisation in order to see that the agreed principles were being followed.

vi) Bonus.- By a resolution the General Council criticised the Labour Appellate Tribunal's formula for payment of Bonus on the basis of allowing certain prior allocations at "certain supposed standard rates" and urged upon the Government to evolve equitable norms and standards for the distribution of bonus as expeditiously as possible and make suitable arrangements for the tribunals to adopt these norms and standards. It pointed out that the formula exempts loss making and meagre profit making concerns. The priorities of commission, depreciation, rehabilitation for machinery, rate of dividends and return on capital were fixed at a very high rate and on wrong notions. Depreciation was calculated up to ~~the~~ the maximum permissible limit under Income Tax rules including special initial depreciation even when ~~and~~ not actually charged by the concern. Rehabilitation in excess of depreciation was set apart from profit on an inaccurate assumption that the whole of the machinery including the machinery recently purchased had to be scrapped and replaced by the most ultra modern machines, Commission was being permitted as actually charged, however large and unfair the amount may be, dividend was calculated even on capitalised reserves, i.e. bonus shares, and too at nearly three times the bank rate and return on working capital, including depreciation was allowed, even though the amount belonged to the Company. In ascertaining the surplus available for bonus, these priorities had been loaded in favour of employers and resulted in depriving workers of their rightful share from the higher profits made by the industry. It further pointed out that a better formula for the needs of the industry has been evolved by the Tariff Board on the ~~same~~ basis of percentage on blocked capital at the base period.

vii) Second Five Year Plan.- By a resolution, the General Council appointed a sub-committee for preparing a memorandum on the Second Five Year Plan to be submitted to the Union Government.

It was decided, ^{and} the memorandum should include suggestions relating to the following: revision of machinery to regulate industrial relations; abolition of Labour Appellate Tribunal; proper machinery for settlement of disputes; directives regarding proper norms and standards to be utilised by Courts and ^{and} ~~adjudicators~~ for ascertaining surplus for bonus etc.;

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fixation ~~for~~^{of} principles of wages; extent of participation in management at different levels; principles for rationalisation; housing scheme for workers, urban and rural, along with questions of slum clearance; consolidation of schemes of social security; extension of schemes of gratuity; ~~provision~~ provident fund and pension; regulations for safety and health of workers; industrial hazards; atmospheric conditions including heat, temperature, humidity; ~~provision~~ proper standards for amenities for workers; problems of uneconomic units; steps against mismanaged concerns; nationalisation in action; establishment of administrative cadre for industries and their training both for private and public sectors; enactment for decasualisation; pre-employment and post-employment training schemes for workers; schools for ~~the~~ occupational training for workers and their dependents; proper arrangements for better administration of welfare schemes for workers; schemes for utilisation of leisure; holidays, sanatoria, and convalescent homes; research work for increasing productivity of labour; imparting training to workers regarding work-load etc.; recommendations of working party on Textiles, Coal and Engineering industries; need for amalgamation and reconstruction of coal mines; proper steps for ~~the~~ safety of coal miners; working of mines to be done in such a manner as not to waste national assets; nationalisation of coal mines if needs ~~to be~~ fulful production targets; rehabilitation of village economy including stabilisation of prices in parity with industrial prices; removal of all exploitation including that of young persons, women, backward and depressed classes and ~~adivasis~~; introduction of basic education; liquidation of unemployment by creating fresh ~~new~~ pools of employment including establishment of village and small scale industries.

(Indian Worker (Published by the I.N.T.U.C.)
4 June 1955;
The Hindu, 29 and 30 May 1955;
The Hindustan Times, 31 May 1955).

Second Annual Conference of the All-India Tobacco Employees' Federation, Hyderabad, 2-3 June 1955: Opposition to Rationalisation.

The second annual conference of the All-India Tobacco Employees' Federation was held at Hyderabad on 2 and 3 June 1955, Mr. K. Somayajulu presiding. The session adopted resolutions inter alia demanding a living wage and opposing rationalisation.

Issue of recognition of trade unions: President's address.- Mr. Somayajulu, in his address, expressed regret that the policy of the Government of India and the State Governments in respect of the recognition of trade unions, had not been 'helpful' to the trade union movement. The issue of recognition, he added, had assumed great importance and trade unions were forced to resort to strike on this issue alone.

Mr. Somayajulu ~~and~~ said that in spite of the professions of the Government of India and the State Governments their wage policies had not been framed on a progressive basis. The Fair Wage Committee's recommendations had not been implemented by the Government of India. Some of the State Governments and employers had not raised the wages to the minimum suggested by the Central Pay and Service Commission of 1947. The Government of India should refer the question ~~xxxxxx~~ of wages to a Wage Commission. He also pleaded for the merger of the dearness allowance with the basic pay. ~~xx~~

He said rationalisation should not result in retrenchment of employees and narrow down the scope for employment. He found ~~full benefit out of the~~ that the employees were not getting full benefit out of the Employees' State Insurance Scheme. There was immediate need for the extension of the medical benefit to the families of the workers, he added.

Membership of the Federation.- Mr. Akhileswara Prasad, General Secretary of the Federation, in his report to the Conference, said that the Federation had 21 affiliated unions with a strength of 30,000.

Decisions: Rationalisation.- The Conference adopted a resolution expressing grave concern over the move of the tobacco employees to effect rationalisation in the industry in the "name of reorganisation, readjustment and job ~~xxxxxx~~ evaluation". The Conference expressed itself strongly against rationalisation in any form, including introduction of labour-saving devices. It stated such steps would result in retrenchment and ~~xxxxxx~~ close avenues of employment and worsen the employment situation in the country. The Conference demanded stoppage of rationalisation forthwith and suggested that additional units of production and sale should be set up and more avenues of employment should be created.

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Wage agreements.- The Conference expressed the view that need had arisen for a review of the longterm agreement between employers and employees entered into in recent years in order to remove anomalies and disparities existing in them due to regional and unit considerations and that terms of agreements should be improved in order to secure living wage standards. The ~~Employers~~ Conference called upon members of the Federation to negotiate with managements towards this end. It also set up sub-committees to postulate a uniform living standard on a national basis throughout the tobacco industry without being unfairly discriminated against on regional or zonal basis. They would also go into service conditions, leave rules, wage standards, retirement benefits, etc.

Merger of dearness allowance.- The Conference demanded merger of a "substantial portion" of the dearness allowance in the basic wage and said "any attempt to reduce the dearness allowance on account of the so-called fall in the cost of living indices would be seriously opposed by the workers".

Industrial housing.- The Conference requested employers in the industry to take advantage of various industrial housing scheme including housing scheme for low income groups with a view to providing houses for at least fifty per cent of tobacco employees during 1955-56. It demanded that tobacco employers should advance interest-free loans to workers individually or collectively through co-operative societies.

Recognition of the Federation.- Noting the "indifferent" attitude of tobacco employers towards the recognition of the Federation, the Conference directed the President to take necessary steps, including call for direct action, if recognition was not accorded within a reasonable time.

Office-bearers.- The following office-bearers were elected for the next year: Mr. K. Somayajulu (Secunderabad) President; Mr. Mallikarjuna Rao (Chirala) and Mr. K. Kannan (Bangalore) Vice-Presidents; and Mr. Akhileswara Prasad (Patna) General Secretary.

(The Hindu, 4 June 1955;
The Statesman, 4 June 1955).

Two Dock Workers' Unions Merge to form
New Body.

At a joint meeting of the Executive Committees of the two dock workers' Unions, namely, National Union of Dock Labour and Calcutta Dockers' Union on 5 May 1955, Dr. Matreyee Bose, President, Bengal Provincial National Trade Union Congress, presiding a ~~new~~ resolution amalgamating the two Unions was unanimously passed and the amalgamated Union was named National Dockers' Union. Dr. Matreyee Bose was elected the President of the new body with Mr. Janaki Mukherjee and Mr. Pranab Ganguly as Joint Secretaries.

(Amrita Bazar Patrika, 28 May 1955).

Bihar: Standing Committee on Trade Unions set up.

In pursuance of the recommendations of the labour representatives of the Bihar Central Labour Advisory Board, the Bihar Government has constituted a Standing Committee (Trade Unions) of 14 members, with the Deputy Commissioner of Labour as Convener. The Committee is to advise the Government and the Registrar of Trade Unions on all matters relating to trade unions in the State of Bihar. The Committee has been appointed for a period of two years and it will ordinarily meet once in three months.

(Indian Labour Gazette, Vol. XII, No. 10,
April 1955, page 1136).

Bombay: Working of the Indian Trade Unions Act,
1926, during the Period 1953-1954.

Number of unions and membership.- According to the annual report of the working of the Indian Trade Unions Act, 1926, in the State of Bombay for the year ending 31 March 1954*, there were 812 unions at the end of the period under report as against 712 at the end of 1952-53. The registration of 97 unions was cancelled for various reasons, the most important being non-submission of annual returns and 197 unions were registered during the year.

Of the 812 unions, only 682 submitted their annual returns for the year 1953-54. Even among these returns many returns were found to be defective and the statistical information contained in 486 returns only were in order.

Out of this 486 unions, 462 unions were State unions (including one Federation) and 24 unions were Central Unions including (four Federations).

The total membership as reported by 481 unions (excluding 5 Federations) included in the report was , 391,909 at the beginning of the year 1953-54 and 416,696 at the end of the year. A total number of 160,608 members joined and 135,821 members left the unions during the year. The average membership of the unions included in the report which stood at 2,602 in 1945-46 has considerably declined during the last few years and was only 866 at the end of the year 1953-54. The total approximate membership of all the 807 unions (excluding 5 federations) at the end of the year 1953-54 was 737,240 as compared with the total approximate membership of 693,255 of 709 unions (excluding three federations) at the end of the year 1952-53.

Information available regarding the geographical distribution of trade union membership in Bombay State indicates that unions in Greater Bombay had 61.20 per cent of the total membership of the unions,

* Annual Report on the Working of the Indian Trade Unions Act, 1926, for the State of Bombay, 1953-1954. Obtainable from the Government Publications Sales Depot, Fort, Bombay. Price Rs.1-14 or 3s.3d., pp.251.

while Ahmedabad District and Poona District accounted for 14.98 per cent and 6.16 per cent respectively of the total membership of the unions. Out of 812 registered unions as on 31 March 1954, 349 unions were in Greater Bombay, 53 unions in Ahmedabad District and 97 unions in Poona District.

The number of unions on the register, the number of unions submitted returns, their membership, the average membership etc. since 1943-44 are shown in the table given below:-

Year	No. of registered unions.	No. of unions included in the report.	Total membership of unions shown in Column (3)			Average membership per union included in the report.	Percentage of female members to total membership.
			Males	Females	Total		
1943-44	-- 91	77	176,277	8,030	184,307	2,394	4.36
1944-45	-- 101	86	191,935	17,100	209,035	2,431	8.18
1945-46	-- 115	87	210,700	15,684	226,384	2,602	6.93
1946-47	-- 134	140	306,946	25,265	332,211	2,373	7.61
1947-48	-- 329	261	359,283	24,511	383,794	1,470	6.39
1948-49	-- 442	319	493,328	31,090	529,155*	1,659	5.88
1949-50	-- 581	383	484,396	29,924	521,467*	1,361	5.74
1950-51	-- 635	392	421,196	28,523	449,719	1,147	6.34
1951-52	-- 672	408	411,384	26,876	440,507*	1,080	6.10
1952-53	-- 712	448	510,131	31,123	541,254	1,208	5.75
1953-54	-- 812	481**	384,893	31,163	416,696*	866	7.48

* Details regarding sex are not available in certain cases.

**This excludes 5 Federations.

The table below gives the classification of the 807 registered unions and their membership according to industrial groups as on 31 March 1954:-

Group	No. of registered unions.	Membership (latest available).
Agriculture and Allied activities	-- 13	12,836
Mining and Quarrying	-- 1	4,650
Manufacturing	-- 341	349,835
Construction	-- 6	1,403
Electricity, Gas, Water and Sanitary Services.	35	7,688
Commerce	-- 112	22,651
Transport, Storage and Communication.	-- 109	273,189
Services	-- 101	34,066
Miscellaneous	-- 89	30,922
Total.	807*	737,240**

*This excludes 5 Federations.

** This excludes the membership of one union reported to be dissolved.

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Trade union finances.- The total income of the 481 unions (excluding five federations) during the year under report was 1,770,315 rupees with a balance of 1,509,773 rupees at the beginning of the year while their total expenditure for the same period was 1,471,909 rupees with a balance of 1,808,179 rupees at the end of the year. Eleven unions maintained political funds and collected 4,492 rupees during the year. They had ~~xxx~~ an opening balance of 7,118 rupees and a closing balance of 10,902 rupees in the political fund account after incurring an expenditure of 708 rupees during the year 1953-54. In addition to these 11 unions the Textile Labour Association, Ahmedabad, also maintained a political fund. The Association had a balance of 8,632 rupees at the beginning of the year and 8,651 rupees at the end of the year in its political fund account and it incurred no expenditure during the year from that account.

The five federations (one State and four Central) had a total income of 311,932 rupees during the year with an opening balance of 252,428 rupees while their total expenditure during the same period was 295,260 rupees with a closing balance of 269,100 rupees.

Membership of State Unions.- A study of the membership of the 461 State unions which submitted annual returns for 1953-54 reveals that the modal group is that of unions with membership between 100 and 299 (133 unions) and accounts for more than 28 per cent of the unions but only 4.02 per cent of the total membership.

The 461 unions had a total membership of 401,594 at the close of the year as against 377,508 at the beginning of the year. Industry-wise classification shows that there was an increase in membership in all the groups except one, namely, Electricity, Gas, Water and Sanitary Services, which showed a decrease of 11.45 per cent in the membership figure. The ~~xxxx~~ highest increase in membership was noticeable in the case of the Transport, Storage and Communication group, Services group coming next. The increase in the membership of the Transport, Storage and Communication group was chiefly due to the membership of 27 new unions in the group registered during the year and also due to the increase in the membership of Bombay Dock Workers' Union, Bombay, National Seamen's Union of India, Bombay and Bombay Water Workers' Union. The increase in the Services group was mainly due to the membership of 26 new unions in the group registered during the year and also due to the increase in the membership of Municipal Workers' Union, Bombay and Nagarpalika Kamgar Union, Sangli. As regards female membership the number of unions ^{increased} reporting from 216 having a total membership of 29,976 in 1952-53 to 226 having a total membership of 31,110.

Finances of State Unions.- The total income of the 461 State unions was 1,635,393 rupees and total expenditure 1,349,052 rupees; the general fund which stood at 1,367,348 rupees at the beginning of the year increased to 1,653,689 rupees at the end of the year. The main source of income was contributions from members, which accounted for 80.31 per cent of the total income. Out of 461 unions only 157 unions supplied information regarding the contributions received from the members, contributions in arrears for three months or less and contributions in arrears for more than three months. Out of the total contributions of 287,502 rupees of these 157 unions, 248,269 rupees were actually received from the members, 17,145 rupees were in arrears for 3 months or less and 22,088 rupees were in arrears for more than three months. Donations, mostly from members and in several cases from unspecified sources amounted to 11.90 per cent of the total income. The amount of donations was the highest i.e. 126,712 rupees in the case of the 'Manufacturing' group, while 'Commerce', 'Agriculture and Allied Activities', 'Miscellaneous', 'Transport, Storage and Communication' and 'Services' groups reported aggregate donations of 25,890 rupees, 13,532 rupees, 12,011 rupees, 7,834 rupees and 7,355 rupees respectively. The average income of the unions was 3,547 rupees during the year under report as compared with 3,644 rupees for the previous year.

As against the average income of the unions of 3,547 rupees, the average expenditure of the unions was 2,926 rupees for the year under report, while it was 3,001 rupees for the previous year. The table below shows the distribution of aggregate expenditure over various items:-

Items of Expenditure	Amount of expenditure incurred.	Percentage to total expenditure.
	Rs.	Rs.
Salaries, allowances and expenses of offices.	320,974	23.79
Salaries, allowance and expenses of establishment including rents, rates and taxes, stationery, printing and postage.	517,034	38.33
Auditors' fees.	7,314	0.54
Legal expenses.	69,782	5.17
Expenses in conducting trade disputes.	61,096	4.53
Compensation paid to members for the loss arising out of trade disputes.	6,461	0.48
Funeral, Old age, Sickness, unemployment benefits, etc.	10,597	0.78
Educational, Social and religious benefits.	48,008	3.56
Cost of publishing periodicals.	15,230	1.13
Expenses incurred under Section 15(j) of the Act.	103,983	7.71
Other expenses.	188,573	13.98
Total.	1,349,052	100.00

Agricultural Trade Unions.- There were 11 unions who had as their members workers on sugar cane farms adjacent to sugar factories.

State Federations.- The Textile Labour Association, Ahmedabad, was the only registered State Federation at the end of the year under review. The assets of the Textile Labour Association, Ahmedabad was made up of cash amounting to 543,235 rupees, securities worth 354,308 rupees, and miscellaneous assets amounting to 880,320 rupees. The Association had a general fund of 256,733 rupees, a political fund of 8,651 rupees, Shahapur Housing Society Sinking Fund of 69,056 rupees, Office Building Fund of 330,625 rupees, Maternity Hospital Building Fund of 36,571 rupees, Famine Relief Fund of 29,208 rupees and other liabilities amounting to 1,047,019 rupees.

Out of an income of 298,822 rupees during the year under report 243,417 rupees were realised by way of contributions from members, 33,576 rupees by way of donations, 19,919 rupees as interest on investments and the rest from miscellaneous sources. The amount of expenditure of the Association during the year was 285,179 rupees, out of which 118,586 rupees were spent on administration. The Association paid 74,874 rupees by way of educational, social and religious benefits and 23,752 rupees by way of funeral, old age, sickness, unemployment, etc., and benefits. The Association spent 21,754 rupees for publishing periodicals and 9,701 rupees for conducting trade disputes.

Affiliation of State Unions.- The available information regarding the affiliations of the unions to the All-India Central Organisation of Labour is given in the table below:-

Name of the Central Organisation of Labour.	No. of unions reporting affiliation.	Total strength on 31 March 54 of the unions mentioned in column No.2.
Indian National Trade Union Congress --	105	215,599
Hind Mazdoor Sabha --	50	62,867
All India Trade Union Congress --	18	34,812
United Trade Union Congress --	2	2,588
Not affiliated --	213	54,802
Affiliation not known --	73	30,926
Total.	461	401,594

Central Unions: Membership.- The total number of Central Unions (excluding four federations) registered under the Act was 42 ~~unions~~ at the end of the year under report but the statistics of only 20 unions (excluding four federations) which sent in corrected annual returns have been included in this report. These 20 unions had a total membership of 15,102 at the end of the year as against 14,401 at the beginning of the year. The highest increase of 486 in membership was in the 'Transport, Storage and Communications' group; the group had the largest membership i.e. 10,847 out of 15,102. At the end of the year 1952-53 there were 10 unions with 1,147 female members, while during the year under report there were 11 unions with only 53 female members.

Income and expenditure of Central Unions.- The total income of the Central Unions during the year was 134,922 rupees of which 110,987 rupees or 82.26 per cent was by contribution from members and 14,063 rupees or 10.42 per cent income from miscellaneous sources. The average income of the unions was 6,746 rupees during the year 1953-54, as compared with 15,000 rupees in the previous year.

As against the total income of 134,922 rupees the total expenditure during the year was 122,857 rupees with the result that the amount of general fund which was 142,425 rupees at the beginning of the year increased to 154,490 rupees at the end of the year. The average expenditure of the unions during the year was 6,143 rupees as compared with 12,884 rupees of the previous year.

An amount of 65,220 rupees representing 53.08 per cent of the total expenditure was spent on the salaries, allowances and expenses of officers and establishment. A sum of 28,108 rupees or 22.88 per cent of the total expenditure was spent on other miscellaneous expenses which generally include expenses on items such as meetings, propaganda, gatherings, irrecoverable subscriptions and depreciation written off. Thus the expenditure on administration amounted to 75.96 per cent, and 24.06 per cent of the total expenditure was incurred on other items, out of which an amount of 11,711 rupees representing 9.53 per cent of the total expenditure was spent on legal expenses and expenses in conducting trade disputes. The compensation and benefits paid to members amounted to 4,172 rupees representing 3.40 per cent of the total expenditure.

Only one union had a political fund with a balance of 1,023 rupees at the end of the year.

Central Federations.- There were two Central Federations, namely, (1) Federation of Bank Employees, Bombay, and (2) Federation of the Bank of India Staff Unions, registered under the Act at the end of the year 1952-53. Two more Central Federations, namely, (1) Federation of Press Trust of India Employees' Unions and (2) The Insurance Employees' Federation, Bombay, were registered under the Act during the year under report.

Affiliation of Central Unions.- The details regarding affiliation of 20 central unions (excluding four Federations) is shown below:-

Name of the Central Organisation of Labour.		No. of unions affiliated.	Membership of the unions as on 31 March 1954.
Indian National Trade Union Congress.	--	--	--
Hind Mazdoor Sabha.	--	3	3,373
All India Trade Union Congress.	--	1	5,861
Not affiliated.	--	11	3,762
Not known.	--	5	2,106
Total.	--	20	15,102

Employers' Unions.- There were eight unions of employers registered under the Act at the end of the year under report.

The report reviews the important activities of trade unions, such as their educational and welfare work, legal aid, etc.

(The review of the Working of the Act in Bombay during 1952-53 was reported at pp. 6-14 of the report of this Office for October 1954).



27. Salaried Employees' Organisations.

India - June 1955

Second Session of the All-India Primary Teachers' Conference, Puri, 28-30 May 1955; State aided Insurance Facilities urged.

The second annual conference of the All-India Primary Teachers' Federation was held at Puri from 28 to 30 May 1955. Mr. M.V. Donde, President of the Federation presided.

Mr. B.G. Kher, former Chief Minister, Bombay, who inaugurated the Conference, stressed the need for "discovering for ourselves a system of national education suited to our national requirements." He said there was no clear national policy, definite objective or uniformity of any kind in regard to free and compulsory education for all children under fourteen as laid down by the Constitution. "Each State has its own policy or lack of it, and the nation drifts along according to the views of the person, in charge for the time being." Mr. Kher asked the Federation, which claims a membership of more than one million primary teachers spread over the country, not to function "merely as a trade union fighting for more pay and less work". While demanding a living wage and better conditions of service, they should not lose sight of the fact that "you are not mere wage-earners but builders of the nation". He said the Federation should become the forum for discussion of all difficult problems relating to education of the masses "for the good of the country and of humanity." ^{1/2}

Mr. Humayun Kabir, Secretary to the Union Ministry of Education, addressing the Conference said that of the various causes for the teacher's loss of respect, the most serious was the miserable salary paid to them. It was true that in recent years there had been some improvement, but the salaries were still grossly inadequate. The main obstacle was lack of funds. But if they wanted to assure the future of their country, this ~~main obstacle~~ obstacle must be overcome. In their proposals for the Second Five-Year Plan, they had suggested a minimum basic salary of Rupees Fifty for untrained non-matriculantes, Rupees Sixty for trained non-matriculantes, and Rupees Seventyfive for trainedatriculantes. He considered these scales to be the absolute minimum. If the country's finances did not permit the payment of even these salaries they should perhaps rather slow down the rate of expansion than deny the teachers what was an irreducible minimum.

Mr. Donde, the President of the Federation referred to the organisational activities in different States and mentioned the great difficulty with which the Federation had to work for lack of finances and experienced workers. He suggested that an economic survey should be undertaken to ascertain the economic conditions of the primary teachers of the country.

Decisions. The Federation urged the appointment of a Primary Education Board and taking up of the question of compulsory primary education as a national problem and give it priority.

The Conference demanded provision of free medical treatment and ~~facilities~~ facilities for training to primary teachers, and free

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education to children of primary school teachers at all stages.

The conference urged the Government to provide State insurance and life insurance to primary teachers.

Implementation of the recommendations of the Central Pay Commission in matters of pay and service conditions for teachers, housing facilities, extra allowances to headmasters and provision for merging of dearness allowance with basic pay were demanded by the Federation.

Other resolutions passed at the session dealt with giving franchise rights to primary teachers in election to Upper Houses concessions in railway fares and appointment of inspection staff from amongst experienced primary teachers.

The Hindu, 29 and 31 May 1955.
Amrita Bazar Patrika, 30, 31 May
and 1 June 1955.

Madras State Teachers' Conference: New Pay Scheme suggested.

The 45th State Educational Conference, conducted by the South Indian Teachers' Union, at Cuddalore from 13 to 15 May 1955, under the chairmanship of Mr. E.H. Parameswaran, adopted a resolution urging the Government to give effect to the following scales of salaries to start with: Colleges: Principal Rupees 600-25-800; Professors Rupees 300-20-600; Lecturers Rupees 200-10-350 and Demonstrators and Tutors Rupees 100-10-200 plus an allowance of Rupees 20/- for Honours men of Class I or II. High schools and Elementary schools: Headmasters Rs. 250-50-400, Assistants Grade A (B.T. or L.T.) Rupees 100-10-300. Assistant Grade B (Secondary Grade trained teachers) Rupees 70-5-150. An allowance of Rupees 10/- to be paid for a higher academic qualification, say passing the Intermediate. Assistants Grade C (Higher Grade) Rs. 50-2-90.

Provident Fund:- It was urged that teachers should be given provident fund facilities at 2-1/2 annas in the rupee. The Government's contribution should be added to the fund at the end of each financial year. The managements' contribution should be increased. The Government should make it compulsory for every teacher to take a life insurance policy. The Government was also requested to fix the age of retirement of all grades of teachers under all managements including Government at 60.

The conference thanked the Government of Madras for granting pension to teachers in elementary schools and to certain teachers in secondary schools and requested it to extend the scheme to all teachers in the secondary schools as the cost involved would not be much.

The Conference welcomed the decision of the State Government to make education free for all poor children upto the completion of form III or the Eighth Standard and to compensate the managements for the loss of fee income. It congratulated the Government on its bold decision as a further step in making education free and universal but pointed out that this measure would put a great pressure on the schools and that immediate

steps should be taken to provide increased accommodation and equipment and secure necessary trained personnel. It hoped that facilities for the training of teachers would be expanded.

The Conference further suggested that in order to ensure continuity of policy and ordered progress in education, a Board of Education should be constituted with statutory powers for the planning and organisation of education. In the interest of sound educational progress provision should be made for research in education in universities and in Training Colleges and aid should be given to organisations doing research in education. The conference noted with satisfaction the amount provided in the Second Five-Year Plan for educational programmes and for improving service conditions of teachers and it appealed to the Madras Government to considerably improve the service conditions of teachers taking advantage of this provision.

Office-bearers. - At the meeting of the general body of the South Indian Teachers' Union held on 15 May 1955, Mr. S. Natarajan was elected President and Mr. T. P. Srinivasan, General Secretary.

The Educational Review,

15 May 1955.

Central Government Employees urge Revision of Pay Scales.

The annual conference of the Central Government Third Division Clerks' Union, meeting at New Delhi on 28 May 1955, decided to serve a 75 day notice on the Government to accede to its demands - the main one being revision of their pay scales.

"In case the Government fails to do so", the Union warned in a resolution "the Union shall be compelled to launch a peaceful direct action".

The Conference reiterated its demands regarding the revision of pay scales of clerks from the grade of Rupees 55-130 to Rupees 100-10-300.

In another resolution the conference criticized the "thrusting" of the Central Secretariat Clerical Service (Reorganisation) Scheme on the clerks in its present form, and called for several changes in the scheme.

The Statesman, 29 May 1955.

Annual Conference of Madras State Government Employees: Demand For Merger of Dearness Allowance with Pay and Revision of Conduct Rules

The 53rd Madras State Non-Gazetted Government Officers' Associations was held at Cuddalore on 22 May 1955; Dr. A. Krishnaswamy M.P., inaugurated the meeting, Mr. N.R. Venkataraman presided.

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Inaugurating the Conference, Dr. Krishnaswami, M.P., said that under the second Five-Year Plan which envisaged an investment of the order of Rupees 5,800 to Rupees 6,000 crores there was bound to come about a sharp rise in prices as well as in the cost of living. Effective measures should, therefore, be taken to protect the interests of the fixed income holders and the lower income groups.

Dr. Krishnaswami, said that while attempts should be made to protect the living standards of the subordinate civil service and other lower income groups, steps taken to provide an immediate rise in wages would not achieve its purpose. What should be attempted was payment of the increase in wage at a later period; for this, he suggested to the Government to reconsider the contribution it should make to pensions and provident fund which could easily be increased to about three times the contribution made by the employees. Such payment at a later period would not cast any strain to the economy.

Dr. Krishnaswami said that there was no justification for any discrimination in the payment of dearness allowance to Central Government employees and employees under State service.

Presidential address.— In the course of his presidential address, Mr. Venkataram, urged for Government's consideration the redressal of the various grievances of the non-gazetted employees (N.G.O's) such as the revision of pay of all ranks, enhanced dearness allowance, provision of Government quarters and pending that grant of suitable house rent allowance to all Government servants, educational concession to children of the non-gazetted Government officers, provision of a conciliatory machinery on the model of Whitley Council, revision of Government Servants' Conduct Rules, revision of Madras Leave Rules 1933, reduction of the period of probation from two years to one year and deletion of the present system of maintaining personal files.

He said "Whatever might be the reasons for not implementing the Central Pay Commission's recommendations in the matter of pay scales, there could be no justification in denying to them the Central scales of dearness allowance at least. A moiety of the dearness allowance paid to Central Government servants had already been merged with the basic pay. Although this would not result in any enhancement of the emoluments, it was certainly a great advantage to those who retired from service. Such a step should also be taken by the State Government". He appealed to the State Government to adopt the recommendations of the Central Pay Commission or to appoint a Commission presided over by a High Court Judge with clear terms of reference relating to the pay-scales, dearness allowance and all other conditions of service.

As regards existing conduct Rules, he said that the Government Servants' Conduct Rules framed under the scheme of alien administration were thoroughly out of date. They prohibited Government servants from making legitimate representations to members of the legislature. There was also provision for making Government servants responsible for the actions of their relatives far and near. Those rules should be scrapped and a fresh code of conduct drawn up. The right of free association with non-officials and representations to legislative bodies should be specifically defined and the conduct of servants should be regulated by rules which should be in line with the accepted principles laid down under the Constitution.

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Resolutions: (i) Merger of Dearness allowance: The Conference passed a resolution requesting the Government to issue orders for merging the existing dearness allowance with the pay of the P.G.Os' "in view of the fact that it will not affect the present financial position of the Government.

(ii) Conduct Rules: It was resolved "to point out to the Government that the existing Government Servants Conduct Rules are irritating and even repugnant to the fundamental rights of the Constitution and request the Government to appoint a non-official committee, presided over by a High Court Judge, with due representation to the association, to enquire into and revise the Government Servants' Conduct Rules..... If the Government are not prepared to take steps to revise the Government Servants' Conduct Rules before July 31, 1955 this Conference directs its central office-bearers to create a cause of action to file a writ against the Government in the High Court before August 31, 1955."

(iii) Staff Councils: The conference requested the Government to expedite the formation of the Staff Council.

Office bearers:- The following office-bearers for the current year were elected. Mr. K. K. Kannankutti Menon, President; Mr. S. A. Nayagam, General Secretary.

The Hindu, 23, 25 and 27 May 1955.

28. Employers' Organisations.

India - June 1955.

Annual General Meeting of All-India Organisation of Industrial Employers, Bombay, 13 May 1955 : President's Address.

The 22nd Annual General Meeting of the All-India Organisation of Industrial Employers were held at Bombay on 13 May 1955. Mr. G.D. Somani, President of the Association was in the Chair.

Presidential address.- In the course of his presidential address, Mr. G.D. Somani said that the private sector had not lagged behind the expansion expected of it under the first Five Year Plan. More than half the number of industries in respect of which development plans had been formulated had even in the first three years of the Plan, achieved 60 percent of the envisaged increase in capacity. This criterion of 60 per cent was so, on the rigorous side, for the Progress Report on the First Plan for 1953-54 considered progress in the public sector to be satisfactory when 50 per cent or more of the planned expenditures had been incurred in the first three years. Apart from the satisfactory manner in which the private sector had acquitted itself in achieving the targets laid down in the first Five-Year Plan with regard to increase in installed capacity, the developments on the production front had also been heartening. The interim index of industrial production, 1946 as the base, had been moving up consistently in the last four years. From 105 in 1950 it moved to 117.2 in 1951, 128.9 in 1952, 135.2 in 1953 and 146.5 in 1954, i.e. an increase of nearly 40 per cent over the five years - an achievement which would be creditable under any circumstances and all the more so when it was realised that all this had been achieved in spite of many impediments in the way of industrial production.

Role of management.- Mr. Somani said that it was increasingly necessary for management to use psychological techniques in the running of industry. As workers became increasingly conscious of their rights and responsibilities, it was necessary for management in India, as was being done by managements in advanced industrial countries, to divide work into specialised categories, such as, production, marketing, personnel, control, etc. The underlying theme of management movement in a country like the U.S.A. was to step up the knowledge and skills of those in charge of running the enterprises. He was glad that the Organisation was taking keen interest in spreading the principles of scientific management, particularly personnel

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management. Discussions ~~was~~^{were} continuously taking place with foreign experts who visit India. The discussions cover a wide range and pertain, among other things, to training within industry (TWI), productivity, human relations, etc.

"Peaceful co-existence". - Mr. Somani pleaded for "peaceful co-existence" in industrial relations with greater emphasis on mediation rather than legislation. "We are in an era of economic ~~plan~~ planning and our task is to ~~increase~~ increase production. Our planning being democratic we have to ensure that in the process of reaching the targets the freedom of individuals of groups should not be curtailed.

"While strikes and lockouts are not certainly conducive to production, I feel that we cannot entirely ban them in a democracy".

Opposing the proposed abolition of the Labour Appellate Tribunal and the re-constitution of adjudication ~~with~~ machinery, Mr. Somani said that the tribunal had been responsible for bringing a considerable amount of order and uniformity. The ~~one~~ argument usually advanced for the abolition of the tribunal was that there was delay in the disposal of cases. This delay was because appeals on decisions from tribunals all over the country had to be disposed ~~of~~ of by just three branches of the tribunal.

He called upon labour organisations to review their stand regarding the tribunal and appealed to the Labour Minister not to proceed with the abolition of the tribunal but to strengthen the tribunal and the labour courts. He added that greater emphasis had already been placed on mutual consultation and collective agreements rather than on compulsory adjudication during the last two years.

Setting up of Wage Commission ~~approved~~. - Mr. Somani also opposed the proposal to set up a Wage Commission (vide pages 2-10 of the report of this Office for ~~June~~ May 1955). He said he was not opposed to industrial workers getting a fair wage, but the fundamental objective of a national wage policy "must form part and ~~an~~ parcel of our general economic and social~~y~~ policy".

The prime need today was to increase employment opportunities and wages should not be fixed at a level that will curtail these opportunities. "On the same scope nothing ~~should~~ should be done like the appointment of a general wage commission that will create expectations among workers which in practice cannot be fulfilled". Mr. Somani said the Joint Consultative Board of industry and labour had tackled the problem and had decided to make a comprehensive study of the ~~the~~ wage structure in the various sectors, public and private, and in the latter as between organised and cottage industries,

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agriculture and plantations. The Board had already undertaken a comparative study of wages in Asian and other countries and preliminary investigation had shown that the percentage of factory wages to per capita income was the highest in India. It had also shown that the lowest paid factory worker received much more than workers in cottage industries, and in agriculture.

(Text of Presidential Address of Mr. J. D. Somani at the Twenty-second Annual Session of the All-India Organisation of Industrial Employers).

Annual General Meeting of Bengal Millowners' Association, Calcutta, 15 March 1955: Chairman's Address.

A strong plea for allowing cotton textile mills to attain economic size through expansion and ensure maximum production was made by Mr. B. M. Bagri, Chairman of the Bengal Millowners' Association presiding over the annual meeting of the Association held in Calcutta on 15 March 1955.

Mr. Bagri said that in India particularly in West Bengal there were a number of ~~uneconomic units~~ "uneconomic units" in ~~the~~ the cotton textile industry, which were not due to old and obsolete equipment, but due to "undue smallness of size". He regretted that the Textile Enquiry Committee, ~~which~~ which submitted its report in September 1954, had taken an "unsympathetic view of uneconomic units". The Committee seemed to have completely overlooked the fact that the size of a mill was of paramount importance for balancing its economic position. He argued that a mill, to compete on equal terms with an average unit of the industry, should be allowed to expand its capacity. In India, he said, a mill to be of "economic size" should have 26,000 spindles and 600 looms. Most of the mills in West Bengal, ~~he said~~ were of small size and were to a certain extent uneconomic in their working. The lack of finance, however, was the main reason for this deficiency. The mills in this area were in a disadvantageous position being situated at a long distance from the main cotton ~~area~~ zone of India. The average efficiency of labour in West Bengal was lower than that in other advanced centres of the industry.

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Rationalisation needed.- Mr. Bagri felt it ~~impossible~~ imperative for the cotton textile industry to introduce rationalisation for the achievement of higher productive efficiency, lower cost of production and higher earnings of labour. For improving the competitive capacity of the industry it was necessary to introduce a systematic study of productivity and system of payment by results, he said. Mr. Bagri said that there was considerable scope for reducing unit cost of production by an all-round rationalisation, installation of additional machinery for balancing uneconomic units, increasing the efficiency of workers and fixing the workloads. The Ahmedabad Textile Industry Research Association was doing commendable work in this direction and some of the Bengal mills have joined them in their own interest. Some of the members of the Bengal Millowners' Association were also trying to take advantage of the Training Within Industry Supervisory Scheme sponsored by the International Labour Organisation and the Government of India jointly.

Progress of industry.- Mr. Bagri referred to the commendable performance of the cotton mill industry in the first Five-Year Plan particularly during 1954. The progress, he said, was all the more remarkable as the industry had to face growing competition in foreign ~~markets~~ markets from Japan, United Kingdom and other countries and was also handicapped in the home front due to stiff consumers' resistance, heavy taxation and production control.

India's achievements in the sphere of exports was also impressive. In 1954, she exported an aggregate of 898 million yards of mill-made ~~etc~~ cotton piece-goods alone, excluding handloom products and made-up goods. This figure was second only to the 1950 exports of 1,100 million yards. As regards India's main markets, her performance in the United Kingdom, British Africa, Sudan and Australia was commendable, but she partially lost her ground in Aden, Malaya, Burma and Indonesia with a considerable drop in the quantum of trade. She also lost her business substantially in the Persian Gulf Ports and Portuguese East Africa, Afghanistan, French West and Equatorial Africa and Pakistan.

Powerloom industry.- Mr. Bagri said that there were no less than 27 powerloom factories in West Bengal, including organised factory powerlooms and decentralised domestic powerlooms with a total loom strength of over 1,500. The powerloom industry in West Bengal had expanded considerably during the last few years, but there was still room for improvement in men, material and machines with a view to increasing the economic efficiency of the industry.

Economic situation.- Mr. Bagri said that the economic situation in the country was on the whole satisfactory. Many of the targets laid down in the first Five-Year Plan were exceeded in the first three years. The production of cotton amounted to 3.9 million bales and fell just short of the ~~target~~ Five-Year Plan target. As regards industrial production, the index which stood at 135 in 1953, the ~~target~~ highest figure since independence, increased to 144 in 1954. Cotton textiles, steel, jute and cement industries achieved new height in production. The production of cloth in 1954 practically reached 5,000 million yards, exceeding the production target fixed by the Planning Commission for 1955-56 by no less than 185 million yards. Although the production of yarn fell short of the Planning Commission's target by about 95 million lbs., the supply of yarn available to the handloom and powerloom industries was quite comfortable, and the production of handloom cloth increased by 100 million yards over the figure of 1,300 million yards in the previous year.

Referring to the new economic policy of the Government for attaining a "socialistic pattern of Society", Mr. Bagri said that the re-orientation of the economic policy of the Government had naturally given rise to certain "doubts and apprehensions in the minds of the industrialists". The industrialists, he said, could not have "any quarrel" with the fundamental objectives of the changed policy. But, what worried the industrialists to-day was the growing intervention of the Government and control of industries in private sector. He also doubted if it was in the best interest of the country to make any "clear-cut ~~demarcation~~ demarcation between private and public sector". He appealed to the Government to create "a favourable atmosphere" in which the "utility and usefulness" of the private sector was fully appreciated.

Office-bearers.- Mr. N. Dutt and Mr. A.K. Mitter were elected President and Vice-President respectively for the year 1955-56.

(The Indian Textile Journal, May 1955, pp. 496-498).

Annual General Meeting of Bombay Millowners' Association, Bombay, 20 April 1955: Chairman's Address.

The annual general meeting of the Bombay Millowners' Association, was held at Bombay on 20 April 1955, Mr. Neville N. Wadia, Chairman of the Association, presiding. The meeting passed the annual report of the Association and authorised its committee to proceed with the finalisation of the plan, for the establishment of a hospital for industrial workers in Bombay. The hospital would be established from the returnable portion of the contributions made by the Bombay cotton mill industry towards the Mahatma Gandhi Memorial Fund.

President's address.— Mr. Wadia, in the course of his presidential address, referred to the proposal to abolish the managing agency system. He said that upto now the industrial development of this country had been based on this system and the public had been encouraged to share the risk of new ventures when managing agents were prepared to back them with their resources. Mr. Wadia added that if it was sought to prevent the concentration of too much power, a law on the lines of the recent enactment against monopolies and cartels in Great Britain would serve the purpose.

Regarding the latest amendment to the constitution providing for compulsory acquisition and requisition of property, Mr. Wadia said that the measure would make the investing public undesirably cautious and thus slow down the pace of development in the private sector and hinder the co-operation which has been coming from abroad. He said that the amount of capital required for expansion in the next Five-Year Plan was in the order of 56,000 million rupees, half of which was to be provided by the private sector. With so much to be achieved, there was clearly no room for dispute between the public and private sector. Mr. Wadia suggested the setting up of a liaison body between government and industry which could not only remove misunderstandings but keep the private sector fully informed of what was expected of it.

Fall in agricultural prices.— Mr. Wadia referred to the fall in prices of agricultural prices and said that plans for industrial expansion were of no value without the basis of an assured market. It was no use bringing electricity to the farmer if he did not possess the means to buy a bulb to light his house. While it was true that the Government was helping farmers in many ways what was needed most urgently was a system of floor prices based on the cost of production and a margin for their simple needs. Perhaps a better alternative to outright purchase would be the granting of loans at guaranteed level. The farmer would then be in a safer position to spend money for improvements. In this manner a

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a firm foundation to the economic situation could be established.

Settling labour disputes without going to court.- Mr. Wadia said that henceforth the textile industry would endeavour to settle labour disputes without ~~recourse~~ recourse to the court. He said that although the latest award of the Appellate Tribunal cost the Bombay mills 35 million rupees, it was a rare occasion when either of the parties were satisfied with its decision. He said recently an agreement had been reached with the Rashtriya Mill Mazdoor Sangh to set up panels of selected persons from the Association and the Union who would try and settle a number of points without recourse to law courts. If this proved useful, which he sincerely hoped it would, there was no reason why that method could not be adopted for all labour matters.

Social security for workers.- Mr. Wadia said that a significant step towards providing social security to the workers was taken by the implementation of the Employees' State Insurance Act in Greater Bombay on ~~the~~ 2 October 1954. The benefit period ~~and under~~ the scheme had not commenced but from 3 July 1955 insured employees would get sickness benefit and maternity benefit as prescribed under the Act. Mr. Wadia added that the scheme had, unfortunately come in for a good deal of criticism both from ~~both~~ the side of workers and the medical profession and he hoped the Government and the Corporation would take early measures to remedy all defects.

Deputy Chairman's Address.- Mr. J.C. Burns, Deputy Chairman, dealt at length with the Kanungo Committee's report and expressed doubts whether the handloom and power loom industries would be able to raise the output by a hundred per cent to 3,200 million yards in six years. Apart from the question of cotton supply and the doubt which must exist as to whether, in the present uncertainties, the spinning side of the mill industry would expand to the required extent, he added: "Can the handloom industry expand to the extent visualised, even on the basis of the conversion of a large proportion of the handlooms to powerlooms with a very much larger production per unit as recommended by the Committee". The finance needed for the conversion, the size and scope of the organisation required and the threat of competition within the handloom industry, itself made him rather doubtful about the results.

His fear was that if for one reason or other the handloom industry failed to reach its target and the demand for cloth was of the order contemplated by 1960, an artificial scarcity of cloth would be created with the attendant evils of shortages and of demand exceeding supply. If the opportunity of buying goods was not made available, the real standard of living would not have been raised. It therefore, appeared to him essential that cloth at least, should be in ready supply. That should be

the criterion and if it proved necessary for the mill industry to play its part ~~far~~ by increasing its production of cloth that opportunity should be given early rather than late.

Mr. Burns deplored that the protection and encouragement which were intended to benefit the ~~gaf~~ genuine cottage industry should also shelter other units whose claim to protection must in his view be suspected. He referred to those units, in some cases of 200 and possibly more powerlooms, which comprised weaving establishments only and did not include spinning. He did not think these large units were visualised by the Textile Inquiry Committee and suggested that they should be subjected to the same excise as was paid by the ordinary composite unit and that such an unfair competition should not be allowed in continue.

He was glad to see that the Kanungo Report was not entirely opposed to rationalisation in the mill industry. He could quote endlessly from authorities on the subject in ~~far~~ confirmation that rationalisation created employment and not unemployment. He would only ask that the Government should keep an open mind and not be influenced by the views of only one section of the economy to the detriment of the economy as a whole. Mr. Burns ~~felt~~ felt that modernisation ~~was~~ without some rationalisation was a waste of money.

(The Indian Textile Journal, May 1955,
pp. 491-495)

CHAPTER 3. ECONOMIC QUESTIONS.

INDIA - JUNE 1955.

32. Public Finance and Fiscal Policy.

Decimal Coinage for India: Bill introduced in Parliament.

In pursuance of the Government's decision to introduce decimal coinage in India (vide p.36 of the report of this Office for May 1955), Mr. A.C. Guha, Minister for Revenue and Defence Expenditure, introduced in the Lok Sabha on 7 May 1955, the Indian Coinage (Amendment) Bill.

The Statement of Objects and Reasons appended to the Bill points out that modern trade and commerce demanded speed and simplicity in the method of computation and the decimal system was admirably suited for the purpose. The decimal system had already displaced all other systems in the most advanced ~~countries~~ countries of the world. Public opinion in India also had all along expressed itself in favour of a decimal system. A Bill on the subject was introduced in 1946 but owing to the unsettled financial and political conditions after the partition, the Bill was not proceeded with. The question had, however, been receiving the consideration of the Government and it was felt that the present was the opportune time for the changeover.

Under the proposed Act the rupee would continue to be the standard coin and would remain unaltered. At present the rupee is divided into 16 annas and each anna into 12 pies. It is proposed to divide the rupee into one hundred cents and issue coins in denominations of cents. For some time the existing coins would also continue to circulate and provision has accordingly been made for conversion of the existing coins into cents.

(The Gazette of India, Part II, Section 2, Extraordinary, 7 May 1955, pp. 256-257).

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The Finance Act, 1955: Modifications in Budget
Proposals.

The Parliament adopted during April 1955, the Finance Act, 1955, giving effect to the financial proposals of the Central Government for the financial year 1955-56. The Act received the assent of the President on 27 April 1955 and gazetted as Act No.15 of 28 April 1955.

During the Budget debate on the Finance Bill in the Lok Sabha, certain modifications were made to the budget proposals, mainly to give reliefs in central excise duties and to correct certain anomalies in the field of income-tax. These modifications will not affect the additional yield of income-tax but will reduce the additional revenue from excise duties from the original estimate of 180 million rupees to 90 million rupees. Consequently, the revenue and overall deficits for 1955-56 will amount to 170 million rupees and 3,270 million rupees, respectively, as against the original budget estimates of 80 million rupees and 3,180 million rupees.

(The Gazette of India, Part II,
Section 1, 28 April 1955, pp.139-182;
Reserve Bank of India Bulletin,
May 1955, pp. 496-497).

34. Economic Planning, Control and Development.

India - June 1955.

Steps to arrest fall in Agricultural Prices: Finance Minister's Statement in Lok Sabha: Committee to enquire into Disparity in Prices.

Replying a debate in the Lok Sabha recently on fall in the prices of agricultural commodities recently*, Mr. C.D. Deshmukh, Union Finance Minister, stated that the fall in prices of agricultural commodities was not envisaged when the first Five Year Plan was formulated in an atmosphere of inflation. The measures taken by Government to arrest any sharp and excessive fall in agricultural prices could be classified as long-term plans and short-term plans. The long-term plans consisted of (i) liberalising exports in respect of some commodities and (ii) increasing domestic demand by increasing employment and money income. As regards ~~short-term~~ short-term plans, the Government have decided to purchase some food-grains in open market.

The ideas were further elaborated in talk given by the Secretary to the Government of India, Ministry of Food and Agriculture to the Seminar of the National Convention of Farmers. He said that the minimum price levels in respect of agricultural commodities were eleven rupees per maund for rice, ten rupees for wheat, six rupees for bajra and five rupees eight annas ~~for~~ each for jowar and ~~and~~ maize. Direct purchases will be made by Government agencies in specified areas where prices had a tendency to fall below the minimum levels. Other short-term measures decided upon by Government for the stabilisation of prices were removal of restrictions on internal movement of food-grains and lifting of partial or complete restrictions on imports. The following long-term measures were also contemplated by Government:

- (a) construction of warehouses
- (b) improvement of rural credit
- (c) greater development activities in the rural areas in order to improve the purchasing power of villagers
- (d) development of small and cottage industries in the rural areas
- (e) large-scale construction of ~~storage~~ ^{storage} ~~shortage~~ accommodation to enable Government to purchase and store surpluses in good years for utilisation in bad years.

* The index numbers of wholesale prices for food articles have been gradually falling. The figure was which 402.6 in April 1954 (1939 = 100) 367.8 in December 1954, 363.9 in January 1955, 361.4 in February, 353.8 in March, 345.4 in April and ~~32~~ 342.0 in May (Reserve Bank of India, Bulletin, June 1955, p. 693).

The Secretary said that the present fall in agricultural prices was not really a fall in parity but a fall in the differential advantage which the agricultural goods enjoyed from 1948 to 1953-54. He was of the opinion that the country was nowhere near over-production in food-grains but it had just become self-sufficient and that too was substantially due to seasonal factors.

Committee set up to inquire into disparity in prices.- By a resolution dated 6 June 1955, the Central Government has appointed a 5-member Committee with Mr. M.V. Krishnappa, Deputy Minister for Food and Agriculture as chairman, to enquire into the variation which exists in the prices of foodgrains and other agricultural commodities in the different markets in the country.

The terms of reference of the Committee will be: (i) To collect relevant facts regarding the variation in the prices of foodgrains and other agricultural commodities in different markets; (ii) To examine the cases of inter-State or inter-regional or inter-local disparities, between these prices and between price movements over different parts of the year in the same market; (iii) To suggest ways and means of reducing disparities in prices and in price movements as between different areas, and as between different times.

(The Indian Labour Gazette, April 1955,
page 1141;
The Gazette of India, Part I-Section 1,
11 June 1955, page 159).

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Development of Household Industries only
Solution to Unemployment Problems: Prof.
Mahalanobis' Press Conference on Second
Five Year Plan Frame.

Prof. P.C. Mahalanobis, Director, Indian Statistical Institute, Statistical Adviser to the Cabinet Secretariat, and ~~author~~ author of the ~~first~~ draft Second Five Year Plan frame submitted to the Planning Commission, said at a Press Conference at Calcutta on 9 June 1955 that the draft scheme for the Second Five-Year Plan submitted by him to the Planning Commission aimed at increasing employment, consumption and investment simultaneously.

Explaining his draft plan, Prof. Mahalanobis said that the approach of the plan was balanced and logical. It was based on the simultaneous increase in the production of consumer goods ~~and~~ and investment in basic and heavy industries. The plan was suited to Indian conditions and not modelled on the Soviet or the American system.

Pointing out that the central idea of the plan was to solve the problem of employment as quickly as possible and at the same time to lay the foundation for industrial development of the right type, he emphasised that the only solution to the problem was to expand household industries, and referred in this connection to industries like shoe-making, carpentry, bidi-making, apart from agriculture, in which members of the family participated. In order to do it, he said that further expansion must be stopped of all factory industries, which competed with household industries until unemployment was eliminated. This would help assure market for hand-made goods. Another method would be the imposition of "excise" duty.

Rejecting the view that the development of household industries was not technically possible, Prof. Mahalanobis said that hand-made goods would not be expensive if the difference between the cost of hand-made and factory goods ~~could~~ could be removed by a tax on factory goods.

Prof. Mahalanobis explained that there must be large investments in basic heavy industries (steel, railways, etc.), which did not compete with household industries, construction of roads and buildings and health and social services. Such investments would create new purchasing power and increase the demand for consumer ~~goods~~ goods, which would be supplied through house-hold not factory production.

(The Hindu, 10 June 1955).

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6,600 Million Rupees to be spent for Development
of Agriculture during the Second Five Year Plan
Period: States' Secretaries' Recommendation.

The Conference of Agricultural Secretaries, which was attended by agricultural officials from all the States of the Union, held at New Delhi from 27 to 29 May 1955, has recommended that the provision for agriculture, excluding community development, should be 6,600 million rupees in the second Five-Year Plan.

The meeting was of the opinion that the all-India physical targets proposed by the Central Ministry of Food and Agriculture covered only the minimum requirements.

The Conference recommended that to achieve these targets as well as the other objectives, indicated in the ~~Rare~~ Plan by the end of 1960-61, the provision of 6,600 million rupees for agricultural schemes, which included not only crop production but animal husbandry, fishery, forestry, minor irrigations, soil conservation, rural credit, co-operative warehousing etc. was the very minimum that had to be made.

Taking into account the scope for increasing per-acre yields of sugar-cane, with greater emphasis on irrigation and application of fertilizers and also the need to augment the availability of cane to sugar factories by the development of transport facilities, the conference favoured the acceptance in toto of the Central Ministry's comprehensive plan for sugarcane development.

The proposed provision of 180 million rupees was considered absolutely essential in the context of the necessity of attaining self-sufficiency in sugar.

The need for compulsory regulation of the quality of exports of agricultural commodities to enable the country to withstand competition in international markets and to maintain its reputation for the supply of goods in accordance with/stressed at the meeting.

the prescribed standards

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While approving the fishery scheme of the Union Ministry, the Conference recommended the provision of 2.5 million rupees for approved ~~xx~~ schemes of State Governments relating to fisheries research, survey, demonstration etc. It also recommended a course of training in the management and administration of marine fisheries at the Central Fisheries Research Station at Mandapam on an ad hoc basis.

In regard to the proposals for forestry, it was felt that the provision of ~~1000000~~ 100 million rupees as now proposed, was inadequate. It was agreed at the meeting that the schemes already drawn up by the State Governments should be examined in the Ministry and if found necessary, suitable modifications should be made in the Central scheme for forestry development.

The provision of 300 million rupees for the soil conservation programme also ~~fell~~ fell short of requirements, according to the Conference.

The Conference also discussed the proposals relating to resettlement of landless agricultural labourers and felt that information regarding the total number of families to be resettled and the total area available for the purpose in each State was essential before the scheme could be finalised.

The conference thought that with the expansion of the National Extension Scheme to cover the entire country by the end of the second Five Year Plan, there was an urgent need to expand research so as to provide the basic material necessary to make the ~~Extension~~ Extension Service personnel really useful and effective. The provision made for research under agriculture and animal husbandry should, therefore, be increased substantially, the Conference recommended.

(The Statesman, 28, 29 and 30 May 1955).

Development of Iron and Steel: New Ministry
Constituted: Cabinet Committee on Heavy Industry
set up.

The Government of India has by a President's Order issued on 29 May 1955, constituted a separate Ministry for Iron and Steel.

A Press Note issued by the Cabinet Secretariat in this connection that in view of the importance of developing and expanding the iron and steel industry, the Government of India had decided to constitute a new Ministry of Iron and Steel, and the President had promulgated the following order constituting the new Ministry and making the necessary consequential adjustments in the subjects at present allocated to the Ministries of Production and Commerce and Industry.

The allocation of business to the Ministry of Iron and Steel, the Ministry of Production and the Ministry of Commerce and Industry is as follows:

"Ministry of Iron and Steel: (1) Government industrial undertakings for the production of iron and steel, (2) Government-owned foundries.

"Ministry of Production: (1) All subjects at present dealt with in the Ministry of Production, excluding those allocated to the Ministry of Iron and Steel. (2) Village industries (including the All-India Khadi and Village Industries Board). (3) Handicrafts (including the All-India Handicrafts Board).

"Ministry of Commerce and Industry": All subjects at present dealt with in the Ministry of Commerce and Industry, excluding ~~the~~ (1) village industries (including the All-India Khadi and Village Industries Board), and (2) handicrafts (including the All-India Handicrafts Board).

This Order came into force on 15 June 1955. Mr. T.T. Krishnamachari, Minister for Commerce and Industry, ~~is~~ is in charge of the New Ministry.

Cabinet Committee on Heavy Industry.- The Cabinet Secretariat also announced on 30 May 1955, the setting up of a Cabinet Committee of Heavy Industry. This Committee has been constituted to bring about co-ordination at all levels in heavy industry in the public sector. A Committee of Secretaries to deal with this co-ordination is also being constituted to keep in close touch with all developments in heavy industry and report progress to the Cabinet Committee of Heavy Industry.

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Panel for Development of Electronic and Wireless
Equipment Industry set up.

In order to secure positive planning with a view to achieving the desired expansion in the case of Electronics and Wireless equipment industry during the Second Five Year Plan, the Government of India has constituted a Panel for the Electronics and Wireless Equipment Industry, consisting of representatives of the Government and industry, with Dr. D.S. Kothari, Scientific Adviser, Ministry of Defence as Chairman. The function of the Board will be: (i) to review the working of the industry and to suggest measures to secure - full and efficient utilisation of the installed capacity including the fixation of targets if necessary, and reduction of costs of production to a reasonable level while providing conditions in which workers can put in their best efforts; (ii) to suggest measures for improving or increasing the productive capacity of the industry; (iii) to advise on special problems such as the treatment of the uneconomic units, if any; and (iv) to advise generally on the future development of industry including planning and rationalisation.

(Resolution No. LP(A)-1(6)/55 dated 26 May 1955;
The Gazette of India, Part I-Section 1,
4 June 1955, page 153).

Bihar: Slump in Shellac Industry: Inquiry Committee's
Recommendations.

The Government of ~~India~~ Bihar is considering major steps for the rehabilitation of the shellac industry in the State on the basis of the recommendations of the Bihar Shellac Enquiry Committee, appointed in 1952 to investigate into the recent slump in the industry, submitted recently.

According to the Committee, of the total output of 1,219,400 maunds produced in 1951-52 in the country, Bihar's share was 666,000 maunds. About 3 million workers are employed in this industry. More, estimated in several thousands, are engaged in the processing stages of the industry. Referring to the slump the Committee has pointed out that India exported 685,754 cwts. of ~~the~~ lac amounting to 75.9 million rupees in 1952-53 as compared with 712,744 cwts. amounting to 148.4 million rupees in 1951-52; the main reason for the huge fall in value and volume of exports has been the poor demand for Indian lac.

The Committee states: "The slump of 1952 created a situation of great concern in the State, the number of factories having had to close down being 128. It is estimated that 10,000 workers of all descriptions were thrown out of employment. The principal cause of the slump was the slackening of foreign demand due to relaxation of the political tension, following the Korean Truce negotiations and unlimited speculation resulting in constant fluctuation in prices. Other contributory factors were the increasing exports of seed lac and severe competition from synthetic resins and Siamese seed lac".

The Committee has found progressive increase in the export of ~~raw~~ seed lac as compared with that of shellac. The export of seed lac went up from 6,230 tons in 1951-52 to 14,912 tons in 1952-53 while the export of shellac decreased from 26 thousand tons in 1951-52 to 15 thousand tons. The Committee has felt that if the trend is not arrested it will reduce India from a country ~~raw~~ manufacturing shellac to a country exporting raw materials in the shape of seed lac or stick lac. As such it has recommended a ban on export of stick lac which has also been approved by the Lac Cess Committee of the Government of India.

The Committee has suggested immediate creation of a separate division in the State Forest Department to re-ordinate work in connection with lac development as recommended by the Central Lac Cess Committee and to grant substantial agricultural loans to lac growers and financial assistance for the development of lac growers co-operative societies. Other measures suggested by the Committee include amalgamation of small lac manufacturers into co-operative societies, formation of a syndicate by manufacturing units and the introduction of a system of licensing manufacturers.

With a view to expanding the foreign markets the Committee has recommended the inclusion of shellac under the list of trading items under trade agreements and ~~it~~ has also suggested the establishment of industries such as mica-mite, oil cloth, moulding powder etc., which the Committee expects to boost the home consumption of shellac.

In order to eliminate speculation the Committee has suggested a ban on speculation in shellac trade and its replacement by a system of specific delivery contract under the Forward Contract Regulation Act and has further recommended that the ban should be followed by fixation of minimum and maximum prices for ~~shellac~~ stabilising prices of shellac. In the opinion of the Committee, the only effective solution for ~~this~~ seems to be the fixation of minimum and maximum prices of both shellac; and seed lac at the export level. As Calcutta is the principal export market there should be two sets of regulated prices namely, the selling prices for delivery to the shippers and the export price for shipments. This measure will not only stabilise exports but also throw open the doors for recapturing the shellac markets in the U.S.A. and other countries which

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were lost chiefly due to speculative fluctuations in prices.

Another important recommendation of the Committee is that the Central Lac Cess Committee should be reconstituted into a Central Regulation Power with the States of Bihar & Madras, Punjab and West Bengal, having direct representation on it. The Committee has also recommended the establishment of one central laboratory at Calcutta and regional laboratories in Balrampur, Jhalda, Daltonganj, and Pakur, all in South Bihar by the Central Lac Cess Committee.

(The Hindu, 26 May 1955).

New South-Eastern Railway Zone created.

Mr. Lal Bahadur Shastri, Union Minister for Railways and Transport, announced at a press conference held at New Delhi on 16 June 1955 that the existing Eastern Railway would be divided into two zones from 1 August 1955.

The old East Indian Railway section up to Mughalserai, including Sealdah division, will form one zone, to be called the Eastern Railway, while the former Bengal Nagpur Railway section will constitute the second and the new zone, to be called the South-Eastern Railway. This will increase the number of zones on Indian Railway from six to seven.

The new Eastern Railway and the South-Eastern Railway will have a mileage of about 2,300 and 2,400 respectively. The headquarters of both will be in Calcutta.

Mr. Shastri explained that there would be a ~~raw~~ rapid rise in traffic on the railways under the impact of the second Five Year Plan and the main brunt would fall on the Eastern Railway where the increase in traffic would be 75 per cent over the tonnage handled at present. The workload on the administrative machinery of the Eastern Railway which was already considerably strained, would become unmanageable. The work of dividing the Eastern Railway into two workable units would be taken in hand from July - the beginning of the slack season - and would be completed by 1 August 1955.

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The Railway Minister said that in making the present division they had also taken note of the proposal to add 3,000 miles more in Indian Railways under the ~~second Five Year Plan~~ second Five Year Plan. "For the present, the other zones are not going to be disturbed", he added.

(The Statesman, 17 June 1955).

State Bank of India Act, 1955: Date of Enforcement.

The Central Government has, by a notification appointed 1 July 1955, as the date on which the State Bank of India Act 1955 (No.23 of 1955) (vide pp.52-53 of the report of this Office for May 1955), as the date on which the Act shall come into force. Dr. John Matthai, former Union Finance Minister has been appointed Chairman of the Central Board of the Bank.

(Notification No.S.R.O. 1077 dated 14 May 1955; The Gazette of India, Part II-Section 3, 21 May 1955, page 869; The Statesman, 8 June 1955).

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35. Productivity.

India - June 1955.

Changes in Productivity and Earnings in Certain Industries in India: Labour Bureau Study .

The Indian Labour Gazette, for March 1955, contains an article* giving the results of certain rapid special studies made on productivity and earnings in the cases of coal (miners and loaders only), paper, jute textiles and cotton textiles made from production, employment and earnings data from unrelated sources.

Coal.- In the case of coal, the Chief Inspector of Mines publishes in the Monthly Coal Bulletin monthly statistics of output per man-shift of miners and loaders and their average weekly earnings based on one week's figures in each month. It may be observed that this group represents the main productive workers in mines. The material relating to coal mines in the Indian Union for the period July 1951 to October 1954 is available in a suitable form for showing the relative movement of earnings and productivity directly measured. During this period, there was no major change in the wage structure of this group of miners and loaders. The average earnings of workers have fluctuated mainly due to the bonus constituent of earnings. This bonus is payable quarterly. The bonus scheme, designed to reduce absenteeism and step up production, has been successful in attaining the objective fairly well and the bonus constituent of the earnings has been gradually increasing. The monthly data on productivity and earnings of miners and loaders, spread over a fairly long period, therefore, bring out the working of this type of incentive scheme. Trend line analysis of the data shows that the overall monthly rate of increase in productivity during the period was 0.076 as against 0.26 in the average weekly earnings. This is an evidence to show that increases in earnings have been accompanied by those in productivity, though the former increased more rapidly than the latter. This information is shown in another form by the following figures.

* A study of the Changes in Productivity and Earnings in certain Industries in India: Indian Labour Gazette, March 1955, pp. 955-961. The Statistical Tables are given at pp. 1102-1104 in the Indian Labour Gazette, April 1955.

Period	Average output per man-shift.		Average Weekly Earnings.		
	Amount (in Tons)	Index No.	Amount Rs. A. P.	Index No.	
July-December 1951	-- 1.02	100	11 15 7	100	
1952	-- 1.04	102	12 5 3	108	
1953	-- 1.05	103	12 15 4	108	
January-October 1954	-- 1.06	104	13 6 4	112	

The article discusses briefly the lack of availability of data in the case of paper, jute textiles and cotton textiles in a convenient form. In respect of them, quantitative production in well-defined groups of products are available serially. Similarly, figures of employment in the industries collected statutorily from an independent source (Factories Act Returns) are also available serially, while those of earnings are available serially from a third source (Payment of Wages Act Returns). In the case of paper there is some lack of exact correspondence between the industry groups covered under the two Acts. The employment figures relate to Paper (excluding board) Mills whereas the figures of earnings for the years 1948 and 1949 relate to "Paper and Printing" and for the subsequent year to "Paper and Paper Products". However, the difference is not likely to be materially important for the purpose of the study.

In the circumstances, the movements have been studied for the period 1948-1953 by means of index numbers taking 1948 = 100. The article discusses in detail the method adopted in compiling a composite index of production in the case of these industries. The composite ~~index~~ index of production, worked out in the above manner, was deflated by the index of employment to obtain an index of productivity, which is commonly termed as the index of labour productivity. In the case of Jute textiles, production has been regulated by the condition of raw jute supply and the industry had to adopt voluntary reduction of hours of work and sealing of looms. Accordingly, the index of productivity was further deflated by that of loom-hours ~~worked~~ worked. Information on this point was taken from another source, viz., the annual reports of the Indian Jute Mills' Association which covered the most important section of the industry. The movements in the indexes of productivity and earnings, thus obtained, are discussed in the following paragraphs. In order that the movements in productivity may be seen against the background of those in employment and production, they also are taken note of as necessary.

Paper.- The industry is recognised to be an important basic industry and caters essentially to internal demand. In 1954, the ~~installed~~ installed capacity was 173.7 thousands tons and in 1953 the average installed capacity was 151 thousand tons with an actual output of 140,060 tons. There is a considerable unsatisfied demand, which promised to enable the industry to expand its production. The capital invested in the 20 units in the industry in 1952-53 was 218 million rupees supporting an employment of 22,000 workers. The relevant productivity figures are shown in the table below:-

Year		Index of Production.	Index of Employment.	Index of Productivity.	Index of Earnings.
1948	--	100	100	100	100
1949	--	98	98	100	109
1950	--	78	89	88	109
1951	--	96	94	102	115
1952	--	95	97	98	122
1953	--	96	97	99	120

The trend line of productivity in the index in the industry shows an annual rate of increase of 0.04, while in the case of earnings it is 2.07. One prominent ~~xxx~~ feature, which immediately strikes the eye is the low productivity index of 1950. It is repeated in the production and employment index number. A reference to the production figures showed that in 1950 there was a temporary ~~break~~ break in the production ~~under~~ the group, "Others" and also a permanent reduction in the production of "Special Variety" from the level of 12 thousand tons in 1948 and 1949 to 5.2 thousand tons in 1950, which went down further to 3 thousand tons in the next three years. The latter shift in production seems to be responsible for reducing indexes of productivity and production, mainly attributable to the weighting system adopted. The special variety has a high average cost due ~~to~~ to the costly raw material of wood pulp used. In this situation, the average cost has really become unsuitable even as rough indicator of labour involved, and hence the depression in the index number for production and productivity both.

However, the unreal nature of the insignificant trend shown by the conventional statistical calculations is evident, if the abnormal year 1950 is ~~xxx~~ ignored. There is a clear evidence of a very small decline in productivity in 1952 and 1953; in fact it would be more appropriate to ignore the small decline and say that the productivity has remained at the same level as in 1948. The picture presented by the average earnings is one of the continuous increase with a substantial fall in 1953.

However, the increase in the earnings is marked without a corresponding evidence of increase in productivity.

Jute textiles.- The productivity and earnings figures for the jute textiles industry, which is one of the main export industries in the country, enjoying so far an almost monopolistic position in world markets, are shown below:-

Year	Index of Production.	Index of Employment.	Index of loom-hours worked.	Index of Productivity.	Index of Earnings.
1948 --	100	100	100	100	100
1949 --	91	98	96.1	96.8	125
1950 --	93	92	83.8	120.5	125
1951 --	94	92	85.5	119.3	122
1952 --	94	89	84.9	124.9	148
1953 --	89	83	82.4	129.9	143

Here the position is vastly different. The annual rate of increase in the adjusted productivity is 2.9 against 3.7 in the earnings. Here truly it can be said that increases in earnings have been accompanied by increases in productivity.

The following remarks would serve to explain the ~~importance~~ important movements in the various series of index numbers:-

(i) The effect of deflating index, of production by loom-hours and employment is shown by the steadily increasing productivity index against a level and at times declining index of production.

(ii) The steep falls in production index in 1949 and 1953 - 1949: The fall in production in 1949 was due to the acute shortage of raw jute. Since May 1949, the jute mills in West Bengal sealed 12 1/2 per cent of sacking looms. However, as the situation continued to deteriorate the mills decided to close for one week each month from July. The matter was reviewed in December and it was decided that with effect from 5 December the mills should restrict hours of work to 42 1/2 per week instead of closing down for one week each month. 1953: The following explanation is given in the 1953 report of the Indian Jute Mills' Association, ~~which~~ which practically speaks for the industry: "Total production of jute goods in 1953 decreased by 83,200 tons (9.58 per cent) as compared with 1952, the decrease being attributable partly to the fact that the mills had been working 48 hours a week in the early part of 1952 and partly to the swing from sacking to hessian production in the latter half of 1953. The production of hessian in 1953 was 77,600 tons or approximately 25 per cent more than in 1952, while the output of

sacking was down by 157,300 tons or approximately 25 per cent less than in the previous year".

(iii) Gradual decline in employment:- Fall in employment in jute mills seems to be due to the policy of modernisation. In the preparing departments, generally new machines are being installed, which eliminate to a large extent manual labour. In 1952, the Indian Jute Mills' Association estimated that nearly 40,000 employees will have to be retrenched due to modernisation. Since then nearly 20,000 have been retrenched.

(iv) The steep increase in earnings in 1949 and ~~1953~~ 1952: The steep rise in earnings during these two years was due to awards of Industrial Tribunals.

Cotton textiles.- It is one of the most important industries in India both from the point of view of the large capital invested in it and the number of workers employed. In August 1953, the total capital invested in the industry was 1,100 million rupees and there are nearly 750,000 workers directly employed in the mill industry, besides 50,000 workers in the power loom sector and nearly 1,500,000 workers in the hand loom sector. The industry produced in 1953-54, 4,960 million yards of cotton piece goods as compared to the production target of 4,700 million yards for 1955-56 laid down by the First Five Year Plan. Apart from being the supplier of one of the most important needs of the people of the country, ~~the~~ the ~~cotton~~ cotton textiles industry has come to occupy an ~~important~~ important place, in recent years, in the export trade of the country, thereby earning valuable foreign exchange. The value of the export of cotton yarn and piece goods from India in 1953-54 was 579.0 million rupees. The index numbers obtained in this study are shown in the following table:-

Year	Index of Production.	Index of Employment.	Index of Productivity.	Index of Earnings.
1948	100	100	100	100
1949	90	101	89	109
1950	85	96	89	106
1951	95	100	95	108
1952	107	100	107	115
1953	120	102	118	112

The annual rate of increase in the productivity index is 2.28 as against 1.14 in earnings. The true significance of the annual rate of increase in productivity is better seen, if the years 1948 and 1949 are ignored. As from 1950 there has been a sharp steady increase in the index. This, of course, is reduced by the inclusions of 1948 and 1949 figures. An interesting feature is that the index of productivity and production both are almost identical after 1951, showing that during this period there has been no shift in production of the group of production.

The more important movements in various series of index numbers are following: i) The sharp fall in production in 1949-50:- The reduction in production in 1949 was partly attributable to a virtual breakdown in the cloth and yarn distribution scheme in the first half of the year, leading to an accumulation of cloth and yarn, and partly to the shortage of cotton, necessitating curtailment of production in some of the mills. The further reduction in 1950 was due to the virtual closure of all textile mills in Bombay on account of a general strike lasting for nearly two months and resulting in a loss of production estimated at 203 million yards. The increase in production from 1950 is mainly due to a better demand following an improved distribution scheme. Early in 1952 distribution controls were relaxed and quota for free sale was increased from 20 percent to 50 per cent and finally to 80 per cent. Fine and superior quality cloth was removed from all types of distribution control. (ii) Decline in Employment in 1950:- Employment in the industry has remained steady except in 1950. The decline in this year is mainly attributable to a major complete strike in Bombay City on bonus issue and in Coimbatore due to the Standardisation Scheme Award including ~~risk~~ that on work-load. (iif) Annual earnings:- Cotton textile is an industry with a high wage level. The wage levels in most of the important centres of the industry had stabilised during the period 1947-48, and the annual average earnings in the industry stood at 1,094 rupees in 1948. The figures given in table show that the average earnings increased sharply by 9 percent in 1949. In the absence of any major wage revisions during the year, the higher earnings in 1949 appear to be due mainly to the higher amounts of dearness allowances paid (consequent upon the rise in the cost of living indices in 1949), and the higher rates of bonus granted in important centres of the industry such as Bombay, Ahmedabad, Uttar Pradesh and Madras. Another factor was that the increased wage rates recommended by the U.P. Labour Enquiry Committee were notified in December 1948, and their effects on earnings were felt only in 1949. In 1950, there was a fall in the earnings due to the lower rates of bonus for 1948 received during 1950 in centres like Bombay and Ahmedabad, and the loss of wages during the general strike in the cotton mills in Bombay in 1950.

After a slight rise in 1951, the earnings increased sharply in 1952 to the peak figure of the annual average of 1,259 rupees. The average in 1953 was in line with the rising trend shown by 1950 and 1951 figures. The main cause of a steady rise in average earnings seems to be better industrial relations and the absence of any major strike.

Increase in Workers' Earnings commensurate with
Increase in Productivity: Eastern Economist's
conclusion.

The conclusion that the increase in the real wages of industrial labour is justified by increases in productivity is arrived at in a special article in the Eastern Economist*.

The article states that while the per capita income of an average Indian in 1953-54 (at current prices) was 283.9 rupees, the average annual earnings of industrial labour works out to more than 1,000 rupees, or over 3 1/2 times that of the former. This trend is certainly heartening and it will be welcomed by employers themselves lest the consumption level should be adversely affected. This, however, raises the question as to how far labour has merited its phenomenal gains in earnings.

A study of a few specimen cases - representatives industries - should yield concrete results. The study proceeds from the trends in productivity and real wages in the cement, iron and steel, and cotton textile industries with the help of figures called from the census of ~~manufactures~~ manufactures for the years 1947 to 1951. The results in the cement industry show that during the period 1947 to 1952, productivity improved by 96.4 per cent, while wages advanced, in ~~money~~ money terms, by 130.4 per cent. This proves that labour benefited, in percentage terms, more than in its contribution to the industry. A similar story is told in the case of the iron and steel industry. Here labour received, during the period 1947 to 1951, a push in wages which was three times the increase in productivity. If the index of productivity for 1947 were taken as 100, then productivity for 1951 worked out to 126.5. Wages, on the other hand, advanced during the same period from 100 to 182. In the case of cotton textiles, however,

* Productivity and Real Wages. The Eastern Economist, 6 May 1955, page 744.

productivity was slightly higher than the increase in wages to the labour force. Whereas wages improved by 29.4 per cent, productivity went up by 36.6 per cent. If the evidence of the four years under reference means anything, it is that employers could hardly claim that the increase in labour's real earnings is a tremendous burden which they cannot bear.

It is also interesting the article ~~XXXXXXXX~~ continues, in this connection, to find out how far the increase in production is a consequence of increase in employment. It is found that the real spurt in productivity has come during the past three years - 1952 to 1954 - when, strangely enough, there has actually been a marginal decline in manpower. To be more specific, the indices of daily number of industrial labour in 1952, 1953 and 1954 were 108.3, 106.6 and 106.0, while the corresponding productivity indices, rising steadily, were 119.0, 126.8 and 138.2 respectively. There could be little doubt, therefore, that manpower efficiency has contributed in no small measure to this significant rise in production.

A comparison of installed capacity with production also yields striking conclusions. In cotton textiles - India's foremost large-scale industry - the installed capacity (loomage) has, during the period 1950-54, risen by only 3.6 per cent, whereas cloth production has shot up by 36.4 per cent in the same period. The 'gap' between 'paper' ~~XXXXXXXX~~ installed capacity and production has, been narrowed and production in ~~XXXX~~ some cases has outstripped 'paper' capacity. In the jute industry, again, while the capacity has remained unchanged during 1950-54, production of jute manufactures has shown a rise by 11 per cent. This is partly due to a change in working hours.

From the foregoing analysis the conclusions is justified that industrial labour has done a good job in return for its increased earnings - whether its performance is assessed in terms of productivity, or manpower or installed capacity.

The following two tables illustrate these conclusions:-

INDICES OF PRODUCTIVITY

Year	Index of Industrial Production.	Indices of Average daily number of workers employed in factories subject to Factories Act.	Index of Productivity
1946	-- 100.0	100.0	100.0
1947	-- 97.2	100.9	96.3
1948	-- 108.4	104.7	103.5
1949	-- 105.7	107.9	98.0
1950	-- 105.0	111.0	94.6
1951	-- 117.2	112.5	104.2
1952	-- 128.9	108.3	119.0
1953	-- 135.2	106.6	126.8
1954	-- 146.5	106.0	138.2

EMPLOYMENT IN FACTORIES

(Covering only those subject to Factories Act)

Year	Average daily number of workers employed in 000's	Index Number of Employment.
1946	-- 2,255	100.0
1947	-- 2,275	100.9
1948	-- 2,360	104.7
1949	-- 2,434	107.9
1950	-- 2,504	111.0
1951	-- 2,537	112.5
1952	-- 2,443	108.3
1953	-- 2,403	106.6
1954	-- 2,390*	106.0

* Figures for cotton mill industry and coal mines alone are available in respect of the year 1954. Employment in other factories has been assumed to be on the same level for the year 1954 as in 1953.

36. Wages.

India - June 1955.

Assam: Revised Minimum Rates of Wages fixed for Workers in Tea Estates.

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In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Assam has fixed the following revised minimum rates of wages payable to ordinary unskilled labourers in the tea estates in the district of Cachar and in the Assam Valley.

Cachar District

	Basic Wage				Dearness at allowance.			Total					
	Rs.	a.	p.		Rs.	a.	p.	Rs.	a.	p.			
Male	--	0	10	0 plus	0	7	0 (Conversion allowance)	0	5	0	1	6	0
Female	--	0	9	0 plus	0	7	0 do	0	5	0	1	5	0
Working minors	--	0	6	0 plus	0	3	6 do	0	2	6	0	12	0

Assam Valley

	Male	Female	Working Children (between 12 and 16 years).
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(i) Kamrup, North Lakhimpur, Nowgong and Darrang.	--plus 0 12 0 (conversion allowance)	plus 0 11 0 (conversion allowance)	plus 0 8 0 (conversion allowance)
(ii) Rest of Assam Valley.	--plus 0 12 0 (conversion allowance)	plus 0 11 0 (conversion allowance)	plus 0 6 0 (conversion allowance)

These rates are inclusive of concessions enjoyed by workers in respect of supplies of ~~foodgrains~~ foodstuffs and other essential commodities, if any, but are exclusive of other amenities which shall continue unaffected. The Industry shall supply foodgrains (cereals) to the workers as and when necessary at the following rates:-

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	Rs.
(1) Kamrup, North Lakhimpur, Nowgong and Darrang	-- 17 per maund.
(2) Rest of Assam Valley	-- 20 " "
(3) The existing tasks and hours of work shall remain unaffected.	
(4) These rates shall come into force with effect from 7 May 1955.	

(Notification No. GIR 129/55/40 dated
31 May 1955; Assam Gazette, Part IIA,
1 June 1955, page 905).

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37. Salaries.

India - June 1955.

Cut in the Emoluments of Employees of Certain Banks restored.

Five scheduled banks in India which had deducted the emoluments of their employees to the extent of the increase in basic salary granted in April last have now decided to restore the cuts, according to ~~the~~ Mr. F.M. Pinto, President of the Federation of Bank Employees, Bombay.

Nearly 25,500 employees of the Imperial Bank, the Bank of India, the Central Bank, the Indian Bank, and the Bank of Baroda will benefit by this decision.

An executive of one of the banks, confirming Mr. Pinto's statement, explained that the difference between the emoluments as before and after the modification of the Appellate Tribunal's award was known as temporary adjustment allowance (vide pp. 39-40 of the report of this Office for August 1954). This allowance the executive said, was given to the employees so that they received the same amount as they did on 31 March 1954. But when the first increase was given in April 1954, one-third of the temporary adjustment allowance was deducted from their emoluments.

(The Statesman, 23 June, 1955.)

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38. Housing.

India - June 1955.

Madhya Pradesh Housing Board (Amendment) Act,
1955 (No. VIII of 1955).

The Government of Madhya Pradesh gazetted on 17 June 1955 the text of the Madhya Pradesh Housing Board (Amendment) Act, 1955, passed by the Legislative Assembly of the State and assented ~~by~~ to by the President on 20 June 1955. The Amendment Act modifies the provisions of the Madhya Pradesh Housing Board Act, 1950, so as to bring under its purview housing accommodation in general, in consequence of the Government of India's recent announcement of a scheme of loan for industrial and middle class housing.

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Suitable amendments to the long ~~line~~ and preamble to the Act have been made to ~~and~~ enlarge the scope of the Act so as to cover housing accommodation in general. Another amendment provides for the reconstitution of the Board to make it more representative in view of the enlarged scope of the Act.

At present there is no provision in the Act whereby the Board can evict certain persons without recourse to ordinary law. As filing of suits involves a lengthy and expensive procedure, a new section 31A is added to the Act empowering the Secretary with effective powers of summary enquiry and eviction. Provision has also been made (Section 31B) for appeals to the Board against the orders of the Secretary. Other amendments to the Act are consequential and clarificatory.

(Madhya Pradesh Gazette, Part IVB, 17 June 1955,
pp. 667-671).

West Bengal: New Department of Housing set up.

The Government of West Bengal has set up a New Department of Housing. For details, please see ~~p.5~~ of this report.

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

INDIA - JUNE 1955.

41. Agriculture.

Assam Tea Plantations Provident Fund Scheme Act,
1955 (Assam Act X of 1955).

The Government of Assam published on 15 June 1955 the text of the Assam Tea Plantations Provident Fund Scheme Act, 1955, as passed by the Assam Legislative Assembly. The Act which received the assent of the President on 15 June 1955 provides for the framing of a compulsory provident fund scheme for workers including artisans employed in tea plantations in Assam. The employers' contribution to the fund shall be $6 \frac{1}{4}$ per cent of the basic wages and dearness allowance payable to each of the employees and the employees' contribution shall be equal to the contribution payable by the employers in respect of him and may if any employee so desires and if the scheme makes provision therefor, be an amount not exceeding $8 \frac{1}{3}$ per cent of his basic wages and dearness allowance.

The scheme may provide inter alia for the constitution of a board of trustees with four nominees of Government one of whom shall be the chairman, three representatives of employers and three representatives of labourers, constitution of primary committee in each tea estate, conditions under which withdrawals from the fund may be permitted, manner of investment of any portion of the fund in government securities, registers and records relating to the scheme. The amount standing to the credit of any member in the Fund shall not in any way be capable of being assigned or charged and shall not be liable to attachment under any decree or order of court in respect of debt or liability incurred by the member. No employer shall, by reason only of his liability for any contribution payable under the Act reduce the wages of any employee, or reduce any benefit similar to any benefit conferred by the Act or by any scheme to which the employee is entitled under the terms of his employment.

(Assam Gazette, Part IV, 15 June 1955,
pp. 21-25).

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Ajmer Abolition of Intermediaries and Land Reforms Act, 1955 (III of 1955)

The Ajmer Abolition of Intermediaries and Land Reforms Bill (vide page 32 of the report of this Office for March 1955), as passed by the Ajmer Legislative Assembly, received the assent of the President on 29 May 1955 and has been gazetted as Act III of 1955. The Act provides for abolition of intermediaries between the tillers of the soil and the State and the acquisition of their right, title and interest and for measures of land reforms relating to land tenures consequent upon such abolition and acquisition. The salient features of the Act are summarised below.

The Act empowers the State Government to declare that as from a date to ~~the~~ be specified, all estates situated in the State and held by intermediaries shall vest in the State Government free from all encumbrances and thereafter it shall be lawful for the District Collector to take charge of the estates vested in the State ~~Government~~ Government. An intermediary is entitled to continue to retain in possession such private land as is in his personal cultivation, subject to certain conditions and restrictions, as also open enclosures used for agricultural or domestic purposes, all open home sites, all private buildings and other enclosures.

Compensation.— There shall be paid to every intermediary whose rights, title or interest in an estate are acquired under the Act such compensation as shall be determined in accordance with the principles laid down in the schedule to the Act. The amount of compensation is on a ~~gradual~~ ^{gradual} scale and ranges from 6 to 16 times of net income of an intermediary. The amount of compensation is payable in such number of annual instalments not exceeding 15 as may be prescribed.

Management of estates.— Every intermediary whose estate has been acquired under the Act shall be allotted land for personal cultivation not exceeding fifty standard acres. The Act recognises two kinds of tenures viz., bhooswamis and kashtkars. The holding of a bhooswami shall be heritable and transferable while the interest of a kashtkar is heritable but not transferable except with the permission of the Collector. Every person holding land in any estate who at the time of vesting is entered in the record of rights as a rent free grantee, a grantee at a favourable rate of rent, an ex-proprietary, occupancy or a hereditary tenant, and every sub-tenant shall as from the date of vesting hold such lands as bhooswami thereof. All other tenants shall hold land as kashtkars. Restrictions have been

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provided for letting and sub-letting of land and the maximum rent payable by a tenant in respect of land leased to him shall not exceed 1 1/2 times the revenue payable in respect of such land. The grounds on which tenancy can be terminated have been specified e.g. failure to pay rent, sub-letting of land, etc.

Co-operative farms.— Any six or more persons holding between them bhuswami rights in 30 acres or more may apply to the Registrar of Co-operative Societies for registration as a co-operative farm. A co-operative farm shall be entitled to such concessions and facilities as may be prescribed and those may include reduction of land revenue, exemption from or reduction of any tax on agriculture, free technical advice from experts, financial aid, priority in irrigation from State irrigation works and priority in consolidation proceedings.

(Gazette of India, Extraordinary, Part II-Section 1, 30 May 1955, pp. 285-317).

By a notification dated 8 June 1955 the chief Commissioner, Ajmer, has appointed 23 June 1955 as the date on which the Ajmer Abolition of Intermediaries and Land Reforms Act, 1955, shall come into force in the State.

(Gazette of India, Part II, Section 3, 11 June 1955, page 1051).

Travancore-Cochin Prevention of Eviction of Kudikidapparkars Act, 1955 (Act XIII of 1955).

The Travancore-Cochin Prevention of Eviction of Kudikidapparkars Bill (vide page 37 of the report of this Office for August 1954) as passed by the ~~Travancore-Cochin~~ Travancore Legislative Assembly received the assent of the Rajapramukh of Travancore-Cochin and has been gazetted as Act XIII of 1955. The Act makes provision for the prevention of eviction of kudikidapparkars, except under certain specified circumstances. The term 'kudikidapparkars' has been defined to mean a person who has no homestead or land of his own to erect a homestead and has been permitted by an owner of land to have the use and occupation of a portion of the land for the purpose of erecting a homestead with or without an obligation to pay rent for the use and occupation of the site so given.

The Act confers on every 'kudikidapperkaran' a permanent right of occupancy in the land and ~~but~~ prohibits his eviction from the land except on certain specified grounds viz., that the owner requires the land bona fide for building purpose for himself or for any member of his family or that the tenant has ~~not~~ alienated his rights to the land or rented or leased out his right to other person or that he has ceased to reside in the land for a continuous period of one year, etc.

(Travancore-Cochin Gazette, No. 23, dated 7 June 1955, Part I, Section III, pp. 1-4).

Measures to arrest Fall in Prices of Agricultural Commodities.

The Central Government has recently ~~has~~ taken ~~many~~ a number of steps to arrest fall in agricultural prices and also set up an enquiry committee to investigate disparity in prices in the various markets in the country. For details please see pp. 25-26 of this report.

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Special Funds to be set up for Agricultural
Credit by Reserve Bank: The Reserve Bank
of India (Amendment) Act, 1955 (No. 24 of 1955).

The Reserve Bank of India (Amendment) Act, as adopted by Parliament, seeking ~~power~~ to provide special agricultural facilities by the Reserve Bank, received the assent of the President on 8 May 1955 and has been gazetted as Act No. 24 of 1955.

The Act seeks to implement one of the recommendations of the Committee of Direction of the All-India Rural Credit Survey (vide pp. 76-80 of the report of this Office for January 1955) that as a part of the integrated solution of the rural credit problem, ~~that~~ the Reserve Bank should shoulder certain specific responsibilities calculated to enable it to play its due role in the reorganisation of the co-operative structure and in enlarging and facilitating the supply of rural credit through it. The Reserve Bank of India has agreed to shoulder these responsibilities and this measure seeks to empower it to carry them out.

The Act provides for the setting up of a National Agricultural Credit (Long Term Operations) Fund by the Reserve Bank. The amount in the said Fund will be applied exclusively for the making of loans and advances to State Governments for subscribing to the share capital of co-operative credit societies, for the making of medium term loans to State co-operative banks for agricultural purposes and for the making of long term loans and advances to Central Land Mortgage Banks. It is also provided that a second Fund called National Agricultural Credit (Stabilisation) Fund should be set up by the Reserve Bank the amount therefrom being applied exclusively for the making of medium term loans and advances to State co-operative banks to enable them to convert short term credit into medium term credit wherever necessary owing to drought, famine or other like calamities.

Reference may also be made, in this connection to the adoption recently of the State Bank of India Act, 1955 (vide pp. 52-53 of the report of this Office for May 1955) providing for the nationalisation of Imperial Bank of India and amalgamating it and other State-owned banks in the States into the State Bank of India, as part of an integrated rural credit structure. The State Bank of India ^{now} comes into force from 1 July 1955.

(The Gazette of India, Part II-Section 1, 11 May 1955,
pp. 265-268;

The Gazette of India, Part II-Section 2, 18 April 1955,
pp. 197-201) .

Bombay: Pilot Rural Credit Scheme to be
implemented in Three Districts.

Pilot co-operative rural credit schemes, formulated in ~~consonance~~ consonance with the Rural Credit Survey Committee's recommendations will be introduced from 1 July 1955 in three districts in the State of Bombay, Baroda, Dharwar, and East Khandesh.

These three districts, which have recorded considerable progress in the co-operative field, were selected as the "proving ground" for the new scheme at a recent conference of Ministers and co-operative department chiefs at Delhi.

The crux of the scheme is that the credit quantum to the farmer should not be based on his capacity to repay or on the value of his land, but should be based on the crop values and should cover not only the estimated expenses for raising the crop but also his personal maintenance costs. In effect, the new scheme is directed to save the farmer from going to the money-lender and the bank even after getting a taccavi loan.

Under the scheme, which is to be applied to all States from July 1956, it is estimated that the credit facilities allowed to the farmer will increase by about 300 per cent.

In the three districts of Bombay at present about 35 per cent of the credit needs of the farmers are being met by co-operative societies, as against the Bombay State average of 16 per cent and the country's average of 3 per cent.

With the introduction of the pilot scheme, all small credit co-operatives in the three Bombay Districts will be asked to amalgamate to form "economic" societies.

Each society will have a share capital of 25,000 rupees of which the Bombay Government will subscribe 11,000 rupees repayable in five years. The State Government will not, however, claim controlling interest. The farmer will be asked to deliver the entire crop produced, to the society which will market the crop.

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The State Government will lend money to the societies to enable them build godowns to stock the crop.

The pilot scheme will be modified in the light of experience in these three districts and will be introduced all over the country next year.

(The Times of India, 5 June 1955).

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42. Co-operation.

India - June 1955.

Bombay: Pilot Co-operative Credit Schemes to be
implemented in 3 Districts.

Pilot co-operative rural credit schemes, formulated in consonance with the Rural Credit Survey Committee's recommendations will be introduced from 1 July 1955 in three districts in the State of Bombay, Baroda, Dharwar, and East Khandesh.

For details please see pp. 63-64 of this report.

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43. Handicrafts.

India - June 1955.

Promotion of Small Scale Industries:
Central Government's Schemes for
Financial and Technical Assistance.

According to a Press Note of the Ministry of Commerce and Industry on 11 June 1955, the Government of India has sanctioned the establishment of four regional institutes for small industries in order to provide an "extension service", to improve their techniques of production, business management and marketing. The setting up of the institutes is in accordance with the recommendations of the Ford Foundation team accepted by the Government.

Small industries envisaged for help under this scheme, are different from those known as village and cottage industries, which are largely self-employing and hand processed. Small industries, on the other hand, produce goods over a much wider range, enlisting modern techniques and power wherever available. They are different from large industries only in size but require low capital investment and give greater employment opportunities.

The proposal to set up these institutes, at Calcutta, Bombay, Faridabad and Madurai was accepted by the Government sometime back and skeleton staff has been sanctioned.

Announcing the establishment of the "extension service" in these industries, the Press Note states that each institute has been sanctioned staff of more than 30 officers of varying grades, the majority of whom would be technical specialists. Each institute would also set up model workshops and mobile demonstration units to demonstrate the use of simple machines and improved tools. Artisans will be provided such machines and tools on a hire purchase system.

The Government has also approved a marketing service to be undertaken by the Small Industries Co-operation through the setting up of a system of chain stores and mobile sales vans, modelled more or less on the marketing organisation of the handloom industry.

Financial assistance.- Concurrently, arrangements have also been made for increased financial assistance to the industries through the State Government. The Centre will meet the major portion of expenditure on schemes recommended by the States for training, research, model workshops, quality marking etc. Seventyfive per cent of the capital equipment and 50 per cent of the cost of land and building would be given as an outright grant. The Centre would also contribute 50 per cent towards recurring expenditure on establishments while the entire working capital would be provided on loan. In respect of scheme run on commercial lines by the States, the Centre would meet 75 per cent of the total expenditure - initial investment and working capital as a long-term loan.

Small industrial units, the Press note continues, would get loans on a ~~month~~ more considerable scale than hitherto. Loans would be given up to 75 per cent of the value of security offered, including ~~land~~ land, buildings, machinery, equipment, stock-on-trade or other assets created out of the loan. The loan would cover long term, ~~xxx~~ medium and short-term requirements.

The Central Government's contribution would be advanced through the State Governments and it would normally be twice the amount provided by the State Governments and in special cases even more. The loans would be on a 10-year basis and carry a rate of interest of three per cent to the small units.

A special effort is being made to encourage industrial co-operative where the workers, are also members of the co-operative societies and would share in the profits. A beginning has been made with such co-operatives in the handloom factories in North India and carpentry and small engineering workshops in Hyderabad and Travancore-Cochin.

For industrial co-operatives, the Central Government would contribute 75 percent of the local expenditure as a loan and also provide a similar loan to the workers for their share capital. The rate of interest charged on these loans to industrial co-operatives would be only two and half per cent.

In order to tackle effectively the ~~xxxxx~~ problem of organising and assisting the development of small industries the staff in the Industries Departments of the State Governments have to be strengthened considerably. The Central Government has offered to bear 50 per cent of the expenditure on all additional staff employed by the State Governments on small industries. This would be for a period of three years in the first place.

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Pilot areas.- The Community Projects Administration has furnished a scheme for 26 pilot areas which would be made focal points for intensive development, of village and small scale industries. For each of the pilot projects (comprising roughly about 300 villages each) the Ministry of Commerce and Industry is financing the appointment of a special Industries Officer with necessary staff whose task would be to plan and implement such a programme. In accordance with this programme the various boards dealing with village and small scale industries, i.e., the All-India Khadi and Village Industries Board, the All India Handloom Board, the All India Handicrafts Board and the Small Scale Industries Board as well as the State Governments would concentrate schemes in these pilot areas. The objective is to stimulate the production of as wide a range as possible of such goods in order to bring about a general cycle of increased productive wealth, more purchasing power and larger and more varied demands.

A National Small Industries Corporation has also been established with an authorised capital of 1 million rupees, with the objective of providing a general marketing service for small ~~industries~~ industries and also particularly for Government purchases.

The Small Industries Board was created this year to integrate the activities of these bodies, and those of State Governments for a co-ordinated programme of development of such industries. The Board had formulated certain specific proposals in consultation with the Ministry of Commerce and Industry regarding such a programme and these have been sanctioned by the Ministry.

(The Hindu, 12 June 1955).

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Assam Khadi and Village Industries Bill, 1955.

The Government of Assam published on 8 June 1955 the text of the Assam Khadi and Village Industries Bill proposed to be introduced in the Legislative Assembly of the State. The Bill seeks to provide for the organising, developing and regulating village industries in the State and to constitute a Board to carry out the said object.

The Statement of Objects and Reasons to the Bill declares that the Assam State Khadi and Village Board was constituted by a resolution of the Assembly on 21 July 1953. The Government of Assam has placed from time to time various amounts at the disposal of the Board since its inception for development of industries like Khadi, hand pounding rice, Ghani Oil, Bee-keeping, etc. The Board was, however, originally constituted with the idea of getting finances from the All-India Khadi and Village Industries Board to implement the schemes formulated here. Up till now the State Board is getting amounts of grants particularly by way of rebates on the Khadi sales and also on some organisational expenses. But the All-India Khadi and Village Industries Board has not been able to grant the State Board any loan as the State Board is neither statutory nor registered under Act, 1860; and as such the present Board can neither ~~sue~~ sue nor be sued. The Assam Khadi and Village Industries Bill of 1955 is therefore presented to ~~constitute~~ the Assam State Khadi and Village Industries Board into a statutory body to get the benefits of finance from the All-India Khadi and Village Industries Board.

The Bill provides for the constitution of a Board by the name Assam Khadi and Village Industries Board to organise, develop and regulate khadi and village industries and perform such functions as may be prescribed from time to time. The term 'Khadi' and village industries' has been defined to include Khadi, village oil industries, soap-making with non-edible oil, paddy husking, palm gur industry, gur and khandeshri, ~~xxx~~ leather industry, woollen blankets, high grade handmade paper, bee-keeping and cottage match industry. Other sections of the Bill include provisions relating to finance, accounts and audit and power to make rules and regulations.

(Assam Gazette, Part V, 8 June 1955,
pp. 53-59).

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44. Merchant Marine and Fisheries.

India - June 1955.

Coastal Shipping Enquiry Committee Constituted.

examine

With a view to ~~exereise~~ examine the question of rationalisation and co-ordination of cargo movement by railways and coastal shipping the Government of India has by a resolution dated 2 June 1955 appointed a Committee with the following terms of reference:

(1) (a) to examine the reasonableness of freight charged by coastal shipping with reference to its costs of operation;

(b) to examine the existing pattern of trade movements within the country of commodities which could suitably move by sea and suggest measures to ensure effective coordination between Railways and Coastal Shipping with a view to promoting movement of such goods by sea and with particular regard to -

- (i) the need for promoting development of coastal shipping on sound lines;
- (ii) the need for avoiding overlapping between the two forms of transport;
- (iii) the need for developing adequate coastal shipping in the larger and long-term interests of the country; and
- (iv) the possibility of extending through booking arrangements between Railways and Shipping for movements by combined rail-sea route, wherever possible;

(2) to advise whether any standing machinery should be set up for considering all problems concerning rail-shipping coordination or allocation of traffic between the two forms of transport.

The Committee will be requested to submit its report within six months.

(The Gazette of India, Part I, Section 1,
11 June 1955, pp. 159-160).

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CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - JUNE 1955.

50. General.

Working Conditions in the Building Industry:
Enquiry Committee set up.

The Government of India has set up an ad hoc committee to consider the working conditions of labour in the building and construction industry in the country.

Tripartite in character, the committee will also consider the working of the Fair Wage Clause and labour regulations in contracts of construction work of the Central and State Governments, special amenities for women workers and the adoption of an advisory guide. Besides, the committee will examine the question of the enforcement of labour standards in the industry.

The 39-member committee will comprise 18 official representatives - nine each from the Central and State Governments. Besides there will be nine members representing the contractors and 12 representing the workers.

(The Hindustan Times, 1 June 1955).

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

India - June 1955.

Welfare Activities in Coal Mines: Report of the Coal Mines Labour Welfare Fund for the Year 1953-54*.

The Ministry of Labour, Government of India, has published a report on the activities financed during the period 1 April 1953 to 31 March 1954 from the Coal Mines Labour Welfare Fund. Some of the more important developments in the scheme are summarised below.

Advisory Committee, Sub-Committees and Housing Board.- During the year the Coal Mines Labour Welfare Fund Advisory Committee ~~met~~ met twice to consider various administrative questions. Meetings of the various Sub-Committees were also held.

The Housing Board held eight meetings when various constitutional projects were considered. The Board also deals with applications of colliery owners for construction and allotment of miner's houses.

Levy of Cess.- The welfare cess committee *continued* to be levied at the rate of six annas per ton of coal and coke despatched by collieries. The cess was collected by railways on despatches by rail and departmentally from individual collieries on despatches by other means. Cess totalling 401,478 rupees was credited to the Fund. The proceeds were distributed between the General Welfare Account and the Housing Account in the ratio of 7:2. A total sum of 537,530 rupees was credited to the Fund on account of other receipts, such as rents, interest, etc. Of this amount 247,083 rupees was credited to the General Welfare Account and 290,447 rupees to the Housing Account.

A total sum of 5,341,059 rupees was spent from the Fund during the year.

* Government of India, Ministry of Labour, Report on the Activities of the Coal Mines Labour Welfare Fund, 1953-1954. pp. 59.

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Medical assistance.- The organisation *continued* constituted to give the highest priority to the provision of facilities for medical aid. The Central Hospital at Dhanbad gained more and more popularity in the area and against the sanctioned bed strength of 122, the number of in-patients touched a peak figure of 183 during February 1954.

A Venereal Diseases department was opened during the year. The rehabilitation centre started functioning during the year under review. A qualified Physiotherapist was appointed in January 1954. Some of the equipments for the centre were received. A major portion of the sanctioned staff was recruited. The centre made ~~good~~ a good beginning in fulfilling the object for which it is meant namely rehabilitation of disabled miners in some trade and to restore them to normalcy by physical exercises and therapeutic treatment where necessary. Five disabled miners were provided with artificial limbs.

At a meeting held in October 1953 the Coal Mines Labour Welfare Fund Advisory Committee, considered the question of providing alternative employment to disabled colliery workers. It was decided that quarterly lists of disabled colliery workers showing their names, nature of ~~work~~ disablement and the work for which they were considered suitable be prepared and sent to the Coal Commissioner, Calcutta, the Indian Mining Association, the Indian Mining Federation, the Indian Colliery Owners' Association and the Madhya Pradesh Mining Association with the request to give alternative employment to as many persons as possible. It was also decided that at least 2 per cent of the work charged establishment and contingent paid staff of the Engineering and Antimalaria Sections should be entertained from amongst the disabled colliery workers.

During the year under review purchases of equipment, furniture, and medical stores for the Central Hospital, Asansol, were sanctioned by the Government. The hospital was expected to be opened in January 1955.

Four Regional Hospitals and maternity and child welfare centres at Tisra and Katras in the Jharia coalfield and at Chora and Searsole in the Raniganj coalfield entered the sixth year of their existence. Each of these units has a bed strength of 18, twelve on the general side and six on the maternity side. Each unit has been provided with an ambulance van for moving patients from and to the collieries and also shifting serious cases to the Central Hospital at Dhanbad for specialised treatment.

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Besides arrangements for construction of hospitals at Pench Valley, Vindhya Pradesh, Korea, Bokaro and Karenpura - Ramgarh coal fields were under way.

For the benefit of miners residing at the township of Bhali, a dispensary has been functioning since 1950. During the year 14,455 cases were treated in the dispensary as against 10,521 during the previous year.

The construction of a dispensary and allied buildings at a cost of 107,460 rupees in the Muzma coalfield was sanctioned in 1951. The dispensary started functioning in September 1953. ~~Two~~ Two thousand six hundred and forty seven cases were treated until the close of the year.

Maternity and child welfare centre. - A maternity and child welfare centre incharge of a lady doctor is attached to each of the 4 Regional Hospitals in the Jharia and Ranigunj coalfields. Such centres will be attached to the proposed Regional Hospitals in other coalfields also. Pre-natal and post-natal care to workers' wives and other female dependents in the Sambalpur and Talcher coalfields was given by the Lady Health Visitor posted in the Sambalpur coalfield.

The maternity and child welfare services in the Jharia and Ranigunj coalfields were provided by the Jhari and Assansol Mines Boards of Health through their centres. The Coal Mines Labour Welfare Fund sanctioned payment to each of the two Boards of a sum of 50,000 rupees or the actual amount spent by them during the year whichever be less for the running of their maternity and child welfare centres. Upto the end of February 1954 the Jhari and Assansol Mines Boards of Health had spent 66,046 rupees and 50,565 rupees on the management of 24 and 11 maternity and child welfare centres respectively.

On the recommendation of the Hyderabad Coalfield Sub-Committee, the Advisory Committee approved payment of two grants of 90,000 rupees and 46,550 rupees for the construction of maternity wards by the Singareni Collieries Company Ltd., at their Kothagudium and Tandur hospitals. Detailed estimates were being prepared by the colliery company.

X-Ray plants. - X-ray facilities for coal miners have been provided at Giridih, Barkui and Nowrozabad (Vindhya Pradesh) hospitals.

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It was decided that small X-ray plants should be offered to suitable colliery hospitals in all coalfields where there was need for them and where colliery owners were prepared to run them. With this object in view, necessary statistics were being collected from the Inspectorate staff of the Fund posted in different coalfields.

Ambulance vans.- For the transfer of patients from collieries to hospitals 7 ambulance vans were maintained during the year. Of these, 4 were stationed at the regional hospitals in the Jharia and Ranigunj coalfields, 2 in the Pench Valley coalfields and one in the Chanda coalfields. The vans carried 2,030 patients and covered 22,588 miles during the year. An order was placed for the supply of an ambulance van for the Karanpura-Ramgarh coalfield. Pending construction of the Fund's own buildings at Naisarai the van will be kept at the West Bokaro colliery. Two more ambulance vans belonging to the Fund were maintained by the Singareni Collieries Co.Ltd. They carried 9,126 patients.

Anti T.B. Measures.- The indoor wards of the two T.B. clinics at Katras in the Jharia Coalfield and at Searsole in the Ranigunj coalfield started functioning in December 1953. The out-door wards were started in May 1953. One X-ray plant was installed at each of the two clinics. Besides where such facilities did not exist, reservation of beds were made in Company and other hospitals.

Eye relief.- Government sanctioned a grant in-aid to the All-India Blind Relief Society at the rate of 1,500 rupees per camp or half of the expenditure incurred by the Society on each camp whichever was less, for holding eye relief camps in the Ranigunj, Bokaro, Pench Valley and Karanpura-Ramgarh coalfields.

Leprosy relief.- During the year under review the Fund paid 7,378 rupees 14 annas as a recurring grant to the Dhanbad and District Leprosy Relief Association for the maintenance of the 12 beds in the ward constructed at the cost of the Fund. The recurring grant of 2 rupees per bed per day towards the cost of medicine, diet etc., was increased to 3 rupees per bed per day with effect from 14 September 1953. Government sanctioned construction of another block of ten beds at a non-recurring cost of 20,000 rupees and also sanctioned an annual recurring grant of ~~Rs~~ 10,950 rupees for the maintenance of the new ward to ~~be~~ be constructed.

Construction of a 24-bed leprosy ward at Asansol in the Ranigunj coalfield at a non-recurring cost of 23,781 rupees 10 annas was completed during the year under review and started functioning with effect from the 1 February 1954 with 8 patients. Government also sanctioned a recurring expenditure of 2 rupees per bed per day for the maintenance of the ward.

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Anti-malaria operations.- Malaria control operations continued in the Jharia, Raniganj, Hazaribagh, Margherita, Pench Valley, Chanda, Korea, Talchar, Sambalpur and Singareni Coalfields throughout the year. The operations were extended to the Khalari group of Collieries in the Ranchi District in Bihar during 1953. During the year under review the area of operations extended to 501 sq. miles; the number of collieries and villages with the controlled area were 664 and 451 respectively. The population protected during the year was approximately 962,000.

Miners' Institute.- Upto the end of the previous year, construction of 33 Miners' Institutes had been sanctioned of which 17 had been completed and 7 were under construction. During the year under review 7 new miners' Institutes were sanctioned, 5 new Institutes were completed and 3 others were under construction. Every Miners' Institute comprises a centre for the welfare of women and children, an adult education centre, and a children's park. For obvious reasons these centres have to be located in suitable buildings in the vicinity of workers' dwellings. There is a great shortage of such buildings and consequently the organisation is attempting to erect its own buildings at central places where suitable pieces of land are made available by collieries on reasonable terms.

Centres for welfare of women and children.- Up to the end of the previous year 41 centres for the welfare of women and children had been sanctioned of which 31 were functioning in different coalfields. During the year under review 4 new centres were sanctioned and 3 new centres were opened at Kargali II, Karanpura-Dwarkhand and Nowrozabad.

There were in all 2838 children on roll on 31 March 1954, the average daily attendance being 62 children per centre.

There were 641 kamins (women workers) on roll on 31 March 1954, the average being 18 per centre. Nine hundred seventy-six kamins were trained in handicrafts which comprised knitting, embroidery, repairing of old garments and making of garments for the children attending the centre. One sewing machine and other materials for handicrafts have been provided at every centre. A sum of 837 rupees 14 annas was paid to kamins as their knitting wages with a view to encouraging them to take up this vocation as a cottage industry venture.

Adult education centres.- Upto the end of the last year 35 Adult Education Centres had been sanctioned of which 22 were functioning in different coalfields. During the year under review 8 new centres were sanctioned and 5 new centres were opened at Jamadoba, Malkera, Kargali II, South Jhagrakhand and Nowrozabad.

Administration of the Mines Maternity Benefit Act.-

The administration of the Mines Maternity Benefit Act in respect of coal mines was placed under the Coal Mines Welfare Commissioner in 1948. On 15 June, 1953, the Coal Mines Welfare Commissioner was invested with legal powers under the Act. During the year under review members of the Inspectorate made 2,656 inspections under the Act. A large number of collieries were visited more than once and irregularities brought to light were taken up with the colliery ~~companies~~ companies concerned.

Pithead baths and creches.- The number of pithead baths and creches in operation and under construction was as follows:-

		<u>In operations</u>	<u>Under construction</u>
Pithead Baths.	--	137	64
Creches.	--	171	61

Housing.- The Coal Mines Labour Housing Board has constructed in all 1,566 houses at Bhuli, 48 at Vijayanagar, 219 at Bokara, 180 at Kargali, 50 at Ciridih and 50 at Burkusada. In some collieries certain quarters were lying vacant. At Bhuli Colliery for example at the end of the year 772 houses had been allotted while 794 houses were lying vacant.

Statement of account.- The statement of accounts showed receipts for the 1952-53 as 9,652,149 rupees for the General Welfare account and 2,943,653 rupees for the Housing account; expenditure amounted to 4,578,427 rupees in the General Welfare account and 762,632 rupees in the Housing account. The balance at the end of the year was 23,990,158 rupees in the General Welfare account and 19,544,604 rupees in the Housing account.

(The review of the activities financed under the Coal Mines Labour Welfare Fund during the period 1952-53 was reported at pp. 68-75 of the report of this Office for July 1954).

57. Family Budgets Including Nutrition.

India - June 1955.

Unemployment and Economic Conditions in Displaced Persons Township: Results of Sample Survey.

The results of a sample survey into economic and living conditions and unemployment in Faridabad, a displaced persons township undertaken by the National Sample Survey during March-April¹⁹⁵⁴ has been published recently*. The survey is based on investigation conducted in 500 out of a total of 5,374 households in the township randomly selected.

now forming part of Pakistan, have been settled.

General.- Faridabad, 18 miles from Delhi, is a displaced persons' township, wherein about 23,800 persons, mostly from the N.W. Frontier Province, Reconstruction work had to be begun from the scratch and through the Co-operative efforts of the displaced persons and generous aid of the Central Government, a total capital expenditure of 31.4 million rupees had been incurred since the end of 1949 and upto the end of March 1954. A serious situation of growing unemployment however arose in the township after 1952, when the building programme came more or less to an end. The development of industries in Faridabad was also far behind expectations. "Most of the co-operative societies also ceased to have any work and the members found it hard to earn a living. Their future was thrown in the melting pot and few of the societies ultimately survived. The Indian Co-operative Union itself withdrew from Faridabad in 1952, not seeing eye to eye with Government regarding its policy. To tide over the immediate difficulties, arrangements were made for a few hundred to be employed in the Central Public Works Department at Kalkaji, Malviyanagar and other neighbouring places, but it was recognised that it could only be a short term measure. Moreover, the transport of workers from Faridabad to Kalkaji and other places, a distance of nearly 12 to 15 miles has to be done at a considerable cost to Government out of relief funds.

* The National Sample Survey Number 6: Survey of Faridabad Township March-April 1954: By Pitambar Pant: Issued by: The Department of Economic Affairs, Ministry of Finance: Government of India, December 1954. Price Rs.4/- or 6sh.6d. pp. iv + 155.

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A large number of persons had also to be provided relief work in Faridabad itself just to afford them a means of livelihood. At present the affairs of Faridabad are being directly looked into by the Ministry of Rehabilitation. The Faridabad Development Board has practically ceased to function. During recent months concerted action has been taken to attract private industries to Faridabad. They have been offered various concessions including financial assistance for starting their enterprises in the township. The response of industry has been encouraging and already negotiations have been completed with a few parties which will result in the setting up of new industries in the town, opening thereby much needed avenues of employment".

Demographic data.- The population of the Faridabad township is 23.8 (~~plus~~.2) thousand comprised of 5.4 thousand households, of which 4.8 thousand are registered and .6 thousand are unregistered households. The average size of the registered household is 4.53 and of the unregistered household 3.68. For the population as a whole, the household size is 4.44.

In every 100 registered households, 89 are those who have migrated from N.W.F.P., almost in equal proportion from the urban and rural areas. The remaining have come from other areas of West Pakistan, mostly from Punjab - 7 from rural areas and 4 from urban areas. In every 100 unregistered households, the number of households who have migrated from N.W.F.P. is only 27 and from Punjab 36. The remaining 37 are not displaced households.

Out of 453 persons in every 100 registered households, 220 are males and 233 are females. The sex composition of unregistered households is significantly different. In every 100 unregistered households, there are 368 people of which 202 are males and 166 females, revealing an excess of males in marked contrast to the registered households showing the female in excess.

In the population of Faridabad the percentage of infants and children (0-4 years) is 13.1: of boys and girls (5-14 years) 29.1: of young men and women (15-34 years) 33.4: of middle aged persons (35-54 years) 15.8: and of elderly persons (55 years and above) 8.6.

The registered households have 43.3 per cent illiterates and 56.7 per cent literates. 47.2 per cent may be considered to be barely literates, not having had schooling even upto the middle standard. 7.2 per cent have studied beyond the middle standard but are not matriculates. The matriculates, intermediates and graduates all together are only 2.3 per cent of the total population. The population comprising the unregistered households has on the whole a much higher standard of education. Illiterates number 33.0 per cent, barely literates 44.6 per cent, pre-matriculates 9.2 per cent, matriculates 11.2 percent and graduates 2.0 percent.

Principal household occupations before and after migration.— If a comparison is made between the principal occupation of a household in Faridabad and its principal occupation in Pakistan before migration, it is seen that there has been a thorough shake up. For example, trade which accounted for the principal occupation of 50.2 per cent households in Pakistan is now the principal occupation of only 8.0 per cent households. Rents from lands and buildings and pensions were the main sources of income of 11.1 per cent households before migration. There is hardly anyone now who may be classed a rentier among the households in Faridabad. The occupational pattern before and after partition is shown in the table below:—

Principal occupation of households.	Percentage of all the migrant households having the occupation	
	In Pakistan	In India
Retail and wholesale trade.	50.2	8.0
Contractors, brokers, etc.	3.6	1.5
Artisans.	8.2	10.9
Administrative, executive, clerical.	5.4	12.1
Medical and health.	1.5	1.3
Education.	1.3	2.9
Transport and communication.	-	2.7
Industrial workers.	4.2	13.6
Labourers.	1.0	22.6
Domestic servants.	0.8	0.6
Sweepers.	1.0	1.0
Cultivators.	3.3	0.2
Other occupations.	4.2	1.9
Rentiers, pensioners.	11.1	-
Living on doles.	-	15.3
Unemployed.	4.2	5.4
All	100.0	100.0

Earners and earning dependents. - In every 100 registered households comprising ~~453~~ 453 persons, 117 are earners of whom 95 are males and 22 females. The earning dependents are 16 - 6 males and 10 females. The remaining 320 are non-earning dependents. In every 100 unregistered households, comprising ~~368~~ 368 persons, 120 are earners - 111 males and 9 females. The earnings dependents are only 7 - 3 males and 4 females. The rest of the 241 are non-earning dependents. Thus, each earner in a typical registered household has to earn enough for his own upkeep and for the support of three more. On the other hand each earner in a typical unregistered household has to support only two besides himself.

Out of a total income 1000, the income due to earners is 981 and due to earning dependents only 19. The total contribution of males is 873 as against 127 of females. The income derived from principal occupations is 845, from subsidiary occupations 34, from cash doles 94 and from remittances 27.

As against an average monthly income of 52 rupees of a male earner in a registered household the income of a male earner in unregistered household is 184 rupees. As against ~~the~~ the average monthly income of 42 rupees ~~for~~ for a female earner in registered household, the income is 113 rupees for female earners in unregistered households. The ~~monthly~~ monthly income of a male earning dependent in registered household is 13 rupees as ~~against~~ against 18 rupees in unregistered household. For female earning dependents these incomes are 7 rupees and 8 rupees per month respectively.

A classification of all the working earners and earning dependents by their principal occupation shows that the highest proportion is that of unskilled labourers (29.6 per cent), followed by subordinate technical work (28.0 percent) and subordinate administrative and executive work (10.0 per cent). These three account for more than two-thirds of the entire working population. The other groups which account each for more than 5 per cent of the total are traders and brokers (7.8 per cent); grasscutters, fuel gatherers and gardeners (6.0 per cent); and superior technical work such as engineering, medical, teaching etc. (5.0 percent).

Labour force.- In the population of 23.8 thousand there are 6.3 thousand persons in the labour force of which 5.6 thousand are males and .7 thousand females. 47.7 per cent of all the males and only 6.2 per cent of all the females are in labour force. The labour force represents 26.5 per cent of the population as a whole. Roughly one could say that a little less than three-fifths of those in the labour force have stable employment, one-eighth are purely on relief work, one-fifth have got temporary employment in trade or ~~engaged~~ are engaged in unskilled labour inside or outside Faridabad and finally one-twelfth are completely unemployed as on the day of the survey.

73 per cent of the entire labour force is comprised of illiterates (18 per cent) and barely literates (55 per cent); 15 per cent are pre-matriculates and 12 per cent are matriculates and graduates. 57 per cent of the labour force is comprised of persons having no technical skill; 29 per cent have some practical skill but no regular training; 12 per cent have practical skill backed by training and a certificate of a lower order and 2 per cent possess technical degrees and diplomas.

There is little difference between the gainfully occupied and the unemployed as far as the standard of their education is concerned. In other words, risk of unemployment is proportionately the same at all levels of education. Unemployment does not appear to have been accentuated because of any reason connected with the educational qualification of the unemployed. The main reason for the unemployment is the general scarcity of opportunities for work.

43.4 per cent of the males and 5.9 per cent of the females are gainfully occupied. 4.3 per cent of all males and .3 percent of all females are unemployed and seeking employment. Most of those who are seeking employment are doing so not for the first time and only one out of every seven unemployed among the males is one who is in search of job for the first time. For the population as a whole only 2.2 per cent are completely unemployed (in the ~~same~~ sense of being without a job and seeking employment on the day of the survey) which gives an estimate of the number unemployed as 530.

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Underemployment.- A study of the labour force statistics reveals that the problem in Faridabad is not merely of securing employment to these 530 but of providing jobs to another 510 who are also practically unemployed or are only scantily employed, judged from the intensity of their employment over a period of three months. In addition to these 1040 for whom jobs are required urgently, another 1400 though not without employment, have an income below 40 rupees per month and in their case also it is necessary to think in terms of jobs bringing higher remuneration.

Nearly two-thirds (64 percent) of all the currently unemployed are in the age groups 15-19, 20-24 and 25-29, almost equally divided in the three groups. One-fifth (20 percent) are in the age group 30-39 and one-eighth (12 per cent) in the age group 50-59. Even persons above the age of 60 are seen to be seeking employment and their number is 4 percent of all the unemployed.

15 per cent of the unemployed who had held a job earlier had an income not exceeding 25 rupees per month from their previous occupations; 38 per cent had incomes ranging between 26 rupees and 50 rupees; 35 percent had incomes ranging between 51 rupees and 75 rupees; and 12 percent had income exceeding 75 rupees per month. The majority, nearly three-fourth, had held subordinate jobs in the technical line or were unskilled labourers. A few were clerks or teachers but relatively speaking their proportion is small.

Two-fifth of the unemployed would be glad to get a job either as an unskilled labourer (21 per cent) or as an industrial worker (18 per cent). About one-fourth prefer to establish themselves in trade or some other enterprise of their own. One-tenth desire to be artisans and the same number want to be absorbed in clerical posts. Of the remaining one-fourth half would prefer a job as a peon or a watchman and half have no preference to show.

Consumer expenditure.- The average consumer expenditure per household per month is 104 rupees. 15.6 percent of the households have an expenditure of less than 50 rupees per month, 43.6 per cent an expenditure between 51 rupees and 100 rupees; 24.0 per cent between 101 rupees and 150 rupees; and 16.8 percent above 150 rupees.

In the population as a whole, a little less than two-third ~~of~~ (63.7 per cent) of the total expenditure was incurred on food items and a little more than one-third ~~total~~ (36.3 percent) on non-food items. More than one-fourth of the total expenditure or more than two-fifth of the expenditure on food items was spent on cereals.

Persons in unregistered households live twice as better than the general population, judged by their per capita expenditure. The total monthly expenditure per capita in February was 42.5 rupees in their case compared with 23.5 rupees of the general population. The average individual in the unregistered household spent one and a half times more on food and two and half times more on non-food items than his counterpart in the registered household.

152 out of 1,000 persons in Faridabad may be considered to be more or less enjoying the average level of living, 294 living better than the average and 554 worse.

In the lowest level of per capita expenditure 5-10 rupees, food accounts for 80.6 percent of the total expenditure and cereals alone represent 49.7 per cent. At the highest level, that is above 60 rupees, food takes up only 39.9 per cent of the total expenditure and cereals account for only 7.3 per cent. Generally as the level of per capita expenditure rises, the relative importance of expenditure on cereals, pulses, oils, salts and spices etc. is reduced while that on milk and milk products, vegetables, meat, fish and eggs, fruits and nuts etc. is increased. Similarly among non-food items, clothing and footwear, ~~and~~ medicines, conveyance, services, rent and taxes etc. assume greater importance in the budget as the level of expenditure rises.

Income.— The stable employment households had an average expenditure of 118 rupees, an average income of 112 rupees, and thus a gap between the two of 6 rupees, representing a deficit of only 5 per cent in the budget. In temporary employment households, the gap was much wider, to the extent of 45 per cent of the total expenditure of 89 rupees. The average expenditure in the dole and remittance households was 74 rupees as against an average income of 54 rupees, ~~xxxxxxxxxxxxxxxxxxxx~~ leaving a gap of 20 rupees, representing 27 per cent of the total expenditure. The unemployed households had an average income of 17 rupees as against an average expenditure of 69 rupees, leaving a gap of 52 rupees or 75 per cent of the total expenditure. All the households taken together showed an average expenditure of 102 rupees, an average income of 83 rupees and a gap of 19 rupees, to be filled by withdrawal from past savings, sale of assets, loans in cash or more generally credit from shopkeepers.

Spending Habits of Workers: Labour Bureau
Survey of Bombay Port Workers.

An enquiry into the spending habits of workers in the Bombay Port Trust was held recently by the Labour Bureau, Ministry of Labour, Government of India, to verify the common belief that "when the workers get a lump sum, they are more likely to fitter away the amount". The opportunity was provided where large sums of money were disbursed as arrears by the Port Trust to its workers in February-July 1953, on the retrospective implementation of the Minimum Wages Act, 1948.

The survey is based on a sample of 200 workers out of those who received the arrears. The total disbursed as arrears exceeded 10 million rupees and in a large number of cases, the amount ran into thousands of rupees, in a few cases to as high as 5,000 rupees.

Results of survey.— The table given below shows the disposal of arrears under various heads:—

		Amount	Percentage to total
		Rs.	
1. On own Obligations:			
1.1 Debts repaid.	--	84,500	42.19
1.2 Festivals and ceremonies.	--	3,135	1.57
1.3 Marriage.	--	17,829	8.91
1.4 Other.	--	-	-
	Total	106,356	52.67
2. General:			
2.1 Home expenses.	(a) --	44	0.02
	(b) --	7,648	3.82
2.2 Entertainment.	(a) --	37	0.02
	(b) --	15	0.01
2.3 Personal effects.	(a) --	1,768	0.89
	(b) --	9,275	4.64
2.4 Household goods.	(a) --	-	-
	(b) --	727	0.36
2.5 Medical treatment.	(a) --	770	0.39
	(b) --	9,275	4.64
2.6 Travel.	(a) --	1,330	0.66
	(b) --	2,785*	1.39
2.7 Miscellaneous.	(a) --	25	0.01
	(b) --	2,175	1.08
	Total.	35,874	17.93
	(a) --	3,974	1.99
	(b) --	31,900	15.94

*Includes 150 rupees spent on 'others'.
 (a) Expenditure on self.
 (b) Expenditure on family.

Table continued:-

	Amount	Percentage to total
	Rs.	
3. Cash Dealings:		
3.1 Cash in hand.	-- 9,732	4.87
3.2 Invested.	-- 5,816	2.91
3.3 Gifts.	-- 200	0.10
3.4 Remittances.	-- 14,127	7.06
3.5 Loaned.	-- 270	0.13
3.6 Miscellaneous.	-- 2,974	1.49
Total.	-- <u>33,119</u>	<u>16.56</u>
4. Creating Assets:		
4.1 Ornaments.	-- 11,277	5.64
4.2 Land.	-- 3,825	1.91
4.3 Cattle.	-- 1,035	0.52
4.4 Other.	-- 9,555	4.77
Total.	-- <u>25,692</u>	<u>12.84</u>
Grand Total.	<u>200,041</u>	<u>100.00</u>

The distribution of the workers according to arrears received was as follows:-

Arrear group.	No. of workers.
Rs.	
Below 100.	-- 4
100-200.	-- 13
200-400.	-- 39
400-600.	-- 26
600-800.	-- 37
800-1000.	-- 9
1000-1500.	-- 22
1500-2000.	-- 19
2000 and above.	-- 31
	<u>200</u>

A very large proportion of the arrears, i.e. 52.67 per cent was spent on meeting own obligations. Debt repayment constituted the bulk of this expenditure. It alone accounted for 42.19 per cent out of this. Of the total 158 workers repaid debt, the average amount repaid being 534 rupees. On an average, out of a total of a thousand rupees a worker spent 422 rupees on debt repayment, 89 rupees on marriage expenses and 16 rupees on festivals and ceremonies, making a total of 527 rupees for the group.

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The next important group is 'consumption expenditure', which accounted for 17.93 per cent of the total expenditure. Out of this total, only 1.99 per cent was spent on self, as distinct from the family, which claimed the bulk i.e. 15.87 per cent. Out of the average of a thousand rupees received by each worker, he spent only 179 rupees on consumption expenditure. Of the lot, 173 workers show consumption expenditure. From this it is seen that the average amount spent by those who incurred consumption expenditure was 207 rupees. The survey states that the details of the survey "do not seem to suggest that the worker was in any mood to ~~throw~~ throw his money away. Whatever he spent as consumption expenditure was to meet the bottled up demands of himself and his family".

The group coming next in importance is 'disposal by cash'. It accounted for 16.56 per cent of the total expenditure. In this group the highest amount spent was on 'remittance to home', which made up for 7.06 per cent of the total expenditure. This percentage is high, because, out of the 200 workers surveyed, there were 72 workers living singly and naturally most of these workers would like to send some of the additional money received by them to their families or relatives living away from them. Of 14,127 rupees thus spent, 9,882 rupees were remitted by 49 workers living singly. This habit is not restricted to single workers; those with family also sent home considerable amounts. The next important item of expenditure is 'cash in hand' which accounted for 4.87 per cent of the total arrears received. All this cash was held by 18 workers, which is not a large number in a total of 200 workers. The cash amount was high, because these few held large sums in hand. Two of the workers held amounts over 1,000 rupees, 6 held between 500-1000 rupees, 7 held between 200-500 rupees, 1 held 180 rupees and the remaining 2 a little below 100 rupees. Of the 18 holding cash, only 5 did not repay any debt and between them they held 3,382 rupees. The remaining 13 indebted persons also held substantial amounts, the total held by them being 6,350 rupees. However, it ~~is~~ has to be remembered that the enquiry was conducted about 18 months after the workers got the arrears. By this time most of them had spent the money in some way or ~~xxxx~~ the other. Cash investment accounted for 2.91 per cent of the expenditure, but this was restricted wholly to six workers, who put fairly large amounts in the savings bank and kept no cash. Of them, 4 deposited 4,800 rupees in Postal Savings Bank out of 5,816 rupees.

A major portion of cash dealings under 'Miscellaneous' was due to contributions to trade unions, which utilised the occasion to collect the due subscriptions.

The only other group on which the arrears received by the workers were spent is 'creation of assets'. This group accounted for 12.84 per cent of the total expenditure. The highest amount in this group went to the purchase of ornaments, on which the expenditure was 5.64 per cent of the total. It is only natural that expenditure on ornaments should be the highest in the group 'Creating Assets', since the desire to get some ornaments, when there is some free money available, is strong in India, particularly in the working class. Of the total, 50 workers spent a sum of 11,277 rupees under this head.

Combining the amount spent on creation of assets with cash in hand and investment, it would be seen that nearly 20.6 per cent of the arrears were kept in hand by the workers. Even, if the whole of the amount spent on purchase of cattle and other items are ignored, 15.3 per cent of the arrears was in the form of realisable assets. Of this, 7.78 per cent representing cash in hand and investment was contributed only by 24 workers out of 200 included in this survey. The balance was due to 50 workers. This does not appear to be an unsatisfactory record, considering that repayment of debt removed a big chunk from the arrear receipts.

The survey notes that the first charge on the arrears received by the workers was debt repayment and to meet some bottled up consumption demand. As has already been seen, there is no evidence of extravagance in the consumption expenditure. The next item calling for attention is remittance home. After meeting these prior demands, 50 per cent of workers were not left with anything substantial to afford a margin for expenditure on other items. The remaining 50 per cent had quite enough to spend on other needs. Expenditure on other needs was quite ~~amplified~~ well distributed and its pattern is discussed above. The first priority accorded to repayment of debt itself is a sign of frugality, remittances sent ~~xxxx~~ home is another evidence of sense of responsibility of the worker and the reasonable modicum spent on consumption does not indicate any tendency to squander away money. Those who had adequate balances left satisfied their other wants but the tendency to hold money in cash or deposits is not much in evidence. It is difficult to say whether this tendency was the result of the pressure of other wants or of the failure to appreciate the need for holding liquid assets - perhaps the latter was also an important factor.

Differential among workers. - The following table illustrates the results of the survey regarding differentials in consumption pattern between (a) workers with debt and workers without debt; (b) workers living with family and single workers; and (c) workers having different levels of income:-

	No. of budgets	Percentage of the amount to total		Percentage of the amount to total		Percentage of the amount to total	
		With debt	Without debt	Single Family	Income below Rs.125	Income Rs.125 and above.	Income Rs.125 and above.
	158	42	72	128	113	87	
Items on which the amount was spent							
1. On own obligations:							
1.1 Debts repaid.	--	50.71	-	44.52	40.69	39.65	43.87
1.2 Festivals and ceremonies	--	1.47	2.05	1.91	1.35	1.41	1.67
1.3 Marriages.	--	4.50	30.77	7.62	9.74	9.82	8.31
1.4 Other.	--	-	-	-	-	-	-
Total.		56.68	32.82	54.05	51.78	50.88	53.85
2. Consumed:							
2.1 Home expenses.	(a) --	0.03	0.01	0.05	-	0.03	0.02
	(b) --	3.68	4.56	0.05	0.24	3.33	4.15
2.2 Entertainment.	(a) --	0.01	0.04	0.03	0.01	0.03	0.01
	(b) --	-	0.04	-	0.01	-	0.01
2.3 Personal effects.	(a) --	0.90	0.79	0.84	0.91	0.77	0.96
	(b) --	4.92	3.21	3.48	5.38	4.48	4.74
2.4 Household goods.	(a) --	-	-	-	-	-	-
	(b) --	0.44	-	0.03	0.58	0.27	0.43
2.5 Medical Treatment.	(a) --	0.46	-	0.60	0.25	0.55	0.27
	(b) --	4.10	7.27	2.87	5.77	3.00	5.72
2.6 Travel.	(a) --	0.69	0.55	1.48	0.14	0.92	0.49
	(b) --	1.63*	0.24	0.45*	2.00	1.32*	1.44
2.7 Miscellaneous.	(a) --	-	0.06	0.01	0.02	0.01	0.02
	(b) --	1.25	0.30	0.89	1.21	2.10	0.42
Total.		18.11	17.07	10.78	22.52	16.81	18.68
	(a)	2.09	1.45	3.01	1.33	2.31	1.77
	(b)	16.02	15.62	7.77	21.19	14.50	16.91
3. Cash dealings:							
3.1 Cash in hand.	--	3.82	10.06	1.09	7.29	1.51	7.09
3.2 Invested.	--	0.67	13.97	1.02	4.11	3.28	2.66
3.3 Gifts.	--	0.12	-	0.26	-	-	0.17
3.4 Remittances.	--	6.80	8.35	12.65	3.48	10.97	4.47
3.5 Loaned.	--	0.10	0.30	0.06	0.18	0.34	-
3.6 Miscellaneous.	--	1.39	1.95	1.09	1.74	1.53	1.45
Total.		12.90	34.63	16.17	16.80	17.63	15.84
4. Creating Assets:							
4.1 Ornaments.	--	5.09	8.33	5.65	5.63	7.04	4.70
4.2 Land.	--	1.35	4.68	2.98	1.23	4.06	0.50
4.3 Cattle.	--	0.24	1.89	0.73	0.38	0.42	0.58
4.4 Other.	--	5.63	0.58	9.64	1.66	3.17	5.85
Total.		12.31	15.48	19.00	8.90	14.68	11.63
GRAND TOTAL.		100.00	100.00	100.00	100.00	100.00	100.00

* Includes 0.09 per cent spent on 'others'.

(a) Expenditure on self.

(b) Expenditure on family.

The classification of the 200 workers by the above categories is the following: a) 158 with debts and 48 without debts; b) 128 living with family and 72 without family; and c) 113 having earnings below 125 rupees and 87 getting above 125 rupees per month.

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The survey also analyses the differentials between workers of different community groups. For all these communities the highest percentage expenditure was on meeting own obligations. This percentage was the highest for Muslims (60.91), followed by Hindus (50.74), others (47.64) and Scheduled Castes (44.30). Muslims spent the highest proportion of the amount received on repayment of debts and Scheduled Castes the least. Muslims show percentage expenditure on marriages also to be the highest. The highest percentage expenditure on consumption was recorded by 'others' and the lowest by the Muslims, although their percentage expenditure on self was the highest, being 2.56 per cent. The percentage of the amount spent in cash dealings varied from 12.30 in the case of Muslims to 19.63 in the case of Scheduled Castes. The percentage of cash in hand was the highest in the case of 'others' being 9.51, whereas it was as low as 1.54 in the case of Scheduled Castes. However, investments in cash formed 8.11 per cent of the total expenditure in the case of Scheduled Castes, 3.97 per cent in the case of Hindus, whereas it was nil for Muslims and 'others'. The percentage of the amount of remittances to home was also the highest in the case of Scheduled Castes. The Muslims show a smaller proportion of cash and investment including home remittances because of their higher debt repayments and expenditure on marriage.

The largest proportion of expenditure on creating ~~MARKING~~ assets was recorded by the Scheduled Castes, viz., 19.90 per cent whereas it was as low as 10.07 per cent in the case of 'others'.

(The Indian Labour Gazette, April, 1955, pp. 1067-1088).

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59. Social Research.

India - June 1955.

Hindu Marriage Act, 1955 (No. 25 of 1955).

The Government of India gazetted on 18 May 1955 the text of the Hindu Marriage Act, 1955, as passed by Parliament. The Act which received the assent of the President on 18 May 1955, amends and codifies the law relating to marriage among Hindus; it provides,

For the first time in the whole of India, the right of divorce and prohibition of bigamy

The Act deals inter alia with conditions and ceremonies for a Hindu marriage, the procedure for the registration of Hindu marriages, circumstances under which either the husband or the wife may apply for substitution of conjugal rights or judicial separation, procedure for divorce, legitimacy of children of void and voidable marriages, punishment of bigamy and jurisdiction and procedure of courts.

The Act repeals the following enactments:-
The Hindu Marriage Disabilities Removal Act, 1946, the Hindu Marriages Validity Act, 1949, the Bombay Prevention of Hindu Bigamous Marriages Act, 1946, the Bombay Hindu Divorce Act, 1947, the Madras Hindu (Bigamy Prevention and Divorce) Act, 1949, the Saurashtra Prevention of Hindu Bigamous Marriages Act, 1950, and the Saurashtra Hindu Divorce Act, 1952.

(The Gazette of India, Extraordinary,
Part II, Section 1, 18 May 1955, pp. 269-281).

West Bengal: New Department set ~~up~~ up for
Social Services.

The Government of West Bengal has set up a new department for social services. For details please see p. 5 of this report.

CHAPTER 6. GENERAL RIGHTS OF WORKERS.

INDIA - JUNE 1955.

63. Individual Contracts of Employment.

Madras: Industrial Employment (Standing Orders)
Act extended to All Factories in the State.

In exercise of the powers conferred under the Industrial Employment (Standing Orders) Act, 1946, the Government of Madras has directed that the provisions of the said Act shall apply to all factories in the State as defined in section 2(m) of the Factories Act, 1948, and which are engaged in the manufacture, assembly or repair of goods or articles of iron, steel, non-ferrous metals and plastics by the use of machine trade and including the foundries and forging plants which produce materials for the manufacturing, ~~assembly~~ assembling and repair establishments.

(GOMs.No.1972 Industries, Labour and
Co-operation dated 2 June 1955;
Fort St. George Gazette, Part I,
15 June 1955, page 876).

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66. Strike and Lockout Rights.

India - June 1955.

Bihar: Steamer Services declared a Public Utility Service.

In exercise of the Powers conferred under the Industrial Disputes Act, 1947, the Government of Bihar has declared the steamer services in the State to be a public utility service for a period of six months from 26 May 1955.

(Bihar Gazette, Part II, 25 May 1955, page 1612).

Hyderabad: Motor Transport Industry declared a Public Utility Service.

In exercise of the powers conferred under the Industrial Disputes Act, 1947, the Government of Hyderabad has declared the motor transport industry to be a public utility service for a period of six months from 19 May 1955.

(Hyderabad Government Gazette, Part ID, 19 May 1955, page 618).

67. Conciliation and Arbitration.

India - June 1955.

Kanpur Textile Workers go on Strike: Rationalisation Scheme Opposed.

On 2 May 1955 nearly 46,000 textile workers of Kanpur went on strike in response to a call by the Suti Mill Mazdoor Sabha. The Sabha served a strike notice on 8 April demanding among others, bonus, grant of retirement benefits in the form of gratuity, change in the present standing orders. Supervisory allowance, permanency, implementation of minimum wage for clerks and watch and ward employees, dearness allowance at the rate recommended by the Nimbkar Committee and withdrawal of the rationalisation scheme. As regards the issue of rationalisation the Sabha's demand includes the appointment of a tribunal with a High Court Judge as chairman and economist of repute as members to examine the question of the need of introducing the system of rationalisation.

Talks fail.- Talks held between labour leaders and the Government to prevent the Strike proved infructuous. The Government insisted that the strike should be called off unconditionally.

The Suti Mill Mazdoor Sabha which is conducting the strike is still an ad hoc body and represents some sort of merger of seven labour unions, including Communists as well as Praja Socialist Party and Indian National Trade Union Congress workers (vide pp. 18-19 of the report of this Office for August 1954). The union has seven presidents and an equal number of secretaries who function in turns for one-month periods.

Question raised in Lok Sabha.- An adjournment motion to discuss the situation in Kanpur caused by the strike was moved in the Lok Sabha on 2 May 1955. Making a statement in the House the Union Labour Minister, Mr. Khandubhai Desai said on 3 May 1955 that the strike was entirely misguided. He appealed to the textile workers to give up their "undesirable attitude" and resume constitutional methods to seek redress of their grievances. Mr. Desai added that Kanpur mills were not trying to do something which mills in Bombay, Sholapur, Indore and Ahmedabad had not done. The ~~principle~~ principle of rationalisation had been discussed and agreed upon at the tripartite labour conference in 1954, subject to certain safeguards such as rationalisation would not lead to retrenchment and that the profits of rationalisation would be equitably shared between employer and worker. It was, however, unfortunate that these

provisions, intended to safeguard the interests of the workers, should have been misinterpreted by interested parties for propaganda purposes.

After the Labour Minister's statement, the Deputy Speaker ruled that there was no need for an adjournment motion on the subject. The question of rationalisation was neither new nor recent.

History of the Strike.- On 3 June 1955 some Congress leaders of Kanpur met the State Chief Minister and impressed upon him the grave implications of the continuance of the strike and the desirability of the State Government's intervention, to end the deadlock. Mr. Sampurnanand, the Chief Minister, rejected the plea that the Government should take the initiative in the matter. He, however, assured the workers that the Government was still prepared to help the employers and workers in furthering the scheme of rationalisation of the textile mills on general lines decided at the tripartite conference held in 1954 (vide pp.72-74 of the report of this Office for May-June 1954).

Giving the background of the rationalisation issue Mr. Sampurnanand said, rationalisation is not a new thing. The process has been known to all the main industries in different countries of the world, in India itself a large number of textile mills have undergone rationalisation in the important centres of the industry, like Bombay, Ahmedabad, Sholapur and Indore. In Kanpur as well, this process of rationalisation has been on for some considerable time now. As early as 1938, the question was discussed by Rajendra Prasad Labour Inquiry Committee, which accepted the principle of rationalisation, and said that it should be permitted with due regard to the interests of labour. The committee had found that several of the mills had already introduced a fair amount of rationalisation. In 1948, the U.P. Labour Inquiry Committee, presided over by the late Mr. R.S. Nimbkar, again recommended unanimously, in favour of rationalisation and suggested standardisation of work-load and wages for various categories of workers in the textile mills. Labour was represented on this Committee by Mr. Arjun Arora, one of the General Secretaries of the Sati Mill Mazdoor Sabha. Mr. Sampurnanand added that in this way, while on the one hand the process of rationalisation was discussed and recognised by such inquiry committees, on the other it was actually practised by the various mills in their own way all these years with the result that quite a goodly number of workers was thrown out of employment perceptibly as well as imperceptibly. A complaint in this regard was made in a tripartite conference that the employers were taking undue advantage of their position in bringing about rationalisation in their own way, to the detriment of the interest of workers, and thereupon the State Government decided to have the whole thing examined in consultation with experts. A special

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officer was accordingly appointed for the purpose and he studied the situation in various mills and prepared his schemes for them. Rationalisation, in accordance with the requirements of the individual mills, had already been effected in the New Victoria Mills and the J.K. Cotton Manufacturers. Meanwhile, however, Lakshmi Ratan Cotton Mills was already rationalised.

Tripartite Conference.- There was a move from the side of the workers for another ~~for another~~ tripartite conference to consider this question of rationalisation of the textile mills in Kanpur. This conference was called by the Government early in June 1954, at Naini Tal. The deliberations of the conference resulted in the adoption of the following general conclusions relating to rationalisation of textile mills in Kanpur.

"(1) That the introduction of rationalisation should not mean any unemployment, that is, reduction in the number of workers except by retirement or natural wastage; (2) that the wages structure and work-load as suggested by the U.P. Labour Inquiry Committee should be considered for adoption; (3) that an arrangement of incentive wages should be introduced to reward high standard of work; (4) that proper working conditions in the mills should be ensured; (5) that a committee should be set up to consider the details of the scheme on the above broad lines and to find ways and means to give effect to the scheme; and (6) that ultimately, committee should be formed at the level of the individual mills to implement the scheme for them."

Each one of these broad decisions taken was with a view to watching and safeguarding the interests of labour and to save them from retrenchment to which they had allegedly been a victim in the past in the process of rationalisation by a number of mills.

Decisions explained.- Explaining the decision of the tripartite conference, Mr. Sampurnanand said that the views of the Central and State Governments on the question of rationalisation of big industries were well known. Recently the Prime Minister had said: "We want higher techniques, greater efficiency and a more nationalised system of working, but we certainly do not want people to be thrown out of work. Therefore, the broad policy Government have adopted is that where any rationalisation takes place, the people must be guaranteed work, that is, no one should be guaranteed out".

"The U.P. Government adopted this policy of rationalisation ~~xxxx~~ without tears as a result of the tripartite conference in June 1954 and made an announcement, on the positive assurance given by the employers of the mills to that effect, that wherever rationalisation was introduced in the textile mills, it would be ensured that the workers, whether they were permanent, substitute or temporary would not be thrown out of employment as a result of the operation of any such scheme. The idea evidently was, as the thing was also discussed in the conference that in the present condition of the mills of Kanpur rationalisation could not be brought about in any concern all at once. The process had to be staggered over a few years, say two or four, in different mills according to the position of the working condition and machinery in each of them. In this way, some workers who would be rendered surplus by the introduction of the process of rationalisation would be weeded out through the process of retirement and natural wastage. It was also considered at the time that one or more of the following methods, which may be feasible, might be adopted for providing job to the workers who were found to be surplus."

Wage structure.— Continuing Mr. Sampurnanand said the second broad decision related to the wages structure and workload. The recommendation made by the Nimbkar Labour Inquiry Committee in these matters was to be considered in deciding the wage structure and work-load for different categories of workers. After very careful examination of these two aspects of the workers of textile mills in Kanpur the Nimbkar Labour Inquiry Committee had arrived at some definite conclusions and it was but proper that these conclusions formed the basis when details of rationalisation were worked out in different textile mills. No one can accuse a committee like the Nimbkar Labour Inquiry Committee of suggesting a wage structure or work-load which was unfair to the labour, and even then the broad decision only indicated consideration of the conclusions which clearly meant that they could be modified wherever such modification was necessary in reference to the working of the individual mill. The details of the wage structure and work-load in respect of the various mills in Kanpur had to be worked out by the seven-man committee which had been set up for the purpose, as also for other similar items of decision. In fact, the special officer who had been appointed in the Labour Department had actually proposed certain tests for judging the work-load that is, only 24 breakages per hundred spindle hours were permitted in a double-side working scheme. Similar details had been worked out by him in other spheres also, including weaving.

The insinuation from one of the quarters that the proposed rationalisation of the textile mills in Kanpur meant only intensification of labour, without any corresponding increase in the wages was, therefore,

entirely unfair. There could have been some basis for a judgement of this kind after the seven-man committee had actually formulated in details of the wage structure and workload.

"The third broad decision", Mr. Sampurnanand said, "was to introduce an arrangement of incentive wages for the rewarding high standard of work. The idea behind this ~~division~~ division was that, whereas the wages of the workers should be increased commensurately with increase in their work-load there should also be a system by which those workers who showed special efficiency in their jobs were given higher wages, in accordance with certain fixed rates. This was an additional benefit to the workers in the scheme of rationalisation.

"The fourth decision taken at the Naini Tal Conference related to the working conditions. It was indicated that proper working conditions in the mills going to be rationalised should be ensured. It clearly meant (a) that ~~making~~ there should be no deterioration in the working condition, (b) that the working condition should be in keeping with the increase in production which would be brought about as a result of rationalisation, and (c) that the working conditions should wherever necessary, be improved.

"These four broad decisions of the conference were to be worked out in detail in respect of the individual textile mills of Kanpur by the seven-man committee which was appointed for the purpose, and another committee, at the level of individual mills, was contemplated to give effect to the schemes formulated by the seven-man committee. Both these committees were to have on them the representatives of workers as well as employers.

"The seven-man committee was not allowed to continue with its labours. Two out of three representatives of the workers resigned and the committee had consequently to be dissolved by the Government in December 1954".

Mr. Sampurnanand emphasised that each one of the decisions taken by the tripartite conference was with a view to make the position of the workers in the mills secure and it is beyond comprehension how, and for what reasons, it is said that the scheme would injure the labour. He ~~concluded~~ concluded by saying that the Government had done every possible to further the interest of the workers. It was " still prepared to help the employers and the workers in furthering the schemes for rationalisation of the textile mills on the general lines decided in the tripartite conference at Naini Tal, should a proper atmosphere of trust and confidence between the parties be created for going ahead with the process".

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Strike continues.- The strike entered the sixty-third day on 3 July 1955, creating a new record in the history of the Indian trade union movement. The present strike has beaten the previous record of Bombay textile workers strike on 1950, lasting for 62 days (vide pp. 23 of the report of this Office for August 1950). This strike was still continuing on 14 July 1955.

(Trade Union Record, dated 20 May 1955;
The Statesman, dated 4 and 5 May 1955;
The National Herald, dated 4 June 1955).

Causes of Low Output at Bombay Docks:
Industrial Tribunal's Findings.

The Government of India published on 13 June 1955 the first part of the award of the Industrial Tribunal appointed by the Central Government to adjudicate disputes relating to Bombay docks.

The Tribunal which consisted of Sri M.R. Meher, President Industrial Court, Bombay, is of the view that the failure of the existing wage and incentive bonus scheme to secure a fair output and quick turn-round of ships in the Port of Bombay was due to various factors, such as, indifference of labour towards its duties, unauthorised absence of workmen for an hour or so during the shift, tendency on the part of workmen to work for ~~the~~ two shifts or excessive overtime instead of turning out adequate work in one shift, and the system of paying "speed money" to certain workers.

The Tribunal has concluded that there was strong evidence that workmen had been going slow, and, at times, an intensified "go slow" policy was adopted by them. The contentions of the trade unions that the fall in production was due to such factors as congestion in sheds, defective cranes, change in the tally system and delays in customs examination, had little substance, in view of the fact that new sheds had been erected, and the conditions in the docks in regard to storage and clearance had greatly improved.

The Tribunal has maintained that a large number of electric tractors, mobile cranes, electric cars and fork lifts had been installed, and the equipment of ships had been improved to facilitate quick discharge and loading of the cargo.

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The Tribunal has rejected the argument of the unions that lower production and unauthorised absence of workmen during the shifts was due to the absence of adequate amenities such as canteens. It has agreed with the Bombay Port Trust that the time rate system of payment had resulted in slowing down the work.

Wage system.- As regards the wages of Port Trust workers, the Tribunal is of the view that it would not be justified to increase the time rate. But assuming that under a piece rate system, workers would be reasonably efficient and punctual, the Tribunal has processed the piece rates on the basis of an increased time rate and has fixed piece rates for various ~~unauthorised categories~~ categories of workers. Adequate safeguards have been laid down while fixing the piece rates. Accordingly, payment would be made at the time rate in case labour was rendered idle on account of circumstances beyond its control. Workers reaching 90 per cent of the datum line would be entitled to not less than the time rate. For production in excess of the datum line, payment would be at double the usual rates. Besides, certain minimum wages at a rate higher than those provided by the Minimum Wages Act were guaranteed. Workers ~~whose~~ whose output could not be measured, would be paid at time rates.

The Tribunal hopes that with the increase in wages given by the Award and the opportunities for earning premium under ~~unauthorised~~ the piece work system, the system of paying "speed money" to crane drivers and others would eventually disappear.

The Tribunal has directed the appointment of a Committee consisting of an equal number of representatives of employers and employees, with an independent chairman, for the proper administration of the piece rate system and for the settlement of disputes. It has also recommended that the Port Trust Act should be ~~amended~~ amended to provide for such a Committee. Until the Act was amended, dispute should be settled mutually or by referring to the Central Conciliation Officer.

The Tribunal has rejected the demand of the Transport and Dock Workers Union for the framing of a scheme for the decasualisation of workers on the lines of the Bombay Dock Workers (~~Regulations~~ Regulations of Employment) Scheme which is at present applicable to Stevedore workers only. The matter would be examined by the Committee appointed by the Central Government for the purpose.

The Tribunal proposes to deal with the question of providing amenities for dock workers in Part 2 of the Award.

Working of the Voluntary Agreement between
Workers and Employers in the Textile Industry
in Ahmedabad.

A review of the working of the voluntary agreement regarding settlement of industrial disputes arrived at between the Ahmedabad Millowners' Association and the Textile Labour Association entered into in July 1952 (vide pp. 42-43 of the report of this Office for July 1952) is given at pp.1139-1140 of the Indian Labour Gazette, for April 1955. The agreement has recently been terminated. The information on its working has been furnished by the Ahmedabad Millowners' Association.

Under the agreement there was a Conciliation Board and the Arbitration Board; the latter was meant to handle disputes which could not be settled by the former. The details of the cases referred to these Boards during the period August 1952 to January 1955 and the manner of their disposal are given in the two statements given below:-

CONCILIATION BOARD

Nature of Reference	No. of cases	Nature of Disposal	No. of cases.
Short earnings. --	57	Withdrawn. --	537
Non-payment of wages according to Award or Agreement. --	122	Decided unanimously by the Conciliators of the two Associations. --	37
Lay-off compensation.	51	No agreement between the Conciliators of the two Associations.	80
Issue of permanent passes. --	72	References dismissed due to the mills ceasing to be members of the Association.	11
Rationalisation. --	20		
Retrenchment of surplus labour. --	110	Pending references.	154
Miscellaneous --	378		
Total referred.	<u>819</u>	Total.	<u>819</u>

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ARBITRATION BOARD

Nature of references	No. of cases	Manner of Disposal	No. of cases
Reduction of surplus labour.	13	Awards given -	
Issue of permanent passes.	1	By umpire.	2
Loitering.	1	By arbitrators.	6
Bonus.	1	Withdrawn.	14
Dearness allowance.	1	Pending references.	37
Standardisation of musters.	1		
Working conditions.	1		
Standardisation of wages of Automatic Loom Tenters.	1		
Lay-off compensation.	1		
Miscellaneous.	38		
	<u>59</u>		<u>59</u>

It is seen that the largest number of disputes related to non-payment of wages according to award or agreement and the equally large number of cases related to the retrenchment of surplus labour. Of the 819 cases, only 37 disputes were decided by unanimous decisions of the Conciliators of the two Associations. As many as 537 cases were withdrawn by the parties which initiated the disputes. These withdrawals were in some instances due to the persuasive efforts of the Conciliators while in others they were due to the voluntary settlement by the parties in the course of Conciliation proceedings. In 80 disputes there was disagreement between the Conciliators of the two Associations. Of these, 80 cases, 59 were referred to the Arbitration Board as provided in the Agreement. Of the 59 cases, the Arbitrators gave their decisions in 6 cases and only in two cases an Umpire was appointed who gave his award.

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS.

INDIA - JUNE 1955.

73. Officials and Public Employees of National, Regional and Local Administrations, of Nationalised Undertakings or Undertakings Managed with the Participation of the Public Authorities.

Travancore-Cochin: Labour Acts applicable to Certain Categories of Public Officials.

The Government of Travancore-Cochin, has, in a press release issued on 11 June 1955, stated that certain categories of pensionable staff employed in Government presses and State Transport Department would be entitled to the benefits of the Industrial Disputes Act, the Factories Act and the Trade Unions Act.

The press note states: "The question whether pensionable employees of Government Presses and State Transport Department are simultaneously entitled to benefits under the Trade Disputes Act, the Factories Act and the Industrial Disputes Act, has been engaging the attention of Government for some time. There are many ~~mutually~~ provisions in these Acts which conflict with the provisions of Government Servants' Conduct Rules and the Service Regulations and so there are difficulties in conceding the benefits of two divergent Acts to the same person simultaneously. Government have however taken a very sympathetic and liberal view of the whole matter and declare that all pensionable employees of Government ~~offices~~ Presses and the State Transport Department, excluding Gazetted Officers and Office Staff, will be ~~entitled~~ entitled to all the benefits of the Industrial Disputes Act, the Factories Act and the Trade Unions Act."

(The Hindu, 12 June 1955).

CHAPTER 8. MANPOWER PROBLEMS.

INDIA - JUNE 1955.

81. Employment Situation.

Employment Exchanges: Working During April 1955.

General Employment situation.- According to the review of the work of the Directorate General of Resettlement and Employment during April 1955 there was little or no improvement in the employment situation in general. Fresh registrations and re-registrations increased during the month of April by over 5,000. The number was not above normal for this time of the year when students who have been taking examinations tend to turn to the exchanges in fairly large numbers for employment assistance. The cumulative figure of the registered unemployed rose by over 10,600 with the result that the number of unemployed registrants at the end of April was once again over 600,000. This increase reversed the favourable trend of the two preceding months. There was a rise in the number of vacancies notified and in the placements effected; but the increase which was approximately 800 and 200 respectively could hardly be said to indicate any change in the employment situation in general. It has been observed, however, that the number of vacancies notified to Exchanges during the month was the highest figure recorded since May 1953. This was chiefly the result of a steady increase in the number of jobs occurring in Government establishments, but the vacancies arising in the private sector notified also increased for the second consecutive month.

Shortages in respect of efficient stenographers, typists, trained teachers, experienced draughtsmen, overseers, surveyors, trained compounders, midwives and nurses continued to be reported by most of the exchanges. Dearth of highly qualified engineers, experienced doctors, health visitors, sanitary inspectors, boiler makers and tractor drivers was also reported by a number of exchanges. Registrations recorded an increase of 5,266 as compared to previous month. Notable increase in registrations were effected by employment exchanges in the States of Uttar Pradesh (3,023), Andhra (985), Hyderabad (694), Bombay (681), Madras (454) and Travancore-Cochin (454). The employment exchanges in Madhya Pradesh and Bihar on the other hand, reported a fall of 1,130 and 993 respectively over the previous month's figure.

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Registrations and placings.- The following table shows registrations for employment and placings during April 1955, and March 1955:-

		April 1955	March 1955
Registrations.	---	125,141	119,875
Placings.	---	13,962	13,763

A total of 75,375 applicants were submitted to employers for selection during April 1955, as against 77,463 during the previous months. A total of 13,962 placements were effected by the exchanges as against 13,763 during the preceding month. A small increase of 199 in placements was thus recorded. A comparatively large increase in placings was reported by the exchanges in Uttar Pradesh (741), Bihar (414), Himachal Pradesh (206), and Madhya Pradesh (185). There was a fall in placements in the States of Delhi (381), the Punjab (342), Travancore-Cochin (188), and Andhra (179). Of the total number of placements effected 10,099 were in Central and State Government establishments and 3,863 were with private employers.

Placings by wage groups.- The table below shows placings, during the month classified according to wage groups:-

<u>Wage groups</u>		<u>Number placed</u>
101 rupees and above.	--	1,939
61 - 100 rupees.	--	6,499
30 - 60 rupees.	--	5,001
Below 30 rupees.	--	523

Vacancies notified.- The number of employers who used the exchanges during the month was 4,935 as against 4,847 during March. The number of vacancies notified by them was 23,522 as compared to 22,706 during March 1955, i.e. an increase of 816. A comparatively large increase in the number of vacancies notified was reported by the exchanges in Himachal Pradesh (1,020), Bombay (594), Bihar (484), Madras (436) and West Bengal (198). On the other hand, a fall in the vacancies notified was recorded in Uttar Pradesh (770), Madhya Pradesh (307), Rajasthan (299), Bhopal (222), Travancore-Cochin (194) and Hyderabad (186). Of the vacancies notified 17,160 were in the Central and State Government establishments and 6,362 were in private concerns. There was an increase of 578 vacancies in the Public Sector and 258 vacancies in the Private Sector.

Register of unemployed.- The number of persons seeking employment assistance through the exchanges on the last day of the month under report was 606,506 which was 10,678 more than the figure as at the end of previous month. Of these on the Live Register 3,903 were known to be employed persons who desired further employment assistance. The composition of Live Register occupationwise is shown below:-

<u>Occupation</u>		<u>No. on Live Register as on 30 April 1955.</u>
Industrial supervisory.	--	4,330
Skilled and semi-skilled.	--	51,186
Clerical.	--	174,063
Educational.	--	19,502
Domestic service.	--	22,096
Unskilled.	--	301,439
Others.	--	33,890
Total.	--	<u>606,506</u>

Employment position of special types of applicants.- The Employment position regarding special types of applicants during ~~April~~ 1955 is shown in the following table:-

<u>Category</u>		<u>Registrations</u>	<u>Placings</u>	<u>No. on Live Register.</u>
1. Displaced Persons.	--	8,557	1,038	52,294
2. Ex-Servicemen.	--	6,918	1,214	30,472
3. Scheduled Castes.	--	12,967	1,850	59,301
4. Scheduled Tribes.	--	1,237	249	4,684
5. Anglo-Indians.	--	302	34	516
6. Surplus and Discharged Central and State Government employees.	--	1,842	821	9,750
7. Highly qualified.	--	610	102	4,353
8. Educated applicants.	--	83,588	12,428	184,934
9. Women.	--	4,998	775	24,016

Special study on Mobility of Labour.- The employment service made a study of the problem of the mobility of registrants in shortage and special categories. The results show that the degree of mobility of labour in India is very limited. This is brought out by the fact that although registrants belonging to shortage and special categories numbered approximately 37,000 at the end of February, the total number of registrants who were prepared to accept jobs anywhere in India as on 15 of March, 1955, was only 3,893. The mobility of applicants within particular States was as follows:-

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Geographical area/State within which applicants were prepared to accept employment.	Number of mobile applicants seeking employment in that area/State.
Andhra	199
Assam	90
Bihar	292
Bombay	438
Delhi	339
Hyderabad	333
Madhya Pradesh	120
Madras	406
Orissa	118
Punjab	470
Uttar Pradesh	676
West Bengal	771

In practice, it has been found necessary and desirable to restrict the trades and occupations in respect of which mobile labour returns and mobile labour location statements are issued. This is because it has been found, that in most trades local supplies of manpower are readily available to meet local demands. To encourage mobility in these circumstances is considered undesirable. At present, the list of trades and occupations and types of applicants who are included in the Mobile Labour Location statements is as follows:-

Turners	Veterinary Doctors
Machinists	Agricultural Graduates
Tractor Mechanics	Agricultural Diploma Holders
Boiler Makers	Agricultural Machine Operators
Welders	Headmasters
Boiler men/Stokers	Teachers (High School)
Linesmen	Teachers (Middle School)
Electricians	Teachers (Elementary School)
Draughtsmen Civil/Architectural	Physical Training Instructors
Draughtsmen Mech./Electrical	Social Education Organisers
Electrical Engineers	Stenographers (English/Hindi)
Civil Engineers	Accountants
Overseers	Co-operative/Panchayat Inspectors
Road Roller Drivers	
Excavating Machine Operators	Surveyors
Doctors Allopathic	Graduate Discharged Government employees.
Health Visitors (Male/Female)	
Nurses (Male and Female)	Scheduled Caste/Schedule Tribes graduates.
Dispensers/Compounders	Schedule Caste/Schedule Tribes
Midwives.	Matriculates.
	Anglo Indian Graduates.

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The process of making information about the location of mobile applicants has undoubtedly led to a slight improvement in the distribution of manpower through exchanges to meet shortages. Certain very obvious factors, however, militate against the ready movement of job-seekers. A very frequent cause for refusal of a job in another area is the inability of employers to provide accommodation for those they intend to employ. Another factor is the unwillingness of employers to contribute towards the travelling costs of job-seekers. There is also a general and natural reluctance on the part of registrants to leave an area where family ties and other social contacts and obligations hold the job-seekers down and it is only when enhanced emoluments offered and alternative conditions of work to some extent compensate for this general uprooting that a successful submission occurs. Another factor is the general tendency of employers and job-seekers to refuse to commit themselves to a reasonably long period of engagement. This is understandable, in that neither employers nor employees like to commit themselves without some reasonable assurance of stability. On the other hand, there can be little doubt that a large number of vacancies remain unfilled in the country because supplies of suitable local personnel are not available.

In general it may however be said that the procedure devised by the employment service has undoubtedly helped to make distant employment opportunities available to local registrants at Exchanges and made distant competent job-seekers more accessible to local employers.

(Review of the Work done by the Directorate General of Resettlement and Employment during the Month of April 1955, issued by the Ministry of Labour, Government of India).

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83. Vocational Training.

India - June 1955.

Labour Ministry's Training Schemes: Progress during April 1955.

Training of craftsmen.- ~~Present~~ According to the review of the working of the Directorate-General of Resettlement and Employment for the month of April 1955, the number of trainees on the roll of various training institutes and centres on 30 April 1955 was 6,643. There were 5,022 trainees in the technical trades and the remaining in vocational trades.

Training of displaced persons.- The total number of displaced persons undergoing training as at the end of April, 1955 was 2,153 of whom 1,804 were in technical trades. The remaining were undergoing training in vocational trades.

Apprenticeship training for displaced persons.- A total of 579 displaced persons were undergoing training as apprentices in industrial undertakings and establishments in Uttar Pradesh and West Bengal against 1,400 seats sanctioned. They were recruited and posted direct to the undertakings and establishments concerned.

Training of women.- A total of 453 women were undergoing training at the end of the month under report at the three women's training institutes in New Delhi, Dehra Dun and Madras. In addition 15 women at the Industrial Training Institute, Kakinada, 60 at the Industrial Training Institute, Almora, 27 at the Industrial Training ~~Centre~~ Institute, Alambagh, Lucknow, and 4 at Industrial Training Centre, Orissa, Orissa Poor Cottage Industries, Cuttack, were also undergoing training.

Training of Supervisors and Instructors.- In the fourteenth regular session which concluded on 30 April 1955, 94 supervisors and instructors appeared at the final examinations during the month under report.

Training of School going children in Hobby Centre, Allahabad.- The number of trainees which decreased due to school examination, has started increasing gradually and 98 trainees were undergoing training at Hobby Centre attached to the Industrial Training Institute, Allahabad.

(Review of the Work done by the Directorate-General of Resettlement and Employment during the Month of April 1955, issued by the Ministry of Labour, Government of India).

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85. Migration and Colonisation.

India - June 1955.

Central Government's Final Compensation Scheme
for Displaced Persons from West Pakistan.

Mr. Mehr Chand Khanna, Union Minister for Rehabilitation announced on 8 June 1955 the final compensation scheme for properties left behind in West Pakistan.

Mr. Khanna said that, the scheme which was heavily weighted in favour of the poor and middle class families, had been drawn up on the "socialistic pattern".

This scheme will replace the interim compensation scheme which came into effect in November 1953 (vide pp.80-82 of the report of this Office for November 1953). Under this scheme nearly 50,000 persons have been paid an aggregate of a little over 140 million rupees - 102,450,214 rupees in cash, 16,467,208 rupees by adjustment and 21,296,053 rupees in the shape of property. Apart from this, 10,264 persons have been given 203,896 acres of land.

According to the scheme, those who have claims up to 2,000 rupees will receive 66.6 per cent of their verified claims; those with claims between 5,000 rupees and 10,000 rupees from 50.6 per cent to 41.1 per cent; those between 10,000 rupees to 20,000 rupees from 41.1 per cent to 33.3 per cent; between 20,000 rupees and 50,000 rupees from 33.3 per cent to 20 per cent; and those between 50,000 rupees and 100,000 rupees 20 per cent. Thereafter, the percentage decreases progressively to 11.11 per cent on a verified claims of 1.8 million rupees. Beyond 1.8 million rupees irrespective of the value of the verified claim, the ceiling of 200,000 rupees will operate.

Mr. Khanna also announced that the Government had decided to make permanent the quasi-permanent allotment of land in Punjab and P.E.P.S.U. to nearly 500,000 families of displaced Punjabi landowners and displaced landowners of Punjabi extraction.

The Minister announced that the final compensation scheme applications for compensation would be called this month from all the remaining claimants - about 250,000 out of a total of 390,000.

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He said although no priority was being fixed for inviting applications from the remaining claimants, priority in payment of compensation would certainly be given to small claimants whose pace of rehabilitation might be retarded, if compensation was not paid to them in one instalment. As far as possible, he indicated, it was intended to pay off claimants whose compensation was 50,000 rupees or less in one instalment.

(The Hindustan Times, 9 June 1955;
The Statesman, 9 June 1955).

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CHAPTER 9. SOCIAL SECURITY.

INDIA - JUNE 1955.

92. Legislation.

Assam Tea Plantations Provident Fund Scheme
Act, 1955 (Assam Act X of 1955).

The Government of Assam has published on 15 June 1955, the Assam Tea Plantation Provident Fund Scheme Act, as adopted by the State Legislature. The Act provides for the framing of a compulsory provident fund scheme for workers in the tea plantation in Assam.

(For details, please see pp. 58 of this report).

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LIST OF PRINCIPAL LAWS PROMULGATED DURING THE
PERIOD COVERED BY THE REPORT FOR JUNE, 1955.

INDIA - JUNE 1955.

Chapter 3. Economic Questions.

- (a) The Finance Act, 1955 (Act No. 15 of 1955). (The Gazette of India, Part II-Section 1, 28 April, 1955, pp. 139-182).
- (b) Madhya Pradesh Housing Board (Amendment) Act, 1955 (No. VIII of 1955). (Madhya Pradesh Gazette, Part IVB, 17 June 1955, pp. 667-671).

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

- (a) Assam Tea Plantations Provident Fund Scheme Act, 1955 (Assam Act X of 1955). (Assam Gazette, Part IV, 15 June 1955, pp. 21-25).
- (b) Ajmer Abolition of Intermediaries and Land Reforms Act, 1955 (III of 1955). (The Gazette of India, Extraordinary, Part II-Section 1, 30 May 1955, pp. 285-317).
- (c) Travancore-Cochin Prevention of Eviction of Khudikidappukars Act, 1955 (Act XIII of 1955). (Travancore-Cochin Gazette, No. 23, dated 7 June 1955, Part I, Section III, pp. 1-4).
- (d) The Reserve Bank of India (Amendment) Act, 1955 (No. 24 of 1955). (The Gazette of India, Part II-Section 1, 11 May 1955, pp. 265-268).

Chapter 5. Working Conditions and Living Standards.

- The Hindu Marriage Act, 1955 (No. 25 of 1955). (The Gazette of India, Extraordinary, Part II-Section 1, 18 May 1955, pp. 269-281).

BIBLIOGRAPHYINDIA - JUNE 1955.Chapter 5. Working Conditions and Living Standards.

- * The National Sample Survey No.6. Survey of Faridabad Township, March-April 1954, by Pitambur Pant. Issued by the Department of Economic Affairs, Ministry of Finance, December 1954. Price Rs.4. pp. 155.

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* Publications received in this Office.