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INTERNATIONAL LABOUR OFFICE
INDIA BRANCH

Industrial and Labour Developments in November-December 1959.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - NOVEMBER-DECEMBER 1959.

12. Activities of External Services.

Lectures.

(a) On 14 November 1959 the Director of this Office addressed the Members of the Administrative Staff College of India at Hyderabad. The subject of his address was "Labour Legislation".

(b) Under the auspices of the Delhi Productivity Council a symposium on 'Human Problems in Industry' was held at New Delhi on 19 November 1959. The Director of this Office attended the symposium and read a paper on the subject. Other speakers included the Vice Chancellor of the Delhi University, the Deputy Minister of Labour and Mr. John Marsh, Chairman of the British Council of Welfare.

(c) On 9 November 1959 the Director gave an informative talk on the ILO to the students and staff of the St. Stephen's College, University of Delhi.

(d) On 23 November 1959 the Director of this Office addressed Employment Officers attending a training course organised by the Directorate General of Resettlement and Employment. The subject of his lecture was "The International Labour Organisation".

(e) Under the auspices of the Indian Institute of Public Administration, Mr John Marsh, Director, Industrial Welfare Society gave a lecture on "Recent Trends in Industrial Welfare Administration in United Kingdom" on 19 November 1959. At the invitation of the Indian Institute of Public Administration, Shri V.K.R. Menon Director of this Office, presided over the function.

(f) On 14 December 1959 the Director addressed the members of the Study Circle and Staff of the Delhi School of Social Work on "Labour Legislation in Asia".

Meetings, Conferences, etc.

(a) Shri Menon attended on 8 December 1959 the meeting of the Sub-Committee of the Indian Labour Conference on the Draft Code of Efficiency and Welfare. At the personal request of the Shri G.L. Nanda, Union Minister for Labour and Employment, Shri Menon agreed to be the Chairman of a tripartite committee, set up at the meeting, to consider and recommend on guiding principles for co-operation between employers and workers to promote drive for efficiency at the plant level. The other members of the Committee are the following:- Shri B.N. Datar, Labour and Employment Adviser, Ministry of Labour and Employment and Shri H.D. Shourie, Executive Director, National Productivity Council, representing Government; Shri P. Chentsal Rao, Secretary, All India Organisation of Industrial Employers representing management; and Shri S.C.C. Antony Pillai, M.P., representing workers.

(b) The Director of this Office attended the 11th Annual Session of the Indian Conference of Social Work held at Hyderabad from 27 - 31 December 1959. He was the Chairman of the panel on "A Social Policy for India".

Publications

During the period under review, ILO Bulletin, Vol.VI, No.4, was brought out by the Branch Office.

Contacts

On 30 October 1959, Shri V.K.R. Menon, Director of this Office attended a State dinner given by the Union Minister of Labour and Employment and Planning in honour of H.E. Mr. Milentije Popovic, Member of the Federal Executive Council, Government of Yugoslavia.

Mr. Popovic was the leader of a three-member Yugoslav Government delegation on a good-will mission to India. During its month's tour of India the Delegation visited many factories and development projects.

Chapter 2. International and National Organisations

25. Wage-Earners' Organisations.

India - November-December 1959.

Bombay: Members' Benefit Scheme of Mill Mazdoor Sabha.

The Mill Mazdoor Sabha, Bombay, has launched a Benefit Scheme for the members. The scheme was formally inaugurated by Shri S.M. Joshi on 15 November 1959 at a well-attended function.

For details, please see Section 91, pp. ¹⁶⁴⁻¹⁶⁵ of this Report.

28. Employers' Organisations.

India - November-December 1959.

Annual General Meeting of Associated Chambers of
Commerce, Calcutta, 5 December 1959: Linking of
Linking Labour Cost and Productivity
suggested.

The annual general meeting of the Associated Chambers of Commerce was held at Calcutta on 5 December 1959. The meeting was presided over by the President of the Associated Chambers, Shri J.D.K. Bhowm, and inaugurated by the Union Finance Minister, Shri Morarji Desai.

The meeting, among others, adopted a resolution on labour costs and productivity. The resolution emphasises the need for increased output; to achieve which it suggests the linking of wage increases to productivity and minimising industrial disputes and indiscipline.

Finance Minister's address: More investment envisaged: Foreign Capital welcomed.- Shri Morarji Desai, the Union Finance Minister, in his address said that there had been considerable *improvement* /last year in the domestic economic situation. The production potential, both in agriculture and industry had been strengthened. In support of the statement he referred to a record crop of 73 million tons, an increase of about 6 per cent in industrial production and somewhat higher foreign exchange reserves.

As against these encouraging features of the country's economy, Shri Desai stated that the price level had not fallen, it had, in fact, shown a rise.

"I should add that our problems are not short-term ones and we have to go a long way before we can think of relaxing our efforts to invest more and produce more."

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L.I.C. Investment Policy.- Shri Desai explained, the Government's policies regarding investment by the Life Insurance Corporation, reliance by industry on borrowed funds and planning. The question ultimately was, he said, how fast the economy could develop or, in other words, how quickly the community's purchasing power could be raised.

The LIC's investment policy had been clearly defined and private industry would continue to receive due support from it. The solution to many of today's problems was to be found not by looking at different sectors of the economy in isolation from the one another but by considering the needs and possibilities of the economy as a whole.

Taxation.- As regards taxation the Minister said the he had necessarily to be reticent on this topic as what he might say might have a bearing on the next year's budget. He, however, said that he would always be prepared to consider questions regarding taxation on merits and to see that there was no avoidable hardship or inequity.

Presidential address.- Shri J.D.K. Brown, in his presidential address assured the Government that the interest represented by the Chambers would not lag in furthering India's advance to a self-sustaining economy with its hopeful promise of a better life for all.

India, he said, would reach its goal its own way and in its progress would absorb much from other economic system. Other nations would also learn from India in its progress towards economic betterment much of outstanding value in what was, by any ~~existing~~ standards, a stupendous undertaking; one that was not, indeed, quite like anything hitherto attempted under a democratic system of Government.

India's reputation as a stronghold of financial stability had been severely tested in the past 18 months or more and he believed the manner in which the Government had tackled the foreign exchange problem had earned for India an enhanced reputation abroad. This would stand it in good stead not only in securing assistance and support in financing development projects in the public sector but also in attracting private investment on a long-term basis if due attention was paid to other factors.

Throughout 1959 encouraging progress had been made in mobilising resources and production, he added.

Shri Brown referred to certain significant fiscal and legal developments, particularly the changes in the structure of corporate taxation, introduction of the Companies' Amendment Bill, problems of production and distribution, the declining trend of company profits, the "unfortunate position of foreign companies holding minority interests in Indian companies," absence of adequate outlets for investment by the Life Insurance Corporation and banks and the increasing dependence of industry on borrowed money for its finance.

Aid for Third Plan.- Speaking on the third Plan, Shri Brown expressed fears regarding the future use of deficit

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financing since the stability of currency was of paramount importance. In the same context he said the shape and form in which the third Plan was presented was bound to have a bearing on India's ability to attract foreign capital, whether in the form of loans to the Government or as private investment.

Taxation problems.- Shri Brown felt that the time had come when the whole question of the justification for differential rates of tax on the profits of foreign companies should be re-examined. Abolition of differential rates would be regarded abroad as a real earnest of India's desire to attract and retain the foreign capital which the country so badly needed.

Although the tax on excess dividends and the wealth tax on companies had been withdrawn, the tax on bonus issues had been retained and its scope extended to cover issues made out of share premium account balances. They had tried to see the justification for such taxation, but he confessed they seemed to have failed. The Taxation Inquiry Commission in India, the Royal Commission on Taxation of Profits and Income in the United Kingdom and Professor Nicholas Kaldor seemed also to be opposed to the levy of this tax.

Shri Brown wanted a revision of the corporate tax structure in order to remove certain anomalies and inequities so that the system was rendered more adequate for its purpose.

He asked that careful consideration be given to the Companies' Amendment Bill, particularly to longer term effects and implications of its clauses dealing with the investment of company funds and prohibiting the appointment of any subsidiary of a body corporate as a managing agent, still today a very important sector in the economy of the country.

About the downward trend of corporate profits in recent years, Shri Brown said it was a matter of considerable consequence to future industrial financing and development since out of these profits money had to come to repay the debt being incurred to set up fairly high cost production industries. He thought the answer to the decline in profit ratio was to be found in increasing costs of production coupled with higher capital costs.

Resolutions: Need for greater output.- The meeting, among others, unanimously adopted a resolution on labour costs and productivity. The resolution reads:

"The Associated Chambers of Commerce are convinced that, at the present time, Indian Industry's greatest need is increased productivity. The steady and widespread improvement in the wages and amenities of labour over the last ten years having failed to bring about a proportionate increase in output, the Chambers would urge that, in the interest of the country's economic progress, it should be accepted as a national objective that future wage increases can only be effected by linking such increases to increased productivity and that, with the same object, further efforts should be made by all concerned to reduce losses of output through industrial disputes and labour indiscipline."

Moving the resolution on behalf of the proposer, the Upper India Chamber of Commerce, Shri J.K. Srivastava, made a convincing plea for an attitude of give and take between employers and workers. He said that productivity was a cumulative result of the operation of a large number of factors such as technological improvement, rate of operation, degree of efficiency, availability of raw materials and components, labour relations, skill and effort on the part of the workers as well as managerial ability. The management was not unmindful of the factors other than the effort of workers contributing to productivity. After emphasising that employers in general had not only fully realised their duty to workers but had given to the general body of workers more than what they and the country had received in return, he said that: it was now for the worker to reply what had been given to him by way of increased wages, better amenities and the benefits of a mass of labour legislation, which, for the rapidity of its enactment and enforcement, was probably without precedent in any other part of the world. He added: "And the repayment can be made only by the workers agreeing to link up any further rise in wages with a corresponding increase in productivity, and further to implement in action as well as in words that portion of the recent Code of Discipline that relates to strikes without any justifiable cause and to indiscipline in general. There must, in short, be co-operation from the side of labour in return for all that has been done for it in the course of the last decade."

One of the most disturbing features of Indian economy, Shri Srivastava rightly pointed out, was the high cost of production of most of the manufactures. The constant demands for higher wages and for what were known as fringe benefits, according to him, had loaded the cost structure with burdens which the industry could not bear if it were to be in a position to compete in international markets. High cost, and the consequent high price, met with consumer resistance in the internal markets also.

Shri Srivastava said that trade union laws have a direct impact on industrial relations. According to him, defective laws have, to a significant extent, encouraged indiscipline and unhealthy unionism. The provisions of the Industrial Disputes Act in particular which allowed seven or more persons to apply for registration of unions, according to him, were directly responsible for the mushroom growth of trade unions. He urged the Government to amend the Act, so that, instead of a number being fixed as the minimum, the criterion for membership for registration should be on a percentage basis, say, for example, 33-1/3 per cent of the workers employed in a particular unit. As the Act is now being applied to all sorts of enterprises, big and small, it will also be necessary to qualify this percentage by specifying a minimum in number, too, subject to the condition that the higher of the two should prevail.

Secondly the resolution on behalf of the Bengal Chamber of Commerce and Industry, Shri H.M.L. Williams stated that, given sufficient raw materials, no one single factor did so much damage to the prosperity of an industry as a machine which was idle when it should be producing. He said that just as a grounded aircraft was of use only to the enemy, an idle machine was of benefit only to India's competitors. He suggested that, in the interest of higher production, the slogan should be "Keep the wheels turning".

Shri H.C. Mahindra, who supported the resolution on behalf of the Punjab and Delhi Chamber of Commerce, observed that the most distressing feature which continued to contribute to loss of output was the attitude of State Governments - the approach they brought to bear on the administration and implementation of labour legislation. As an example, he cited the conciliation machinery provided under the Industrial Disputes Act which, according to him, more often than not served merely as a reporting organisation, resulting in discriminate reference of even frivolous points for adjudication. This tended to undermine efforts to stabilise conditions conducive to industrial peace. There was, therefore, an immediate need for not only expert study at Governmental level of cases, precedents and practices already established by law but also determination on the part of State Governments to establish industrial peace on the basis of mutual rapprochement and understanding between labour and employers.

(The Statesman, 6 December 1959 ;
"Commerce", Vol.XCIX, No.2543,
19 December 1959, page 1042).

F.I.C.C.I. Seminar on Planning: Businessmen agree
100,000 Million Rupees Plan Outlay Feasible: Suggest
Reorientation of Economic Policy.

A three day Seminar on Planning was organised by the Federation of Indian Chambers of Commerce and Industry from 25 to 28 November 1959 at New Delhi. Representatives of the constituents of the Federation, of the Planning Commission, of the economic Ministries of the Government of India, of the World Bank, together with a number of economists, Indian and foreign, participated in the Seminar or attended it as observers. The idea behind the Seminar was, according to the President of the Federation, "to provide an opportunity for free but reasonable discussion on alternative approaches which could be taken towards the formulation of the Third Five Year Plan".

Shri Morarji Desai, Union Finance Minister, inaugurated the Seminar on 25 November 1959. Thereafter the various participants formed themselves into four panels to consider:

1. Industrial policy, programmes and priorities, (Chairman: Shri A.M.M. Chettiar);
2. Transport development, power generation and other services (Chairman: Shri Lalchand Hirachand);
3. Agriculture and allied developments (Chairman: Shri Shri Ram); and
4. Labour and other social problems (Chairman: Shri Naval H. Tata).

On each of the three days of the seminar there were luncheon meetings, addressed respectively by Dr. P.S. Lokanathan, Director of the National Council of Applied Economic Research, New Delhi; Shri G.L. Mehta, former Indian Ambassador to the United States; and chairman of the Industrial Credit and Investment Corporation of India; and Prof. Max Milikan, Director of the Centre for International Studies, Massachusetts Institute of Technology.

The discussions in the four Panels that as also the Luncheon speeches, assessed the processes and results of planning, particularly in India, from different points of view and perspective. These discussions and speeches revealed that there was much to learn and unlearn with regard to India's future approach to planning. The need to concentrate on areas, in both regional and functional senses, which for one reason or another, the First and Second Five Year Plans 'by-passed', emerged pointedly. There was general consensus of opinion that the Third Plan should be devised in such a way that it was, in the words of Shri G.L. Mehta, "somewhat less influenced by determined by the facts of the world and of the country in which we live".

The Seminar also appreciated the complementarities in economic activity, between supply and demand generally, and more specifically between agriculture and industry, between small-scale and large-scale enterprises, between consumer goods production and producer goods production, between public and private sectors, between maximum reliance on domestic financing and foreign financing, etc.

The Seminar attached particular importance to agricultural production and agricultural productivity. This was recognised as imperative to the success and rate of growth in the economy generally and even for securing rapid industrialisation.

The final Declaration of the Seminar, after taking note of the recommendations of the different Panels, firmly opined that the size of the Plan should be sufficiently in advance to that of the outlay in the Second Plan so as to ensure a reasonably high rate of increase both of the gross national product as well as per capita income and output. However, as the Statement observes, "The eventual outlay as well as the success of the Third Plan would depend upon two factors, viz., measures which would encourage savings and capital formation and the adoption of administrative procedures which could allow the largest possible increase of industrial and other enterprises of all sizes".

Finance Minister's address: New export drive urged.- Shri Morarji Desai, in his inaugural address gave a general indication of the Government broad approach to the Third Plan. He emphasised that the Plan must serve the social objectives already laid down - the building of a socio-economic pattern which answers human needs. There should be rapid development but its benefits should accrue to the largest number and not to a few.

Business men and industrialists, Shri Desai said, had a point of view which deserved consideration. But the Plan was essentially a national effort, for it had to be ultimately accepted and implemented by the people at large.

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The Finance Minister rejected the "fatalist view" that the next Plan should be of a size, which could be implemented without undue strain.

Both the public and private sectors were agreed that the maximum possible expansion should be undertaken. The size of the Plan would depend on the "hardships and sacrifices" which the people were prepared to undergo.

Mobilising savings.- Shri Desai reminded business men that taxation in the modern State was not a one-way traffic. Its fruits went back to the community, though not to the same set of people. Cavilling at taxes was short-sighted and evading them was worse.

Efforts to mobilise savings on a substantial scale would continue. Profits of public enterprises would be another source of finance.

As regards foreign aid, there was warrant for reasonable optimism.

But the success of the Plan would depend on domestic resources. It was vital to develop the industrial potential. The important thing was to get the job done.

Shri Desai urged greater attention to exports. Two of the main items, tea and jute manufactures, were largely the result of foreign enterprise. It was essential to keep the costs down. Indian industries had so far been sheltered by tariffs and import restrictions. The problem of rapid but well-balanced industrial development was one of the most important problems before the country.

Shri Desai said finance was a common denominator for many types of resources. It was the job of planning to put the resources to the best use possible. Finance had often to take the blame even where there was managerial failure.

Industrial Policy.- The panel on industrial policy programmes and priorities, which was headed by Shri A.M.W.M. Chettiar, said that although by and large the Government's industrial policy was directed to ensure that both public and private sectors function on a complementary and developing basis, in actual practice there were many restrictive features impeding speedy development in the country.

A pragmatic approach to the industrialisation of the country was called for. Private enterprise should not be precluded from entering into production in specific lines ~~xxx~~ merely on the ground that these lines were reserved for public sector. Whenever private enterprise came forward with concrete plans, these plans should be judged by reference to criteria, such as efficiency and costs rather than the limited factor of previous inclusion of these projects in the public sector.

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Governmental rules and regulations should be suitably streamlined. A careful study should be made of the legislative measures to simplify them.

There was scope for all sizes of industries, big, medium and small, and for their dispersal evenly over the country. It was, however, felt that a flexible approach should be pursued in this behalf and it would not be conducive to either rapid or harmonious development if rigid percentages were fixed and areas demarcated for the different industries.

One view expressed was that capital goods and machine-building industry should be given high priority. It was also held that the consumer goods industries in India could not be said to have developed so fully as to be able to meet the increasing requirements of ^{an} growing population. There was general agreement on the point that a synchronization between capital goods and consumer goods industries should be secured.

The panel felt that in view of the great scope for development in these and other lines it was necessary that the utmost encouragement should be given to the private sector. In particular, it was desirable that the co-operation of the private sector, both Indian and foreign, was sought for the exploration of the oil resources of the country.

The panel expressed concern over the possible effects of unregulated deficit financing in the economy generally and the inflationary effect on price levels on fixed income groups and on the volume of savings in the country. It was agreed that deficit financing as a provider of funds for the third Plan would have to be utilised with caution if inflationary forces were to be contained and not aggravated.

The panel laid stress on the importance of developing our exports with a view to augmenting foreign exchange earnings. It was felt that the various export incentives that were being given at present were all right as far as they went and even they needed to be made more readily available. Costs should be maintained at competitive levels.

It was felt that the Government interference as, for instance, in the fixation of the terms between the Indian entrepreneur and his foreign collaborator, should be kept at a minimum and that the policy in this regard should be such as to provide adequate incentives to both the Indian collaborator and his counterpart. As far as possible, royalties should be made tax-free.

Transport.— The panel on transport, power generation and other services, which was headed by Shri Lalchand Hirachand, suggested an outlay on transport of between 22 and 25 per cent of the total outlay for the third Plan. All ideological predilections should be eschewed.

About co-ordination of transport, it recommended the setting up of a suitable machinery on a statutory basis for ironing out the difficulties that might arise in maintaining a healthy competition between various means of transport.

forms /

The third Plan, the panel said, will have to give top priority to development of roads. The fear or nationalisation of road transport which had hampered the growth of road transport should be completely removed by giving assurances of security of tenure on long-term basis. The present attitude of viewing all other forms of transport secondary to the railways should be completely changed and each form of transport should be given its legitimate place in the over-all transport system of the country, the panel said.

sector /

In respect of the railways the essential need was modernisation of equipment and improvement in operational efficiency. The development of air services will rest largely with the State but the private sector should be enabled to participate in the scheme of development of commercial air transport.

Coastal shipping the panel urged should receive a relatively higher priority than in the current Plan.

While all available water power potential of the country should be surveyed and exploited as early as possible, as the bulk of the river systems in the country are monsoon fed, it was more important in the interest of balanced development that there was adequate firming up by thermal capacity - an insurance against power cuts.

The panel suggested that India should await for progress in nuclear technology before plumbing for large scale nuclear power development. But the one nuclear power plant of 250 M.W. visualized would be a forward step well worth taking in the interest of the country acquiring experience in this branch of technology.

Food production.- The panel on agriculture and allied developments, which was headed by Shri Shri Ram, stressed the need for accelerating the rate of food production and suggested that specific responsibilities should be assigned to specific departments and officers at all levels of administration, even to the village level including panchayats, wherever they were active and there should be a regular procedure by which the performances of each unit were periodically evaluated and judged.

Referring to the Government of India's proposal to set up a statutory body to advise them on the fixation of prices of food grains, the panel said that any such organisation should restrict its operations to cereals and to determine floor prices for each region.

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Fullest use should be made of the existing trade channels in the distribution as well as collection of food grains both in surplus and deficit areas. The existence of malpractices by a very small minority did not justify the distrust of an entire community whose services are as essential as they are inexpensive. The handling costs and wastage in the distribution of foodgrains were found to be much lower with traders than with distributive agencies established by the Government for rationing.

Considerable care should be exercised while trying to induce changes in the institutional structure, particularly with regard to farming co-operatives. These bodies should remain purely voluntary organisations and no pressure even indirect, such as difficulties in securing credit or other supplies should be allowed in any part of the country.

Labour and other social problems.- The chairman of the panel on labour and other social problems was Shri Naval H. Tata, the panel discussed the several aspect of employment, wages and allied questions such as industrial relations in the context of the objectives of achieving rapid and harmonious growth and improvement in the standard of living of the people. There was a general discussion on the basic problems as affecting or raised by labour in different sectors of the country's economy, viz., the organised industrial sector, the unorganised sector which would include small-scale and cottage industries and lastly, the agricultural sector.

It was felt that the labour problems being inter-related in all these sectors, they should be viewed as a whole. Efforts to better the lot of workers in the organised sector only without at the same time taking into consideration the lot of workers in the other sectors, would not be in the best interests of the country, as that would let loose numerous problems like discontent in the other sectors, consequent needless drift of labour from one sector to the other and accentuate the migration from rural areas to urban areas. It was recognised that, in the advancement of the welfare of workers in the different sectors, though it may not always be possible to maintain the same pace in all sectors and, therefore, some measure of disparity was inevitable, it should be the objective of planning to ensure that such disparities do not grow and welfare of workers in the different sectors of the economy goes forward in a balanced manner.

The Panel, however, recognised that industrial growth will have no meaning unless it leads also to increased well-being of the working class as a whole. It was also not possible to advocate a wage freeze unless the price line could be held. The problems created by inflation had to be reckoned with and it would be futile to expect any satisfactory solution of labour problems unless the more basic economic problems were also tackled at the same time. The solution of several labour problems ~~xxx~~ does not lie so much in the labour field as in the rectification of economic imbalances at crucial points such as production, prices and the like.

After a discussion of the general aspects of the subject under consideration, the Panel proceeded to discuss certain specific questions and a brief account of the discussion is ~~xxx~~ given below:

Employment.- The Panel recognised the seriousness of the employment problem and viewed with considerable concern the increase in the ranks of the unemployed, especially the educated non-technical persons.

It was noted that, if unemployment was to be completely eradicated, it would require the creation of 21 million additional jobs during the Third Plan period and it might not be possible to do so having regard to the resources of the country.

With intensive cultivation and other efforts to increase agricultural efficiency, there was unlikely to be any increase in the employment opportunities in the agricultural sector. The need, therefore, to accelerate industrial development was ~~clearly~~ clearly indicated with a view to providing further employment opportunities for the unemployed and to absorb a major part of the increase in the working force as also the surpluses which would arise from the modernisation and rationalisation of agriculture.

In all cases, employment intensification should not be the sole criterion in deciding the type of industries to be established. The importance of producing goods of quality and at reasonable cost to obtain a continuous and developing demand for the product in the home market must also be borne in mind.

The increase in employment brought about by large-scale industries is generally not fully appreciated. Apart from creating secondary and tertiary employment, by producing more goods of standard quality at a relatively lower cost, large-scale industry creates new demand which in turn generates further employment. In this connection, it was suggested that the growth of feeder industries should be linked to a number of principal producers and that it is not desirable to permit the establishment of a feeder industry based on the demand of a single large-scale manufacturer.

With the growth of large-scale industries, there is and would be dearth of skilled labour and it is in the interest of employers themselves to provide facilities for apprenticeship training. It was felt that employers would extend their voluntary co-operation in this respect if the fears and difficulties which they experienced were ~~xxx~~ realistically examined and eliminated. It should be made quite clear that, by providing training facilities, the employer was not placed under any obligation to absorb the apprentices in his employment.

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Apprentices should also not be treated at par with regular workmen engaged by the employer and they should be excluded from the purview of Trade Union and Industrial Disputes Legislation and Social Security Schemes etc. It is obvious that only industries which have scope for expansion can undertake apprenticeship training. The limitations placed on expansion will not make possible for industries like the textile industry, which is already overstaffed, to contribute to this project.

Industrial Relations.- Dealing with industrial relations, the panel emphasised the desirability of building up speedily leadership among the workers themselves. The question of reducing the number of outsiders on the executive of trade unions should receive more urgent attention at the hands of both the Government and the trade unions.

In order to make acceptable trade unions as bargaining agents, it should be ensured that a dismissed worker was not eligible to serve on the executive of the trade union of the establishment from where he was dismissed and necessary provision be made in the rules governing the registration and management of trade unions.

Wage policy and productivity.- Taking note of the appointment of Wage Boards for cotton textile, sugar and cement industries, the panel felt that the fixation of wages by such wage boards was a better procedure than the adjudicated awards. It was, however, noted with some concern that some of the terms of reference of these Wage Boards had lent themselves to different interpretations and had caused avoidable misunderstanding in the minds of both the employers and workers.

The Panel appreciated the argument for fixing minimum wages. It was stressed that, in computing the minimum wage, care should be taken to ensure that it did not hamper employment and displace industries. It was also felt that the minimum wage so fixed should bear some relation to the per capita national income and should not be out of tune with the prevailing rates of wages in the region. Further, it was stressed that computation of minimum wage should be entrusted to tripartite committees in the respective regions so that a detailed study could be made of conditions prevailing in each region.

During the discussion which ensued on the question of the rate of increase in the emoluments of labour and its comparison with the relative increase in productivity, it was felt that wages had definitely increased but it was difficult to say whether the increase in productivity was attributable to ~~an increase in the efficiency of labour~~ labour efficiency; and if so, to what extent. The general opinion was that a major portion of the increase in productivity had resulted from modernisation and expansion of industry. It was felt that a detailed study in this respect could be undertaken with advantage.

As reliable data and statistics were lacking, it was difficult to assess accurately the part played by incentives as a measure to promote increased output. Generally, the panel was in agreement that incentive schemes should be introduced wherever possible and practicable with a view to bringing about greater production and efficiency.

Statement on Size of Plan adopted.- At the plenary session on 28 November 1959, the Seminar and its constituent panels gave concurrent consideration to desirable and feasible shape and size of the Third Five Year Plan. It was generally felt that the size of the Third Plan should be sufficiently in advance of that of the outlay in the Second Plan as to ensure a reasonably high rate of increase both of the gross national product as well as per capita income and output. It was agreed that simultaneous activity all along the wide economic front was not only desirable but also essential to stimulate the process of development. The actual outlay which could be considered desirable also was considered in some detail. The investment of 100,000 million rupees as envisaged in the Tentative Outline published by the Federation was also discussed in the light of past trends, available and potential resources.

It was agreed that a large sized Plan could only result if resources were allowed to be generated more in the form of savings and capital formation in a direct manner. This could only be possible if suitable modifications, some of which of fairly widespread character, are brought about in taxation measures as well as in administrative procedures.

The eventual outlay as well as success of the Third Plan would depend upon two factors, viz., measures which would encourage savings and capital formation and the adoption of administrative procedures which could allow the largest possible increase of industrial and other enterprises of all sizes.

Should the forces which induce self-generating growth in the economy be strengthened by these means and if efforts are made to suitably quicken the elements of self-growth among the people themselves, the Seminar felt that the eventual size of the Third Plan would not only be the optimum possible, but also lead the country much nearer to the stage where the increase in production and national income becomes almost automatic.

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A suitable improvement in the internal economic climate is necessary to attempt a plan of the size of 100,000 million rupees. Government should take immediate steps to create such a favourable economic climate by reorienting its tax and other policies which at present adversely affect and retard the progress of the private sector. Otherwise under conditions currently obtaining, the country will have to content itself ~~as~~ with a much smaller sized Plan which will not meet our requirements.

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A ~~very~~ small section of the Seminar, however, felt that it might be possible to have a Plan only on the size of 85,000 million rupees.

(Note: A copy of the Report of the Seminar on Planning, received in this Office from the Federation of Indian Chambers of Commerce and Industry, was sent to Geneva under this Office Minute No.D.7/107/60 dated 18 January 1960).

(The Hindustan Times, 27 and 29 November 1959; Report of the Seminar on Planning received in this Office from the Federation of Indian Chambers of Commerce and Industry).

Chapter 3. Economic Questions

33. Full Employment Policy.

India - November-December 1959.

More Work Centres for Educated Unemployed to be opened.

The Government of India announced its decision on 6 November 1959 at New Delhi to open 12 more work and orientation centres in different parts of the country in order to assist the educated unemployed to seek avenues of employment other than white-collar jobs.

For details, please see Section 81, page 55 of this Report.

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34. Economic Planning, Control and Development.

India - November-December 1959.

Central Government to set up Stock Exchange Directorate.

The Central Government has decided to establish a stock exchange directorate with headquarters in Bombay which, apart from maintaining close contact with the stock exchanges will watch the activities of share market ~~operators~~ operators. Its units will be established in Delhi and Calcutta.

This was announced in the Lok Sabha on 17 November 1959 by Shrimathi Tarleshwari Sinha, Deputy Minister for Finance, during discussion on the Bill to amend the Securities Contracts (Regulation) Act, 1956.

(The Hindustan Times, 18 November 1959).

U.N. Mission's Report on Community Development in India:
Emergency Task Force for Agricultural Production Suggested.

India's community development programme has been hailed by the United Nations Evaluation Mission as "one of the major experiments of the 20th century, the results of which are of world-wide interest." The Mission consisted of Mr. M.J. Coldwell (Canada), Chairman; Prof. Rene F. Dumont (France); and Dr. Margaret Road (U.K.).

Organised at the request of the Government of India by the United Nations Technical Assistance Administration, the Mission was assigned to assess the community development programme and its basic objectives, its impact on the basic process of general development and of changing attitudes in the villages, its capacity to contribute to the economic advancement of the country and the results so far achieved. It arrived in India on 5 December 1958, and spent about three months in studying the programme.

The community development programme, according to the report, "represents an effort of unprecedented magnitude to ~~the~~ establish a progressive system of agriculture in a land of impoverished soil and a more democratic social structure in a hierarchical (caste) society."

Emergency task force.- The Mission attaches supreme importance to the need for increasing agricultural production and pleads for greater concentration of staff and funds in areas where irrigation facilities have been provided, or new land has been reclaimed.

In such areas, it suggests formation of an "emergency task force" by increasing the number of village-level workers and strengthening the agricultural extension staff by the addition of crop and irrigation experts. Such a task force might be moved from one area to another wherever economic or agricultural conditions warrant such an intensive programme.

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The rate of expansion of the programme, in the opinion of the Mission, will be "crucial" to the ultimate success of the programme. It urges the Government of India to consider whether, for several years to come, expansion should proceed at the rate accepted for 1959 (300 blocks) or whether the additional efforts should rather be concentrated on consolidating the existing blocks. "A too fast and unrealistic rate of expansion can only multiply existing difficulties and create illusory coverage achievements", it observes.

Youth service.- The Mission supports the principle of voluntary service and considers an all-India plan to utilise man-power as an urgent requirement. The Government, it says, may consider whether the time is ripe for a National Youth Service for specified age-groups.

Investments made so far under community development scheme, the Mission thinks, have tended more in the direction of roads, wells and schools, etc., rather than in the direction of agricultural improvement. The provision of village amenities like paving of the streets and construction of panchayat buildings might be delayed and the money and labour spent on more productive operations.

The Mission regretted that it could not find many community development projects in the village industries sector with a definite link with urban markets. It feels that plans and training for small-scale industries in the rural areas should be made in the light of anticipated future developments, especially of new sources of power that may become available in the next few years.

The Mission appreciates the fundamental importance of co-operative endeavour in community development. It commends efforts to promote service co-operatives, as an aspect of community development for collective purchase and sale and joint use of equipment (such as pumps and, in due course, tractors).

Marketing co-operatives, the Mission opines, should form a major element in any plan for the marketing of agricultural production, particularly of food grains, and producer co-operatives should be the foundation of a national marketing plan.

The current proposal for State monopoly of the grain trade cannot succeed, the Mission observes, unless there is a vast network of local co-operatives for storing and selling grain.

Village Government.- For the success of co-operatives, education of members, initiative and energy in the administrative personnel and advanced commercial training for managerial staff are regarded essential.

In the opinion of the Mission, there are two main aspects of women's programmes. One is the need for teaching skills to women who must earn cash for the sake of their families; the other the integration of teaching of women with that of men in respect of the improvement of house-hold premises and family life in terms of food, health, etc.

Panchayats are so important in laying the foundation of village government, says the Mission, that they should be able to rely to an increasing extent on their own activities for the welfare of the community. They are to be charged with making development plans at the village-level. The report suggests that the State might consider returning to the panchayats a larger percentage of the land revenue.

Dealing with the problems of special groups like Scheduled Castes and Tribes, the Mission observes that the primary school might prove to be one of the most potent influences in removing the social stigma from this group of villagers.

Probably no single aspect of community development work in India, says the report, has received more attention than the training schemes. Other countries, less advanced than India, in establishing a community development movement will find the training schemes in India of great value.

Referring to the change in peoples' attitude brought about by the programme, the Mission endorses findings of various research institutes that in community development areas farming families, are reducing their expenditure on ceremonies like weddings. Instead, they are putting money in improvements of land and farms.

In its direct contacts with villagers, the Mission noticed that the shackles of the old bondage of dependence on monsoon rains were being slowly loosened, demand for better seeds and insecticides was growing and the fatalistic attitude towards disease was disappearing. Although changes in the social sphere appeared slower, village families were sending their girls to schools and early marriages were on the decline.

(The Hindustan Times, 20 November 1959).

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Statutory Board to be set up for fixing Prices of
Agricultural Crops

Shri S.K. Patil, Union Minister for Food and Agriculture, stated during a debate in the Lok Sabha on Sugar scarcity in the country on 23 November 1959, that the Government proposed to set up a statutory board for fixing the prices of all agricultural crops. The board, which would mainly consist of farmers, would be constituted in two months.

(The Hindustan Times, 24 November 1959).

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Modernisation of Textile Mills in Rajasthan:
Inquiry Committee Recommends Rs.13.5 Million
Plan.

The Rajasthan Textile Industry Inquiry Committee has suggested in its report to the State Government that the seven textile mills in the State should immediately undertake a programme of renovation, replacement and additions in order to make their working economically sound and efficient.

In a rough estimate of the cost of such programme, the committee has recommended an expenditure of 13.5 million rupees.

The committee says that in order to keep pace with the changing tastes and in view of the changed pattern of cloth consumption in India, every mill should possess adequate processing equipment to produce better varieties of cloth. Except a few mills, even the normal upkeep and maintenance have been neglected and no appreciable repairs, overhauls or renovations have been undertaken at any stage even by the oldest mills.

It has recommended that mills should have a regular programme of repairs, upkeep and maintenance. They should employ qualified and experienced technical staff to supervise the working of different departments.

Standard of management.- The report has noted that management in these mills is generally unscientific, and has "strongly recommended that effective measures should be taken to improve the standard of management and the board of directors of the various mills". It says that selection of technical and administrative personnel left much to be desired and has stressed that merit should be the primary consideration in selection of the personnel for various departments.

The six-member committee was appointed under the chairmanship of Shri G.D. Somani, M.P., in August 1957 to examine the difficulties under which the textile mills in Rajasthan were working and to assess the needs of the mills both in terms of financial requirements as well as raising their capacity of looms and spindles to an economic level.

Of the 11 textile mills in Rajasthan, four are lying idle for one reason or another. Except the Maharaja Shri Umaid Mills, Pali, none has any processing plants and have been producing grey cloth, which is no longer popular even in the rural areas. While the Pali mill has the various processing units, such as bleaching, dyeing and printing machines, their full capacity is not being utilised.

Provision of Funds.- The report has been considered by the Union Ministry of Industries, and the question of providing funds from the National Industrial Finance Corporation has been reviewed.

A working group, set up by the Central Government to study the position of the various textile mills in the country visited Rajasthan in December 1959. The group was given a memorandum by the State Textile Mills Association, which has asked for 19.7 million rupees for modernisation and rehabilitation of the mills.

The committee has also pleaded for facilities for the mills in respect of supply of cotton and other raw materials whose high cost here boosts up the working cost. It has urged top priority in the supply of hydel power to these units as soon as it becomes available in the State.

Criticising the unscientific system of workloads, the Committee feels convinced that high complement of labour in the mills is adversely affecting their competitive capacity and has stressed the need to fix suitable workloads. It has also laid emphasis on the improvement of labour-management relations in the mills, and has called upon the Labour Commissioner to examine the possibility of implementing the various tripartite conference resolutions on labour policy.

The report has highlighted the urgent need of financial aid not only for the rehabilitation of the mills and their expansion, but also for their working capital. It has suggested various new avenues of assistance to the mills by the State Financial Corporation and the National Industrial Finance Corporation. In view of the fact that Rajasthan mills enjoyed certain special privileges before the integration of the States, the committee has recommended some special concessions to the textile units in this State, and has urged the State Government to seek Central sanction for them.

It has pleaded for expansion of the units up to a capacity of 500 looms and 20,000 spindles and grant of import licences for the additional machinery. It has urged special facilities for installation of bleaching, dyeing and mercerized equipment.

In regard to the four closed units, the committee has advised that at least one, the Bijey Cotton Mills, Bijeynagar, should be taken over by the Government if the present management fails to restart it. It has found the rest of the units too old and dilapidated to merit any State involvement.

(The Hindustan Times, 25 December 1959).

Study on Managing Agency System published.

In a study on the managing agency system prepared by the National Council of Applied Economic Research at the request of the Federation of Indian Chambers of Commerce and Industry, the National Council has strongly disagreed with the Government's latest policy fixing the tenure of managing agents for ten years at the first appointment and five years on reappointment (vide Section 34, pp.12-13 of the Report of this Office for October 1959). The Council's Director-General points out that far from serving any social purpose this policy has introduced "an unnecessary" *element of uncertainty*

"In order to render efficient service", the report points out, "the managing agent needs a reasonable length of tenure; otherwise, ~~he~~ he will not have an incentive to introduce changes in techniques and organisation that require a long gestation period."

The Council has, however, fully endorsed the Government's decision to scale down the remuneration for managing agents on the basis of a sliding scale of profits.

After a detailed study the Council has come to the conclusion that the managing agency system "is still a dynamic institution and has a useful role to play in the economic development of the country".

The report says: "The system can be improved and adapted from time to time to meet the changing economic situation. The abuse of this institution by some unscrupulous individuals is hardly proof that it is inherently unsound and should be abolished." ~~xxxxxx~~

The Council is of the view that the provision in the Companies Act of 1956 empowering the Government to prohibit managing agencies in any industry or business has made the future of the system uncertain. As a result, business ~~has~~ has suffered. ~~xxxx~~ It has therefore emphasised the need for a more definite policy removing this uncertainty.

Characterizing the role of managing agents in the expansion of already established industrial enterprises as "outstanding", the report adds that in recent years the managing agents have to their credit some pioneering activity in new lines of production. The production of automobiles, industrial machinery and chemicals is quoted as an instance.

The report deals extensively with the role of managing agents in supplying equity capital, loans and advances and other financial services to companies. Contrary to popular impression, it says, the managing agents continue to contribute a substantial part of the share capital of companies under their management.

Moreover, in attracting finance through new issues of capital, the managing agents play an important part. They also continue to act as guarantors for the major part of loans from banks and even from statutory financial institutions.

In this connection, the Council makes a pointed reference to a lacuna in the structure of the Indian capital market. It is of the view that the growth of institutional finance has not kept pace with the development of the economy, and emphasises the need for developing investment trust financing.

Although the Council has conceded that the case of managing agents may not be very strong from the management point of view, their personal stake in the business and the link of their remuneration with the net profits do provide incentives for efficiency, not usually available under other forms of managements.

The criticism that the managing agency system has resulted in concentration of power has been rejected by the Council in its report. It says that there is no tendency towards monopoly. Moreover, Company Law itself precludes any managing agents from being taking up more than 10 companies under its management.

Finally, the Council has welcomed the recent trend in the development of different types of industrial organisation and systems of management. These trends it says, would automatically lead to a diminishing role of the managing agency system. Thus there is no real case for abolishing the managing agency system as such.

(The Statesman, 30 October 1959).

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Oil Exploration in India: Foreign Interests to be invited.

The Government of India has decided to invite foreign oil explorers also to join in the quest for oil in India subject to mutually acceptable terms for exploration and also assuring that such arrangements with foreign oil explorers fall generally within the ambit of India's Industrial Policy Resolution.

Shri K.D. Malaviya, Union Minister for Mines and Oil, made a statement in the Lok Sabha on 24 November 1959 on the subject.

Shri Malaviya said that from two million tons in 1947, the total consumption was already about 6 million tons. Authoritative forecasts, based on present trends and the likely size of the Third Plan were that consumption would increase to 14 million tons of crude oil equivalent by 1966, and at that rate, 25 million tons by 1971.

India's annual oil import bill (including crude oil for the three coastal refineries) was already of the order of 1,000 million rupees a year.

Shri Malaviya added: "Let the increasing foreign exchange cost of oil imports for the maintenance of the ~~development~~ developing economy handicaps the Third Plan, the search for and production of oil within the country will be given the topmost priority in the Third Plan as, for instance, steel was given in the Second Plan".

Indigenous production of crude oil, the Minister said, was hardly half a million tons. With the exploitation of the new oilfields in Assam, jointly by the Government and Burmah/Assam Oil Companies, the reserves already established were expected to yield about four million tons a year by 1965. Therefore, new reserves had to be established quickly enough to sustain by 1965 additional production of at least 10 million tons, if not more.

Recent efforts had exploded the old myth that the country had no oil potentialities. India had 460,000 square-miles of potential oil-bearing sedimentary areas spread over (from the east) Assam, Tripura, Manipur, West Bengal, Ganga Valley, Punjab, Himachal Pradesh, Jammu and Kashmir, Rajasthan, Cambay and Cutch, the eastern and western coastal tracts (in Madras, Andhra Pradesh, Orissa, Kerala) and the Andaman and Nicobar Islands.

The oil and Natural Gas Commission had already carried out extensive geological and geophysical surveys in far-flung areas. Oil sands had been discovered at various places.

Oil having been struck in the Cambay area, further deep drilling was in progress there to find whether reserves exist in commercial quantities; deep drilling is also in progress in two areas in Punjab and in one area in Assam.

(The Hindustan Times, 25 November 1959)

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Durgapur Blast Furnace Goes into Production

The Durgapur blast furnace went into production on 29 December 1959, when the President, Dr. Rajendra Prasad, formally inaugurated the first blast furnace at the Durgapur Steelworks, the latest of the three steel plants in the public sector.

Speaking on the occasion, Mr. C.J.M. Alport, British Minister of State for Commonwealth Relations, described the Durgapur works as a major addition to India's industrial strength, born of determination to equip the Indian people with the apparatus of 20th Century industry. The long tradition of creative skill, on which the Congress of British Industry was founded, had played their part in building this great steel works.

Construction work on the Durgapur project began in March 1957. Despite difficulties beginning from planning stage, the commissioning of the first blast furnace was almost on schedule. The first coke oven battery was lighted in August this year. The blast furnace, which actually started operation on 26 December 1959, has a capacity of 1,250 tons of pig iron daily, but officials expect that it will ultimately go up to 1,500 tons a day.

(The Statesman, 30 December 1959).

Developments in India's Economy: Reserve Bank's
Report for the Year 1958-1959.

The Reserve Bank of India's annual report on the working and accounts of the bank for the year ended 30 June 1959, submitted to the Government of India, reviews, inter alia, economic developments in the country during the period.

General.- During the year under review, there was a marked slowing down of the rate of decline of foreign exchange reserves. The deficit in the Government budget also recorded a significant decline. A substantial increase in the output of foodgrains was another feature of the year, though the food situation is still not free from some anxiety. The rate of growth of industrial output, however, has been rather small, though in the latter half of the year some improvement was discerned. The sharp decline in imports appears to have contributed to the slowing down of industrial production and investment in the private sector, though the rising trend of share prices suggested a revival of investor's confidence. Outlay on the Plan in the public sector, however, recorded a further rise. Overall economic activity, judging from such indicators as railway wagon loadings and bank debits, appears to have recorded a rise during the year. The price situation continued to cause some concern during the greater part of the year. There was also a rather sharp expansion of money supply and bank credit in comparison with the year 1957-58, x which, it may be recalled, was characterised by unusually slack conditions. On the whole, the economic outlook, which at about the beginning of the year was somewhat obscure, with doubts about the successful implementation of the revised targets of the Plan, showed a distinct improvement in the course of the year, an important contributory factor being the enlarged flow of foreign aid.

The keynote of credit policy continued to be one of general restraint, with specific encouragement to sectors which stood in need of special assistance. The Bank continued to exercise restraint on credit through the flexible operation of selective credit controls and also through moral ^{persuasion}. At the same time, the debt management policy was so operated as to absorb a substantial portion of the additional liquid reserves of the banking system. Progress was also made during the year in the spheres of expansion of commercial bank branches, co-operative credit and industrial finance.

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Trends in Production.- Overall agricultural production declined sharply during 1957-58, the general index (1949-50 = 100) declining by 8.4 per cent to 113.4, due to extremely unfavourable weather conditions. The foodgrains index fell by 11 per cent (the fall in terms of tonnage being from 68.7 million to 62.0 million) while the decline in the case of non-foodgrains was 5.6 per cent. In 1958-59, however, total agricultural production, as indicated by available provisional estimates, appears to have recorded a marked rise. Production of food-grains is estimated at 73.5 million tons. Prospects for commercial crops are also reported to be generally satisfactory.

Industrial production registered a further increase in 1958, but the rate of increase declined for the second year in succession. The average general index of industrial production (base: 1951 = 100) at 139.7 showed an increase of 1.7 per cent only as compared to 3.5 per cent in 1957 and over 8 per cent in 1956. The slackening in the rate of industrial growth during 1958 was largely due to the decline of 5.8 per cent in the cotton textiles group which has a weightage of 36 per cent in the general index. Sugar and automobiles also declined by 5.4 per cent and 16.1 per cent respectively. As against these, substantial increases were recorded under several other groups, including the new industries established in 1951 or after and not included in the general index. The fall in the production of cotton textiles was due mainly to fall in foreign demand and aggressive foreign competition, the exports of mill-made cloth falling from 840 million yards in 1957 to 582 million yards in 1958. With a view to providing further relief to the cotton textile industry, several measures were taken during the year and, partly as a result of these measures and partly of a revival of internal demand during the latter part of the year, the stocks of cotton textiles with the mills which had mounted to 557 million yards in October 1958, declined substantially to 341 million yards at the end of May 1959.

Commodity Prices.- During the year, the price situation again caused some concern. The uptrend of wholesale prices noticed since February 1958 continued during the early part of the year under review. The general index (base: 1952-53 = 100), which had risen from 104.1 in early February 1958 to 113.3 at the end of June 1958, rose further to a peak of 116.9 by mid-September 1958 and hovered around that level through October. Thereafter, the index declined almost continuously to 110.7 in early January 1959; in the next three months there were small two-way movements. Since April, however, the uptrend re-appeared, the index rising to 115.7 by the end of June. Thus, for the year as a whole, the net rise was 2.1 per cent, as compared to a rise of 2.8 per cent in the preceding year. Of the principal groups, 'food articles' rose by 2.1 per cent, 'industrial raw materials' by 4.5 per cent and 'manufactures' by 1.0 per cent. The average general index for the year as a whole was higher than that for the ~~year~~ previous year by 5.1 per cent as compared to an increase of 1.2 per cent in the preceding year.

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The movements in the all-India working class consumer price index number generally followed the trends in the wholesale price index. The index (base: 1949 = 100) rose from 116 in June 1958 to 123 in October after which it declined to 117 in April 1959 and stood at 119 in May, which is 5.3 per cent higher than a year before. The annual average for 1958-59 (11 months) also worked out 6.2 per cent higher as compared to the year 1957-58. The indices for the various centres, however, show somewhat divergent trends.

Monetary Situation.- In the monetary sphere, the main feature was the substantial rise in money supply as well as bank credit. During the Bank's accounting year, money supply with the public expanded by 1520 million rupees to 25310 million rupees as compared to a moderate expansion of 390 million rupees in 1957-58 and an expansion of 1550 million rupees in 1956-57. The expansion was almost entirely in currency with the public, the bulk of expansion of bank deposits being in time deposits which are not included in computing money supply. The larger expansion during the year was principally due to two factors: (i) the substantial expansion in bank credit, and (ii) a marked decline in the balance of payments deficit which had been the main neutralising factor in the preceding two years. The seasonal swings in money supply in 1958-59 were more pronounced than in 1957-58.

The significant feature of the banking situation during the year was the expansion of scheduled bank credit by 810 million rupees (from 9,030 million rupees to 9,830 million rupees) or by about 9 per cent in contrast to a contraction of 150 million rupees in the Bank's previous accounting year and an expansion of 1,610 million rupees in the year 1956-57. Of the rise in advances in 1958-59, secured advances totalled 640 million rupees as compared to less than 10 million rupees in 1957-58. Security-wise, there have been changes as compared to 1957-58, reflecting the growth of agricultural output and the recent revival of industrial output.

Government Finances.- Government finances continued to be dominated by the rising Plan outlay which is estimated to have amounted to 9,810 million rupees in 1958-59 (April-March) as compared to 8,460 million rupees in 1957-58 and 6,390 million rupees in 1956-57. The budgetary deficit (Centre and States) for 1958-59, however, was much lower at 1,360 million rupees as compared to 5,030 million rupees in 1957-58 and 2,530 million rupees in 1956-57, due mainly to larger receipts under internal loans as well as external assistance. For 1959-60, the Plan outlay is estimated at 11,210 million rupees while the budgetary deficit is estimated at 2,280 million rupees.

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Net market borrowings of Central and State Governments during 1958-59 (April-March) together amounted to 2,270 million rupees as compared to 710 million rupees in 1957-58; a good part of the improvement is, however, explained by a special factor, namely, investment of P.L. 480 counterpart funds by the State Bank of India. Net borrowing of the Centre in 1958-59 amounted to 1,810 million rupees as compared to 680 million rupees in 1957-58. In August 1958, the Central Government issued two more loans, namely, the 3½ percent Loan 1968 and the 3½ percent National Plan Bonds 1967 (Third Series) for 300 million rupees each, the entire amount of both of which was initially taken up by the Reserve Bank. As regards the State Governments, as many as 11 States entered the market during 1958-59 for an aggregate amount of 500 million rupees. All the loans were over-subscribed, the total subscriptions amounting to 660 million rupees of which 540 million rupees (including conversions amounting to 50 million rupees) were accepted. Auction sales of Treasury bills which were resumed towards the close of July 1958 brought in net receipts (including ~~55 million rupees~~ 'intermediates') amounting to 255 million rupees during 1958-59; for 1959-60, credit has been taken for an addition of 150 million rupees under this item.

The performance of small savings, however, continues to be below expectations; total receipts in 1958-59 (April-March) at 780 million rupees (provisional), though 90 million rupees larger than in 1957-58, were considerably smaller than the budget provision of 1,000 million rupees.

Capital Markets.- The main feature of the capital market during the year was a distinct revival of investors' confidence. Although the volume of investment and new issue activity did not appear to have shown any significant change, the response to such of the issues as were made was generally good. The growing investor's confidence may be attributed to the generally optimistic view taken in regard to the future of industries, aided mainly by the materialisation of larger foreign aid and the various governmental measures to assist industry. The rise in share prices reflected this optimism. The Reserve Bank's index of variable dividend industrial securities (base: 1952-55 = 100), which had begun to rise in the latter half of the Bank's accounting year 1957-58, moved up further from 133.2 at the end of June 1958 to 144.7 at the end of September and, after receding to 136.1 in December, rose sharply again to 151.0 at the end of June 1959. Over the year the index showed an increase of 13 per cent as against a net decline of 3 per cent in 1957-58. The somewhat sharp rise which has occurred since the turn of 1959 represented mainly the market's reaction to the Central Government Budget for 1959-60, the main bull points being the abolition of the excess dividend tax and wealth tax on companies and also to some extent the larger scale of deficit financing envisaged for 1959-60 than had been anticipated earlier.

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Balance of Payments.- A relieving feature of the Indian economy during the year was the marked lessening of the strain on the country's balance of payments. Over the Bank's accounting year, foreign assets of the Reserve Bank declined by only 210 million rupees as compared to 2420 million rupees in 1957-58 and 2300 million rupees in 1956-57.

The current account deficit during the first nine months of the year, for which details are available, was 2,190 million rupees as compared to 3,220 million rupees in the corresponding period of the previous year. Export earnings were lower and the public sector imports slightly higher; the narrowing down of the deficit was, therefore, due entirely to the sharp reduction (1,130 million rupees) in private imports. The impact of the reduction was felt mainly by imports of machinery and iron and steel. Public sector's imports at 3,930 million rupees were higher by 110 million rupees. The rise was concentrated mainly in developmental imports such as capital equipment for Government projects financed through foreign aid, and a major part of food imports obtained under the P.L. 480 and TCA programmes. Export earnings at 4,490 million rupees were lower by 60 million rupees during the nine-month period.

The quantum of external assistance has shown a significant increase. The I.B.R.D. convened meetings in Washington in August 1958 and March 1959 of five nations. Total external assistance authorised upto the end of June 1959 is estimated at 12,280 million rupees. Of this, 6,970 million rupees is estimated to have been utilised upto March 1959 so that 5,310 million rupees is available for utilisation in the last two years of the current Plan.

Monetary and Credit Policy.- The Bank's policy has continued to be one of general restraint, bearing in mind the requirements of a developing economy. There was again no change in the Bank's lending rates. As already mentioned, open market operations were continuously employed to absorb the growing reserves of the banking system. The selective credit control was continued in respect of advances against foodgrains and sugar with suitable modifications; the control was extended to cover advances against groundnuts. The sharp expansion of credit in the busy season caused some concern to the Bank, but this had to be considered against the background of a decline in credit in the previous year as well as a fairly sharp decline in the 1958 slack season. Moreover, there were reports of a substantial increase in the agricultural production, and industrial output too showed signs of picking up. In these circumstances, it appeared that it would be adequate to caution banks generally to go rather slow in the matter of credit expansion. Nevertheless, net expansion of bank credit in the 1958-59 busy season was as large as 1,820 million rupees.

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In order to regulate credit to the trade in accordance with the differing needs of the situation obtaining in the major States and also in conformity with the seasonal changes in the demand for credit, the Bank issued on 10 July 1959 a circular letter modifying and consolidating the existing directives in respect of all foodgrains. A new feature of this directive was that ceiling limits for banks were prescribed specifically in a larger number of major States and individually for paddy and rice, wheat and other foodgrains. During the year, the Bank brought within the purview of the control yet another commodity, namely, groundnuts, the prices of and advances against which recorded a steep rise in January 1959. Advances against groundnuts were brought down from 230 million rupees in the first fortnight of February 1959 to 170 million rupees in the second fortnight of March; while this order of reduction fell short of the requirement under the directive, because of the advance commitments of banks, the excess was considerably reduced in April and in May advances were below the prescribed limit.

The Prospect.- In the course of the year, there emerged a clearer prospect of the Second Plan which a year ago was rather obscure. Though the Plan had been somewhat pruned, its fulfilment still remained in doubt, especially on account of the shortage of foreign exchange resources. In this regard, the outlook has undergone a change for the better and the prospects of implementing the revised Second Plan in financial terms are now more assured. It would not seem, however, that the 25-27 per cent increase in national income that was expected in the Plan is likely to be achieved. The economy is likely to be subject to further strains and the problem of resources for the Plan continues to be a source of concern. After a moderate improvement in reserves for about five months largely helped by accruals of foreign assistance, the foreign exchange reserves have again begun to fall since April 1959. Commodity prices have also been showing an uptrend. While the quantum of deficit financing in the financial year 1958-59 showed a welcome drop, it is estimated to be larger in the current financial year and it is not unlikely that the original estimate of deficit financing of 12,000 million rupees for the Second Plan period as a whole will be exceeded notwithstanding the substantial increase in foreign assistance over and above what was provided for in the Plan and the sizeable assistance under P.L. 480 imports. In this context, the Bank cannot over-emphasise the imperative need for a satisfactory rate of increase in food production, a point that has been dwelt upon in the Bank's earlier Reports too. The substantial increase in food output that has occurred in 1958-59 should be seen against the background of a sharp decline in 1957-58 which depleted the pipeline in stocks, and a population expanding at the rate of almost 2 per cent per annum.

In the task of ensuring development with stability the keynote of monetary policy would have to continue to be one of general restraint simultaneously with expansion of institutional facilities for provision of credit to specific sectors in particular agriculture and small-scale ~~industry~~ industry. The banking system would also have to be geared to the task of larger mobilisation and channelling of resources. All this would inevitably require greater provision of finance by the Reserve Bank itself. In view of the inflationary potential in the economy, the Bank would have to keep such financing within limits and to the maximum extent direct it toward development and promotion of the productive resources and facilities of the economy.

(The Report of the Reserve Bank of India for 1957-58 was reviewed in Section 34, pp. 37-46 of the Report of this Office for September 1958).

(Reserve Bank of India Bulletin,
Vol. XIII, Number 8, August 1959).

35. Productivity.

India - November-December 1959.

Productivity in Building Industry: First Training Course
Inaugurated.

The first training course in India on productivity in building industry was inaugurated in Delhi on 17 November 1959 by Shri Anil K. Chanda, Deputy Minister of Works, Housing and Supply.

Shri Chanda said that the National Buildings Organisation had taken a pioneering step in introducing this course. The organisation had already started studies and conducted field investigations. He hoped that these studies would result in reducing building costs. In studies of this nature, operational research occupied a prominent place and research institutions should give attention to it.

Shri Chanda said that they had huge construction programmes under the Five-Year Plans and the pace of development was so fast that buildings and structures had to be put up in a short time. They had also to exercise strict control on the expenditure of funds due to shortage of material. If they adopted productivity techniques in building industry, he was sure, the results would be encouraging and incidentally would help them to go ahead with the development programmes efficiently.

The training course, which is of six weeks' duration, has been organised by the National Buildings Organisation in co-operation with the Productivity Centre, Bombay. Engineers have been nominated by various departments of the Union and State Governments to undergo training.

(The Hindustan Times, 18 November 1959).

Incentive Wages Scheme for Indian Railways: Workers' Organisation Welcomes Move.

An incentive wages scheme to increase output and reduce cost of production would soon be introduced in railway workshops all over the country. This scheme which has received the approval of the Railway Board will also enable workers to earn more.

The scheme which was discussed between representatives of the Railway Board and the National Federation of Indian Railwaymen last month would be finalised shortly when the representatives would again meet at Chittaranjan.

The scheme was welcomed by the General Council of the National Federation of Indian Railwaymen at its meeting at Poona on 15 November 1959. In a resolution the Federation said that the adoption of a proper incentive scheme was one of the recognised methods of increasing productivity.

The resolution stated that it was a matter of satisfaction that the Railway Board had agreed to three cardinal principles to be observed in the introduction of the scheme. First, no worker would be retrenched, secondly, an equitable share of the gains resulting from higher productivity would be given to the workers and lastly care would be taken to see that workers did not overstrain themselves adversely affecting their health and efficiency.

However, to further safeguard the interests of the workers and to make the scheme more effective, the General Council urged the Railway Ministry to take steps to see that prospects of future promotion were not adversely affected; that production standards were properly laid down and that all sections of workers where the pressure of the incentive scheme was felt were covered under the scheme.

(The Statesman, 16 November 1959).

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36. Wages.

India - November-December 1959.

Results of Wage Increases: Labour Bureau Study.

In view of the fact that in recent years, there were a number of wage increases, the Government of India considered it to be the appropriate time to verify the common belief that wage increases benefit not only workers but also the employers as well as the nation; and to ascertain their impact in various directions. Consequently, the Labour Bureau was asked by the Ministry of Labour and Employment to undertake a study by spot examination of data and also by interview of management and workers concerned and to produce a factual report on the results of its studies.

The research studies were conducted in six selected units in Bombay, which included three engineering concerns, a textile mill, a chemical concern and a rubber factory. The survey posed many pertinent questions like: Has the increased pay packet of an industrial worker any vital bearing on the creation of a stable and contented labour force, increasing productivity and developing harmonious employer-employee relationship? Does the wage increase produce any effect on the employment mobility, on absenteeism and labour turnover rates, and the day-to-day relationship of the workers with their employers and the trade unions? What the real impact of the wage-lift is and how far it is responsible in changing the spending habits of the workers? The Labour Bureau made an attempt to find realistic answers to these in the context of a developing economy.

A proforma was devised for the collection of the relevant information. It was divided into two parts, viz., the Factory Schedule and the Household Schedule. Information relating to items in the Factory Schedule was required to be collected from each unit. The second part, i.e., the Household Survey was designed to obtain information relating to broad changes in the expenditure pattern of workers as a consequence of wage increases.

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As far as possible, the data were collected for the year 1947 and onwards. The enquiry was initiated in February 1956, and ended in October 1956. The conclusions arrived at by the enquiry in no way reflect the overall and general trend for the country or for the industries covered as a whole since the locale and scope of the enquiry were of a restricted nature, and consequently, they have their own limitations. The main findings of the enquiry are briefly given below.

Effect on Employment.- From the data collected on the subject, it was surmised that wage increases did not lead to any shrinkage in employment. However, on enquiry, it was revealed both by the representatives of the workers and employers that with the increase in wages there was a growing tendency to employ as many workers as possible on a casual basis. This was more so, since the employers found that the casual labour is cheaper to employ as these workers are not eligible to many statutory privileges which the regular workers enjoy. Moreover, casual labour is more amenable to adjustments and can be reduced or increased depending upon the availability of work. Such adjustments are difficult with other categories of workers in view of the various statutory provisions.

Effects on Absenteeism and Labour Turnover.- In those units where wage increases were substantial and affected significant number of workers, the absenteeism rate showed a decline. However, the same cannot be said about turnover. From the statistics collected it was found that the extent of labour turnover was practically negligible in all the six units. In one of the units, the turnover was mostly among temporary workmen which was due to receipt of consignment and placement of orders. In other words, the determining factor for the labour turnover was availability of work. Among the permanent workers, the separations were very few and were generally due to unavoidable causes like death, discharge for overstay of leave, etc. The accessions in the permanent category of workers relate to those temporary workers who were confirmed after putting in 12 months' satisfactory service. In another unit, the turnover was slightly higher one month before and four months after the wage increase. In yet another unit, the percentage of labour turnover was conspicuously high. This was explained by the fact that the working conditions in this concern were not stable. The workers resigned as soon as they could find better jobs elsewhere and retrenchment was often resorted to due to lack of work. The managements also preferred to employ larger proportion of temporary or casual workers for the same reason.

The representatives of the management and labour held that absenteeism was influenced more by ancillary causes like the State Insurance Scheme, holidays with pay and subsidiary occupations, etc., rather than wage lifts. But no sooner the workers realised the futility of remaining absent without being adequately compensated, than they became wiser and returned to normal habits. The opinions on the exclusive effect of wage increases on absenteeism were, however, divided. Some felt that the workers have their own ideas about the norms of monthly income beyond which they would not like to work. The majority, however, felt that absenteeism is not affected by the wage increase; but if it is a substantial increase it tends to increase absenteeism. However, the statistics collected did not justify this view.

Effect on Earnings.- The individual wages of workers increased by one and a half annas to eight annas generally. Some of the increases took place as early as 1947. It was difficult, however, to separate out the effects of wage lift entirely from other factors which might have operated, e.g., hours ~~xxx~~ of work, work-load, changes in the method of production, etc. There is, however, no doubt that the increased income was additional in the hands of workers and they could spend it in any manner to meet their most pressing needs. The following table shows the average daily earnings per worker based on the total of six-monthly wage bill before and after the month when wage increase was granted for four of the units. Similar information for the remaining two units was not available.

Unit	Month in which increase was granted.	Average Daily Earnings						Actual Increase		
		Before			After			Rs.	As.	Ps.
		Rs.	As.	Ps.	Rs.	As.	Ps.	Rs.	As.	Ps.
Unit A ---	September 1954 ---	5	1	2	5	2	8	0	1	6
Unit B ---	April 1952 ---	3	11	4	4	5	5*	0	8	1
Unit C ---	September 1953 ---	4	8	9	4	12	3	0	3	6
Unit D ---	June 1947 (Day Shift) ---	2	10	0	3	4	2	0	10	2
	(Night Shift) ---	2	10	2	3	2	3	0	8	1

* 5 months' average.

Effects on Industrial Relations.- Generally speaking, industrial relations improved immediately after the wage increase, but the precise effect depended on the manner and circumstances in which the increase was granted. If the increase was given voluntarily or by private negotiations, the relations improved unequivocally, but if it was given as a result of an award, the relations did not improve so well and a trail of bitterness was left behind. The quantum of increase is another important factor which affects the industrial relations materially. A substantial wage increase is bound to have an embalming effect on the strained nerves whereas an insignificant increase may not produce any effect at all. The view that industrial relations do not improve as a result of wage increase as the two are not directly connected was also expressed by some of the representatives concerned.

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Very much depends upon the state of workers' organisations and how far they are informed and educated about the affairs concerning them. A few representatives of managements and workers observed that a very important factor governing industrial relations is the state of workers' knowledge of the affairs of the units. If they are well informed of the problems of the management, they adopt more reasonable attitude and are less prone to instigations even though the wages may be low and working conditions may not be conforming to their expectations. The trade unions could also play a significant role in this direction, in moulding the out-look and attitude of the workers.

Conditioned by several factors, as they are, the industrial relations seem to be positively affected by wage increases. Given in normal circumstances, any increase in emoluments does soothe the minds of the employees and make them more responsive to approaches and suggestions of managements. This is quite natural as when the nerves are frayed even minor and insignificant items cannot be viewed in their proper perspective. The working of the Works Committees in some of the units covered illustrated this point as their functioning improved considerably after the wage increases and workers' representatives became more co-operative and evinced greater interest and understanding.

Effects on Production.- In one unit which was maintaining proper records of workers' efficiency, it was found that the efficiency was higher immediately after the wage increases. In another unit, it was found that the percentage of labour cost to the value of production decreased following the wage increase. This may be interpreted to indicate that in spite of increase in the wage bill due to wage lifts, the value of production was relatively higher.

Wages are obviously the most important concomitant of the conditions of work and bear close relationship with the efficiency of a worker. Any progressive revision of wages should, therefore, create necessary conditions for increased production. On discussion with the representatives of the employers and employees, it was expressed that anything in the nature of a general wage increase does not inculcate in the worker a sense of moral duty to work more, but that he takes it as a matter of right. Human nature being what it is, no one wants to work more than what is barely necessary. So although the general production may be stepping up due to several factors mainly change in technique and improvement in machinery, the individual productivity has either more or less remained the same or at times has been towards the decline. This decline was attributed by different respondents to mainly three factors: (i) slackness on the part of old permanent hands due to extra satisfaction as a result of wage increases; (ii) as a matter of habit gradually to go slow;

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and (iii) to use it deliberately as a lever for their unconceded demands. Another interesting feature that emerged during the course of discussions was that the time-rated workers felt that they would continue to get the same basic wages even if they work more whereas the piece-rated workers did not bother so much for a slight rise in their basic wages since they enjoyed substantial dearness allowance. On the contrary, some parties were of the view that the productivity in respect of piece-rated workers had definitely gone up. Yet another opinion was that the workers normally do not work for more than 5-6 hours out of 8 hours a day - this being the saturation point and so no amount of wage increases will improve the situation unless methods of work radically changed.

A good number of persons held the view that all wage increases have a salutary effect on the mind of workers in increasing production but the phase is short-lived and temporary. Almost all the respondents were of the view that either periodic revision of wages or introduction of Bonus Incentive Schemes linked with production alone could produce better results in the field of production.

Effect on Spending Habits. - Does the rise in wages have any bearing in reshaping the economic pattern of the workers? The present enquiry also aimed at studying this vital aspect of the workers' life and for the purpose 202 workers in the 6 units were sampled out whose pay packets had increased as a result of wage lifts.

From the statistics collected, it was revealed that 60.9 per cent of workers registered improvement in consumption expenditure; 26.7 per cent showed an improvement in housing conditions; 45.5 per cent met expenses on social obligations like marriage, festivals, etc.; and 41 per cent created assets. The last figure includes those who registered an increase even after repayment of debts and those who did not have any debts to clear up, their percentages being 31.1 and 9.9 respectively. An analysis of 123 families, showing increased consumption expenditure revealed that only 31.9 per cent increased in size whereas 19.5 per cent decreased in size and 48.8 per cent recorded no change. Thus, in a majority of cases the increased expenditure was not due to an increase in the number of family members.

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Improvement in consumption expenditure did not register any marked rise in the expenditure on cereals. Only 8.5 per cent of the workers showed marked improvement in the expenditure on cereals. The other items of food group on which the expenditure became relatively higher after the wage increases were refreshments, milk and milk products and mutton. The percentage of workers who increased their expenditure on these items were 47.8, 54.8 and 21.4 respectively. Another factor which accounted for increased expenditure was education. No less than 25.3 per cent of workers were found to be spending more on their children's education after the wage increase. Among other items, clothing, toilet groups, pan-tobacco and entertainment also accounted for a sizeable increase in expenditure. These few changes serve as an indicator and signify the adaptability of the workers towards the changing social and economic environments.

Other Effects.- (i) In 5 of the 6 units surveyed, there was no change in working conditions, amenities, hours of work and work-load, etc. Only in one unit some changes took place which were more or less as a result of its long-standing modernisation programme. (ii) The view that the employers curtail other amenities in order to compensate for the cost of the wage increases was not substantiated in so far as the units studied were concerned. (iii) Some of the knowledgeable persons in the industry expressed the view that after the wage lift the workers became more paypocket conscious and acquired a sense of prestige and affinity to their jobs.

(Indian Labour Gazette, Vol. XVII, No. 4,
October 1959, pp. 323-328).

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Standardisation of Wages and Dearness Allowance in the
Silk Textile Industry in Surat and Bhiwandā: Agreement
concluded.

The industrial disputes between twenty-six silk textile units of Surat and ten units of Bhiwandi represented by their respective managements and their workers represented by Surat Silk Mill Workers' Union and Surat Silk Textiles Union, Surat and Textile Mazdoor Union Bhiwandi over the standardisation of wages and dearness allowance and fixation of minimum wages were referred to the Wage Board recently for the Silk Textile Industry in the State of Bombay.

While the references from the silk textile units of Surat were pending before the Board, agreements were reached between the parties and the Board was requested to give its final decision in terms of the said agreements. It was agreed that the wages and dearness allowance in the silk textile industry at Surat should be linked up with those in the same industry at Bombay so that a ratio of Rs. 28 to 30 which represented the present minimum wages at Surat and Bombay respectively be maintained. In pursuance of this broad principle, wages of various categories of time workers were computed.

With regard to dearness allowance it was agreed that weavers should be paid dearness allowance at 80 per cent and workers other than weavers, with some further provision in case of workers of the dyeing and bleaching departments, at 62.5 per cent of the dearness allowance payable to Bombay silk textile workers on the basis of 75 per cent neutralisation of the rise in the cost of living.

As the parties could not arrive at a mutual agreement in case of the units at Bhiwandi, the Board decided that the minimum wage of the workers covered under these references should be Rs. 22.75 per month of 26 working days. As regards dearness allowance, the Board decided that the workers should be paid the same rates as paid to the Cotton Textile workers in Bhiwandi. Similarly the Board decided that the scheme of standardisation of wages for the time rated as well as piece rated workers prevalent in the cotton textile industry in Bhiwandi should be applied in toto to the time rated and piece rated workers covered under these references.

(Indian Labour Gazette, Vol. XVII, No. 5 and 6,
November and December 1959, page 445).

1955

Assam: Minimum Wages for Employment in Agriculture
fixed.

In exercise of the powers conferred under the Minimum Wages Act 1948, the Government of Assam has with effect from 1 December 1959, fixed the following rates of minimum wages in respect of employment in agriculture in the whole State excluding the district of Cachar.

The following shall be daily rates applicable to the different classes of employees engaged in various agricultural operation.

(i) For all operations connected with paddy cultivation (except transplanting, harvesting and for carrying and thrashing) Horticulture, poultry farming and cow-keeping.

<u>Adult Male.</u>	<u>Adult Female</u>	<u>Minor</u>
Rs.1.53 nP. plus 1 meal or Rs. 1.75 nP.	Rs.1.25 nP. plus 1 meal or Rs. 1.50 nP.	Rs.1.00 plus 1 meal.

Explanation.- The above rates are fixed with reference to the operations in which adult male and female and minors are customarily employed in the locality, on the basis of the existing tasks and hours of work which shall prevail undisturbed.

Adult female employed in an operation in which adult male only are customarily employed shall get the adult male rate provided the task or work load and the hours of work are the same and vice-versa.

(ii) For harvesting and/or carrying and thrashing paddy, operations connected with jute cultivation and dairy farming and transplanting paddy.

Adult: Male: Female

Rs.2.00 nP. plus existing perquisites, if any.

The above rates shall apply subject to the following conditions:-

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(1) The above daily rates shall be raised or reduced by 25 nP. according as the ruling market price of paddy exceeds Rs.12 per maund or falls below Rs.5 per maund.

(2) In harvesting and transplanting paddy, adult employees, both male and female, shall be paid at the rate of 1 maund of paddy for 4 days' work in place of the cash rates specified above, if the former carries a higher monetary value.

(b) The following shall be the monthly rates applicable to the employees for all classes of agricultural operations.

- (i) Adult ⌀ Rs.30 per month plus food and shelter, and if the
Male ⌀ period of employment exceeds 3 months, also
Female ⌀ clothing as is customary in the locality, or
 Rs.50 per month (without perquisites).
- (ii) Minors: Rs.15 per month plus food and shelter, and if
 the period of employment exceeds 3 months, also
 clothing as is customary in the locality.

(c) The following shall be the annual rates applicable to all adult employees for all classes of agricultural operations:-

Rs.250 if paid in advance and Rs.300 if paid at the end of the year or season (as customary) plus food, clothing, and shelter.

Explanation.- Shelter in the above context includes accommodation, bedstead, bed-sheet, pillow, mosquito curtain and blanket.

(Notification No.GLR 365/54/60 dated
25 November 1959, the Assam Gazette,
Part IIA, 2 December 1959,pp.4245-4246).

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Madhya Pradesh: Minimum Wages for Employment in
Agriculture fixed.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Madhya Pradesh has with effect from 31 December 1959 fixed the following minimum rates of wages payable to the different classes of employees employed in agriculture in the State.

Class of Employees.	Rates.		
	Zone I	Zone II	Zone III.
Casual employees:	Rs. nP.	Rs. nP.	Rs. nP.
Adult male.	1.35 per day.	1.15 per day	0.90 per day.
Adult female.	1.15 " "	0.90 " "	0.75 " "
Adult employees on monthly contract for a period of one month or more.	30.00 P.M.	25.00 P.M.	20.00 P.M.

Zone I shall comprise of the areas included within the municipal limits of a corporation or a Municipality with a population of 50,000 and above and the places within 5 miles from the limits of such Corporation or Municipality.

Zone II shall comprise of all places not included in Zone I but included within the municipal limits of Municipality or a notified area with a population of 5,000 and above and the places within 5 miles from the limits of such municipality or notified areas.

Zone III shall comprise of all places not included in Zone I and II.

Note.- The minimum rates of wages payable to a child shall be 50 per cent of the minimum rates of wages fixed for adults. The money value of customary perquisites, if any, shall not count in the computation of the minimum wages paid to an employee. These rates of wages shall not operate to the prejudice of the rates of wages immediately prevailing before the publication of this notification in any place and no employee can reduce the rates of wages (including the customary perquisites) in any place on the plea that the new rates of wages are less than the rates of wages already being paid.

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By another notification the Government has directed that the minimum rates of wages mentioned above may be in cash or in kind or partly in cash and partly in kind.

(Notification No.7758-XVI dated 31 December 1959; Madhya Pradesh Gazette, Extraordinary, 31 December 1959, pp. 1907-1909).

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Mysore: Minimum Wages for Employment in Agriculture
Fixed.

In exercise of the powers conferred under the Minimum Wages Act, 1948, and in supersession of the ~~provisions~~ previous notifications issued in this behalf, the Government of Mysore has, with effect from 31 December 1959, fixed the following rates of wages as the minimum rates of wages payable to different classes of employees employed in agriculture in the State.

Class of Employment.	Rates		
	Dry areas (all minimum daily rates).	Irrigated areas (all inclusive minimum daily rates).	Perennial garden areas (all inclusive minimum daily rates).
	Rs.	Rs.	Rs.
Class A-			
1. Ploughing ---	1.25 per day.	1.50 per day	1.75 per day
2. Digging ---	Do	Do	Do
3. Harrowing ---	Do	Do	Do
4. Sowing ---	Do	Do	Do
5. Inter-culturing --	Do	Do	Do
6. Irrigating or watering.	Do	Do	Do
7. Uprooting ---	Do	Do	Do
Class B-			
1. Manuring ---	1.00 per day.	1.12 per day.	1.37 per day
2. Transplanting ---	Do	Do	Do
3. Weeding ---	Do	Do	Do
4. Reaping ----	Do	Do	Do
(a) Harvesting ---	Do	Do	Do
(b) Thrashing ---	Do	Do	Do
(c) Winnowing ---	Do	Do	Do
5. Picking in the cases of - Cotton ---	Do	Do	Do.
Class C-			
Cattle, Sheep and Goat Grazing. ---	0.50 per day.	0.50 per day.	0.50 per day.
Class D-			
1. Harvesting in areca and Cocoanut gardens.	1.25 per day.	1.50 per day.	1.75 per day.
2. Peeling the Coconuts and arecanut.	Do	Do	Do
3. Trimming and spraying in Arecanut and Cocoanut Gardens.	Do	Do	Do
4. Any other other operations relating to Arecanut and Cocoanut Gardens.	Do	Do	Do

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- Note:-** 1. Workers in Coconut and Arecanut gardens may be allowed to have the existing rates which are higher than the above. In case where bullocks are supplied by the worker, he will get Rs.1.50 nP. in addition. If food is supplied a set off of Rs.0.37 nP. a meal may be made, except in the case of workers under Class "C".
2. In computing the above rates, a day's work is deemed to comprise of 8 working Hours.

The following rates are fixed for persons working as attached labour (Adolescents and Children):-

Class of employment.	With food and clothing.	Without food and clothing.
Classes A and D	Rs. 15 per month	Rs.30 per month
Class B	Rs. 10 per month	Rs.20 per month
Class C	Rs. 5 per month	Rs.15 per month

Note:- Attached labour means permanent labourers employed for agricultural and incidental operations.

Notwithstanding anything contained in the Notification, if in any area, the existing minimum rates of wages are higher than the rates specified in the Notification and if the existing minimum rates are fixed by a competent authority, the said higher rates shall continue to be in force.

(Notification No. LLH 128 LMW 59 dated 30 December 1959, the Mysore Gazette, Extraordinary, Part IV-1c, 30 December 1959, pp. 1-3).

Madras: Minimum Wages Act, 1948, extended to
Employments in Cotton Ginning and Pressing,
Salt Pans, Coir Manufactory, Match and Fire
Works Manufactory, ~~Knitting~~ Hosiery Manufactory
and Bricks and Tiles Manufactory.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Madras has added to Part I of the Schedule to the said Act the employments in cotton ginning and pressing, salt pans, coir manufactory, match and fire works manufactory, hosiery manufactory, and bricks and tiles manufactory.

(G.O. N.No.4238, Industries, Labour and Co-operation (Labour) dated 2 November 1959, the Fort St. George Gazette, Part I, 2 December 1959, page 1759).

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Madras: Minimum Wages Fixed for Employment in
Agriculture.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Madras has fixed, with effect from 10 December 1959, the following minimum rates of wages for employees employed in agriculture in the State of Madras except the areas in which the Tanjore Panniayal Protection Act, 1952 (Madras Act XIV of 1952), and the Tiruchirappalli, Kaiaeruwaran and Mattuwaram Act, 1958 (Madras Act XXXVI of 1958), are for the time being in force, the same having been previously published as required by clause (b) of sub-section (1) of the said section 5.

Class of Employees.	Minimum rates of wages.	
	Per day.	
		Rs. pP.
1. Employees engaged in ploughing (without bullocks and ploughs).	---	1 25
2. Employees engaged in sowing and transplanting:		
Adults		
Grade I	---	1 00
Grade II	---	0 87
Non-adults	---	0 75
3. Other agricultural employees:		
Adults		
Grade I	---	0 87
Grade II	---	0 75
Non-adults	---	0 62

Note:- Classification on employees into Grade I and II is based on physical capacity and out-turn of work.

By another notification the Government has authorised the payment of minimum wages either wholly or partly in kind provided that: (1) where minimum wages are paid either wholly or partly in kind, such wages shall not be less than the minimum wages that would have been payable had they been paid wholly in cash in accordance with the notification aforesaid; (2) the cash value of the minimum wages payable in kind shall be imputed, in accordance with the provisions of rule 20 of the Minimum Wages (Madras) Rules, 1953.

(G.O.R.No.4585, Industries, Labour and Co-operation (Labour) dated 28 November 1959, G.O.R.No.4753, Industries, Labour and Co-operation (Labour) dated 9 December 1959, the Fort St. George Gazette, Part I, 2nd December 1959, p.1784; *ibid*, Part I, 16 December 1959, page 1850).

**Madras: Minimum Wages fixed for Employments
ancillary to Agriculture.**

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Madras has with effect from 25 December 1959, fixed the following minimum rates of wages for employees employed in the employments of dairy farming, the raising of livestock, bees or poultry and any practice performed by a farmer or on a farm as incidental to or in conjunction with farm operations (including any forestry or timbering operation and the preparation for market and delivery to storage or to market or to carriage for transportation to market, of farm produce).

Classes of employees.	All inclusive minimum daily rates of wages. Rs. nP.
1. Dairy Farming-	
<u>adults</u>	
Skilled mazdoors	1 25
Unskilled mazdoors	1 00
Non-adults	0 75
2. Raising of Livestock-	
Adults	1 25
Non-adults	0 75
3. Bee-keeping-	
Adults	1 25
Non-adults	0 75
4. Poultry Farming-	
Adults	1 00
Non-adults	0 62
5. Mazdoors employed to transport farm produce to market, godown, etc.-	
Adults	1 00
Non-adults	0 75

(G.O.Ms.No.4913, Industries, Labour and
Co-operation (Labour) dated 18 December 1959,
the Fort St. George Gazette, Part I,
25 December 1959, pp.1921-1922).

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Madras: Minimum Wages fixed for Employment in Tobacco
(including bidi making) Manufactory.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Madras has fixed with effect from 25 December 1959 the following minimum rates of wages for employment in any tobacco (including bidi making) manufactory.

Class of Employees.	---	Minimum rates of wages. Rs. Pp.
Labelling(all kinds of labelling)	---	1 25 per day or 32 50 per mensem.
Transport staff-		
Drivers	---	50 00 per mensem.
Cleaners	---	35 00 per mensem.
Office staff-		
Clerks	0	
Typists	0	
Salesmen	0	
	---	50 00 per mensem.
Watchman	0	
Office boy	0	
Attenders	0	
	---	1 25 per day or 32 50 per mensem.
Thandur	---	1 37 per day or 35 75 per mensem.
Packing	---	1 37 per day or 35 75 per mensem.
Checking	----	45 00 per mensem.

(G.O.Ms No.4846 Industries, Labour and
Co-operation(Labour) dated 10 December
1959, the Fort St. George Gazette,
Part I, 23 December 1959, page 1891).

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Madras: Minimum Wages fixed for Adolescents and Children
Employed in Scented and Chewing Tobacco Manufactory.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Madras has with effect from 25 December 1959, fixed the following minimum rates of wages for adolescents and children employed in any scented and chewing tobacco manufactory.

Class of worker. (1)	Class of Work. (2)	Rates of minimum wages to be paid. (3)
(1) Adolescents, who are certified under rule 24(5) of the Minimum Wages(Madras) Rules, 1953, as fit to work as adults.	1.Sorting and grading of tobacco.	1.12 per day
	2.Cutting tobacco into bits.	1.25 per day or 32.50 per month
	3.Jaggery, boiler attendant.	1.12 per day
	4.Processing of scented tobacco.	1.25 per day or 32.50 per mensem
	5.Sorting and sizing of plantation bark.	1.25 per day or 32.50 per mensem
	6.Packeting of scented or chewing tobacco.	1.12 per day or 29.25 per mensem ($\frac{1}{4}$ anna packet, $\frac{1}{2}$ anna packet and 1 anna packet)
	7.Pasting labels.	1.02 per day or 32.50 per mensem (Bigger packets)
	8.Packing and bundling.	1.12 per day or 29.25 per mensem
	9.Maistries or supervisors.	1.25 per day or 32.50 per mensem
	10.Clerks.	45.00 per mensem
	11.Watchmen. or Van	45.00 per mensem
	12.Lorry/driver.	45.00 per mensem
	13.Lorry or van cleaner.	29.25 per mensem
	14.Miscellaneous and casual workers.	1.12 per day or 29.25 per mensem
	15.Learners.	0.75 per day or 19.50 per mensem.

Table continued:-

Class of Workers. (1)	Class of Work. (2)	Rates of Minimum Wages to be paid. (3)
(2) Adolescents who are certified under rule 24(5) of the Minimum Wages (Madras) Rules, 1953, as fit to work only as children.	Any class of work mentioned in column(2) against item (1) in column(1).	Half the rates of wages specified in column(3) for the respective classes of work specified in column(2) against item(1) in column(1).
(3) Other adolescents i.e., those, not included in items (1) and(2) above.	Any class of work mentioned in column(2) against item (1) in column(1).	For each hour of actual work at the rate of one-eighth of the rate specified in column(3) against item(1) in column(1), for the corresponding class of work, subject to the condition that in any case the total daily earnings shall not be less than that of a child doing the same class of work.
(4) Children.	Any class of work mentioned in column(2) against item(1) in column (1).	Half the rates of wages for the respective cases of work specified in column(3) against item(1) in column(1).

(G.O.Ms No.4904, Industries, Labour and Co-operation(Labour) dated 18 December 1959, the Fort St. George Gazette, Part I, 23 December 1959, page 1921).

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Madras: Minimum Wages fixed for Employees in
Maintenance of Roads.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Madras has with effect from 25 December 1959, fixed the following minimum rates of wages for employees employed in maintenance of roads.

Class of employees.	All inclusive minimum daily rates of wages.
	Rs. nP.
1. Unskilled employees -	
Grade I (Adults)*	1 57
Grade II (Adults)	1 12
Children	0 94
2. Skilled employees.	2 75

* Classification of employees into Grades I and II is based on physical capacity, skill, efficiency and outturn work.

Wherever wage periods fixed vary, the wage shall be calculated for the wage period so fixed and paid, that is, where the wage period is fixed as a week, fortnight or a month, the daily rates fixed above shall be multiplied by the number of working days in the week, fortnight or the month as the case may be.

(G.O.Ms No.4728 Industries, Labour and
Co-operation(Labour) dated 8 December 1959,
the Fort St. George Gazette, Part I,
15 December 1959, page 1882).

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Madras: Minimum wages fixed for Clerks, Maistries or Supervisors in Tanneries.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Madras has, with effect from 30 December 1959, fixed the following minimum rates of wages to certain ~~via~~ employees employed in tanneries (excluding the tanneries-cum-leather manufactories).

Class of Employees.	Minimum rates of wages	
	Basic rate of wages. Per mensem.	Cost of Living allowance. Per mensem.
	Rs.	Rs.
Clerks	34	25
Maistries or Supervisors	34	25
Watchmen	28	25

(G.O.Ms No.4983 Industries, Labour and Co-operation(Labour) dated 24 December 1959, the Fort St. George Gazette, Part I, 30 December 1959, page 1945).

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Madras: Minimum Wages fixed for Certain Additional
Categories of Workers in Public Motor Transport.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Madras has fixed, with effect from 30 December 1959, the following minimum rates of wages for certain additional classes of employees employed in the public motor transport.

Class of employees.	All inclusive minimum wages per mensem.
	<u>Rs.</u>
1. Floor Supervisor (i) Regulation of parking of vehicles, (ii) cleanliness of vehicles and works yards, (iii) supervision of washing and lubrication of vehicles and (iv) road testing vehicles in which defect is reported.)	109
2. Parking Controller (Regulation of parking vehicles, super- with vision of washing and lubrication).	99
3. Assistant Blacksmiths	57-50
4. Fitter helper	57.50
5. Assistant Tyremen	57.50
6. Time-keeper or Stand Agent	60
7. Assistant Tinker	57.50
8. Attenders	55
9. Assistant Electricians	65
10. Water carrier	51
11. Bench Fitter	95
12. Depot Starter	70
13. Controller	70
14. Shroff or Cashier	70
15. Petrol pump operator	55
16. Winder	70
17. Workshop time-keeper	70
18. Lubricating Inspector	70
19. Radiator fitter	70
20. Electro plater	70
21. Workshop Driver	70
22. Machinist	70
23. Assistant Machinist	60
24. Assistant Welder	65
25. Assistant Tailor	65

Table continued:-

Class of Employees.	All inclusive minimum wages per mensem.
	<u>Rs.</u>
26. Assistant Painter --	55
27. Ticket checking clerk or Booking clerk. --	55
28. Store keeper --	85
29. Workshop tool keeper --	80
30. Typists --	70 for unqualified typists i.e., those who have not passed the Government Technical Examination in Typewriting by the Higher Grade. 80 for qualified typists, i.e., who have passed the Government Technical Examination in Typewriting by the Higher Grade.

The rates of minimum wages fixed above shall not affect such cases where higher rates of minimum wages have been fixed by the former Travancore-Cochin Government in their proceedings No.L.I.16322/5/DD, dated the 9th October 1954, which are now in force in the Kanyakumari district and the Shencottah taluk of the Tirunelveli district.

H.B.- Wherever wage rates are to be fixed by the day, the minimum rate of wages per day, shall be calculated by dividing the above rates by 26.

(G.O.No No.8060 Industries, Labour and Co-operation (Labour) dated 29 December 1959, the Fort St. George Gazette, Part I, 30 December 1959, pp.1945-1946)

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Higher Wages in Cement Industry Recommended
by Wage Board.

The Wage Board for the cement industry has recommended a minimum wage of 52 rupees a month.

The existing basic wage in cement producing centres, largely located in Gujerat and Saurashtra, is 25 rupees a month.

The Board has recommended a dearness allowance of Rs.31.50 for workmen in Gujerat and Rs.38.50 in Saurashtra. In addition, a house rent of Rs.7.50 and another Rs.3 as amenities would be paid to workers every month. Thus, workers in Gujerat will get a minimum wage of 94 rupees and those in Saurashtra 101 rupees per month.

The new scale of wages would come into force from January. It has accepted the principle of equal pay for equal work.

The Board is satisfied that the industry is in a position to pay the wages it has recommended provided the retention price of cement is suitably raised. Implementation of the recommendations, the Board has estimated, would involve an increase of about 1 rupee a ton.

It has broadly laid down that the wage structure it has prescribed should not apply to workmen in new units for 18 months during which period they should receive 75 per cent of the wages recommended by it.

Among the suggestions it has made for giving effect to its recommendations are increase in the price of cement to consumers, reduction in profits of the State Trading Corporation and reduction in excise duty of 24 rupees a ton.

(The Hindustan Times, 7 November 1959).

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37. Salaries.

India - November-December 1959.

Jammu and Kashmir: Recommendations of Pay Commission:
State Employees to get more Dearness Allowance.

The Jammu and Kashmir Government published on 14 December 1959 in the State Gazette the recommendations of the Pay Commission appointed in August 1958 and its decision thereupon. Among other things, the Government has accepted the Pay Commission's recommendations for a new scheme of dearness allowance for State Government employees, which will cost the State an additional amount of 7.2 million rupees per year. The revised scales, which will come into force with retrospective effect from 1 April 1959, will also benefit the pensioners.

Under the new scales, the minimum emoluments of a Government servant will be 55 rupees per month.

The Government has not accepted as obligatory the varying of dearness allowance whenever the cost of living index varied within the range of 50. This is because "the grant of allowances depended on several considerations, the most important of them being the available resources of the Government at the moment." In this connection, the Government agreed that, as soon as the cost of living rose above 50, the Government should immediately appoint an inquiry committee to see the effect of the increase on the financial condition of its employees.

Regarding accommodation to the Government employees, the Government agreed that rent-free accommodation be provided only to those who were constantly required at their places of work. The general rule, according to which rents were charged at ten per cent of the pay or at standard rate, whichever is lower, should be made applicable to all Government accommodation.

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The Government also agreed "as far as possible" that the provision of Government accommodation may have its emphasis on accommodating employees drawing 100 rupees or less a month.

Regarding pension and gratuity the recommendations were:

1. Pensionary gratuity may be made a rule in cases where the servant meets death or disability in course of duty.

2. Gratuity may be given ex gratia either as a lump sum or as pension in cases where a servant met death or disability not in the course of duty; and

3. On retirement a Government servant should, be permitted ~~me~~ to commute a part of his pension.

(The Tribune, 6 December 1959;
The Hindustan Times, 15 December 1959).

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Major Recommendations of Central Pay Commission
accepted: Minimum Salary raised to Rs. 80;
Merger of Dearness Allowance with Basic Salary.

Shri Morarji Desai, Union Minister for Finance announced in the Lok Sabha on 30 November 1959, that the Government has accepted major recommendations of the Pay Commission in respect of improvements in pay and allowances of Central Government employees which would cost about 160 million rupees per annum. These recommendations will take effect from 1 November 1959.

For service rendered during the period from 1 July 1959 to 31 October 1959, the amounts will be worked out on the basis of the revised rates of pay and allowances and credited to the provident fund accounts of the employees as an ex gratia contribution by the Government. In addition, the increased pensionary benefits resulting from the Government's decisions will also cost a substantial amount which will be of the order of about 20 million rupees per annum. The ~~pensionary~~ commitments on account of pay and allowances and pensionary charges will increase progressively over a period of years and the effect on Government finances will, therefore, in the long run, be considerably more than the minimum recurring cost of 180 million rupees per annum.

One of the major recommendations accepted by the Government is that the minimum remuneration of a Central Government employee which is at present Rs.75 should be increased to 80 rupees per month. Another is to merge with the basic pay the full rates of dearness allowance as they existed prior to the grant of interim relief in 1957. A third recommendation is to split the minimum remuneration of 80 rupees into a basic pay of 70 rupees related to the cost of living index of 100 for 1949 and a separate dearness allowance of 10 rupees related to the average cost of living index for the year 1958.

This rate of 10 rupees will be applied to salaries below 150 rupees and thereafter, there will be dearness allowance of 20 rupees per month for salaries upto 300 rupees per month with marginal adjustments upto a total of 320 rupees.

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The basic minimum pay of a Central Government employee will thus become 75 rupees per month instead of the present 50 rupees (made up of a pay of 30 rupees and a dearness pay of 20 rupees) and similarly, there will be a substantial increase in pay in the higher ranges, which will count as emoluments for calculating retirement benefits.

The Government has however, decided not to make any change in the present superannuation age limit. The Commission had recommended an increase in the age of superannuation to 58 for those who are now governed by the superannuation rule of 55. In taking the decision to maintain the status quo, the Government has been influenced by the adverse effect which raising the retirement age would have on employment opportunities available to educated young men and women in the immediate future on account of the continuance in service for three more years of persons who will otherwise retire from service and the adverse consequences of the retention of inefficient persons beyond the age of 55.

After taking into consideration the Commission's recommendations about holidays, casual leave and hours of work, etc., the Government proposed to reduce the number of holidays from 23 to 16 in a year and casual leave from 15 to 12 and to make one Saturday in a month a full holiday. On other Saturdays of the month, however, the hours of work will be the same as on other working days.

The Government has also accepted other improvements suggested by the Commission in the matter of retirement benefits, house rent and compensatory allowance in the frontier localities.

House rent and Compensatory Allowance.- The Commission had suggested that the present classification of localities on the basis of population for calculating house rent allowance should continue, and the revised rates of house rent allowance should be as follows:

(1) Below 75 rupees - 10 rupees (A class city); 7.50 rupees (B class) and 5 rupees (C class); (2) 75 rupees and above but below 100 rupees - 15 rupees, 10 rupees and 7.50 rupees; (3) 100 rupees and above but below 200 rupees - 20 rupees, 15 rupees and 7.50 rupees for those drawing below 150 rupees; (4) 200 rupees and above - 10 per cent of pay, 7-1/2 per cent and nil.

The Commission had said that where the application of these rates resulted in a reduction of house rent, Allowance being drawn at present, the reduction might be spread over three years ago, or so.

These have been accepted by the Government with a modification in respect of A class cities, namely, that the rate of the allowance will be 15 per cent of pay subject to a minimum of 20 rupees for the pay range 100-499 rupees and 12-1/2 per cent of pay for the pay range of 500 rupees to 999 rupees.

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As regards the city compensatory allowance, the Government has accepted the Commission's recommendation that in an A class city for pay below 150 rupees, the rate should be 10 percent of pay subject to a minimum of 7.50 rupees and a maximum of 1.50 rupees.

The rate of the compensatory allowance for the pay range 150 rupees and above will be eight per cent of pay subject to a minimum of 12.50 rupees and a maximum of 75 rupees.

In the case of 'B' class cities, the rate of allowance will be five per cent of pay subject to a minimum of 5 rupees and a maximum of 10 rupees for all persons drawing below 500 rupees.

Where the application of the proposed rates would result in a reduction of the amount being drawn at present, the reduction may be spread over three years or so.

Subscription to Provident Fund.- Government has accepted the Commission's recommendations to make subscription to a general provident fund compulsory for all employees. Those who are already required to subscribe at the higher rate of 8-1/3 percent of pay to a contributory or non-contributory provident fund will be required to continue to subscribe at that higher rate, and the others will be required to subscribe at least 6 per cent of their pay to a general provident fund.

Holidays to be Reduced.- The Government has also taken a decision on the Commission's recommendation about holidays, casual leave and hours of work of staff in administrative offices of the Central Government. It is proposed to reduce the number of holidays from 23 to 16 in a year, casual leave from 15 to 12 and to make one Saturday in a month a full holiday. On the other Saturdays of the month, however, the hours of work will be the same as on other working days. With the improvements in the minimum remuneration and in retirement benefits, Government is confident that public opinion will support these small increases in working hours and join with Government in calling upon workers in all Government services for the maximum and uninterrupted output and increased production.

Retirement Benefits.- Temporary service when followed by permanency should count in full for pension, and additional benefit of half a year's pension may be allowed when qualifying service exceeds completed years by more than six months. The rate of death - cum - retirement gratuity should be revised so as to make the maximum amount available on completion of 30 years' qualifying service, as for pension.

Industrial staff, on being made permanent, should be brought under the standard pension scheme.

For purely temporary employees who retire or are retrenched after not less than five years continuous service, a terminal gratuity has been recommended at the rate of one-third of a month's pay for each completed year of service.

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Improvements have been recommended for families of employees who die in service. In respect of temporary employees who die after completion of one year service, the gratuity varying from one month to three months' pay; and for families of quasi-permanent employees a gratuity subject to a maximum of four months' pay. In either case, death gratuity may be at the rates suggested for terminal benefits on retirement or retrenchment, if these are higher.

The Commission has also further recommended that the family of a permanent employee who dies before completing five years of qualifying service should be given a minimum gratuity equal to six months' emoluments, except in case in which death occurs in the first year of permanent service, the minimum may be two months' emoluments. The family of a deceased employee who was a subscriber to the contributory provident fund should be granted gratuity equal to the difference between the amount that would have been admissible had he been on pensionable establishment and Government's contribution towards his provident fund with accumulated interest.

After considering various schemes for increased provision for families of deceased Government servants, the Commission has recommended a widow's and children's pension benefit scheme, on a contributory basis, in replacement of the existing provision for survivor benefits. Under the proposed scheme, for a comparatively small contribution from his pay or surrender of a portion of gratuity, the widow of a deceased employee will get for life or till re-marriage one-third of the pension ^{deceased} he was getting at the time of his death or would have got on the day following the day of his death and the children will get pension varying from 1/12th to 1/3rd of the pension, according to the number of children, until they are 18 years of age or during their fulltime education.

On the Commission's recommendations of typical scales of pay for all services and posts ranging from 70 rupees in Class IV to 3,000 rupees in Class I, the statement said that these were being examined by the Government and would be accepted "with such modifications as may be found necessary". Other recommendations of the Commission on various matters concerning the conditions of service of Central Government employees were also being examined, and decisions would be taken as early as possible.

Among other recommendations accepted by the Government are:

1. The rate of earning gratuity will be increased from 9/20ths of a month's emoluments to 10/20ths of a month's emoluments for each completed year of qualifying service.
2. Temporary service when followed by permanence, whether in the same or any other post, should count in full for pension.
3. Leave taken out of India should count for pension to the same extent as leave taken in India.

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4. When the total period of qualifying service exceeds completed years by exactly six months or more than six months, an additional benefit of half a year's pension will be allowed, and this benefit will also be allowed in respect of gratuity.

5. While special pay will not count in any circumstances, and officiating pay will count to the extent of half in every case, personal pay will count in full if it was granted to compensate for loss in substantive pay or if the post in which it was drawn was held in a substantive capacity. In all other cases, personal pay will count to the extent of half.

The Government have also accepted the recommendation that the initial pay of an employee who is brought over to the revised scale of pay should be fixed on a "point to point" basis, subject to the conditions that (a) the refixation should not result in a reduction of emoluments; and (b) the additional emoluments should not exceed certain specified ceiling limits.

Employees affected by the revision of scales will, irrespective of the change-over, be allowed to draw their annual increment on the dates on which they would have drawn the increment if there was no revision. In cases in which the new rates of remuneration would be unfavourable, the present rates of remuneration should be allowed.

The Pay Commission was set up in August 1957 to examine the principles which should govern the structure of emoluments and conditions of service of Central Government employees and recommend such changes as might be considered desirable. The Commission submitted towards the end of 1957 an interim report on which the Government issued orders in December 1957. The final report of the Commission was received towards the end of August this year.

Travel concessions.- Among welfare measures proposed the Commission has suggested that the travel concession ~~allowance~~ allowed to different classes of Railway employees should be uniform, and in all cases reduced to one set of free passes and two sets of privilege ticket orders in a year.

For other employees, the basic features of the present concession should continue, but it should be extended to industrial and work-charged staff who are entitled to regular leave. Employees whose home place is not connected by rail should be allowed the concession also for journeys between the home town and the nearest railway station, and those who leave their families in their home towns may have the concession for themselves only once a year.

Co-ordinating Committees.- As a first step towards a co-ordinated welfare programme for the whole body of Central Government employees, the Commission has recommended that there should be a central agency, or committee drawn from different Ministries, to look after welfare activities and to maintain uniformity as far as possible. Welfare measures should be administered with as full a participation of the staff as possible, and a committee set up to make a review of the existing welfare arrangements for their improvement. The present expenditure on welfare activities should be substantially increased, and the grant in different Departments should be more or less on the same scale. Staff benevolent funds should be set up by the Departments concerned on a contributory basis.

(The Hindu, 1 December 1959;
The Hindustan Times, 1 December 1959).

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Assam: Part of Dearness Allowance Merged in Salary.

The Assam Government decided at Shillong on 28 November 1959 to merge 75 per cent of the ~~dearness~~ dearness allowance in the case of those drawing salaries of up to 100 rupees and 50 per cent of dearness allowance in case of those drawing salaries of upto 200 rupees.

The grade IV staff will be made permanent and the appellation, personal orderly will be done away with.

The Government has agreed to the setting up of staff committees to work as advisory boards for putting forward staff points of view and also to enable the Government to bring matters like efficiency of work before the staff. Staff committees will also be set up in districts and ~~subdivisions~~ sub-divisions.

(The Statesman, 29 November 1959).

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Bank Employees to get more Dearness Allowance.

According to a press report published on 20 December 1959, Indian and Exchange banks are to raise the dearness allowance of their 75,000 employees from 1 January 1960 by one slab - i.e. 7.14 rupees to 25.33 rupees per month for clerks and by 4.25 rupees per month for subordinates.

A recommendation to this effect has been made to the banks by the Indian Bank Association and the Exchange Banks Association. The dearness allowance from 1 January 1960 will be appropriate to the all-India consumer price index of 164 (1944 = 100).

(The Statesman, 21 December 1959.)

38. Housing.

India - November-December 1959.

Housing Scheme for Fishermen in Madras.

The Government of Madras has sanctioned a sum of Rs.102,000 for the construction of 120 houses for fishermen - 60 houses this year and 60 houses next year. According to an earlier sanction, 60 houses are under construction. Thus, the total number of houses to be completed this year would be 120. These houses are being built on a subsidy-cum-loan basis as a socio-economic measure for the improvement of the living conditions of fishermen. This programme of re-housing fishermen will be continued under the Third Plan. It is estimated that a sum of 5,000,000 rupees might be spent on the Scheme.

(Indian Labour Gazette, Vol.XVII, No.5 and 6, November and December 1959, page 445).

7

Land Acquisition and Development Scheme Introduced:
Provision of Finances to State Governments.

According to an official press note, the Union Government have decided to introduce the Land Acquisition and Development Scheme which will help in tackling the housing and slum-clearance problems by providing finances to State Governments for large-scale acquisition and development of land in selected areas. Financial assistance of the State Governments will be in the shape of loans at the usual rate of interest and repayable in ten years. The scheme will be Centrally-sponsored and the assistance to State Governments will not be reflected in the State plans.

Owing to limited funds available during this Plan period, attention will, in the first instance, be concentrated on the six major cities of Bombay, Calcutta, Madras, Kanpur, Ahmedabad and Delhi though other cities rapidly growing in size and population will not be entirely excluded.

The acquisition and development of land may be undertaken by the State Governments themselves or through local bodies or other semi-government agencies. Development for the purpose of the scheme will include the provision of water supply, electricity, approach roads, drains and sewers. Where necessary, the State Governments may advance loans to local bodies for these purposes.

The size of the plot under the scheme will not ordinarily exceed 500 sq.yds and more than one plot will not be sold to any individual or firm under the scheme.

The Central Government has also suggested to the State Governments to have separate housing departments to cope with the various housing schemes and programmes under their jurisdiction.

(The Hindustan Times, 28 October 1959;
The Statesman, 9 November 1959).

Fourth Housing Ministers' Conference, Hyderabad
5-7 November 1959: Compulsion on Employers to
Employers to provide Houses for Workers Recommended.

The Fourth Housing Ministers' Conference was inaugurated at Hyderabad on 5 November 1959 by Shri Bhimsen Sachar, Governor of Andhra Pradesh; Shri K.C. Reddy, Union Minister for Works, Housing and Supply presided.

Minister's speech.- Addressing the Conference, Shri K.C. Reddy, Union Minister for Works, Housing and Supply, expressed satisfaction at the progress of the Middle-Income Group Housing Scheme which was now operating in all the States. He said a sum of 30 million rupees, allocated by the Life Insurance Corporation for this Scheme for 1958-59, had already been disbursed. The total demand from the States in 1958-59 amounted to 30 million rupees.

The Minister observed that the picture was rather different this year. The demand from the States for this loan money from the Life Insurance Corporation was 63.6 million rupees against 30 million rupees originally promised by the Corporation for the year. States had, therefore, been authorised to draw from the Corporation a sum of 30 million rupees for the present and efforts were being made to see whether the remaining amount could be obtained to meet in full the requirements of the States for the current year. He hoped that the Life Insurance Corporation would continue to render help in increasing measure in the coming years.

As regards acquisition and development of land Shri Reddy pointed out that the Government of India had formulated a new land acquisition and development scheme, which would lay the base for all housing activity in the years to come. It would enable the State Governments to acquire in bulk, and in advance, the land that they thought would be required in the foreseeable future for the housing needs of a whole city, town or community. It, further provided the finance to develop this land and enabled the State to see the building plots, largely on a no-profit-no-loss basis to intending house-builders. Thus, bulk acquisition and development of land would tend to eliminate speculation in real estate and would bring down rents.

Shri Reddy said the progress so far made in the actual implementation of the housing and slum scheme was not very satisfactory. Upto the end of March 1960, 540 million rupees out of the allocated sum of 840 million rupees would have been disbursed for the various housing schemes, on the assumption that the entire budgeted amount for the current year was taken up by the different construction agencies. He suggested that in the next few weeks, when the State Governments discussed with the Planning Commission their requirements for the final year of the Second Plan, they should ask for and provide within their overall State ceiling, sufficient funds that would enable them to achieve their housing target prescribed under the Plan.

The Conference, among other things, recommended that specific measures including legislative compulsion, must be considered to make employers build houses for their workers. The Conference noted with regret that the liberalisation made in the subsidised industrial housing scheme last year had not led to any appreciable improvement in the employers' sector to build houses for the workers. It recommended that the matter should be considered in all its aspects by the Government of India in consultation with the State Governments and representatives of the all-India organisations of industrial employers and workers to formulate concrete proposals in this regard.

On the subject of subsidised industrial housing, the Conference recommended that to enable the State Governments to repay conveniently the Central loan from out of the rent receipts, the period for repayment of the loan (together with interest) be extended to 40 years, instead of 25 years as at present, if rents are reduced by this method.

It also recommended that immediate steps be taken by the Central Government to amend the Employees' Provident Fund Act to enable industrial workers to withdraw funds from their accumulations in the fund to meet 10 per cent of the cost of tenements required to be contributed by them under the scheme.

Housing of Sweepers and Scavengers.- The Conference recommended that special attention should be paid to the housing of sweepers and scavengers and a liberal subsidy be given for the construction of houses for them. The problem of housing of sweepers and scavengers should be tackled (a) as part of the schemes of the nature of slum clearance, (b) as a scheme to be undertaken specifically by the local bodies for their employees or by the State Governments under the Low Income Group Housing Scheme, and (c) as a scheme undertaken by co-operative societies of the sweepers and scavengers.

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The Conference strongly recommended that the scope of the slum clearance improvement scheme should be extended to cover all towns instead of limiting it to the six major towns (Calcutta, Bombay, Madras, Delhi, Kanpur and Ahmedabad), as at present. The benefit of the 62-1/2 per cent subsidy should also be extended to all slum clearance schemes on the analogy of the financial assistance now available to the six major towns.

Since the expenditure incurred on the provision of common external services in taking up slum improvement projects was not recoverable from the beneficiaries, the Conference recommended that the expenditure incurred on the provision of these services should be financed by subsidies and loans, as admissible under the Slum Clearance Scheme.

Low Income Group Housing Scheme.- State Governments were urged to give preference to co-operatives over other categories of borrowers for the grant of loans under the Low Income Group Housing Scheme. Amongst the co-operative societies, preference should be given to those societies which had also, among their members, Harijans who had applied for house-building loans. In cases where loans were given under the scheme for construction of houses, the State Government should release the minimum requisite controlled building materials from within their own quota to the prospective house builders to enable the construction of houses to be completed as expeditiously as possible.

On the question of village Housing Projects Scheme, the Conference considered that the maximum amount of loan admissible under the scheme should be 2,500 rupees or 50 per cent of the estimated cost of the house, whichever was lower, as against the present ceiling of 1,500 rupees per house.

The Conference also considered that the Village Housing Projects Scheme should be modified to provide grant of loan-assistance for improvement of houses.

Landless agricultural labour, except those already covered by any other means of income, should be allowed a subsidy of at least 15 per cent of the cost of the house by the Government of India. In the alternative, they should be provided, free of cost, with an open developed plot of land on which they could themselves put up a suitable hut.

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Plantation Labour.- The Conference was of the opinion that the State Governments concerned should enforce the penal provisions of the Plantations Labour Act with a view to compelling the planters to provide requisite housing facilities to their resident workers. If necessary, the question of exchanging the penalties laid down in the Act also might be considered. Where particular gardens sought exemption from the statutory provisions relating to the phased programme of housing, in view of their economic position, each such case should be examined and decided on its merits. There should be no general relaxation applicable to all, irrespective of their economic position.

The difficulties encountered by the employers in the matter of furnishing security for obtaining loans for house construction should be examined by the Government of India.

As regards the Middle Income Group Housing Scheme, the Conference recommended that a person might be given the maximum amount of loan of 20,000 rupees even if he had the building plot in his possession, as against 16,000 rupees which was admissible previously.

Land Acquisition and Development.- Dealing with Land Acquisition and Development Scheme, the Conference recommended that:

1. The allocation of funds for the scheme during the Second Plan period ~~making~~ should be in proportion to the total Plan allocation of each State for the Subsidised Industrial Housing, Low Income Group Housing and Slum Clearance Schemes, weightage being given, however, to the extent of 25 per cent to the States/Union territory containing the six major cities of Bombay, Calcutta, Madras, Kanpur, Ahmedabad and Delhi.
2. The State Governments should have full discretion in the utilisation of the funds in such areas as they considered necessary.
3. The State Governments should draft, within a period of six months, suitable legislation to control land use and value, and enact the legislation as soon as possible.
4. The State Governments should give the land out under the Scheme on a leasehold basis only. The lease-deed should, amongst other things, ensure that the houses were constructed within a period of three years of the allotment of the developed land, and that the land was not permitted to be transferred for at least a minimum period of five years from the date of the execution of the lease.

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The Conference endorsed the proposal for the setting up of Housing Finance Corporation and Board in the States, and expressed the opinion that the State Plan ceiling should not be affected by considerations of the likely funds that might be raised by these Corporations.

The Conference recommended that, in order to stimulate house-building activity, the State Governments might consider moving the local bodies to grant some relief in taxation to newly-built low-cost houses.

Slum Clearance Scheme.- The Minister said that the implementation of the slum-clearance scheme must be stepped up considerably during the remaining months of the Second Plan. The low rent paying capacity of the slum dwellers and their reluctance to move away from the congested areas taken up for clearance were difficulties that must be faced in a realistic manner. The element of subsidy had been stepped up from 50 to 62-1/2 per cent in order to keep down the rents.

(The Statesman, 8 November 1959;
The Hindustan Times, 8 November 1959;
The Hindu, 8 November 1959;
Indian Information, Vol.2, No.21,
dated 1 December 1959, pp.749-750).

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Slum Clearance Programme Intensified: More Funds
allocated.

The Union Government has decided to intensify slum clearance operations in six major cities - Delhi, Calcutta, Bombay, Madras, Kanpur and Ahmedabad - in pursuance of the recommendations of the Asoka Sen Committee. The States in which these cities are located have been authorised to sanction further slum-clearance projects costing to 50 million rupees, provided the actual expenditure does not exceed their existing second Plan allocations under the slum clearance scheme. Ad hoc allocations have also been made to the Delhi Municipal Corporation which has been entrusted slum clearance work in the Capital.

While a State Government's share of the subsidy under the slum clearance schemes will remain at 25 per cent of the approved cost, the Centre's share has been raised from 25 to 37 per cent.

The State Governments have, accordingly, been advised to make necessary arrangements for the execution, co-ordination and supervision of their projects. They have also been asked to take up slum improvement work by providing basic amenities in areas where slum improvement work by providing basic amenities in areas where slum clearance is not possible. The outline of a slum improvement scheme giving broad principles on the lines of which work should be done has also been communicated to them.

The Small-scale Industries Organisation has been requested to conduct an occupational survey of the slum areas to see how far the setting up of small and cottage industries could supplement the employment opportunities and the income of slum-dwellers living in those areas.

(The Hindustan Times, 21 December 1959).

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Recommendations of Working Group on Social Welfare:
Slow Progress of Slum Clearance.

According to a press report published on 7 November 1959, the Planning Commission's Working Group on Social Welfare has recommended a total allocation of Rs.450 million rupees in the third Plan - 320 million rupees by the Centre and 120 million rupees by the States - for slum clearance, slum improvement and slum prevention projects.

The following basis of expenditure on slum eradication and improvement programme has been proposed for the third Plan: slum improvement - 146.6 million rupees by the Centre and 53.4 million rupees by the States; slum clearance - 143.5 million rupees by the Centre and 53.4 million rupees by the States; and slum prevention 35.8 million by the Centre and 13.2 million rupees by the States.

The Working Group has recommended that Central loans and subsidies for slum improvement and prevention schemes should be granted to corporations and municipalities on the same basis as for slum clearance projects at least during the third Plan.

The Working Group has recommended that civic authorities should have summary powers for demolition and removal of unauthorised structures and constructions and there should be stricter enforcement of building by-laws.

It is also recommended that there should be a master plan for every city with a population of 100,000 in the first instance and gradually similar plans should be prepared for towns with a population of 50,000 and 25,000.

At the rate of present progress of the programme, the Working Group has estimated that it would take 110 years to clear slums in India.

(The Hindustan Times, 7 November 1959).

2

Bangalore: Improvement rather than Clearance of
Slums only Needed: Results of a Survey .

The Department of Statistics of the Government of Mysore conducted recently a comprehensive survey of slums in the Bangalore Corporation area. The survey concludes that slum improvement rather than slum clearance only should be the objective of planners. The survey covered 92 slums with a population of 39,000 housed in 13,000 insanitary huts. The revealing facets of life in the slum areas observed during the survey are:

The population in the slums has increased by 10,000 in these nine years.

Out of 92 slums, 60 per cent are in existence for 15 to 30 years, 23 per cent for 15 years and the remaining 17 per cent for more than 30 years.

More than 50 per cent of the slum dwellers speak Tamil, 18 per cent Telugu, 17 per cent Kannada, 11 per cent Urdu and 2 per cent Marathi. Out of the total, 72 per cent have migrated from outside the State, particularly from Madras State.

Slums having taps as the only source of drinking water cover 43 per cent; of the total 37 per cent have both taps and wells, and three per cent neither taps nor wells.

As many as 57 per cent of the slums have reading rooms and 23 per cent of them have primary schools. In 84 per cent of the slums sanitary conditions are bad.

Out of the persons of employable age coming within the age group of 16 and 60, 57 per cent are employed of whom 79 per cent are males. Among the employed persons 50 per cent are earning less than 50 rupees per month, 38 per cent between 50 rupees and 100 rupees, and 12 per cent 100 rupees and above.

Of the total employed, 40 per cent are literate and 60 per cent illiterate. If the whole population, excluding children below 6 years is taken into account, only 21.3 per cent of the dwellers are literates.

Another observation made by the survey party is 18.6 per cent are addicted to 'stimulants'.

The average family of the slum dwellers consists of five persons. The ratio of earners to dependants in a family is 2:3. There are 960 women for every 1,000 males where as in the Corporation area the number of women for every thousand of males is 883.

In the family budget, a high percentage of the total expenditure is on food, especially in the case of low income groups. Of the total expenditure in a family with an income of about 50 rupees, 72 per cent is on food, 3 per cent on clothing, 1.4 per cent on medicines, 0.4 per cent on education, 8 per cent on recreation and 10.2 per cent on miscellaneous items.

Majority of the slum dwellers pay rent for the huts. Most of them are of mud walls and with thatched roofs; 65.3 per cent of the huts have no windows and 70.7 per cent do not have bath rooms. As many as 90 per cent of the huts are infested with bugs or mosquitoes. It is observed that 73.1 per cent of the slum dwellers have agreed to move if alternative sites are provided and 29.9 per cent are unwilling to move at all. The general health condition in 80 per cent of the slums is bad. As much as 63 per cent of the slums are not visited by vaccinators and 87 per cent are not visited by the DDT spraying staff.

Unemployment.- If the whole population is taken into account, 62 per cent of the slum dwellers are unemployed. It is observed that unemployment in the case of 18.3 per cent is due to paucity of opportunities to work and 24.5 per cent of them are unwilling to work even if employment is offered. It is seen that it is predominantly women who are unwilling to work, except in the age group 45 to 60 years.

Out of 550 households surveyed, 10 are earning less than 25 rupees per month where as 27.1 per cent of the household are getting an income between 100 rupees to 200 rupees per month. On an average the total monthly income per family works out to about 75 rupees.

It is observed in the report, "Considering all these facts, we can say that the slum dwellers are having a fairly decent income which can be compared favourably with the income of other groups outside the slum area living in decent dwellings. The economic status of the slum dwellers does not seem to be as bad as one expects it to be". Indebtedness among the slum dwellers is high. They have drawn loans for marriages, religious ceremonies, maternity and medical charges and day-to-day family maintenance. In regard to Prohibition, 71.7 per cent have said it is good and 28.3 per cent have said it is bad; 99.9 per cent have said that primary education is advantageous.

Concluding the report suggests that instead of demolishing in its entirety the existing slums, steps may be taken for their improvement by widening some of the streets and demolishing those tenements which come in the way of uniformity and improvement.

(The Deccan Herald, 23 November 1959).

39. International Economic Relations.

India - November-December 1959.

Trade Agreement between India and Czechoslovakia signed.

A trade agreement was signed at New Delhi on 24 November 1959 between India and Czechoslovakia, providing for a long term credit to India amounting to Rs.230 million.

Under the agreement, Czechoslovakia will supply machinery and equipment for the third stage of the foundryforge plant, a heavy machine-tools plant and a heavy electrical plant for the projects during the Third Plan. The credit, which will be for a period of eight years, carries an interest of 2-1/2 per cent per annum. The first instalment for the repayment of credit falls one year after the completion of the last delivery against each project. The credit is to be repaid in kind by supply of goods such as pig iron, chemical and engineering goods, non-ferrous metals processed and other ores and semi-finished products.

(The Times of India, 25 November 1959).

India signs three year trade pact with Poland.

A three-year trade agreement was signed in Delhi on 2 November 1959 between India and Poland providing for a considerable increase in trade between the two countries. This agreement which will be operative from the beginning of the next calendar year, replaces the current agreement expiring at the end of the year.

Under the agreement, payments between India and Poland will be in non-convertible Indian rupees and trade will be on a balanced basis. The Indian rupees which Poland will earn by exports to India will be utilised for buying Indian goods of equal value.

Poland will supply to India industrial raw material, pharmaceutical, ships and tankers and complete machinery plants for coal mining, machine tools and machinery for foundries. Indian exports to Poland will include tea, spices, cotton manufactures, mica, shellac, coir products, castor oil, oil cakes, iron ore, palmyra fibre, textile machinery, shoes, handicrafts and sports goods.

(The Hindustan Times, 3 November 1959).

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

INDIA - NOVEMBER - DECEMBER 1959.

41. Agriculture.

Annual Conference of Indian Society of Agricultural
Economics: Reserve Bank Governor's Inaugural Address.

Delivering the inaugural address of the annual conference of the Indian Society of Agricultural Economics at Baroda on 25 December 1959, Shri H.V.R. Iengar, Governor, Reserve Bank of India, stated that the primary question before the country was of fashioning an administrative machinery that would "respond to the new impulses of a national Government dedicated to the task of improving the lot of the common man".

Shri Iengar said that the country had no doubt made some progress during the years since Independence but when one looked at the problem from the specific point of view of agricultural production or of the general economic conditions of the rural families, it was clear that ~~xxxxxxxx~~ such improvement as had taken place was inadequate for their needs.

"We have to make more massive and quicker progress. A variety of steps has to be taken for this purpose: one of the most important among them is to see that the administrative machinery is really capable of doing its job, in letter and in spirit".

In the days of the British rule, Shri Iengar continued, the problem of rural poverty and the need for its eradication was outside the purview of the district administration. Since Independence "a basic change" had taken place and "the problem of poverty occupies the central place in the thinking and activity of the Government". Reviewing the progress in the fields of community projects, food production and service co-operatives, the Reserve Bank Governor said that there was a gap between the aspirations of the Plan in the field of rural economics and the actualities of the situation.

The facts regarding the administration, at all points of contact between the peasant and the Government, must be ascertained and both drive and imagination must be used to see that at all these points the face of the Government seen by the farmer is clear, friendly and dynamic.

He said that today the objectives were very much more complex in that they involved fundamental changes in social attitudes - to replace the belief among people that poverty is preordained by the belief that hard work can help in eradicating it; to inculcate a feeling for the village as a whole rather than a consciousness of loyalty only to the caste or to the individual family; to inspire a feeling of dignity for labour among communities that have hitherto thought they were socially above it; to spread a consciousness of the benefits of modern technology and to make the official class feel that their task is not mere routine but a dedication to the building of a new India.

"We are today in the same initial stage of difficulties and mistakes as the ~~British~~ British originally were. They succeeded in building up what, from their limited point of view, was a magnificent administrative machine.

"The question is whether we can achieve an equal degree of success in the task of fashioning a machinery that will respond to the new impulses of a national Government dedicated to the task of improving the lot of the common man".

Community Development Programmes.- Shri Iengar drew attention to the recently published report of the U.N. Technical Assistance Administration on the results so far achieved by the Community Development programmes in India.

"The central point of their assessment is that there is a "widespread confusion in India between what is intended and what in fact exists", he said.

Shri Iengar further quoted from the report to say that the line of communications from the top to the bottom in the Community Projects Administration "seem to be blocked" and "many, perhaps the majority of community development officials are, on the whole, out of touch with village expectations".

It might be argued, Shri Iengar went on, that the Community Development Scheme imposed an exceptionally onerous burden on the field staff both because the staff was largely new and because its responsibilities ~~including~~ included, in addition to progress on a very wide front, the difficult problem of stimulating changes in the mental attitudes of the villagers. Consequently, it might be considered unreasonable to expect any quick results.

Shri Iengar said that the "confusion in India between what is intended and what in fact exists" was particularly noticeable in the agricultural co-operative sector.

The basic concept of Government that the co-operative society is the best form of organisation for promoting the economic interests of agriculturists is right.

It was because of this faith in the agricultural co-operative movement that the Reserve Bank of India had been financing co-operative societies through State co-operative banks for providing funds to agriculturists for the production and marketing of crops.

The loans disbursed by the Reserve Bank for these purposes had increased from a few millions in 1947-48 to nearly 700 million rupees in 1958-59.

Though it might be supposed that these loans would be rapidly utilised and there would be demand for more, in reality credit limits sanctioned by the Reserve Bank had not been drawn in full. On an average the monthly unutilised credit limit was about 120 million rupees in 1957-58 and 160 million rupees in 1958-59.

"This sounds astonishing, having regard to the enormous need for credit by farmers. The reason is that the co-operative credit structure is not equal to the task of absorbing the assistance offered by the Reserve Bank."

The ability of the co-operative credit movement to measure up to the task legitimately expected of it depended in a very large measure on the soundness and efficiency of the primary co-operative credit society.

The weakness of the primary co-operative credit societies and the Central Co-operative Banks was in its turn due to the weakness of the co-operative marketing societies.

By the end of 1957-58 about 1,000 marketing societies had been organised but few of them had begun to stock seed and manure in adequate quantities and few primary credit societies affiliated to them drew their ~~supplies~~ supplies.

(The Statesman, 27 December 1959).

Assam Consolidation of Holdings Bill, 1959.

The Government of Assam published on 23 December 1959, the text of the Assam Consolidation of Holdings Bill, 1959, which was introduced in the Legislative Assembly of the State on 15 December 1959.

The Bill seeks to provide for consolidation and prevention of fragmentation of agricultural holdings. The State Government is empowered to declare that a scheme for consolidation of holdings shall be prepared for a specified area on the representation of the owners desiring consolidation in that area or on its own motion. Other provisions of the Bill deal inter alia with the principles to be followed in preparing the scheme of consolidation of holdings, the particulars to be included in the scheme, submission of the scheme to the settlement officer for confirmation, enforcement of the scheme of consolidation, payment of compensation for the difference in market value of the new and original holding, prevention of fragmentation and penalties for transfer, partition or lease of any land in contravention of the provisions of the Bill.

(The Assam Gazette, Part V,
23 December 1959, pp. 524-334).

Bihar Land Reforms (Fixation of Ceiling on Land)
Bill, 1959.

The Government of Bihar published on 23 October 1959 the text of the Bihar Land Reforms (Fixation of Ceiling on Land) Bill, 1959, which was introduced in the Bihar Legislative Assembly on 22 October 1959. The Bill seeks to provide for the fixation of ceiling, prohibition of sub-letting and resumption for personal cultivation of land and for the acquisition of status of raiyat by under-raiyat in the State and matters connected therewith.

The Statement of Objects and Reasons of the Bill declares that having regard to the recommendations of the Second Five Year Plan for reducing glaring inequalities in the ownership in the use of the land and reducing the inequalities in agricultural income, Government have decided to undertake this legislation prescribing the maximum extent of the land that a person may hold. The ceiling will apply to all agricultural lands held by a person either as an owner or a usufructuary mortgagee or a tenant or in any or all such capacities. The provisions of the Bill will apply to the entire State. It contains provisions for controlling future acquisition of lands.

The land declared as surplus will vest in Government free of all encumbrances. Compensation shall be payable in cash or transferable bonds or partly in cash or partly in bonds and they will carry interest at the rate of two and half per cent per annum from the date of issue and shall be repayable during a period of 20 years. Where the surplus land is a tenanted land 3/4ths of the compensation will be paid to the raiya while the tenant will be paid 1/4th of the compensation.

The management of the untenanted surplus lands will vest in the Gram Panchayat who shall entrust the cultivation of compact blocks to Co-operative Societies registered under the Act for the time-being in force. In the case of tenanted surplus lands the tenant will get raiya status on payment of compensation fixed.

The Bill is being introduced to arrange for more equitable distribution of land and making the surplus land available to the extent possible for cultivation on co-operative basis and for conferment of the rights of a raiyat on the tenants on the land. It is expected to assist agricultural production by insisting on personal cultivation by the owner.

Clause 4 of the Bill defines the ceiling area of land, viz., (a) thirty acres of land irrigated by flow irrigation by canal maintained by the Central or the State Government or by a body corporate constituted under any law in force on the date of commencement of this Act (hereinafter referred to as Class I land); or

(b) forty-five acres of land actually irrigated by lift-irrigation work or tube-wells maintained by the State Government (hereinafter referred to as Class II land); or

(c) sixty-acres^{of} land including orchard other than land referred to in clauses (a), (b), (d) and (e) (hereinafter referred to as Class III land); or

(d) seventy-five acres of Diara land (hereinafter referred to as Class IV land); or

(e) ninety acres of ~~Diara~~ hilly, sandy, surplus homestead land or other land none of which yield paddy, tabbi or cash-crop (hereinafter referred to as Class V land).

It shall not be lawful for any person to hold except as otherwise provided in the Bill, land in excess of the ceiling area. A landholder may, in addition to the ceiling area, retain -

- (i) any land forming part of his homestead not exceeding ten acres in area, provided that the landholder shall be entitled to retain all pucca structures and the land on which they stand together with such other land as may, in the opinion of the Collector, be necessary for the use and enjoyment thereof; and
- (ii) orchards existing on the date of commencement of this Act not exceeding thirty acres in area, but only so long as the lands remain as orchards.

Where the number of persons, not being landholders, entitled under their personal law to be maintained by a landholder and dependant upon him, exceeds four, such landholder may hold, in addition to the area as mentioned above, land not exceeding one-fifth of the ceiling area for every such number exceeding four, provided that in no case shall the aggregate of the land held by him exceed three times the ceiling area.

The State Government shall acquire the surplus lands by publishing in the Official Gazette a notification to the effect that such lands are required for a public purpose.

Other provisions of the Bill deal inter alia with ceiling on future acquisition by inheritance, bequest or gift, determination of compensation for land acquired by the State, disposal of surplus land, etc.

(Bihar Gazette, Extraordinary,
23 October 1959, pp. 1-29).

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Delhi Land Holdings (Ceiling) Bill, 1959.

Shri Govind Ballabh Pant, Minister for Home Affairs, Government of India, introduced in the Lok Sabha on 25 November 1959 a Bill to provide for the imposition of a ceiling on land holdings in the Union territory of Delhi and for matters connected therewith.

According to the Statement of Objects and Reasons of the Bill, the Delhi Land Reforms Act, 1954, fixed a limit of 30 standard acres on future acquisitions, but did not provide for any ceiling on existing land holdings in Delhi. An announcement was made in the Lok Sabha by the Home Minister on 10 February 1959, that a Bill to impose ceilings on land holdings would be introduced. The present Bill seeks to fix a ceiling of 30 standard acres in respect of a family consisting of five members. The Bill further seeks to provide that where there are more than five members in a family, it would be permissible for that family to hold an additional five standard acres for each member provided that the total area held by that family does not exceed sixty standard acres. Lands in excess of the ceiling limit are to vest in the Government.

The Bill provides that in respect of a family consisting of five members, the ceiling limit shall be 30 standard acres, provided that if there are more than five members in family, it would be permissible to hold five, ~~maximum~~ additional standard acres for each member in excess of five, so however, as not to exceed 60 standard acres in the aggregate.

Other provisions of the Bill deal inter alia with submission of returns by persons who hold land in excess of the ceiling limit, procedure for determination of excess land, distribution of excess land, principles of assessment of compensation and manner of payment of compensation, limit of future acquisition of land, allotment of excess land, appeals and revisions against orders passed under the proposed legislation, etc.

(The Gazette of India, Extraordinary,
Part II, Sec:2, 25 November 1959,
pp. 1201-1218).

Tripura Land Revenue and Land Reforms Bill, 1959.

Shri Govind Ballabh Pant, Minister of Home Affairs, Government of India, introduced in the Lok Sabha on 2 December 1959, a bill to consolidate and amend the law relating to land revenue in the Union territory of Tripura and to provide for the acquisition of estates and for certain other measures of land reform. The Bill, among other things, seeks to provide the abolition of intermediaries, regulation of rights of owners and tenants, fixation of ceilings on existing holdings and future acquisitions and prevention of fragmentation.

Chapter XI of the Bill deals with acquisition of estates and of rights of intermediaries therein. Under clauses 137 and 138 provision is made for the issue of notification declaring that with effect from such date as may be specified therein, the rights of intermediaries in any estate or estates shall vest in the Government and for the consequences that would follow upon the issue of such notification.

Clauses 143 to 145 of Chapter XII specify the right of the intermediary to receive and be paid compensation in respect of his right, title and interest in any estate which vests in the Government and the date from which such compensation shall be paid, each intermediary being treated as a separate unit. The compensation payable to an intermediary is expressed in multiples of his net income from the estate varying from 2 to 15 times the net income.

Clause 167 provides that in respect of a family consisting of five members, the ceiling limit shall be 25 standard acres, provided that if there are more members than five in a family, it would be permissible to hold 5 additional standard acres for each member, so however, as not to exceed 50 standard acres in the aggregate.

Clause 176 provides that no person representing a family shall acquire in any manner whatsoever whether by transfer, exchange, lease, agreement or succession any land where such acquisition has the effect of making the total area of the land held by him exceed the ceiling limit; and any such land in excess of the ceiling limit shall be treated as excess land of the transferee.

Clause 183 prohibits transfer of lands which will have the result of creating a fragment.

Clause 184 specifies the restrictions on partition of holdings which will have the effect of creating a fragment.

Clause 185 specifies that any transfer or partition which contravenes the provisions of this Chapter shall be void and prohibits registration of deeds of such transfer or partition.

(Gazette of India, Extraordinary,
Part II, Sec. 2, 2 December 1959,
pp. 1261-1345).

Manipur Land Revenue and Land Reforms Bill, 1959.

Shri Govind Ballabh Pant, Minister of Home Affairs, Government of India, introduced in the Lok Sabha on 9 December 1959, a Bill to consolidate and amend the law relating to land revenue in the Union territory of Manipur and to provide for certain measures of land reform. The Bill, among other things, seeks to provide for the regulation of rights of owners and tenants, fixation of ceilings on existing holdings and future acquisitions and prevention of fragmentation. The provisions of the Bill are similar to those contained in the Tripura Land Reforms Bill, 1959, mentioned above.

(The Gazette of India, Extraordinary,
Part II, Sec. 2, 9 December 1959,
pp. 1357-1423).

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Kerala: Report of the Committee for Enquiry into
the Kangany System in Plantations published.

The Government of Kerala gazetted on 20 October 1959 the report of the Committee for Enquiry into the kangany system in the plantations in Kerala. The Committee under the chairmanship of Shri P. Balagangadhara Menon was constituted by the Government by an order dated 25 June 1957 with the following terms of reference.

1. Should the Kangany system be abolished immediately? If so, how, when and by what terms?
2. Should Kanganies considered suitable by the managements to be absorbed in any supervisory capacity?
3. What should be the position of the Kanganies who lose their workers or any of them by transfer to estate gangs?

A brief summary of the salient points of the report is given below.

After the constitution of the Committee a conference of the representatives of management of the estates and the kanganies was held and a memorandum of settlement was drawn up and signed by the parties. It was agreed that the parties would accept and implement the decisions of the Government based on the report of the Committee.

The Committee in its report gives the general background to the question of abolition of the system of kangany. The dictionary meaning of the word 'Kangany' in Malayalam is 'important workman among the workers'. The word Kangany is used only in the Travancore-Cochin area of the State. In Malabar area, Kanganies are called 'Maistries' Kole Maistries are maistries normally doing supervisory work only. Among Kanganies, there is one group called sub-Kanganies. The sub-Kangany works under the head Kangany. The sub-kangany also recruits workmen and supervises the work of the workers under him. The sub-kangany is also paid a commission on the basis of the number of workmen in his gang. Sometimes a head Kangany may have a number of sub-kanganies under him.

The Travancore-Cochin State Kanganies Federation claims that there are about 15,000 Kanganies, in the plantations of Kerala. It was not possible for the Committee to collect the correct number of Kanganies in the State.

Detailed memoranda on the terms of reference were received by the Committee from the Malabar Plantation Maistries Union, the Kerala State Swathantra Thottam Thozhilali Union, Talapoya, the Travancore-Cochin State Kanganies Federation, from employers, workers, Kanganies and other persons interested in the problem.

General background.- The question of the abolition of the Kangan System was the subject matter of acute controversy some time before. The Kangan system of recruitment of labour in plantations came into existence in the early stages of the development of Plantations in the State. The Royal Commission on Labour and the 'Rego Committee' referred to the system of recruitment of workers through intermediary called kangan and the Rego Committee discussed the disadvantages of the kangan system and the necessity of abolishing it.

Tracing the history of legislation on the subject the Committee says that the Maharaja of Travancore, promulgated "the criminal breach of contract regulation (Regulation I of 1040) on the 8th Makaram 1040 (17 January 1865)." The Regulation made breach of contract by workers a cognizable offence, and a criminal court, on the receipt of a ~~maxt~~ complaint by the employer or his agent could, after due enquiry, order the workmen to repay the money, received, as advance or to compel him to perform the terms of contract. If the workmen failed to do so, the court could also sentence him to imprisonment. This Regulation was amended by the Criminal Breach of Contract Amendment Regulation II of 1052 (12 April 1877). It was again amended by the breach of contract regulation (Regulation V of 1087). The regulation was repealed only by the Travancore Breach of Contract (Repealing) Regulation I of 1110. The objects and reasons stated for repealing this Regulation and the speech of the member who moved the same are contained in Volume IV (page 323) of the Sri Mulam Assembly Proceedings. It is as follows:-

"The International Labour Conference of June 1950 has expressed the view that forced or compulsory labour should as a rule be abolished as early as practicable and this principle has been generally accepted by the Indian Legislatures in 1931. It is proposed by this Bill to repeal the Travancore Breach of Contract Regulation of 1930 as amended by Regulation V of 1937 and Sections 493 and 495 of the Travancore Penal Code. The corresponding provisions of British India have been repealed by Act III of 1925. Similar action has recently been taken in Mysore also".

The Committee describes in detail the action taken by the third session of the Industrial Committee on Plantations for the abolition of the kangany system in South India, the measures ~~proposed~~ formulated by the Central Government in February 1952 for checking the evils of the system and the action taken by the first tripartite labour conference held in Travancore-Cochin on 20 July 1950.

The following are the recommendations made by the Committee for the abolition of the kangani system.

1. As from the 1 of April 1959 all workmen, employed in the estates situated in the Kerala State in the kanganies, sub-kanganies, or maistries gangs, will stand transferred to the estate gangs.

2. All the existing kanganies, sub-kanganies or maistries, (including kole maistries) normally doing supervisory work, either in the field or in the factory, will be designated as supervisors and will be appointed as such without any break in their service.

3. The wages of the kanganies, sub-kanganies, kole maistries or maistries absorbed as supervisors shall be so fixed that they are not less than the daily average of their earnings (wage plus head money) taking the monthly average in the years 1955, 1956 and 1957 as the basis.

4. The kanganies, sub-kanganies and maistries engaged in any supervisory work either in the field or in the factory and drawing commission and who have completed 50 years of age on the 1 April 1959 and all those ^{w-10} have died or left the service after 1 November 1958 will be paid a compensation as shown below together with any gratuity (if any scheme of gratuity is in existence). The benefit of this scheme of compensation will also be available to all such kanganies, sub-kanganies or maistries who resign from service. But it will not be applicable in cases where their services are terminated for an act of misconduct involving financial losses to the estate.

Compensation.- For every kangany, sub-kangany or maistry, for every year of service, compensation will be paid at the rate of one month's commission subject to a minimum of 150 rupees and a maximum of 24 months commission. The basis of calculation of commission will be the average monthly commission earned by the kangany, sub-kangany, or maistry as the case may be, in the years 1955, 1956 and 1957.

Note:- But compensation will be payable to any kangany, sub-kangany or maistry who has been appointed as supervisor as provided in clause 2.

The contract of all kanganies, or maistries who are only labour supplies but who are not doing any supervisory work and who continue to receive commission, will also be determined on 1 April 1959 on payment of compensation as shown above.

5.

The dependants of kanganies, or maistries who have died on and after 1 November 1956 will also be entitled to the benefit of payment of compensation. But if any amount has already been paid by the employers on account of or in recognition of the termination of deceased kanganies or maistries contract the same will be deducted from the compensation payable, and ~~the~~ ^{the} only balance will be paid to the dependants.

(Kerala Gazette, No.41, dated -
20 October 1959, Part I, pp.1-34)

42. Co-operation.

India - November-December 1959.

Punjab: Report on the Working of the Co-operative Societies in the State for the Year 1957-1958.

The Government of Punjab published on 27 November 1959 its review of the report on the working of the co-operative societies in the Punjab State for the year ended 30 June 1958. According to the review the co-operative movement in Punjab, besides making an all-round progress, witnessed a number of significant development in new fields. On 26 February 1958, the Punjab State Co-operative Land Mortgage Bank was registered. The Warehousing Corporation was established on 2 January 1958. The Punjab Warehousing Act was finally modified on 6 February 1958. The Punjab Co-operative Societies Act, 1954, was extended to the area of erstwhile PEPSU State by the Punjab Laws Extension No. 5 Act, 1957. A unified Co-operative Law came into force in the integrated State of Punjab. Another important development related to the amalgamation of the apex co-operative banks of erstwhile PEPSU and Punjab States. The integration of the Punjab State Co-operative Bank and erstwhile PEPSU State Co-operative Bank was completed on 30 April 1958. The State Co-operative Conference was held at Karnal on 30 November 1957, and 1 December 1957. It was the first conference with which the Governor of the State was actively associated as the chief guest of the occasion of the inauguration of the conference.

The total number of co-operative institutions in the beginning of the year under report was 23,255, which number rose to 25,327 at the end of the year. It is significant to note that the State of Punjab, for its population, leads other States in India in the Co-operative Movement. The total membership increased from 1,229,414 to 1,405,192 and the working capital increased from 590,326,511 rupees to 471,872,607 rupees. Out of a total of 20,898 inhabited villages in the State, 14,272 were covered by the Co-operative Societies. This figure went up to 15,896 at the end of the year. The population being served by all types of primary societies at the beginning of the year was 5,961,660 as compared with 6,806,400 at the end of the year, i.e., 42.2 percent of the total population.

The working capital of the co-operative institutions increased and there was also a corresponding increase in the owned capital of the institutions during the year under report. At the commencement of the year, the total owned funds amounted to 114,555,563 rupees. By the end of the year, the owned funds had increased to 140,380,603 rupees. This increase is due to the substantial contributions by the State Government to the share capital of the various institutions under the Second Five Year Plan Schemes.

The Jullundur Division was found to be much more co-operative than the other Divisions. It may generally be stated that the plan year 1957-58 marked an accelerated activity towards the fulfilment of the Plan targets.

The Reserve Bank of India provided a long-term loan of 5,409,000 rupees to the Punjab State Government and this amount was utilised by the State Government for taking shares of various co-operative credit institutions from the primary level to the Apex level. A sum of 2,239,000 rupees was contributed by the State Government to the share capital of 310 large-sized agricultural credit societies. Another sum of 1,870,000 rupees was contributed to the share capital of 18 Central Co-operative Banks and a sum of 800,000 rupees was contributed by the State Government to the share capital of the State Co-operative Bank. A sum of 500,000 rupees was also contributed by the State Government to the share capital of the Punjab State Co-operative Land Mortgage Bank. During the year under report, the field staff detected 149 cases of embezzlement, involving a total amount of 178,955 rupees. In 108 cases prosecution proceedings were started, while in other cases efforts were made to recover the embezzled amounts by the normal process of law.

The training of the personnel of the Co-operative Department continued to receive attention at high priority. The Co-operative Training Institutes at Jullundur and Patiala continued to function. A refresher course for the entire staff of the Co-operation Department was held from 18 July 1957, to the 23 July 1957, in the hall of the Government Training College, Jullundur. The Punjab Co-operative Union continued to publish the Punjab Co-operative Journal, a quarterly, in English. The following are some of the important publications of the Punjab co-operative Union during the year under report: (i) The Punjab Co-operative Manual. (ii) Glimpses of Co-operation in Punjab. (iii) Hand Book of Circulars of Co-operation Department from 1 July 1957 to 31 July 1957. (iv) Development of Co-operation in Punjab under the Five-Year Plan Schemes.

The State Co-operative Banks were amalgamated and a single Punjab State Co-operative Bank emerged as the sole apex institution of the co-operative banking structure in the State. During the year under report, the total owned funds of the apex Co-operative Bank increased from 5,045,776 rupees to 6,440,909 rupees and working capital increased from 36,927,551 rupees to 49,318,495 rupees. The percentage of owned funds to working capital has gone up from 11.4 per cent to 13 per cent. In other words, the owned funds are keeping pace with the other resources. The Bank continued to function satisfactorily.

In pursuance of the recommendations of the All-India Rural Credit Survey Report, large-sized agricultural credit societies were organised. At the end of the year under report, the number of such societies stood at 340 with a membership of 104,498. These societies covered 1,071 villages.

One of the unique features of the agricultural credit movement of the Punjab has been the existence of agricultural credit societies exclusively of Harijans. At the end of the year their number stood at 584.

During the year under report, the Punjab State Co-operation, Supply and Marketing Federation Ltd., made the supply of the following articles:-

		RS.
(i) Fertilizers (26,448 tons)	---	3,541,509
(ii) Insecticides	---	215,471
(iii) Seeds	---	38,904
(iv) Consumer goods	---	13,074
(v) Other fertilizers and manures	---	76,803

For the year ending 30 June 1956, the Federation declared dividend at the rate of 8 per cent. There was considerable expansion in the marketing operations of primary marketing societies.

The number of co-operative sugar mills rose from 7 to 8. The owned funds of co-operative sugar mills increased from 20.7 million rupees to 22.8 million rupees. This included Government share capital amounting to 8.210 million rupees. The mills at Bhogpur worked for 115 days, while those at Rohtak and Panipat for 86 and 103 days, respectively. The quantity of sugarcane crushed by the three mills is given in the statement below:-

Name of Mill.	Quantity of Sugar-cane Crushed.
(i) Co-operative Sugar Mills, Bhogpur	--- 5,379,544
(ii) Co-operative Sugar Mills, Rohtak	--- 1,838,856
(iii) Co-operative Sugar Mills, Panipat	--- 2,950,385

The co-operative sugar mills at Rohtak had a poor performance. This was largely due to the fact that centrifugal supplied by the manufacturing firm turned out to be of inadequate capacity and additional centrifugal could not be obtained in time.

The only Apex Institution in the sphere of industries was the Punjab handloom weavers apex society Ltd., Jullunder. This society continued to expand its activity during the year under report. This society participated in five exhibitions during the year under report, held at Calcutta, Sirinagar, Hyderabad, Kulu and Allahabad. The number of handloom societies arose from 477 to 582. One of the spheres in which the co-operative movement in the Punjab has made a significant progress during recent years has been that of organisation of labourers on co-operative basis for undertaking execution of public works. The number of such societies increased from 648 to 718. The membership of these societies increased from 67,769 to 71,504. The working capital of these societies stood at 5,678,000 rupees out of which 32.6 per cent was in the shape of owned capital.

Co-operative Farming Societies.- After the integration of Punjab and Pepsu, the enlarged State of Punjab has come to occupy the foremost position in the country in regard to co-operative farming societies. At the commencement of the year under report there were 583 societies and this figure rose to 678 at the end of the year. During the same period, the membership of these societies rose from 10,471 to 11,892. Their working capital increased from 8.859 million rupees to 10.917 million rupees. The owned funds increased from 2.745 million rupees to 3.542 million rupees. Government gave aid to these societies for managerial staff, construction of godowns, agricultural machinery and fertilizers.

There was a large increase in the number of transport co-operative societies because of Government's policy to give preference to co-operative societies in the grant of Katcha route permits. The number of societies rose from 239 to 278.

(Supplement II, Punjab Government Gazette, 27 November 1959, pp. 174-178).

43. Handicrafts.

India - November-December 1959.

Promotion of Indian Handicrafts: Recommendations of
U.S. Mission Accepted.

The Government of India has generally accepted the recommendations of the American Mission on Consumer Goods and Trade Development which visited India last winter for the promotion of sale of Indian handicrafts and other consumer goods in the U.S. market.

The report of the Mission and a copy of the decisions taken on it by the Government were laid on the table of the Lok Sabha on 18 December 1959 by the Minister for Industry, Shri Manubhai Shah.

The Government has accepted the Mission's recommendations that all producers should rigidly adhere to promised delivery dates on orders to be shipped to the U.S.A.

Other recommendations accepted by the Government without any modification are: (1) Directing the efforts of designers so that handicrafts did not attempt to reproduce machine-made goods; (2) encouraging producers to give full emphasis on the limited number of items that might be in demand in the market at any given time rather than continue fully diversified production; (3) encouraging design of simplified items which have greater acceptance in the U.S. market and which could be produced at less expensive prices to attract more consumers; (4) laying extra emphasis on the sale of categories of goods which have immediate potential; (5) steps to assist individual producers in solving their problem of packing.

The Government has also agreed to encourage as far as practicable the establishment of corrugated box plants for the handicrafts trade.

The Mission had recommended that production and sale should be concentrated at any given time in items or categories of goods in which there was proven consumer acceptance. The Government in its resolution stated that this was being accepted subject to action on this recommendation being tempered by caution and review of prevailing conditions from time to time.

Regarding the requirement of a stamp of approval based on established quality standards before export, the Government stated that the recommendation was being accepted to the extent it could be made applicable to a limited number of handicrafts.

The Government has accepted the Mission's recommendations for the constant development of new fabric designs and ideas based on continued study of the U.S. market in respect of handloom fabrics as also the need for laying major emphasis on sale of Indian handloom sportswear in the U.S.A.

Two other recommendations concerning sales promotion which the Government has accepted are: continuance of fullest encouragement to the activities of importers handling Indian handicrafts and the establishment of a "commercial centre" for handicrafts and handloom fabrics in New York City.

The Mission's suggestion for having a sample service to send back to India selected fabrics and finished garments from the U.S.A. to show the needs and wants of the market has been accepted. The Government has also agreed to participate in full in the trade fairs and trade shows in the U.S.A. and to institute an organised programme of "on the job training" for young people from India in plants and stores in the U.S.A.

(The Statesman, 19 December 1959).

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Reserve Bank's Scheme for Guaranteeing Bank Loans
to Small Industries.

The guarantee scheme for bank loans to small-scale industries would come into operation early in 1960 and in the first year would cover 21 districts, according to a Reserve Bank of India press communique.

The Bank said that the scheme had been favourably received by bankers at a meeting of bankers and senior officers of the Reserve Bank, held in Bombay on 3 November 1959.

The guarantee facility will be made available in these 21 districts and to apex co-operative banks. It will apply to all types of advances made by these institutions to small-scale industrial units - i.e. those having a capital investment of 500,000 rupees or less. This facility would apply to credit and overdraft arrangements, demand loans and term loans granted to small-scale industries for working capital purposes or for acquisition of fixed assets and equipment.

The objective of this guarantee scheme is to provide a measure of protection to banks against possible loss in respect of their advances to small-scale industrial undertakings.

The scheme which has in principle been approved by the Centre is to be administered by the Reserve Bank on behalf of the Centre for an experimental period of two years.

In the first year the scheme would cover about 300 offices of banks in 57 centres in the selected 21 districts, besides 15 apex co-operative banks. In the second year of its operation the scheme would be extended to other 21 districts.

The ultimate liability in regard to the guarantee claims will be undertaken by the Centre through the Reserve Bank, which will administer the scheme. The entire scheme, including the type and extent of guarantee and charge, therefore, will be reviewed at the end of the experimental period of two years.

The extent of the guarantee against loss offered under the scheme would be in two parts. The first part, consisted of a portion of the loss which the guarantee organisation would undertake to bear fully. The second part included the remainder of the loss which the guarantee organisation would share equally with the lending bank.

The charge for providing guarantee cover would be one-fourth of one percent per annum on the amount of the advance. In respect of the initial guarantee taken, the minimum ~~charge payable~~ charge payable would be for one year, irrespective of the period of the advance.

The "full guarantee" would be up to 20 per cent of the advance in respect of advances of Rs.25,000 or less. In the case of advances larger than this, the full guarantee would be up to 10 per cent of the amount of the advance or Rs.5,000 whichever was higher, subject to a maximum of Rs.50,000. Any loss in excess of that covered by the "full guarantee" would be shared by the guarantee organisation and the lending bank on a "50:50 basis" in all cases.

The scheme has been formulated by the Reserve Bank of India on the lines suggested by the Seminar on Financing of Small-scale Industries held in Hyderabad in July 1959 (vide Section 43, pp. 28-29 of the report of this Office for July 1959).

(The Times of India, 4 November 1959).

Measures to Assist Industrial Co-operatives:
Government's Decision on Recommendations of
Working Group.

In September 1957 the Government of India had set up a Working Group on Industrial Co-operatives to review the progress, examine the difficulties—financial, organisational, marketing, etc. — and recommend measures for ensuring accelerated development of Industrial co-operatives with special reference to the objectives and programmes of the Second Five Year Plan. The Working Group submitted its final Report in July 1958.

The Working Group, in its report, had made 120 recommendations relating mainly to the following: (1) general principles for the establishment of industrial co-operatives; (2) relaxation of orthodox co-operative principles in the transitional phase of development; (3) election and nomination of the Board of Directors; (4) criteria for tests for registration; (5) organisation of production in industrial co-operatives to meet requirements of state undertakings; (6) state partnership in apex societies and state aid to members of primary societies; (7) purchase and sale of raw material by apex societies; (8) establishment of co-operative spinning mills at important centres of handloom weavers; (9) review of current allocations for controlled commodities, with a view to increasing the quota for village and small industries; (10) loans and subsidies to largesized industrial co-operatives for construction of godowns; (11) giving of advances by the Reserve Bank of India to other financing institutions, specifically for the benefit of village and small industries; (12) institutionalisation of finance; (13) sharing by the Government of losses sustained by co-operative agencies; (14) mobilisation of financial resources from within the co-operative movement by promoting thrift and savings; (15) financial accommodation on a specially liberal scale for holding stocks of finished products; (16) assistance to industrial co-operatives through Government purchases; (17) liaison between large-scale and small-scale units, in particular, industrial co-operatives; (18) expansion of foreign markets for the products of village and small industries; (19) progressive transfer of State-owned and State-aided marketing organisations to co-operative institutions; (20) training in co-operation for official and non-official staff connected with industrial co-operatives; (21) recruitment and training of extension workers; (22) administrative control of co-operative societies and their financing agencies; (23) liaison between industries, co-operation and other departments; (24) special staff under the Central Government to look after development of industrial co-operatives in the country; and (25) organisation of industrial co-operatives for women.

The Government has accepted 59 of these recommendations without any modification. These related to the following:

- (i) Convention of proprietary concerns into industrial co-operatives and enrolment of 'associate' and 'nominal' members.
- (ii) Provision of loans to artisans to enable them to take shares in industrial co-operatives.
- (iii) Nomination by the Government to the Board of Directors of an industrial co-operative society, deputation of Government officers to work in societies, etc.
- (iv) Securing and distribution of large orders by Government of industrial co-operatives.
- (v) Encouraging conversion of industrial units, which at present function otherwise than on co-operative basis, into co-operative societies.
- (vi) Indirect aids recommended for co-operative societies to be made available to apex societies also.
- (vii) Purchase of raw material by apex weavers' societies for sale to primaries and the adoption of the principle of "sale at market price".
- (viii) Current allocation of iron and steel and other commodities under control to be reviewed and quota for small scale industries increased.
- (ix) Government to provide loans and subsidies to help industrial co-operatives to build godowns on the same lines as marketing co-operatives.
- (x) Supply of equipment, imported machinery and tools on a preferential basis to industrial co-operatives and advance of loans to cover such purchases.
- (xi) Approval to be sought for financing of more selected village and small industries under sub-section 17(2)(bb) of the Reserve Bank of India Act.
- (xii) Adoption of certain transitional measures to inspire confidence among institutional financing agencies to improve their readiness to finance industrial co-operatives.
- (xiii) Financing of industrial co-operatives by State Financial Corporations and steps to reorientate their policies.
- (xiv) Discontinuance of the existing practice by apex co-operative societies, district industrial associations etc., of combining trading with banking activities.
- (xv) Government loans for working capital to be made repayable in a period of 10 to 15 years, the first instalment being due at the end of 3rd or 4th year. Where such payments are likely to result in the shrinkage of its business, the society to be advanced further loans.
- (xvi) Pattern of Central assistance for industrial co-operatives not to be made less liberal and a review to be undertaken at the end of the Second Plan for further liberalisation wherever necessary.
- (xvii) Financing agencies to be reimbursed for losses against guarantees without delay.
- (xviii) General considerations governing the policy in respect of security for loans to small-scale and cottage industries and precautions to be taken in financing industrial societies.
- (xix) Promotion of thrift and collection of savings from members of industrial co-operatives.
- (xx) Enforcement ~~of the existing practice by apex co-operative societies, district industrial associations etc., of combining trading with banking activities.~~ of standardisation of at least the major products of village and small industries.
- (xxi) Administrative set up for liaison between large-scale industrial units and industrial co-operatives and assistance to them by National Small Industries Corporation and Small Industries Service Institutes.
- (xxii) Organisation of publicity and propaganda on large scale for the products of village and small industries.
- (xxiii) Promotion of exports of the products of industrial co-operatives and avoidance of duplication in marketing arrangements.
- (xxiv) Special efforts to form industrial co-operatives of industries, the products of which are in demand by large units.
- (xxv) Official and non-official staff connected with industrial co-operatives and key officers of industrial apex marketing societies to be trained under the auspices of the Central Committee for Co-operative Training and the Senior Officers Training School at Poona.
- (xxvi) Co-operative education to members and office bearers of industrial co-operatives by the paid supervisory staff and block level extension officers.
- (xxvii) Adoption of basic

principles in regard to the recruitment and training of extension workers, methods of extension etc., outlined in the pamphlet on "Extension work in the Co-operative Movement" by Prof. A.F.Laidlaw. (xxviii) Elementary instruction in co-operation in high schools, advanced courses in colleges and research facilities in universities. (xxix) State Governments to review their arrangements for technical training from time to time and use industrial co-operatives for promoting technical efficiency of cottage and small industries. (xxx) Training of selected artisans of industrial co-operatives in large industrial concerns in the country and abroad and provision of remuneration by the Government for this purpose to such societies. (xxxi) Supervisory staff exclusively for industrial co-operatives and adequate staff for audit. (xxxii) Appointment of senior officer, with necessary staff, in the Ministry of Commerce and Industry to give exclusive attention for the development of industrial co-operatives and to implement the recommendations of the Working Group. (xxxiii) Appointment of trained women organisers to encourage setting up of industrial co-operatives for women.

Certain other recommendations had been accepted with certain other modifications. The Group suggests that, under suitable circumstances, it would be desirable to admit into the society a limited number of non-workers as members. Government has accepted this recommendation subject to review of its working after a period of about three years.

In regard to the suggestion that there should be no objection to the registration of an industrial co-operative service society of small entrepreneurs provided certain conditions are fulfilled. Government considers that industrial co-operatives should include formation of all suitable categories or societies such as societies for (i) production, (ii) processing, (iii) assembling, (iv) common facilities, (v) societies for establishment of industrial estates, industrial development areas etc. Also societies should be registered irrespective of the numbers as long as the minimum requirements under the co-operative law current in the State are fulfilled. The report, further suggests that State Governments may contribute to the reserve fund of co-operative societies whenever necessary, so as to augment their owned funds. The scheme current under the All India Handloom Board, for providing State Governments with loans for contributing to the share capital of apex weavers' societies should be extended to other village and small industries. While Government accepts these recommendations in principle, it is of the view that the contribution should be in form of 'foundation money' and not to the reserve fund. Due to the heavy financial burden involved, the availability of resources will determine the extent of such contributions. Besides contributing funds for the foundation money, State contribution in share capital of societies should also be considered wherever necessary.

The Group has ~~has~~ laid down certain criteria for ensuring the economic viability of societies before they are registered. Government has accepted these criteria. However, the enforcement of these criteria should be only gradual, and sympathetic and also should take into consideration long term social and economic potentialities of such societies.

The Group has recommended that a relaxation of the maximum borrowing limit fixed at eight times the paid-up share capital and ~~reserve~~ reserve fund is not advisable. Government considers that there need not be any rigid stipulation in the matter of the maximum borrowing limit of an industrial co-operative society and that this should best be left to be decided by competent authorities from time to time to suit local requirements.

A recommendation of the Group related to the establishment of co-operative apex marketing societies for industrial goods in every State, their functions, structure, finance etc. The Government accepts the principles underlying these recommendations. Government also considers that marketing being a very important problem of industrial co-operatives, adequate encouragement should be given to marketing societies and sale and purchase unions at all levels. It, however, points out that the establishment of such apex marketing societies in every State need not be mandatory. On the other hand, if there are different existing co-operating institutions to discharge these functions, overlapping and/or duplication should be avoided. Similarly Government considers that a ceiling guarantee by State Governments to apex marketing societies with which amount such societies can stand guarantee, in turn, to primary societies should be sufficient and guarantee fund with Government contribution need not be provided.

The Group has suggested that wherever co-operative banks are not in a position to finance industrial co-operatives, they may be financed by the State ~~State~~ Bank of India and the other scheduled banks and for which certain facilities may be afforded. Government considers that the normal practice should be to draw on the resources of the State Bank and the other scheduled banks, only where the nearest co-operative financing agency is unable to meet the legitimate requirements of industrial co-operatives. The State Bank and all the other scheduled banks should also finance ~~industrial~~ industrial co-operatives under their scheme of financing small industries. The group further suggests that establishing of industrial co-operative banks should be preceded by a careful examination of economic and other factors and recommends extension to these banks all the help, facilities and concessions suggested for other co-operative and financing agencies. Government accepts this recommendation as also the principle of State partnership in industrial co-operative banks. The principle of State guarantee to financial agencies also can be adopted wherever found advisable and adequate.

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The report stipulates that loans should be advanced at concessional rates of interest. Government accepts this recommendation about the need to give loans to industrial co-operatives at concessional rates, but it would facilitate the working, if such loans are charged at full rates covering the difference by suitable subsidy.

The Group's recommendations provides for extension, to other industrial co-operatives, of existing arrangements for the sharing of losses sustained by co-operative financing agencies in respect of their loans to co-operative societies for handloom weaving and small-scale industries. Government considers that the pattern in regard to weavers' societies viz., sharing of losses by the Central Government, the State Government and the financing institution in the ratio of 50 per cent (upto a maximum of 5 per cent of the total loans advanced), 40 per cent and 10 per cent respectively, should be adopted. This arrangement would provide some residual liability for the financing institution with a view to making it act with a sufficient sense of responsibility in its lending operations. Government also realises that this limit of sharing of losses as above may have to be raised in special cases depending on merits. Another provides for financial accommodation on a liberal scale to industrial co-operatives to enable them to hold stock of finished products. Government accepts the recommendation in principle. The extent to which the same will be implemented would depend upon the financial resources available from time to time.

Regarding the suggestion that apart from the general preference provided for products of cottage and small-scale industries, a further marginal preference may be shown to the products of industrial co-operatives, Government considers that to work out such an additional preference would involve further administrative difficulties. Other things being equal, preference should, however, be shown to an industrial co-operative society in placing orders.

Another recommendation relates to the establishing by every State of one or two schools on industrial co-operatives for training junior co-operative officers. Government considers that the net-work of co-operative training institutions already build up all over the country by the Central Committee for co-operative Training under a scheme jointly sponsored by the Government of India and the Reserve Bank should be considered sufficient for the present and the existing institutions may be expanded wherever necessary. Government would, however, like to see that the number of co-operative training institutions in the country are increased and that all institutions wherever necessary, have facilities for training in industrial co-operation for the different cadres of officers, staff and organisers and workers for the industrial co-operatives.

The Group has made a set of recommendations relating to administrative arrangements. The main principle underlying these recommendations is that there should be effective co-ordination between the different agencies and departments concerned with the development of industries and co-operatives. Government of India in full agreement with this principle. However, the pattern of administrative set up has to be decided by each State Government according to the conditions and requirements of each State and these recommendations are, therefore, being referred to the State Governments for their consideration.

Finally, the report suggests that such aids and facilities as are now available for providing houses and common facilities for weavers on a co-operative basis be extended to other industrial co-operatives. This recommendation has been referred to the Sub-Committee for rationalising the patterns of assistance to different categories of village and small industries, appointed by the "Co-ordination Committee for Small Industries".

In conclusion the Government has stated that the extent of implementation of the recommendations will depend upon the availability of financial resources. Wherever grants or subsidies are involved, Government would like to emphasise that all such grants and subsidies should be on a tapering basis in order to make the industrial co-operative societies self supporting in course of time.

(The Gazette of India, Part I, Section 1,
dated 14 November 1959, pp. 240-243).

Madras Khadi and Village Industries Board Act, 1959
(Madras Act No. 18 of 1959).

The Government of Madras gazetted on 28 October 1959 the text of the Madras Khadi and Village Industries Board Act, 1959, of the Madras Legislature. The Act which received the assent of the Governor on 23 October 1959, provides for the establishment of a Board for the development of Khadi and Village Industries and for matters connected therewith in the State. The term 'village industries' has been defined to mean all or any of the industries specified in the schedule to the Khadi and Village Industries Commission Act, 1956 (Central Act 61 of 1956) and any industry specified in this behalf by the Government by notification in consultation with the Board.

(Fort St. George Gazette, Part IVB,
28 October 1959, pp. 249-260).

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - NOVEMBER-DECEMBER 1959.

50. General.

The Mines (Amendment) Act, 1959 (No. 62 of 1959).

The Mines (Amendment) Bill, 1959 (vide pages 47-48 of the report of this Office for September 1959) as passed by Parliament received the assent of the President on 27 December 1959 and has been gazetted as Act No. 62 of 1959. The provisions of the more important amendments are summarised below.

(1) The definition of the term 'mine' is made clear to include any excavation where any operation for the purpose of searching for or obtaining minerals has been or is being carried on, and (i) all borings, bore holes and oil wells; (ii) all shafts, in or adjacent to and belonging to a mine, whether in the course of being sunk or not; (iii) all levels and inclined planes in the course of being driven; (iv) all open cast workings; (v) all conveyors or aerial ropeways provided for the bringing into or removal from a mine of minerals or other articles or for the removal of refuse therefrom; (vi) all adits, levels, planes, machinery, works, railways, tramways and sidings, in or adjacent to and belonging to a mine; (vii) all workshops situated within the precincts of a mine and under the same management and used solely for purposes connected with that mine or a number of mines under the same management; (viii) all power stations for supplying electricity solely for the purpose of working the mine ~~for~~ or a number of mines under the same management; (ix) any premises for the time being used for depositing refuse from a mine, or in which any operation in connection with such refuse is being carried on, being premises exclusively occupied by the owner of the mine; (x) unless exempted by the Central Government by notification in the Official Gazette, any premises or part thereof, in or adjacent to ~~and~~ and belonging to a mine, on which any process ancillary to the getting, dressing or preparation for sale of minerals or of coke is being carried on.

(2) A new section 5 provides that the provisions of the Act, except those ~~existing~~ contained in sections 7, 8, 9, 44, 45 and 45, shall not apply to any mine or part thereof in which excavation is being made for prospecting purposes only and not for the purpose of obtaining minerals for use of sale and to small quarries.

(3) A new section 21 provides, among other things, that in every mine wherein more than one hundred and fifty persons are employed, there shall be provided and maintained a first-aid room of such size with such equipment and in the charge of such medical and nursing staff as may be prescribed.

(4) A new section 22 empowers the Chief Inspector or Inspector to prohibit the employment of person in a mine when its owner, agent or manager fails to comply with the notice of the Inspectorate for remedying any matter, theory or practice connected with a mine, which is dangerous to human life, limb or safety.

(5) For the existing section 31 dealing with hours of work below ground a new section is substituted. The new section provides that no adult employed below ground in a mine shall be allowed to work for more than forty-eight hours in any week or for more than eight hours in any day. Provided that, subject to the previous approval of the Chief Inspector, the daily maximum hours specified in this sub-section may be exceeded in order to facilitate the change of shifts. No work shall be carried on below ground in any mine except by a system of shifts so arranged that the period of work for each shift is not spread over more than the daily maximum hours stipulated in above and no person employed in a mine shall be allowed to be present in any part of a mine below ground except during the periods of work shown in ~~maps~~ respect of him in the register maintained under sub-section (4) of section 48).

(6) An amendment to section 33 provides that where in a mine a person works above ground for more than nine hours in any day, or works below ground for more than eight hours in any day or works for more than forty-eight hours in any week whether above ground or below ground, he shall in respect of such overtime work be entitled to wages at the rate of twice his ordinary rate of wages, the period of overtime work being calculated on a daily basis or weekly basis, whichever is more favourable to him.

(7) An amendment to section 40 ~~is~~ raises the minimum age for admission to underground work in mines to 16 in view of International Labour Recommendation No.96.

(8) The Chapter (VII) on Leave with Wages has been amended to bring it in line with similar provisions in the Factories Act, 1948. Under the new provisions every person employed in a mine who has completed a calendar year's service therein shall be allowed, during the subsequent calendar year, leave with wages, calculated,-

(a) in the case of a person employed below ground, at the rate of one day for every sixteen days of work performed by him, and

(b) in any other case, at the rate of one day for every twenty days of work performed by him.

Any leave not taken by a person to which he is entitled in any one calendar year shall be added to the leave to be allowed to him during the succeeding calendar year. Provided that the total number of days of leave which may be accumulated by any such person shall not at any one time exceed thirty days in all. Provided further that any such person who has applied for leave with wages but has not been given such leave shall be entitled to carry forward the unavailed leave without any limit.

If the employment of a person employed in a mine is terminated by the owner, agent or manager of the mine before he has taken the entire leave to which he is entitled up to the day of termination of his employment, or if such person having applied for and having not been granted such leave, quits his employment before he has taken the leave, the owner, agent or manager of the mine shall pay him the amount payable under section 53, in respect of the leave not taken, and such payment shall be made, where the employment of the person is terminated by the owner, agent or manager, before the expiry of the second working day after such termination, and where a person himself quits his employment, on or before the next pay day.

The unavailed leave of a person employed in a mine shall not be taken into consideration in computing the period of any notice required to be given before the termination of his employment.

(9) A number of amendments enhance the penalties for contravention of the different provisions of the Act to make punishment ^{more} deterrent by raising the scale of fines and also providing for imprisonment along with fine in the case of subsequent convictions for the same offence.

(The Gazette of India, Extraordinary, Part II, Sec. 1, 28 December 1959, pp. 499-524).

Bihar Shops and Establishments (Amendment) Act, 1959
(Bihar Act XXVI of 1959).

The Bihar Shops and Establishments (Amendment) Bill (vide pages 63-64 of the report of this Office for March 1959) as passed by the Bihar Legislature received the assent of the Governor of Bihar on 29 October 1959 and has been gazetted as Bihar Act XXVI of 1959. The Amendment Act substitutes a new section for section 26 of the Act dealing with notice of dismissal or discharge in the light of the observations of the High Court at Patna which held sub-sections (2) and (3) of section 26 of the Act to be unconstitutional and illegal. The provisions of the new section were summarised at pages 63-64 of the report of this Office for March 1959).

Bihar
(The Gazette, Part IV, 25 November 1959,
pp. 59-41).

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

India - November-December 1959.

Report on the Activities financed from the Mica Mines
Labour Welfare Fund for the Year 1958-1959.

The Government of India published on 21 November 1959 the report on the activities financed from the Mica Mines Labour Welfare Fund for the year ending 31 March 1959. A brief account of the salient points of the report is given below.

Activities in Andhra Pradesh :

(1) Medical facilities.- The Mica Mines Labour Welfare Fund (Andhra Pradesh) is maintaining three static dispensaries at Talupur, Kalichedu and Sydapuram, situated in the heart of the Andhra Pradesh Mica Mining areas. They worked satisfactorily, and rendered medical aid to the mica mines labourers and their families. A temporary inpatients ward of eight beds attached to the dispensary at Kalichedu rendered satisfactory service. The general public in the mining area were also treated in these dispensaries. The State Government granted a contribution of 4,500 rupees towards the cost of medicines supplied to the general public.

The medical officer and the compounder in charge of the mobile dispensary visit the mines, and labour colonies, situated beyond a radius of three miles from static dispensaries, according to a fixed daily programme and treat the patients at those places. The statistics of work done by the mobile dispensary are furnished below:-

(1) No. of days on tour	105
(2) No. of mines visited	105
(3) No. of new cases treated	2,996
(4) No. of surgical operations conducted.	4

Medicines worth 15,756.86 rupees were supplied to the dispensaries during 1958-59. Microscopes were provided in Kalichedu and Talupur dispensaries.

Four maternity centres rendered useful service to women labourers and children and to the general public in the mining area. Each maternity centre was in the charge of midwife, and the work was supervised by a lady health visitor. The latter also assisted the midwives in difficult labour cases. The centres situated at the three static dispensaries got assistance from the Medical Officers also in difficult labour cases. Only one maternity centre at Utukur functioned without the aid of a Medical Officer. In February 1959, one Maternity centre building at Sydapuram constructed at a cost of 15,000 rupees was opened. The midwives also distributed milk prepared from milk powder supplied by the Indian Red Cross Society, to the under-nourished children.

A Base Hospital with a bed strength of 14 at a cost of about 276,000 rupees was under construction at Kalichedu.

Three beds were continued to be reserved at the district headquarters hospital, Nellore for the exclusive use of mica mine labourers and their families at a cost of 1,000 rupees. Eight patients were treated in the hospital against these reserved beds. The Fund also contributed 15,000 rupees for the reservation of eight beds for the exclusive use of mica mines labourers and their families in the state government T.B. hospital, Nellore. In addition to this, it was agreed in principle to construct a separate Tuberculosis ward of 16 beds at Kalichedu.

(ii) Educational facilities.- There were six elementary schools, one each in Kalichedu, Jogepalli, Kattubadipalli, Tellabodu, Palamani and Talupur. One middle school was also run by the organisation at Kalichedu. The number of children (boys and girls) studying in all the six elementary schools was about 580 for 1958-59. The strength of the pupils in the Middle school at Kalichedu was 100.

Midday meals were served to the children studying in these schools, and the scheme worked satisfactorily. During the year, a sum of 12,198.07 rupees was spent for about 87,000 meals.

The State Government granted financial aid to the schools run by the fund. The total amount of State aid received during 1958-59 was 16,233.75 rupees (elementary schools 9,767.75 rupees, middle school 6,466.00 rupees).

Free supply of books and slates worth 624.75 rupees was made to the children of mica mines labourers studying in the six elementary schools, and three private schools run by a few mine managements. Free supply of dresses was made to the children of mica mines labourers studying in all the schools run by the Fund at a cost of 1,533.05 rupees.

Scholarships amounting to 1,648.81 rupees were granted to 66 children of mica mines labourers studying in Higher Elementary Schools, Secondary schools and Colleges. A sum of 2,678.40 rupees was spent in running a boarding home at Sydapuram giving board and lodging facilities to 12 students studying in the various classes in the high school.

(iii) Recreational facilities.- Six radio centres worked satisfactorily. There were also six recreation clubs, and one more was added at Bhavani Sanker Mine, Talupur. Foot ball, volley ball, kabadi and badminton, were practised.

The annual sports for the mica mine labourers and their children were conducted and prizes were distributed. A total of 700 men labourers, 115 women labourers and about 150 labour children took part in the sports events which were conducted on a zonal basis. A sum of 1,621.31 rupees was spent on the events.

Activities in Bihar:

(i) Medical facilities.- The Central Hospital catered to the medical needs of Mica mine workers and their family members.

Six dispensaries, three mobile medical units and one Community Centre continued to provide medical facilities to the mica miners and the general public. The details of the work done are given below:-

Nature of medical institute.	Location	No. of Mica miners treated	No. of non-miners treated	Total
1. Static Dispensaries..	(i) Debour) (ii) Dhorakola) (iii) Bendro) (iv) Dhab) (v) Charkapathal) (vi) Parsabad) (vii))	44,106	29,311	73,417
2. Mobile Medical Unit.	(i) Karma) (ii) Tisri) (iii) Dhorakola)	53,070	7,169	60,239
3. Community Centre ..		2,777	1,107	3,884

Two Maternity and Child Welfare Centres continued to function at Dhab and Dhorakola. The details of the work done were as under:-

(1) Antenatal cases treated	---	89
(2) Post-natal cases treated	---	108
(3) Children treated	---	3,850
(4) Children given bath and feed	---	4,729

Anti-malaria Operations.- As in the preceeding year, spraying work was taken up during the period under review. The second round of spray work at the different mines was completed.

(ii) Educational and Recreational facilities.- The six multi-purpose Institutes each with a women welfare centre and an adult education centre continued to function at Debour, Dhab Kodarma, Saphi, Sankh and Karma. The details of the work done were as follows:-

Women Welfare Centres:

(1) Basties visited by field workers	--	1,230
(2) Talks given by field workers	--	1,134
(3) Women on roll at the Women Welfare Centres	--	131
(4) Children on roll at the Women Welfare Centres-		861
(5) Daily average attendance of women	--	72
(6) Daily average attendance of children	--	550

Adult Education Centres:

(i) Basties visited	--	1,563
(ii) Talks given	--	1,784
(iii) Adults on roll	--	437
(iv) Daily attendance	--	256
(v) Attendance Daily attendance in indoor games	--	346
(vi) Daily attendance in outdoor games	--	288
(vii) Daily attendance in Library room	--	190
(viii) Daily attendance in recreation room	--	327

Community Centre.- Two small Community Centres at Jorasimar and Possam continued functioning during the period under report. They imparted primary education to the miners' children and conducted literacy classes for adults. The work done was as under:-

Kind of cases:

1. Delivery cases conducted	---	184
2. Ante-natal cases treated	---	216
3. Post natal cases treated	---	233
4. Children treated	---	6,558
5. Antenatal cases visited	---	503
6. Postnatal cases visited	---	926
7. Infants and toddlers under care	---	3,768
8. Homes visited	---	4,140

(ii) Educational facilities.- Adult education centres at the following places imparted literacy to the mica mine workers: Ropa, Jamoli, Bomali, Ganoli, Ganeshpura, Toonka, Bagore, Mahendragarh, Amlī, Bhosar, Nansa, Ganesh-bhandar, and Lawa-Sardargarh.

Slates, slate pencils, books etc., were supplied free of cost to adults. The total average attendance per day at the above places was 192.

Primary schools were continued to ^{be} run by the Fund during the year under review at Amlī, Bhosar, Ganeshpur and Toonka. At Amlī there was a primary school of the State Government and therefore, VI and VII Classes were run by the Fund. The examination fee of the students belonging to miners was paid by the Fund. The total number of students reading in these schools during the year 1958-59 was 127. Each of the two 'A' type welfare centres at Bagore and Amlī were provided with a reading room and a library. At other centres, Hindi daily newspapers and some periodicals were provided.

Knitting and sewing classes were held at the welfare centres at Para, Sanod, Surajpura and Sarana to impart training to the families of the miners in tailoring, embroidery, knitting of woollen garments etc. It was decided to start such classes at Amlī and Bagore also. The total average attendance at these centres was 41 during the year.

(iii) Recreational facilities.- All the welfare centres, sub-centres and important mines were supplied with indoor and outdoor games articles. All the welfare centres were also provided with battery radio sets and children's park.

The mobile cinema unit paid regular visits, except during rainy season, to important mining areas and exhibited social and religious films free of charge for the recreation of mica mine workers and their dependants. The number of free shows arranged in the year was 107.

Functions were organised on the occasions of Holi, Dewali, Ramnavami, Pratap-Jayanti, Independence Day, Republic Day, Krishna Janamastami, Gandhi Jayanti, Children's Day, etc. Annual functions were also celebrated at Bundi, Mahendragarh and Dhesar. Sports and games competitions, cultural programmes and prize distributions were the main features of the functions. In all these functions, the mica mine labourers took part in the large numbers.

A weekly programme of Ramayan recitation, Bhajans etc., was arranged at all the centres and sub-centres. Attendance was good at all the places.

The Statement of accounts for the year 1958-59 appended to the report shows that receipts amounted to 20.496 million rupees including an opening balance of 17.676 million rupees; expenditure amounted to 1.248 million rupees leaving a closing balance of 19.247 million rupees.

(Gazette of India, Part II-Section 3,
Sub-section II, 21 November 1959,
pp. 3209-3218).

55. Protection of Minors.

India - November-December 1959.

Central Committee on Child Welfare Set Up.

The Government of India has set up a co-ordination committee consisting of officials to see that child welfare receives adequate attention.

Mrs. Lakshmi Menon announced this in the Lok Sabha on 10 December 1959 in reply to a question. The committee, she said, would consist of the Cabinet Secretary, secretaries of the Ministries of Home Affairs, Health, Education and Community Development, the Chairman of the Central Social Welfare Board and the Additional Secretary to the Planning Commission.

It was a fact that the Indian Council of Child Welfare had suggested the appointment of a Cabinet Committee. However, the Government decided that a committee of officials would be sufficient for the present. The appointment of a Cabinet Committee would be considered later when the work of the co-ordination committee developed.

She added that the Government had addressed a letter to the Chief Ministers to consider the appointment of State co-ordination committees.

(The Statesman, 11 December 1959).

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Chapter 2. General Rights of Workers.

63. Individual Contracts of Employment.

India - November-December 1959.

Jammu and Kashmir: Industrial Employment
(Standing Orders) Bill, 1959.

The Government of Jammu and Kashmir has published in the State Gazette the list of the proposed Jammu and Kashmir Industrial Employment (Standing Orders) Bill, 1959. The Statement of Objects and Reasons of the Bill are as follows: "Frictions between management and employees are a common day experience in the State. The main reason for these incidents can be traced to the absence of conditions relating to recruitment, discharge, disciplinary action, holidays, leave, etc., for employees working in industrial establishments. With a view to minimising friction between management and employees, it is necessary that conditions of their service should be determined. The Bill is a step towards that end."

(Indian Labour Gazette, Vol. XVII, No. 4, October 1959, pp. 349-350).

64. Wage Protection and Labour Clauses in Employment Contracts with the Public Authorities.

India - November-December 1959.

Payment of Wages (Bombay Amendment and Validation) Bill, 1959.

The Government of Bombay published on 5 November 1959 the text of the Payment of Wages (Bombay Amendment and Validation) Bill, 1959, proposed to be introduced in the Legislative Assembly of the State. The Bill seeks to amend the Payment of Wages Act, 1936, in its application to the State of Bombay and to validate certain payments of bonus.

The Statement of Objects and Reasons of the Bill declares that the Payment of Wages Act (IV of 1936), which is a Central Act, defines "wages" as including bonus and it was held by the Federal Court and the Supreme Court that under the definition of the term "wages" as it then stood the only bonus which formed part of wages was contractual bonus. By the Payment of Wages (Bombay Amendment) Act, 1953, the Government of Bombay amended section 6 of the said Act so as to provide that the requirement of section 6 that all wages should be paid in cash stands modified to the extent that if more than 3 months' wages become payable in respect of any bonus, the excess shall be paid in the prescribed manner, viz., by payment in the form of 12-year National Savings Certificates. In 1957, the Central Government amended the definition of the term "wages" so as to include bonus given pursuant to an award or under a settlement or order of a Court.

As the Bombay Amendment of 1953 did not amend the definition of the term "wages" and as the Central Amending Act of 1957 amended the definition of the term "wages" and has also retained the provisions of section 6 of the Act, Government are advised that the legal effect is that bonuses under an award or a settlement or order of a court must be paid in cash and not in the manner prescribed under the Bombay Amendment^{Act} of 1953. The Bombay Amendment thus becomes inoperative in respect of such bonuses in view of the prevalence of the Central Act, as it stands now.

The present Bill aims at meeting this legal difficulty and also validating the bonuses already paid in pursuance of the Bombay Amendment^{Act} of 1953.

(Bombay Government Gazette, Part V,
5 November 1959, pp. 813-814).

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65. Collective Agreements.

India - November-December 1959.

Madhya Pradesh: Agreement on Wages and Settlement of Disputes in Manganese Mines.

A wage agreement between manganese mineowners and the IETUC-affiliated Rashtriya Manganese Khandan Prantik Karmgar Sangh affecting about 20,000 mineworkers employed in 70 mines in Madhya Pradesh and part of Bombay State, was signed at Nagpur on 15 December 1959.

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The workers agreed that the position of the industry did not permit the mineowners to pay bonus. Both sides agreed to discuss the bonus question from time to time taking into consideration the improvement, if any, in the industry and the manganese market.

The agreement, effective from 1 December 1959, has kept the wage rates and sick leave on the same level as in the previous agreement known as Ahluwalia Agreement which expired on 30 November after being in operation for two years.

A joint consultative committee with representatives of employers and employees to which disputes connected with labour legislations would be referred has been formed. The union agreed to refer other disputes to the committee before approaching the Government or the conciliation machinery and if possible find out mutually agreeable solution by discussion.

(The Hindustan Times, 17 December 1959).

67. Conciliation and Arbitration.

India - November-December 1959.

Working of the Central Industrial Relations Machinery
for the Year 1957-1958.

Works and Other Committees.- The total number of Central Sphere undertakings required to constitute works committees (under Section 5 of the Industrial Disputes Act, 1947) was 1,108, at the end of March 1958. Works Committees existed during the year under review in 633 undertakings. The officers of the Central Relations Machinery undertook a study of the working of the works committees in the Central Government undertakings. The study revealed that the working of these committees was free from any rigidity of procedure and the subjects coming up for discussion before them were many and varied like workers' education, health, retrenchment, etc. The study also showed that in as many as 60 per cent of the cases, the decisions of the works committees were unanimous. The Unit production committees functioned in 92 undertakings. (In some cases Works Committees themselves functioned as production committees). The object of these committees is to avoid waste and achieve maximum productivity by removing causes of friction and better utilisation of men, material and machinery.

Strikes and Lockouts.- The number of strikes, lock-outs, man-days lost, etc., during the years 1955-56, 1956-57 and 1957-58 are given below:-

Year	Strikes and lockouts		Number of threatened Strikes.
	No. of strikes, etc.	Man-days Lost (in millions).	
1955-56	724	3.499	172
1956-57	347	2.015	192
1957-58	506	1.811	156

The year under review recorded an increase in the number of strikes and lockouts which was mainly due to the fact that banks alone accounted for 225 strikes as against 30 during the year 1956-57. There was, however, steep fall in the number of man-days lost. This was because except for the strike by bankmen in Calcutta (involving over 7,000 employees and causing a loss of 153,265 man-days) there was no prolonged strike involving large number of workmen such as the strike launched by the Colliery Mazdoor Congress in 1956-57 in 30 collieries involving 36,000 workers and causing a loss of ~~frs~~ 0.792 million man-days.

Industrial Disputes.-(Other than strikes and lock-outs), etc.-
 The total number of industrial disputes other than strikes and lock-outs (mentioned above) reported during 1957-58 was 3,150 apart from 472 brought forward from the previous year. The officers of the Industrial Relations Machinery intervened in 3,428 disputes and 2,242 of these disputes, i.e., about 65 per cent were settled. Five hundred and eighteen disputes were pending at the end of March 1958. Conciliation proceedings held during the year 1957-58 numbered 1,745 and settlements were brought about in 1,097 cases. Of 1,097 settlements arrived at in 1957-58, 963 were implemented fully, and 58 partially and the remaining were pending implementation at the end of March 1958.

Implementation of awards, etc.- Of the 34 awards given during the year, 16 were implemented fully and 5 partly. No specific action arose out of 4 awards. Twenty-one awards (including those brought forward from previous years) were pending implementation at the close of the year. The Industrial Relations Machinery handled 125 applications for recovery of arrears resulting from non-implementation of awards, etc. The total claim preferred in these applications was 73,205 rupees and the verified amount came to 56,973 rupees. Out of this, a sum of 1,316 rupees was recovered during the year, which did not include the amount of 14,785 rupees in respect of banks in the Calcutta region which was paid by the management before the order of recovery was executed. The verified amount pending recovery at the close of the year was 40,872 rupees. The Industrial Relations Machinery continued to make efforts for the implementation of Bindra Award concerning manganese mines, Sasthy Award (modified) relating to banks and the award of the All-India Industrial Tribunal relating to colliery disputes.

Enforcement of Labour Laws.- The numbers of inspections made, irregularities detected, etc., under the different labour laws, for which the Industrial Relations Machinery is the appropriate authority are given in the table below:-

Name of the Act, Regulations, etc.	Number of units inspected.	Number of irregularities detected.	Number of irregularities rectified during the year.
Payment of Wages Act in Railways	5,816	16,610	7,201
Payment of Wages Act in Mines*	4,258	15,883	12,445
Minimum Wages Act*	1,875	21,291	N.A.
Employment of Children Act	4,603	1,089	408
Hours of Employment Regulations	4,974	18,578	7,293**
Coal Mines Bonus Scheme	3,283	13,243	9,914***
Enforcement of Fair Wage Clause and C.P.W.D. - Contractors' Labour Regulations*	1,519	4,556	2,686

*Figures relate to the Calendar year 1957.

***6,053 within three months, 2,008 in three to six months, 911 in six to nine months and 942 within a year.

**36 per cent in three months, 38 per cent in three to six months, 20 per cent in six to nine months, 4 per cent in one to twelve months and 2 per cent after 12 months.

N.A.- Not Available.

Under the Industrial Employment (Standing Orders) Act, 1946, 117 draft Standing Orders were received by the Certifying Officers during the calendar year 1957 and 76 were certified during that period. The total number of establishments which had their standing orders certified at the close of the calendar year 1957 was 1,531.

Other Activities.- Some of the more important amongst the other activities of the Industrial Relations Machinery were in the sphere of (i) lay-off and retrenchment, (ii) welfare, and (iii) verification of membership of the Central Organisations of Labour. As regards lay-off and retrenchment, the number of workers laid-off and retrenched in the Central Sphere undertakings during the year were 6,137 and 10,889. The details of the amounts paid to the workmen as layoff and retrenchment compensation are not available. The activities in the sphere of welfare comprised (a) preparation and circulation of a leaflet known as "Guidance Points" based on the reports of Labour Officers and (b) supervision of labour welfare funds, their creation and growth. As regards verification of trade union membership, the Industrial Relations Machinery carried out the verification of the membership of the trade union affiliated to the four All India organisations and verified the membership of Indian National Trade Union Congress and Hind Mazdoor Sabha. Since the All India Trade Union Congress and the United Trade Union Congress did not furnish the list of their constituent unions, ~~xxx~~ as required, their membership could not be verified.

(Indian Labour Gazette, Vol. XVII, No. 4, October 1959, pp. 345-347).

Industrial Disputes (West Bengal Amendment) Act, 1959
(West Bengal Act No. XI of 1959).

The Industrial Disputes (West Bengal Amendment) Bill (vide page 57 of the report of this Office for August 1959) as passed by the West Bengal Legislature received the assent of the President on 27 October 1959 and has been gazetted as West Bengal Act XI of 1959. The Act inserts a new provision to clause (b) of section 7c of the Industrial Disputes Act, 1947, providing that the presiding officer of an industrial tribunal on attaining the age of 65 years may be ~~retained~~ retained in office, if necessary in the public interest, for a period not exceeding six months for the purpose of completing any proceedings pending before him at that time. The Act also repeals the Industrial Disputes (West Bengal) Amendment) Ordinance (No. 1 of 1959).

(The Calcutta Gazette, Extraordinary,
27 October 1959, page 2185).

69. Co-operation and Participation of Industrial Organisations in the Social and Economic Organisation.

India - November-December 1959.

Workers' Participation in Management: Labour Minister's Statement.

Shri G.L. Nanda, Union Minister of Labour and Employment, indicated in the Lok Sabha on 7 December 1959, that the Government would consider early next year the application of the principle of labour participation in management "wherever conditions are good".

He was replying to Shri T.B. Vittal Rao who had asked whether at present joint management councils had been formed only in very few units, and if so, why they were not being formed in other units.

Shri Nanda said that the Government had earlier proposed to introduce the scheme in 40 units but because of some difficulties it had to be confined to 23 units. The next stage about the extension of the scheme would arise after the progress made till now was assessed at a seminar to be held February next.

In future, he said, it was not a question of selecting a few units for introducing the scheme but uniformly applying it wherever conditions were good.

Shri Nanda added that at present the scheme was introduced only in establishments where industrial relations were good. It was not introduced in establishments where there were more trade unions than one.

Earlier, Shri L.N. Mishra, Parliamentary Secretary to the Minister, stated that reports received from the units which had set up management councils were encouraging.

(The Hindustan Times, 8 December 1959).

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS.

INDIA - NOVEMBER-DECEMBER 1959.

71. Employees and Salaried Intellectual Workers.

Jammu and Kashmir Shops and Commercial Establishments
Bill, 1959.

The Government of Jammu and Kashmir has published in the State Gazette, the text of the Jammu and Kashmir Shops and Commercial Establishments Bill, 1959. The Statement of Objects and Reasons of the Bill states: "In order to make the Jammu and Kashmir Trade Employees' Act 2002, more comprehensive and to bring it into line with similar legislation in force in other parts of the country, the present Act has been amended so as to cover provisions, on the lines of the Model Act circulated by the Government of India, relating to the opening and closing hours, hours of work, rest intervals, spreadover, overtime rates and weekly holidays. A very notable feature of the present legislation is the relatively liberal scale in which provision has been made for annual holidays with pay. The Bill also includes special provisions for protection of children and young persons and regulates the age of entry into such establishments which fall within the ambit of the law. The Bill broadly covers wage earnings of persons employed in shops, commercial establishments, (including banking and ~~other~~ insurance companies), restaurants, theatres, cinemas and other places of public amusement."

(Indian Labour Gazette, Vol. XVII, No. 4,
October 1959, pp. 349-350).

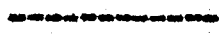
73. Officials and Public Employees of National, Regional and Local Administrations, of Nationalised Undertakings or Undertakings Managed with the Participation of the Public Authorities.

India - November-December 1959.

Recruitment to Public Services: U.P.S.C. suggests Forward Planning in Training of Staff.

The Union Public Service Commission placed its annual report before Parliament on 17 December 1959, which stated that there was considerable room for forward planning in the matter of entrusting recruitment to them and for arranging training of staff well ahead of actual requirements, particularly in the light of the needs of the future Five Year Plans.

For details, please see Section 81, p. of this Report.



CHAPTER 8. MANPOWER PROBLEMS.

INDIA - NOVEMBER-DECEMBER 1959.

81. Employment Situation.

Employment Exchanges: Working during August 1959.

General employment situation.- According to the Review of Work done by the Directorate-General of Resettlement and Employment during the month of August 1959, there was a general recession in the volume of work done by the employment exchanges as compared to the previous month. Registrations declined to 218,309 during the month from 265,326 during the preceding month, thus recording a fall of 47,017. The number of employers who utilised the services of the employment exchanges also recorded a decrease from 8,220 in July 1959 to 7,673 in August 1959. The number of vacancies notified to the employment exchanges during August 1959 was 34,759 which was 1,782 less than that during the previous month. In keeping with the fall in the vacancies notified, the number of placements secured also recorded a decrease of 1,757 and was, 24,070 during the month under review. The total number of applicants on the Live Register recorded a further rise of 29,782 and stood at 1,377,096 at the end of August 1959.

Widespread shortages continued to persist in respect of experienced stenographers, fast typists, trained teachers, compounders, midwives and nurses. Shortage in respect of civil draughtsmen and overseers, skilled turners and craft teachers was also fairly widespread. A good number of exchanges reported shortage in respect of skilled fitters, electricians, boiler attendants, physical training instructors, store-keepers, sanitary inspectors, librarians, accountants and ~~six~~ cooks.

Widespread surpluses continued to exist in respect of clerks, untrained teachers, freshers from schools and colleges, motor drivers, unskilled office workers and unskilled labourers. A fairly large number of exchanges reported an excess of supply in respect of carpenters, semi-skilled fitters and chowkidars.

Registrations and placings.- The following table compares registrations and placings during the months of July and August 1959:-

	July 1959	August 1959
Registrations	265,326	218,309
Placings	25,827	24,070

Register of Unemployed.- Despite a seasonal fall in registrations, the number of persons seeking employment assistance through the employment exchanges service recorded a further increase of 29,782 and was 1,377,096 on the last day of August 1959. The increase in the Live Register was shared by most of the States but was particularly marked in Uttar Pradesh (13,123); Bombay (4,608); Punjab (4,495) and West Bengal(4,414). On the other hand, a fall in the size of the Live Register was somewhat significant in Andhra Pradesh (1,247); and Orissa(914). In all 29,404 employed and self employed persons of whom 756 were women remained on the Live Register of the Employment Exchanges at the end of the month under report.

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

<u>Occupation.</u>	<u>Number on Live Register as on 31 August 1959.</u>
1. Industrial supervisory	12,877
2. Skilled and semi-skilled	101,771
3. Clerical	353,173
4. Educational	83,448
5. Domestic service	49,432
6. Unskilled	699,038
7. Others	67,357
TOTAL.	<u>1,377,096</u>

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

<u>Category.</u>	<u>Registrations.</u>	<u>Placings.</u>	<u>Number on Live Register.</u>
1. Displaced persons	3,524	511	45,311
2. Ex-service personnel	5,782	856	29,677
3. Scheduled castes	27,851	3,398	158,403
4. Scheduled tribes	3,284	330	20,354
*5. Surplus and discharged Central and State Government employees.	3,829	1,331	7,772
6. Women	13,350	1,702	103,722

*Figures relate to the quarter May-July 1959.

Collection of Employment Market Information.- Reports indicating the growth in employment in the public sector during the first three years of the II Five Year Plan were prepared in regard to Delhi, Punjab, Mysore and Orissa.

The Second Meeting of the Working Group on Employment was held on 3 August 1959, when the Group discussed the employment notes with reference to motor transport.

Youth Employment Service and Employment Counselling.- The third training course in Vocational Guidance for Employment Officers (first batch) commenced from 5 August 1959. Fourteen employment officers from six States are attending the Course.

Ford Foundation Scheme.- The field investigations regarding the project for the assessment of ~~kinetics~~ Educational and Technical Training requirements of Occupations have been started in the States of Bombay, Madras, Mysore, Kerala and Uttar Pradesh by the Occupational Information Officers who were duly trained in the technique of investigation by the Headquarters Officers.

Central Co-ordinating Section: Damodar Valley Corporation.- Out of 5,093 workers declared surplus in the Damodar Valley Corporation upto the end of August 1959, 4,130 workers have been secured alternatively employment. One hundred ninety nine surplus workers are awaiting offers of appointment from different employers. Alternative employment is yet to be secured for 536 surplus workers.

Hyrakud Dam.- Out of 6,436 workers declared surplus upto the end of August 1959, 724 workers have been secured alternative employment. A total of 5,692 workers voluntarily left the Project as they did not require Government assistance for ~~alternative~~ alternative employment. There are still 53 surplus workers for whom alternative employment is to be found.

Bhakra Nangal Project.- Out of 1,433 workers declared surplus upto 25 August 1959, eighty workers have been secured alternative employment. Four hundred-seventy workers voluntarily left the Project as they did not desire Government's employment assistance. Seventythree workers have refused offers of appointment. Two hundred-eightysix surplus workers have not yet approached the employment exchange Nangal, for employment assistance. Alternative employment is yet to be secured for 534 surplus workers.

Central Tractor Organisation.- Twentyfive more surplus clerical employees were reported to the Special Cell for absorbing them in alternative employment. All the 25 surplus employees have since been nominated to various subordinate offices of the Central Government located in Delhi.

Adjustment of retrenchment^{ed} employees of the Central Government establishments.- A total of 42 Central Government surplus employees were reported to the Special Cell during August 1959. Two surplus employees were, however, found alternative employment. Thirtytwo candidates are awaiting offers of appointment from various Ministries and Departments. Thirtyeight candidates are still borne on the register of the Special Cell.

Placement of the physically handicapped.- Instructions were issued to all employment exchanges notifying the fact that as a pilot measure, an employment exchange for the physically handicapped has started functioning, in Bombay. A copy of the Manual of Instructions on 'placement of the physically handicapped' (prepared for the guidance of the special Employment Officer at Bombay) was supplied to each employment exchange so that all Employment Officers could make themselves familiar with this important item of activity.

Opening of Additional Employment Exchanges.- Nine employment exchanges - three in Rajasthan, and six in Uttar Pradesh - have been sanctioned during the month, bringing the total number sanctioned so far under the second Five Year Plan to 119. Out of these 119 exchanges, 103 have started functioning, bringing the total number of exchanges in the country at the end of August to 238.

(Review of the Work Done by the Directorate-General of Resettlement and Employment during August 1959; issued by the Directorate-General of Resettlement and Employment, Ministry of Labour and Employment, Government of India, New Delhi).

Employment Exchanges: Working during September 1959.

General employment situation.- According to the Review of Work done by the Directorates-General of Resettlement and Employment during the month of September 1959, a total of 228,417 applicants registered themselves with the employment exchanges which was 10,108 more than the figure for August 1959. The number of employers who utilised the services of the employment exchanges also showed a rise from 7,673 in August 1959 to 7,743 in September 1959. The number of vacancies notified to the exchanges was 33,493 during September 1959 which was 1,256 less than during the previous month. A total of 23,982 persons were placed in employment during the month as against 24,070 in the previous month. The number of applicants on the Live Registers of the employment exchanges stood at 1,409,263 at the close of September 1959. A year ago, the number of such applicants on the Live Registers of the employment exchanges was 1,153,900.

Widespread shortages continued to persist in respect of experienced stenographers, fast typists, trained teachers, compounders, midwives and nurses. Shortage in respect of civil and draughtsmen and overseers, skilled turners, librarians, crafts teachers and cooks was also fairly widespread. A good number of exchanges reported shortage in respect of doctors, sanitary inspectors, physical training instructors, civil engineers, surveyors, electricians, skilled fitters, blacksmiths, boiler attendants and accountants.

Widespread surpluses continued to exist in respect of clerks, untrained teachers, freshers from schools and colleges, motor drivers, unskilled office workers and unskilled labourers. A fairly large number of exchanges reported an excess of supply in respect of carpenters, semi-skilled turners, postmen, chowkidars and sweepers.

Registrations and placings.- The following table compares registrations and placings during the months of August and September 1959:-

		<u>August 1959.</u>	<u>September 1959</u>
Registrations	-----	218,309	228,417
Placings	-----	24,070	23,982

Register of Unemployed.- A total of 1,408,903 applicants were on the Live Register of the employment exchanges at the end of September 1959, a number which was 31,807 more than the figure at the close of the previous month. The increase in the Live Register was widespread but was prominent in the State of Uttar Pradesh (14,800), Bihar (11,090), West Bengal (4,488) and Mysore (3,257). On the other hand, fall in the Live Register was somewhat notable in the State of Madras (3,078), Rajasthan (2,620) and Madhya Pradesh (1,049). In all (29,270) employed and self-employed persons of whom 798 were women remained on the Live Register at the end of the month under report.

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

<u>Occupation.</u>		<u>Number on Live Register as on 30 September 1959.</u>
1. Industrial supervisory	-----	12,985
2. Skilled and semi-skilled	-----	100,730
3. Clerical	-----	353,407
4. Educational	-----	79,527
5. Domestic service	-----	51,704
6. Unskilled	-----	731,008
7. Others	-----	69,542
Total.		<u>1,408,903</u>

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

<u>Category.</u>	<u>Registrations.</u>	<u>Placings.</u>	<u>Number on Live Register.</u>	
1. Displaced persons	-----	2,703	347	44,453
2. Ex-service personnel	-----	5,370	964	29,611
3. Scheduled castes	-----	28,990	3,197	164,143
4. Scheduled tribes	-----	3,513	297	20,921
5. Women	-----	13,519	1,720	104,813

Vocational Guidance and Employment Counselling.- The third training course in Vocational Guidance for Employment Officers continued through the month.

Conferences were held with the heads of the departments and faculties of the Deans of Delhi University to discuss the findings of the Employment Pattern Survey pertaining to the utility of university curricula in employment.

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Central Co-ordinating Section: Damodar Valley Corporation.- Out of 5,324 workers declared surplus in the Damodar Valley Corporation upto the end of September 1959, 4,143 workers have been secured alternative employment. A total of 199 surplus workers are awaiting offers of appointment from different employers. Alternative employment is yet to be secured for 754.

Hirakud Dam Project.- Out of 6,455 workers declared surplus upto the end of September 1959, 724 workers have been secured alternative employment. A total of 5,667 workers voluntarily left the Project as they did not require Government assistance for alternative employment. There are still 64 surplus workers for whom alternative employment is to be found.

Bhakra Nangal Project.- Out of 2,135 workers declared surplus upto September 1959, 133 workers have been secured alternative employment. A total of 1,850 workers voluntarily left the Project as they did not desire Government's employment assistance. Alternative employment is yet to be secured for 152 surplus workers.

Central Tractor Organisation.- Oil and Natural Gas Commission has offered posts of 7 Fitters and 1 Tractor Driver to the surplus Technical personnel of the Central Tractor Organisation during the month under report.

Adjustment of Retrenched Employees of Central Government Establishments.- Fiftytwo Central Government surplus employees rendered surplus as a result of economy measure were reported to the Special Cell during September 1959. Five surplus employees were, however, found alternative employment. Thirty candidates are awaiting offers of appointment from various Ministries and Departments. Eightyseven candidates are on the register of the Special Cell.

Opening of Additional Employment Exchanges.- The total number of Exchanges functioning in the country at the end of September 1959 was 238.

(Review of the Work done by the Directorate-General of Resettlement and Employment during the month of September 1959; issued by the Directorate-General of Resettlement and Employment, Ministry of Labour and Employment, Government of India, New Delhi).

Estimate of Requirements of Mining Personnel for the
Third Five Year Plan.

It is estimated that additional requirements of mining personnel for the Third Five Year Plan will be 40,950. These include 3,000 mine managers, 950 surveyors, 7,000 overmen, 12,500 sirdars and 17,500 shot-firers. Among the many steps taken by the Government to meet the shortage is the increase in the annual in-take of students at the Indian School of Mines and Applied Geology from 45 to 90 and that at the Banaras Hindu University from 20 to 40. Seven more institutions have started mining courses with an annual in-take of 25 each. Four schools have also been started by the National Coal Development Corporation for training as surveyors, overmen, supervisors and shotfirers, etc. The State Governments have also set up nine institutions with Central assistance for conducting National Certificate Course in mining and mine surveying. Other steps taken by the Government of India include relaxation in the Coal Mines Regulations for a limited period to permit graduates in mining engineering to act as understudy to first class Managers. The Government of India is also examining the feasibility of holding two examinations in a year as against one at present for mine managers. A joint committee of the All India Council of Technical Education and Coal Council has been set up to consider the integration of the academic course in mining engineering with practical training, and the formulation of common standards and the preparation of Syllabi for the Overman's and Mine Surveyor's courses.

(Indian Labour Gazette, Vol. XVII, No. 5 and 6,
November and December 1959, page 444).

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Recommendations of Public Services (Qualifications
for Recruitment) Committee: Degree qualification
not essential for Clerks.

On the recommendations of the Public Services (Qualifications for recruitment) Committee, which was set up by the Government in April 1955, under the chairmanship of Dr. A. Ramaswamy Mudaliar (for details see pp.65-67 of the Report of this Office for August 1955) at the lower level of Government service, a University Degree will no longer be a necessary qualification for entry in Government service.

At the higher levels such as the all-India and Central, Class I, services, a university degree will still be a necessary qualification for entry, as recommended by the committee. The age limits will also remain, 21 and 24 years (for the Indian Police Service, 20 to 24 years).

For the Central Class III services, except those of accountants, the minimum qualification will now be intermediate, Senior Cambridge, higher secondary or their equivalent. The age limit for non-clerical Class III services has been fixed at 19 to 23, instead of below 25 years as at present, and for the clerical services at 18 to 21.

Clerical services.- The minimum qualification for entry into the clerical services (lower division) will continue to be matriculation or its equivalent, until replaced by higher secondary.

A university degree will continue to be essential for recruitment to Central Class II, gazetted and non-gazetted, including Assistants in offices not participating in the Central Secretariat Service scheme. However, for the gazetted category, the age limits prescribed will remain as before, 21 and 24 years, but, for the non-gazetted, they will be 20 and 24 years.

The decision to lower the educational qualifications and reduce the lower age limits is to be given effect to as soon as the relevant recruitment rules, are formally amended.

Concessions in the matter of age limits given to Scheduled Castes, Scheduled Tribes, displaced persons, etc., and to departmental candidates for certain services, will continue.

The orders do not apply to recruitment to technical, professional and specialist services.

(The Statesman, 16 December 1959).

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Recruitment to Public Services: U.P.S.C. suggests
Forward Planning in Training of Staff.

The Union Public Service Commission placed its annual report before Parliament on 17 December 1959, which stated that there was considerable room for forward planning in the matter of entrusting recruitment to them and for arranging training of staff well ahead of actual requirements, particularly in the light of the needs of the future Five Year Plans. Statistics for the last seven years showed that the flow of requisitions for ~~job~~ posts had been somewhat "erratic", the largest number having been sent during 1956-57.

For certain posts suitable candidates had not been found, the Commission said. Out of 2,114 posts which came up during the year, suitable candidates were not available for as many as 72. There was an appreciable dearth of suitable candidates for posts requiring teaching experience.

(The Statesman, 18 December 1959).

Punjab: Conscription of Labour to Fight Water Logging.

*the administration
to penalise*

The Punjab Cabinet decided at Chandigarh on 2 December 1959, to conscript labour for fighting waterlogging in the State on a "war footing". The decision empowers anyone who refuses to render compulsory service, irrespective of his normal vocation, to check waterlogging.

No person will, however, be required to render compulsory service for a period exceeding three months at a time.

The Cabinet decision provides for the payment of wages to the conscripted labour at rates not exceeding 50 percent of the normal wages payable to skilled or unskilled workers.

Legislation to this effect would be introduced during the winter session of the State Legislature opening on 14 December 1959.

(The Times of India, 3 December 1959).

More Work Centres for Educated Unemployed to be opened.

The Government of India announced its decision on 6 November 1959 at New Delhi to open 12 more work and orientation centres in different parts of the country in order to assist the educated unemployed to seek avenues of employment ~~either~~ other than white-collar jobs. The new centres will be located in Mysore, Bombay, Madras and the Punjab, each State having three.

(The Times of India, 7 November 1959).

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Bill to amend the Constitution: Special Safeguards
for the Scheduled Castes and Scheduled Tribes to be
continued for another period of ten years.

Shri Govind Ballabh Pant, Union Minister for Home Affairs, Government of India, introduced in the Lok Sabha on 16 November 1959, a Bill further to amend the Constitution of India.

The Statement of Objects and Reasons of the Bill declares that article 334 of the Constitution lays down that the provisions of the Constitution relating to the reservation of seats for the Scheduled Castes and Scheduled Tribes and the representation of the Anglo-Indian community by nomination in the House of People and the Legislative Assemblies of the States shall cease to have effect on the expiration of a period of ten years from the commencement of the Constitution. Although the Scheduled Castes and Scheduled Tribes have made considerable progress in the last ten years, the reasons which weighed with the Constituent Assembly in making provision for the aforesaid reservation of seats and nomination of members have not ceased to exist. It is, therefore, proposed to continue the reservation and the representation of Anglo-Indians by nomination for a further period of ten years.

In extending the period of nomination of members of the Anglo-Indian community, it is proposed to fix the number of such members who may be nominated by Governors to State Assemblies and an amendment of article 333 is accordingly proposed.

(The Gazette of India, Extraordinary,
Part II, Sec.2, 16 November 1959,
pp. 1151-1152).

Bombay Relief Undertakings (Special Provisions)
(Amendment) Ordinance, 1959 (Bombay Ordinance
No. V of 1959).

The Governor of Bombay promulgated on 5 November 1959 an Ordinance to amend the Bombay Relief Undertakings (Special Provisions) Act, 1958 (vide page 65 of the Report of this Office for December 1958). The Act empowers the State Government to conduct an industrial undertaking as a measure of unemployment relief. The Act as amended by the present Ordinance empowers the State Government "to conduct, or to provide loan, guarantee or financial assistance for the conduct of certain industrial undertakings as a measure of preventing unemployment or of unemployment relief".

The Statement appended to the Ordinance states that the Bombay Relief Undertakings (Special Provisions) Act, 1958 at present applies when the State Government by itself or under its authority conducts an industrial undertaking as a measure of unemployment relief.

It is not always possible for Government to conduct an industrial undertaking directly; and in some cases, Government may only provide financial assistance for the purpose of running the undertaking. The State Government has framed a Scheme for granting loans, or for guaranteeing the loans which may be given by other agencies like the Banks, to industrial undertakings which, in the opinion of the State Government, are otherwise likely to close down, or which, having already closed down, are proposed to be restarted as a measure of unemployment relief. It is proposed to bring such undertakings within the scope of the Bombay Relief Undertakings (Special Provisions) Act, 1958.

The Government of India has appointed a Controller to take over the management of the Model Mills, Nagpur Limited, Nagpur, which had closed down, and the Government of Bombay will be providing financial assistance to the Controller to run the Mills. In the circumstances, the State Legislature being not in session, it has become necessary to take immediate action to amend the Bombay Relief Undertakings (Special Provisions) Act, 1958, by an Ordinance.

(The Bombay Government Gazette,
Part IV, 12-November 1958,
pp. 569-571).

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83. Vocational Training.

India - November-December 1959.

Labour Ministry's Training Scheme: Working during August 1959.

According to the Review of Work done by the Directorate General of Resettlement and Employment during August 1959, the number of craftsmen trainees on the roll of various training institutes and centres on 31 August 1959 was 23,793. There were 22,133 trainees (including) 50 women in engineering trades and 1,660 (including) 767 women in non-Engineering trades.

Training of displaced persons.- The total number of displaced persons undergoing training in engineering and non-engineering trades at the end of August 1959 was 2,415 of whom 2,117 were undergoing training in engineering trades and 298 (including 105 women) in non-engineering trades.

Training of supervisors and instructors.- A total of 401 supervisors and instructors were receiving training at the Central Training Institute for Instructors, Koni-Bilaspur and Central Training Institute at Aundh at the end of the month.

Training of Women Craft Instructors.- Under the scheme for the training of women craft instructors at the Industrial Training Institute for Women, New Delhi, 30 women instructors trainees were receiving training at the end of the month under review.

National Apprenticeship Training Scheme.- A total of 518 apprentice trainees were undergoing training under the National Apprenticeship Training Scheme at the end of Month under review.

Evening Classes for Industrial workers' scheme.- In all, 524 persons were undergoing training under the Evening Classes for Industrial Workers' Scheme at the end of the month under review.

The following table gives the total number of training institutes and centres and the number of persons undergoing training as on 31 August 1959:-

<u>Number of Training Institutes and Centres.</u>	<u>Number of Seats Available.</u>	<u>Number of Persons Undergoing training.</u>
133	32,202	26,208

Stores and Equipment.- T.C.M. Equipment worth approximately Rs.43,172.03 was reported as received at the Training Centres and Institutes concerned during August 1959 raising the total value of the aid received upto 31 August 1959 to Rs.2,932,600.

under U.N.T.A. programme
 Russian equipment, worth approximately Rs.150,616.67 was reported to have been received at the various Training Centres and Institutes during the month of August 1959. Total amount of aid so far received under this aid comes to Rs. 1,187,644.57 approximately.

Supply orders amounting to Rs. 9,261.00 have been placed ~~in~~ ^{with} various firms during the month of August 1959, for Central Training Institute, Koni.

(Review of Work done by the Directorate-General of Resettlement and Employment during the month of August 1959; issued by the Directorate General of Resettlement and Employment, Ministry of Labour and Employment, Government of India, New Delhi).

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Labour Ministry's Training Scheme: Working during
September 1959.

According to the Review of Work done by the Directorate General of Resettlement and Employment during September 1959, the number of craftsmen trainees on the roll of various training institutes and centres on 30 September 1959 was 23,722. There were 22,003 trainees (including 35 women) in Engineering trades and 1,719 (including 787 women) in non-Engineering trades.

Training of displaced persons.- The total number of displaced persons undergoing training in engineering and non-engineering trades at the end of September 1959 was 2,488 of whom 2,148 were undergoing training in engineering trades and 340 (including 156 women) in non-engineering trades.

Training of Supervisors and Instructors.- A total of 397 supervisors and instructors were receiving training at the Central Training Institute for Instructors, Koni Bilaspur and Central Training Institute at Aundh at the end of the month.

Training of Women Craft Instructors.- Under the scheme for the training of women craft instructors at the Industrial Training Institute for Women, New Delhi, 30 women instructors trainees were receiving training at the end of the month under review.

National Apprenticeship Training Scheme.- In all 545 apprentice trainees were undergoing training under the National Apprenticeship Training Scheme at the end of the month under review.

Evening classes for Industrial Workers' Scheme.- A total of 526 persons were undergoing training under the Evening Classes for Industrial Workers' Training Scheme at the end of the month under review.

Work and Orientation Centres for the Educated Unemployed.- A total of 162 persons were undergoing training in the Work and Orientation Centres for the educated unemployed.

The following table gives the total number of training institutes and centres and the number of persons (including displaced persons) undergoing training as on 30 September 1959:-

<u>Number of Training Centres and Institutes.</u>	<u>Number of Seats Available.</u>	<u>Number of persons undergoing training.</u>
140	32,274	25,210

Stores and Equipment.- T.C.M. equipment worth 54,784.39 rupees was reported as received at the Training Centres and Institutes concerned during September 1959, raising the total value of the aid received upto 30 September 1959 to 3,037,353.57 rupees.

under U.N.T.A programme
Russian equipment worth approximately 97,505.95 rupees was reported to have been received at the various Training Centres and Institutes during the month September 1959. Total amount of aid so far received under this comes to 1,285,150.52 rupees approximately. Supply orders amounting to 5,684.33 rupees have been placed ^{with} ~~at~~ various firms during the month of September 1959 for Central Training Institutes ^{at} Koni and Aundh.

(Review of Work done by the Directorate General of Resettlement and Employment during the Month of September 1959; issued by the Directorate-General of Resettlement and Employment, Ministry of Labour and Employment, Government of India, New Delhi).

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Japan to Train 1,500 Technicians: Pact with India.

According to a three-year technical cooperation pact initiated on 7 December 1959 in Tokyo between Japan and India, Japan will train about 1,500 technicians in India.

Under the pact a Japanese technical centre will be established on the outskirts of Calcutta for the purpose of technical training and prototype production for small industries.

(The Tribune, 10 December 1959).

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CHAPTER 9. SOCIAL SECURITY.

INDIA - NOVEMBER-DECEMBER 1959.

91. Pre-Legislation Measures.

Bombay: Members' Benefit Scheme of Mill Mazdoor Sabha.

The Mill Mazdoor Sabha, Bombay, has launched a Benefit Scheme for the members. The scheme was formally inaugurated by Shri S.M. Joshi on 15 November 1959 at a well-attended function.

The "Members' Benefit Scheme" as it is termed seeks to assure additional social security for the workers by providing for them relief during period of long illness or bodily injury or to their dependent family members upon death. The amenities provided by the Employees' State Insurance Scheme are by themselves inadequate to ensure full social security to the workers. For instance, the Employees' State Insurance Scheme does not give any relief to those workers who suffer injuries or meet with death while they are not on duty. Therefore, it was necessary to supplement the efforts made by the Government in order to assure the necessary protection to assure the workers. This is best done through the agencies of the trade unions, which otherwise remain confined to limited purposes such as those of securing higher wages at the expense of coercing the employers.

The Members' Benefit Scheme has been started on a very modest and experimental scale.

Inaugurating the Scheme, Shri Kisan Tulpule said that the Scheme would be entirely financed out of the membership fee collected by the union. It was heartening to learn that all the members, of their own accord, had accepted an increase in their subscription in order to meet the expenses which would be incurred on the Scheme.

Shri S.M. Joshi stated that Indian trade unionism was in its infant state, and as such it always pressed forth the rights of the workers, often without even bothering itself with the corresponding obligations and responsibilities which ought to be fulfilled by the workers. He tried to trace the reason for it and said by virtue of it Indian trade unionism remained weak. Trade unions thrived by instigating the workers to go on strike or do such other negative things, those that were against the interest of the employers. He emphasised that trade unions should pay attention to the welfare of the workers and undertake a positive programme.

Shri Joshi observed that in the past it was the family that provided the social security to the individual. But with the gradual withering away of this institution, it would be incumbent on the trade unions to establish a family relationship amongst the workers.

The benefits of the Scheme are in brief as follows:-

Cause of Benefit.	Scale.	Maximum amount as benefit.
1. Prolonged illness	--- Rs.20/- p.m.	Rs. 100/-
2. Disablement:		
up to 29 per cent	--- Nil-	Nil
from 30% to 40%	--- Rs.20/- p.m.	Rs. 100/-
from 61% to 90%	--- Rs.20/- p.m.	Rs. 150/-
from 91% onwards	--- Rs.20/- p.m.	Rs. 200/-
3. Death	--- Rs. 200/-	Rs. 200/-

(Janata, Vol. XIV, No. 44, dated 29 November 1959, pp.7-8).

93. Application.

India - November-December 1959.

Employees' Provident Fund Act to be extended to
Establishments employing 20 or More Persons.

Replying to on half-hour debate in the Lok Sabha on 21 December 1959 on the enforcement of an enhanced provident fund contribution at the rate of 8-1/3 per cent, Shri G.L. Nanda, Union Minister for Labour and Employment and Planning stated that the Government of India has decided to extend the provisions of the Employees' Provident Fund Act to establishments employing 20 or more persons. Necessary changes in the law would be made during the next session of Parliament, but if it would be adequate to enforce the measure by a notification, that would be done, he said.

The Minister said he was keen on enforcing the enhanced rates early. He did not think it would have any impact on the employment position, but he wanted to take due precautions.

Initiating the debate, Shri T.B. Vittal Rao (Com.) regretted the delay in enforcing the enhanced rate. He quoted some statistical data to disprove the employers' contention that the enhanced rate would add to their burden and hamper capital formation.

Shri Nanda said as far as he was concerned he would not be carried away by the cry of capital formation. Enhanced provident fund reserves were themselves a large source of capital formation as far as the country was concerned.

(The Statesman, 22 December 1959).

CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

INDIA - NOVEMBER-DECEMBER 1959.

112. Legislation, Regulations, Official Safety and Health Codes.

Mysore Boiler Operation Engineers Rules, 1959.

The Government of Mysore gazetted on 17 December 1959 the text of the Mysore Boiler Operation Engineers Rules, 1959, made in exercise of the powers conferred under the Indian Boilers Act, 1923. The rules require that the owner of a single boiler or two or more boilers connected in a battery or of so many separate individual boilers situated within a radius of 75 feet having a total backing surface exceeding 7500 square feet in any of the cases shall not use the same or permit the same to be used unless the boiler or boilers are placed in direct charge of a competent person possessing a certificate of proficiency as a boiler operation engineer, under the rules. The rules deal inter alia with the board of examiners, mode of examination for the grant of certificate of proficiency as a boiler operation engineer, age and training of candidates, and grant of certificates of proficiency as a boiler operation engineer.

(The Mysore Gazette, Part IV, Section 1c,
17 December 1959, pp. 3843-3858).

Andhra Pradesh Boiler Operation Engineers Rules, 1959.

The Government of Andhra Pradesh gazetted on 3 December 1959 the text of the Andhra Pradesh Boiler Operation Engineers Rules, 1959, made in exercise of the powers conferred under the Indian Boilers Act, 1923. The rules deal inter alia with constitution of board of examiners, mode of examination for the grant of certificate of proficiency as a boiler operation engineer, age and training of candidates, and grant of certificates of proficiency as a boiler operation engineer.

(Rules Supplement to Part II of
Andhra Pradesh Gazette, 3 December 1959,
pp. 452-468).

LIST OF PRINCIPAL LAWS PROMULGATED DURING THE
PERIOD COVERED BY THE REPORT FOR NOVEMBER-DECEMBER
1959.

INDIA - NOVEMBER-DECEMBER 1959.

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

Madras Khadi and Village Industries Board Act, 1959
(Madras Act 18 of 1959) (Fort St. George Gazette,
Part IVB, 28 October 1959, pp. 249-250).

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

- i) Mines (Amendment) Act, 1959 (No. 62 of 1959)
(Gazette of India, Extraordinary, Part II, Sec. 1,
28 December 1959, pp. 499-524).
- ii) ~~Madras~~ Bihar Shops and Establishments (Amendment)
Act, 1959 (Bihar Act XXVI of 1959) (Bihar Gazette,
Part IV, 25 November 1959, pp. 39-41).

CHAPTER 6. GENERAL RIGHTS OF WORKERS.

Industrial Disputes (West Bengal Amendment) Act, 1959
(West Bengal Act XI of 1959) (Calcutta Gazette,
Extraordinary, 27 October 1959, page 2285).

CHAPTER 8. MANPOWER PROBLEMS.

Bombay Relief Undertakings (Special Provisions) (Amendment)
Ordinance, 1959 (Bombay Ordinance No. V of 1959) (Bombay
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CHAPTER 3. ECONOMIC QUESTIONS.

- * (a) "Report on the Working of the Minimum Wages Act, 1948, in the Madras State During the Year 1958". Issued by the Department of Industry, Labour and Co-operation, pp.23. (One copy sent to Geneva via this Office Minute No.D.3/2431/59 dated 1 December 1959).
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- (c) Changing Face of Indian Villages: By G.R. Madan; S.Chand & CO., Delhi, Rs.10

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CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

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i) 1952-53, pp.83. ii) 1953-54, pp.80. iii) 1954-55, pp.108. and iv) 1955-56, pp.110.
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