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INTERNATIONAL LABOUR OFFICE
INDIA BRANCH

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Industrial and Labour Developments in April 1959.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - APRIL 1959.

12. Activities of External Services.

(a) Lectures.

On 18 and 19 April 1959, the Director, Shri V.K.R.Menon, delivered a series of lectures on the I.L.O. at the Workers' Training College, Shram Shibir, Indore.

(b) Meetings.

On 11 April 1959 the Director attended the 3rd Meeting of the National Productivity Council held at New Delhi.

(c) Publications, etc.

During the month the fourth volume in the series "Recent Developments in Certain Aspects of Indian Economy" and I.L.O. Bulletin, Vol.VI, No.1, were published by this Office.

25. Wage-Earners' Organisations.

India - April 1959.

INTUC to set up New Defence Employees' Federation.

The INTUC's decision to form a federation of various Defence workers in the country under its auspices was announced by Shri S.R. Vasavada, General Secretary, INTUC, at Ahmedabad recently.

Dr. G.S. Melkote, M.P., Organising Secretary, INTUC, has been authorised to coordinate the activities of various Defence workers and take necessary steps to convene a conference to set up a new federation.

It may be recalled that about six years ago, three unions amalgamated to form the All-India Defence Employees' Federation. Owing to the past experience of the unions who believed in INTUC ideology, it was felt by them that it was no more possible to work along with the communists in the Federation. The pro-INTUC unions requested the INTUC to take suitable steps. The INTUC Working Committee discussed the situation on the Defence establishments for long. Finally, at the last meeting of the Dibrugarh session, it decided to form a new federation. The new federation is expected to start with more than 46 unions working in various Defence establishments in the country.

(Indian Worker, Vol.VII, No.22,
2 March 1959, page 1).

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Socialist Party's Labour Policy: Severance with
Central Labour Organisations urged.

The Socialist Party of India National Conference held at Banaras, 24-28 April 1959, adopted a resolution on its trade union policy, stating that the existing central labour organisations like the INTUC, AITUC, UTUC and HMS had become totally irrelevant to the interests of the Indian working class. The conference, therefore, called upon the Socialist trade unionists to sever their connections with these central labour bodies and organise the workers independently on the basis of a militant programme. (The Socialist Party recently broke away from PSP).

(The Statesman, 29 April 1959).

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28. Employers' Organisations.

India - April 1959.

Twenty-sixth Annual Meeting of the Indian Colliery Owners' Association, Dhanbad, 28 March 1959: Early revision of price structure urged.

The 26th annual General Meeting of the Indian Colliery Owners' Association was held at Dhanbad on 28 March 1959. The chairman of the Meeting was Shri D. Samanta, President, Indian Colliery Owners' Association.

Chairman's address.- The chairman in his address, among other things, suggested the setting up of a permanent machinery to deal with coal prices, some sort of a Price Board for the coal industry. This seemed to him to be the only logical step for evolving a rational price policy for this key industry, at the core of all the Plans.

Since 1947, wages of colliery labour which account for 60 to 70 per cent of the production costs, have increased by about 50 per cent. There has also been an increase in such elements of cost as electricity charges and freight, as also the estimated increase that is likely to result from the implementation of the Mines Act Regulations etc., which is costing the industry to the tune of Rs.1-12 to 2 rupees per ton. And yet, the price of coal has been increased only by 25 per cent since 1947.

He also criticised the composition of the Coal Prices Revision Committee whose report is still awaited although nearly two years have since passed and the Government's intention in the matter remains yet to be known.

Dealing with the problem of loading and siding accommodations, the chairman said that the procedure in respect of the grant of siding and loading accommodations continues to be unnecessarily complicated even now and it takes a very very long time for collieries to get their applications for increased loading and siding accommodations or new sidings, disposed of. The formula fixed in this regard, that is one wagon for every 500 tons of coal raised, requires modification. The formula should be one wagon for every 300 tons.

Speaking about the safety measures, in coal mines, the chairman stressed the imperative necessity of imparting proper training to workers of all categories, for instilling into them the required degree of safety-consciousness and sense of discipline. He felt that without this, promulgation of a large number of legislations, howsoever rigidly enforced, will not prevent accidents in mines.

(The Statesman, 9 April 1959).

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19th Annual Session of All-India Manufacturers' Organisation: Greater Effort to Raise Funds for Third Five-Year Plan stressed.

The 19th annual conference of the All-India Manufacturers' Organisation was held at Bombay on 11 and 12 March 1958. The Chairman of the A.I.M.O. presided. The conference was inaugurated by the Prime Minister of India. About 1,000 delegates attended the meeting.

Presidential address: Top priority for food production urged.— Shri N.D. Sahukar, chairman of the A.I.M.O. in his presidential address, pleaded for top most priority to the production of foodgrains in the Third Five-Year Plan. He said that while the general index of industrial production had gone up from the base of 100 in 1951 to 137.3 in 1957, the production of foodgrains had increased from 51.2 million tons in 1951-52 to just 62 million tons in 1957-58. Thus, though on paper, the production of grains had increased by about 20 per cent, the fact must be borne in mind that during this interval, the population had increased by roughly 25 millions, with the result that the country still continued to be deficit in foodgrains. With the rising tempo of industrial production and larger investment both in the public and private sectors, more money had been in circulation, as a result of which naturally there had been greater per capita consumption of food, which, more than anything else, accounted for what superficially appeared to be India's economic malady. What was holding back the full expansion of the economy was the continuous shortage of foodgrains. Therefore, he urged that production of foodgrains should have top priority in the third Five Year Plan.

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Shri Sahukar continuing said that the development of the economy during the Second Plan had been retarded at many points because of lack of basic raw materials like steel, non-ferrous metals and some basic chemicals. The Second Plan also did not devote sufficient attention to the exploration of geological wealth. He felt that investment in geological survey and exploration needed to be increased by at least ten times.

Another item which needed much higher priority was technical education. "If we have to give a big push to industrial development", he said, "the only way to do it is not only to increase the number of technical schools but also to improve the quality of teaching".

Internal resources.- On the question of internal resources for the third Plan, he said they had to consider whether new avenues of taxation, the total incidence of which would be more equitably distributed than was the case at present could not be explored.

Prime Minister's address.- Agreeing with the suggestion by the Chairman, Shri N.D. Sahukar, that there should be an increase in the share of the rural sector in total tax revenue and that incidence of taxation should be more progressive in the rural sector, Shri Nehru said that the rural sector had benefited by various development projects. But when the Government tried to realise revenue through a betterment levy there was agitation, as was the case in Punjab. "These politicians who talk so much about five-year plans come in the way of plans in actual practice."

Discussing rapid changes in political and economic concepts, Shri Nehru said some of those who thought they were very forward constantly referred to something that happened a hundred years ago.

Describing as "silly" debates whether plans should be based on resources or physical needs, Shri Nehru said the plans should be guided by physical needs, though "you are naturally limited by your resources".

Resolutions: Efforts to raise funds for Third Five-Year Plan.- The Conference by a resolution emphasised the need to bestow greater care on building up and mobilising resources during the third Five-Year Plan.

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The resolution said it was essential to foster larger capital formation, to step up the rate of investment from internal as well as external sources and to seek closer co-operation between the private and public sectors with a view to utilising all available productive facilities to the maximum extent.

The conference suggested greater reliance on

- (1) raising more revenue from agricultural sector,
- (2) larger borrowing from the open market, (3) tapping small savings, (4) voluntary mobilisation of gold in the form of bullion and ornaments by offering reasonably attractive terms, and (5) greater collaboration of the private sector with the public enterprises (excepting those reserved exclusively for the public sector such as defence industries, etc.).

On external resources, the conference held that the inflow of foreign capital should be encouraged in the form of equity capital in Indian enterprises and that all obstacles hindering its flow, e.g., double taxation or absence of treaties of friendship, commerce and navigation should be removed.

The conference also urged the abolition of "all existing restrictions and disincentives on import of foreign capital Indians earned abroad so as to facilitate larger inflow of such capital into India.

Employment situation.- The conference, in another resolution, said that the lack of appreciation of the difficulties entrepreneurs faced had been responsible for the present deterioration in output and employment situation.

The conference recommended that in the third Plan due attention and emphasis should be given to the schemes where large-scale and gainful utilisation of the country's human resources was possible.

It also urged the Government to take measures "to restrict the population increase in the country".

Office-bearers.- Shri N.D. Sahukar was elected Chairman for 1959.

(The Hindu, 12 March 1959;
The Statesman, 12 March 1959;
The Hindustan Times, 14 March 1959).

34. Economic Planning, Control and Development.

India - April 1959.

Development of Milk Powder and Condensed Milk Industry:
Government accepts Inquiry Committee's Recommendations.

A Resolution dated 12 March 1959 of the Ministry of Commerce and Industry, Government of India, states that the Central Government appointed in February 1957 a Committee to review the Development of Milk Powder and condensed milk industry in India and to make recommendations about its development. The Committee was also required to make recommendations regarding indigenous fabrication of milk power plants. The terms of reference of the Committee were as follows:-

- (1) To review the steps so far taken to develop the milk powder industry in India in the private and public sectors and also under the auspices of the UNICEF.
- (ii) To assess the scope for further development of the production of milk powder in India having regard to the present and potential availability of fluid milk and to suggest suitable locations for this purpose.
- (iii) To assess (a) present imports; (b) indigenous production; and (c) consumption of milk powder in India for different purposes.
- (iv) To make recommendations regarding the nature of plant and machinery required for the manufacture of milk powder keeping in view the present foreign exchange position and to examine the scope for the fabrication of roller and spray milk drying plants in India in the near future.

(v) To make such other recommendations that the Committee may deem appropriate having regard to the objective of developing the production of milk powder in India.

(vi) The Committee may also make an inquiry on the above lines in regard to condensed milk.

The main recommendations of the Committee are:-

(i) A well organised indigenous milk condensing and drying industry should be established as speedily as possible not only to meet the requirements of condensed, evaporated and dried milk but also to provide a remunerative outlet for surplus milk available in certain areas which is not being marketed very profitably at present.

(ii) In selecting locations for milk manufacturing plants the fluid milk requirements, present or future, of large consuming centres should not be lost sight of.

(iii) To make the country self-sufficient in infant milk foods and whole milk powder, both of which are required for consumption by priority consumers, preference should be given to the manufacture of these products rather than butter/ghee and skim milk powder, both in the existing plants and the new plants coming up in the public and private sectors.

(iv) In order to avoid contamination, milk should be produced hygienically and extension work should be undertaken by competent technical staff.

(v) Extension service is necessary to increase and intensify milk production in the selected areas. The extension work should consist of organisation of producers' co-operatives, to market milk and to arrange supply of food, fodder, fertiliser, etc. Special staff necessary for this purpose should be employed by the State Governments concerned.

(vi) Priority should be given by the States concerned for providing a net-work of all weather roads for the transport of milk from the rural areas to milk processing plants.

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(vii) The question of indigenous manufacture of dairy equipment should be examined speedily by the Ministry of Commerce and Industry in collaboration with the Ministry of Food and Agriculture and foreign exchange necessary for plants which cannot be fabricated indigenously should be released so that the projected milk powder plants in the Second Five Year Plan may come up speedily.

(viii) Milk surveys should be carried out in existing milk pockets in different parts of the country. The results of these surveys would be helpful in implementing the schemes for the development of milk powder industry both in the public and as well as private sectors.

(ix) Both roller drying as well as spray drying plants have their utility. The choice would depend upon the availability of milk, finances and usage of milk powder in future.

(x) The National Dairy Research Institute, Karnal should pay special attention to the study of condensing and drying of milk produced by Indian cows and buffaloes at different times of the year.

recommendations nos. / The Government of India after careful consideration of these recommendations has accepted (i) to (iv) and (vii) to (x) mentioned above and will take steps to implement them as far as possible. Recommendations Nos. (v) and (vi) are commended to the consideration of the State Governments.

(The Gazette of India, Part I, Sec. 1,
21 March 1959, pp. 84-85)

Little Progress in Social and Economic Transformation:
U.P. Committee's Report on Community Projects .

After nearly a year's exhaustive study of community projects and National Extension Service blocks in Uttar Pradesh a committee appointed by the State Government has come to the conclusion, that, "viewed from the point of view of the objectives enunciated by the Planning Commission, it must be said that very little progress has been made in bringing about a social and economic transformation and change in the mental attitude of the people towards progressive thinking and social cohesion."

Assessed against the limited objective of expanding agricultural techniques, works and health programmes in the countryside, however, the report concludes that the National Extension Service "has rendered useful service by canalizing people's energy into the implementation of the programme".

Consisting of eight legislators and four Government officials the committee was set up in May last year under the chairmanship of Shri Govind Sahai, M.L.A.

The committee mentions several factors which have retarded progress. First among them is the criticism that the objectives and programmes of community development have progressed along parallel lines without affecting each other. "While the former has been governed by the new urges and aspirations coming in the wake of political freedom, the latter has been governed by the needs of the time and limitations of resources."

Another defect is the continuing emphasis on agriculture and works programmes and the fulfilment of physical targets without a balancing emphasis on other objectives.

It also complains that development programmes have not covered all segments of village life but have been largely limited to well-to-do agriculturists.

Other shortcomings are irksome rules and procedures, lack of continuity and unorganised development drives.

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Suggestions for Improvement.- The committee makes many recommendations designed to make development programmes more effective. Some of them arise out of the shortcomings it discovers. For instance it suggests that programmes be reshaped so as to cover all sections and aspects of village life.

It also suggests closer co-operation between officials and non-officials, active association of people with village plans and encouragement of local leadership.

The committee recommends several changes in the administrative machinery. One important suggestion is that the area covered by the village level worker be reduced.

It recommends greater integration of development work. At the block development officer level it suggests that the block development officer should effectively supervise the work of all departments concerned with extension work. Similar integration of efforts is suggested at the district, divisional and State levels. An even more radical proposal is that all development departments be integrated into one department of Community Development with a single Budget head.

It suggests the formation of a single development service as well, with different branches for agriculture, co-operation and other specialised work.

Finally it is suggested that a Minister for Community Development be appointed. The committee would also like other Ministers to be associated with development work in particular divisions and Union Ministers should supervise work in the districts.

On the subject of public participation, which it describes as showing a downward tendency, it suggests various measures to promote enthusiasm. Among these suggestions are that participation programmes should attract all classes of village society; that section token payments be given to poorer sections and that all constructions through shramdan be properly maintained. No official promises for metalling or taking over roads should be made without proper sanction.

The committee feels that the present block development committees are unwieldy and suggests that the membership be reduced and at the same time they be assigned greater responsibility for formulation and execution of village programmes.

The committee also makes comprehensive suggestions on training administrative personnel, research projects, evaluation and reorientation of programmes and associating village institutions with the administration. It favours an increasing transfer of powers and responsibilities to gaon panchayats and suggests that panchayats be elected by secret ballot instead of show of hands.

(The Statesman, 28 April 1959).

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Cheaper Car Production: Inquiry Body appointed.

A Resolution of the Ministry of Commerce and Industry, Government of India, says that the progress of the automobile industry in the country was reviewed by the Tariff Commission in 1953 and in 1956. A fresh review is now considered desirable not only to assess the progress made by the industry but to cover a wider field so as to enable Government to take a view on long term problems such as the role which the automobile industry should play in the Third Plan and the possibility of producing a more economic car for the common man.

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Accordingly, Government has set up, in consultation with the Planning Commission and the Tariff Commission, a committee consisting of seven members with Shri L.K. Jha, Additional Secretary, Ministry of Commerce and Industry, as chairman. The terms of reference of the committee are as follows:-

First, the committee has been asked to recommend measures to reduce the cost of motor cars, jeeps and trucks manufactured in the country.

Secondly, the committee will consider ^{whether} ~~whether~~ it is feasible to manufacture a car costing between 5,000 rupees and 7,000 rupees.

Significantly, in examining this question the committee will not only consider schemes previously presented to the Government but others developed in different countries.

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The committee will also suggest targets of production in the third Plan.

The committee will review the progress made by the automobile and ancillary industries and recommend measures to increase the indigenous content of vehicles "in the shortest possible time."

It will keep in view the targets and schedules envisaged in 1956, when the manufacturing programmes of different producers were approved.

(The Gazette of India, Extraordinary,
Part I, Sec.1, 8 April 1959, pp.671-672;
The Hindustan Times, 9 April 1959).

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1.5 Per Cent Fall in National Income in 1957-58:
Preliminary Estimates released.

The Central Statistical Organisation's preliminary estimate of the national income of India for the year 1957-58 is 108,300 million rupees at 1948-49 prices. The revised estimate of the national income for 1956-57 is 110,000 million rupees at the same price level.

This is shown by the sixth issue of the Annual Paper on National Income released by the organisation. The estimates are based on the method of calculation followed for the earlier years.

Unlike 1956-57, which recorded an all-round improvement over the previous year, both in agricultural and non-agricultural output, the year 1957-58 witnessed a sharp decline in agricultural production. The decline in the contribution to the national income by agriculture in 1957-58 over 1956-57 was 3,200 million rupees at 1948-49 prices. This was, however, partly offset by a rise of 1,500 million rupees in the contribution made by the other sectors.

The rise in the national income in real terms of 18.4 percent during the five-year period, 1951-52 to 1955-56, and of 5 per cent during 1956-57 is followed by a decline of 1.5 percent during 1957-58. The corresponding rise in the per capita income from 1951-52 to 1955-56 was 11.1 per cent and during 1956-57, 3.6 per cent. The fall in the per capita income during 1957-58 was 2.8 percent.

At the current prices, the national income stood at 113,600 million rupees in 1957-58 and 113,100 million rupees in 1956-57 and 13,800 million rupees and 13,300 million rupees higher than the 1955-56 level. The per capita income at the current prices correspondingly rose from 260.6 rupees in 1955-56 to 291.5 rupees in 1956-57 and fell to 289.1 rupees in 1957-58. The larger increase at the current prices than at constant prices was due to price changes.

(The Hindustan Times, 26 April 1959).

Economic Survey of India, 1958-1959.

As part of the documents in connection with the Central Government's budget for 1959-1960 (vide report of this Office for March 1959, pp.17-25) the Government of India has published an economic survey of India for 1958-1959. A brief review of the survey* is given below:-

Economic situation.- The sharp decline in agricultural production in 1957-58 and a slowing down of the rate of growth of industrial production accentuated the pressure on prices during 1958-59. The index of wholesale prices (1952-53 = 100) which had registered a decline in the latter part of 1957 started rising from March 1958; it went up from 105 in that month to 116 in August, the rise being accounted for mainly by the upward movement of the index for food articles from 102 to 120 in this period. Prices were more or less stable in September and October, and showed a downward trend in November and December, the general index reaching a level of 110-111 by December-end and early January 1959. There has, again, been a rise since then; the index of wholesale prices for the week ending the 7 February being 114.5. On the whole, the rise in the wholesale price level as measured by the average of monthly indices, for the year was 2.1 per cent in 1958 as compared to 5.9 per cent in 1957. The all-India cost of living rose sharply during the year, the index going up from 110 in March 1958 to 123 in October, and receding to 122 in November and 119 in December.

There was also an increased strain on the balance of payments in the first half of the year. The foreign assets of the Reserve Bank declined at an average rate of 54 million rupees in the quarter-April-June, 1958 (without taking credit for the receipt of 210 million rupees during this period from the U.K. under the Pensions Settlement of 1955). The rate of drawals in July was about 51 million rupees per week.

* Government of India: Economic Survey, 1958-1959,
28 February 1959, pp.47.

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Since then, there has been an improvement in the situation. The drawals averaged 20 million rupees per week in August, 8.4 million rupees in September and 10.9 million rupees in October, and there have been, for the first time since the commencement of the Second Plan, some additions to reserves in November, December and January. In the middle of February 1959, the foreign assets of the Reserve Bank stood at 2,060 million rupees as compared to 2,790 million rupees a year earlier and the lowest level of 1,780 million rupees reached at the end of October 1958. The recent improvement of 280 million rupees included a sum of 133 million rupees received in the second week of February 1959, from the U.K. under the Pensions Settlement of 1955.

While the economic trends in the first two years of the Plan were indicative of a growing imbalance in the economy arising out of mainly out of the step-up in investment activity in pursuance of the plan, the signs now are of a lessening in this imbalance. The step-up in aggregate investment during the year under review has been relatively small; a larger proportion of it than in the previous two years has been financed by external resources. Credit creation has been on a smaller scale; and, stringency in the money market has abated, with consequential improvement in the loan receipts of both the Central and State Governments. The upward trend in prices has been mainly the consequence of a shortfall in agricultural production rather than of any overall excess of demand. Prices of raw materials and manufactured goods have remained practically stable. The downward adjustment in the Plan from 48,000 million rupees to 45,000 million rupees - with a substantially larger quantum of external assistance than was envisaged earlier - is also a factor that should reduce the strain on the economy in the immediate future.

Production.- Agricultural production in 1957-58 was the lowest on record since 1953-54, the index (1949-50 = 100) for the year being 113.4 as compared to 114.3 in 1953-54, 117.0 in 1954-55, 116.9 in 1955-56 and 123.8 in 1956-57. The output both of foodgrains and commercial crops was lower than in 1956-57. The fall, as compared to the previous year, in the production of rice, wheat and pulses was 12.3, 17.8 and 19.0 per cent respectively while the index for all foodgrains was 11 per cent lower. Of the commercial crops, only cotton and groundnut registered small increases, while the output of jute, sugarcane and oilseeds was markedly smaller.

The rate of growth of industrial production has slowed down since 1957. Whereas the Index (1951 = 100) rose from 122.4 in 1955 to 132.6 in 1956, i.e., by more than 8 per cent, it went up to 137.3 in 1957, which is a rise of only 3.5 per cent. The rise in 1958 has been even less mainly because of the fall of about $7\frac{1}{2}$ and $5\frac{1}{2}$ per cent respectively in the production of cotton cloth and yarn which between them have a weightage of 36 per cent in the index of industrial production. If cotton textiles are excluded, the rise in the index of industrial production for all other industries in 1958 would be about the same as in 1957 when the index had increased by about 6 per cent. It might also be mentioned that some of the new engineering and chemical industries which are not included in the index have been recording considerable increases in recent years. The output of several industries such as coal, electricity, pig iron, diesel engines, power driven pumps, electric motors, machine tools, sulphuric acid, caustic soda, bicycles and sewing machines showed a significant rise in 1958 as compared to 1957. In the year as a whole output of coal is estimated to be a little over 45 million tons as compared to 43.5 million tons in 1957. Both the generation and sales of electricity have shown a continuing rise, the increase since 1956 being about 26 per cent. Sales for domestic consumption have risen by about 20 per cent, for industrial power by 25 per cent and for irrigation by about 100 per cent. The production of bicycles increased from 790,000 in 1957 to 920,000 in 1958. In the case of some industries such as automobiles, power transformers, finished steel, electric lamps, cloth, vanaspati and sugar, the level of production in 1958 was lower than in 1957. While the rate of growth of some industries, such as automobiles, has slowed down because of import restrictions, the decline in the output of cloth, vanaspati and electric lamps reflects a slackening of consumer demand for these commodities. The offtake of cement has gone down partly because some of the major irrigation and power projects have passed the stage of peak demand for cement and because shortage of steel has reduced construction activity. Thus, the trend in industrial production has been affected not only by import restrictions but also by some slackening in internal demand.

The following table shows the trend in national income from 1950-51 to 1956-57 both at current and constant (1948-49) prices:-

1956-57* 1955-56 1954-55 1953-54 1952-53 1951-52 1950-51

I Index number of net output with 1948-49 as base -

(a) at current prices.	131.9	115.5	111.1	121.2	113.5	115.3	110.2
(b) at 1948-49 prices.	127.5	121.2	118.8	116.0	109.4	105.2	102.8

II Index number of per capita net output with 1948-49 as base -

(a) at current prices.	119.2	105.6	103.0	113.7	107.9	111.0	107.4
(b) at 1948-49 prices.	115.0	110.8	110.1	108.8	103.9	101.3	99.8

* Preliminary.

The estimates for 1957-58 are not yet available. But with the shortage in agricultural production and the slowing down of the growth of industrial production mentioned above, it is likely that national income (in real terms) in 1957-58 will show a fall of about 2 per cent. The rise in national income per capita at constant prices has been small since 1953-54 and the stresses and strains of recent years can be explained by the substantial increase in the resources directed to investment in this period, relatively to income trends.

Employment.— The number of applicants on the live registers of the employment exchanges rose from 920,000 at the end of 1957 to 1,180,000 by the end of 1958. The increase was thus 260,000 as compared to 160,000 in the previous year. The vacancies notified went up from 297,000 in 1957 to 365,000 in 1958, and placements showed an increase from 193,000 in 1957 to 253,000 in 1958. Part of the increase in numbers of the live registers is due to the opening of new exchanges and the increasing use of this agency by those seeking employment. It is also known that some of those registered with the exchanges are not unemployed but are on the lookout for better jobs. The practice enjoined on government departments to recruit temporary staff through the employment exchanges also acts as an incentive for registrations on a larger scale. Nevertheless, the figures indicate that the pressure of supply on the employment market has, on balance, been on the increase. The unskilled and the clerical job seekers between them constituted nearly 80 per cent of the registrants. There was during the year a slight increase in the proportion of unskilled persons in the total and a decline in the relative proportion of those seeking clerical jobs, but, broadly speaking, these are the two categories where there is an excess supply. Reports from various States indicate continued shortage of experienced engineers, surveyors, overseers, stenographers, doctors, health visitors and similar qualified personnel.

The data available regarding employment trends in different industries also indicate not too satisfactory a picture. The cotton textile industry has been affected adversely by the fall in demand. Employment in that industry declined from 792,000 in December 1957 to 740,000 in June 1958. There has been some increase since; in September the number of workers employed in the cotton textile industry was 768,000. There have been closures in the jute textile industry and also in tea gardens. The closure in the early part of 1958 of manganese mines producing low-grade ore also affected employment in that industry adversely, although the position seems to have improved later. In the coal industry, on the other hand, the average daily employment is estimated to have been larger by about 15,000, as compared to the previous year. Some small-scale industries such as handlooms made further progress during the year. On the other hand, some of the metal processing industries depending on imported supplies are reported to have been affected adversely. The shortage of steel has also probably damped down building activity, reducing correspondingly the employment opportunities in that sector.

While it is not possible for lack of adequate data to assess in any precise terms the trends of employment and unemployment in the economy as a whole, the various pointers mentioned above would appear to indicate some worsening, during the year, of the employment situation in some sectors of the economy.

Monetary trends.- There was, during the year, a further slowing down in the rate of increase of money supply in the hands of the public. Over the twelve months of 1958, the increase in money supply with the public was 749 million rupees as compared to an increase of 963 million rupees in 1957 and of 1,315 million rupees in 1956. The net indebtedness of Government to the banking system increased by 4,070 million rupees during the year as compared to an increase of 4,770 million rupees in 1957 and 2,440 million rupees in 1956. A large part of this expansionary impact on money supply in 1958 was countered by the decline in the foreign assets of the Reserve Bank and a diminution in the indebtedness of the private sector to the banking system. The decline in the foreign assets held by the Reserve Bank was 1,088 million rupees in 1958 as compared to 3,275 million rupees in 1957. On the other hand, the net decrease in bank credit to the private sector was larger in 1958 - 1,954 million rupees was compared to 1,200 million rupees in 1957. On the other hand Thus both in 1957 and 1958, there has been a decline in the net credit extended by banks to the private sector in contrast to 1956 when the banking system advanced net credit both to Government and to the private sector. The main reason for this change is, of course, the substantial increase in the time liabilities of the banking system which went up from 7,176 million rupees at the end of 1957 to 9,347 million rupees at the end of 1958 - an increase of 2,170 million rupees. After allowing for the time deposits under P.L. 480, the net contractionist effect of private transactions was around 1,200 million rupees as compared to 350 million rupees in 1957.

The volume of scheduled bank advances (including bills purchased and discounted) increased over the year from 8,571 million rupees to 8,656 million rupees. On the other hand, the marked uptrend in deposits with the banks noticed since the end of 1956 continued, the increase in 1958 being 2,061 million rupees as compared to 2,668 million rupees in 1957. This inflow of resources into the banking system enabled the banks to reduce their current credit - deposits ratio which at the end of 1958 was 55 per cent as compared to 62.7 per cent and 71.6 per cent at the end of 1957 and 1956 respectively. Although the State co-operative banks' borrowings from the Reserve Bank went up by 185 million rupees in 1958, those of the scheduled banks declined from 236 million rupees at the end of 1957 to 110 million rupees towards the close of 1958. The decline becomes even more marked when considered against the outstanding of 791 million rupees at the end of 1956. The scheduled banks also increased their holdings of Government securities by 2,038 million rupees in 1958. This may be compared with the increase of 690 million rupees in 1957 and the decline of 186 million rupees in 1956. An analysis of the seasonal trend in bank credit also indicates a weakening of the expansionary factors operating in the economy after the spurt in 1956-57.

In view of the plenitude of funds in the money market, the Government of India resumed, after a lapse of 27 months, the weekly auction of 91-day Treasury Bills towards the end of July 1958. With the improvement in the money market, the borrowing programme both at the Centre and in the States secured much better response than in the previous year. The Central Government's borrowings during 1958-59 amounted to 1,810 million rupees (net). The State Governments raised loans totalling 460 million rupees (net).

The downward trend in equity prices which had persisted since August 1956 until the end of 1957 was reversed during the year under review. The all-India index of prices of variable dividend industrial securities (1952-53 = 100) which had touched 120 by the end of 1957 rose more or less continuously to 144.7 by the end of September 1958 - an increase of about 20 per cent. There has been some setback since then, the index declining to 136.5 by December-end. In recent weeks the index has been around 138. Over the year, the index shows an improvement of about 14 per cent, the rise in the equity prices of metals, chemicals, silk and woollen textiles and construction industries being the most marked. The capital market has thus regained confidence and has displayed through the year a firm trend. The index of prices of Government and semi-government securities also went up from 98.4 at the end of 1957 to 100.5 by December-end 1958.

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It is doubtful, however, if the improvement in the tone of the capital market can be regarded as a pointer to increasing investment activity. Judging from company reports published during the latter half of 1958, the profits in several lines such as banking, textiles, sugar and some of the engineering industries were lower in 1957-58 than in 1956-57. The data relating to consents for capital issues also indicate some slackening of investment in the private sector. In 1957, the total consents amounted to 1,533 million rupees, of which 179 million rupees were in respect of Government companies and 1,354 million rupees were for the private sector. In 1958, the total of consents amounted to 4,230 million rupees. Of this, 3,335 million rupees were on account of Government companies (mainly Hindustan Steel) and 895 million rupees were for the private sector. The licenses granted under the Industries (Development and Regulation) Act for new units and for substantial expansion have also been lower in the first half of 1958 as compared to the same period in 1957, although as compared to the second half of 1957, the first half of 1958 showed some improvement. With the completion of the bulk of the steel expansion programme in the private sector and with the strict licensing policy in respect of capital goods imports, the tempo of investment in the private sector has no longer the same expansionary as it had in the earlier stages of the Second Five Year Plan.

Prices.- The moderate expansion in money supply against the background of agricultural shortages exerted an upward pressure on prices for the major part of the year under review. The index of wholesale prices has of late been around 113 as compared to 105 about a year ago. Over the three years since the Second Plan commenced, the rise has been of the order of 15 per cent. Over the year, the rise in the wholesale price index reflected the upward movement in the index for food articles, especially cereals. The prices of other groups have been virtually stable; the prices of cotton and jute manufactures, in fact, declined between December 1957 and December 1958 from 115 to 111 and from 93 to 85 respectively. Among the foodgrains, rice went up from 99 in February 1958 to 118 in September; wheat from 84 to 105, pulses from 76 to 105. Substantial imports of foodgrains notwithstanding, the availability per capita has been low.

The working class cost-of-living indices showed an upward trend through the major part of the year, the all-India index rising from 113 at the end of 1957 to 122 in November 1958. The food component of this index went up from 113 to 127 during the period mentioned. In December, with food items going down to 122, the cost-of-living index receded to 119.

Balance of payments.- The pressure on foreign exchange reserves which has been evident since the beginning of the Second Five Year Plan was felt even more acutely in the earlier part of the year, though it abated considerably thereafter. The average weekly rate of decline in the foreign assets of the Reserve Bank in the first nine months of 1958-59 was 26 million rupees. The rate of drawals had gone down from 80 million rupees in the first half of 1957-58 to 33 million rupees in the second half. There was a sharp reversal of this trend in the first four months of 1958-59, when the rate of weekly drawals increased to 53 million rupees. The trend was halted a little by the end of July, 1958; for the quarter July-September, the rate of drawal averaged 26 million rupees per week. From the beginning of November the reserves have been going up and on February 13, 1959, they stood at 2,061 million rupees. The following table sets out the balance of payments position for 1956-57, 1957-58 and the first half of 1958-59; detailed figures of balance of payments for the third quarter of 1958-59 are not yet available:-

	(In Million Rupees)		
	1956-57	1957-58	1958-59 (Apr.-Sept.)
1. Exports -----	6,351	5,945*	2,535
2. Imports -----	10,956	-11,748	- 5,260
3. Trade balance (1-2)-----	- 4,605	- 5,803	- 2,725
4. Invisible (net) -----	1,537	1,292	617
5. Current account balance(3 + 4)-	- 3,068	- 4,511	- 2,108
Financed by:-			
6. Official loans(net)-----	601	871	955
7. Drawings on I.M.F.-----	607	345	-
8. Other capital transactions-----	- 246	652	171
9. Use of foreign exchange reserves-	2,213	2,599	863
10. Errors and Omissions-----	- 107	44	119
	3,068	4,511	2,108

* Excludes repatriation to the U.S.A. of lend-lease silver valued at 744 million rupees.

It will be seen from the table that the deficit on current account in 1957-58 was about 50 per cent larger than in 1956-57. Exports were lower, while imports exceeded the previous year's level of 10,960 million rupees by 790 million rupees and the level in 1955-56 by about 4,250 million rupees. While imports are significantly lower, exports have also shown a decline.

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The abatement of the pressure on foreign exchange reserves has been due, as mentioned above, to the severe restrictions on imports and the larger flow of assistance from abroad. The decline in private imports has been most marked in the case of consumer goods, the fall being from a quarterly rate of 370 million rupees in 1956-57 to 190 million rupees in the first two quarters of 1958-59. The imports of intermediate goods and raw materials have also gone down, although the scope for reduction in these imports is necessarily small. The decline in these two categories is explained by the lower imports of one or two items, such as iron and steel.

The trend in government imports has been continually upwards. In 1956-57, these imports were 2,910 million rupees, i.e., a little over one-fourth of the total. In 1957-58 while private imports declined by about 1,220 million rupees, government imports, including food imports, increased by 2,010 million rupees and constituted a little over 40 per cent of total imports.

On the side of exports, there has been a setback. In 1957-58, the earnings from exports were 5,950 million rupees, i.e., about 6 per cent lower than in 1956-57. During the first half of 1958-59, exports amounted to 2,535 million rupees as compared to 2,671 million rupees in the corresponding part of 1957-58, i.e., a decline of about 5 per cent. While the exports of tea (489 million rupees) were about 105 million rupees better than in the first half of the previous year, and those of cotton raw and waste were also larger by about 30 million rupees, those of several other items went down sharply. In recent months, there has been some improvement - partly seasonal - in exports. The various measures taken recently for export promotion may begin to yield some results in the coming months. However, the overall picture for 1958-59 is not likely to be very different from that in the previous year. It must be stressed in this context that the process of cutting down imports beyond a certain point has its dangers, and the requisite balance in external account can be achieved only if exports contribute to it materially.

Economic Policy and Measures. - While, the principal objective of policy in the context of developmental planning has been to ensure, as far as possible, the implementation of the Plan to the full, the emergence of inflationary pressures and of balance of payments deficits has, since almost the commencement of the Second Plan, necessitated the adoption of measures to diminish and correct the imbalance between the resources available and the demands on them. Fiscal policy has been directed towards the raising of more resources; monetary policy has aimed at preventing speculative holding of stocks, while permitting - and, within limits, encouraging - expansion in genuine investment; commercial and foreign exchange policy has sought to limit imports and encourage exports; and the plan outlays have been kept under continuous review. The various measures taken in the course of 1957-58 - the substantial step up in taxes, the increase in the bank rate, the progressive tightening of import controls, etc. - were outlined in the

last year's Economic Survey. The financial and economic policies of 1958-59 have been, by and large, a continuation of those initiated in the previous year.

Two main - and not mutually unconnected - considerations governing policy need emphasis in this context. First, price stability has to be maintained; and second, exports have to be stepped up to the best extent possible. The rise in wholesale prices under since the Second Plan began has been of the order of 15 per cent, in spite of substantial import surpluses. Although it must be recognised that some rise in prices is inevitable in a developing country, and the rise that has occurred is in part due to special factors such as the shortfall in agricultural production in 1957-58, relative price stability is vital for orderly development. Basically, of course, the answer to the problem is a substantial increase in production, especially food production. But to the extent that the emergence of inflationary pressures is unavoidable in the course of implementation of development plans, there is need for curbs and countervailing action at various points.

The problem of increasing exports is a difficult one in the short period. Various steps towards export promotion have been initiated already, and continuing effort in this direction will be necessary. Here again, an increase in production is of primary importance. But no less important is the need to keep down prices and costs. In so far as domestic consumption comes in the way of an export surplus materialising, it has to be kept under check and the necessary sacrifice has to be made. But it has also to be borne in mind that mere reduction in domestic consumption does not help, if the surplus cannot be sold abroad at competitive prices. Price stability and a vigilant watch on costs are thus essential as much on considerations of internal as of external finance and viability. The fact that development calls for a progressive stepping up of investment over a fairly long period only highlights the importance of these considerations.

The Outlook.- On the whole, the picture that emerges from the foregoing paragraphs is one of an economy which has moved, over the last twelve months and more, towards, but not yet sufficiently near, the goal of achieving a balance both internally and externally. The rise in aggregate investment in the year that is about to close will have been relatively small; while public investment is expected to be more than in the previous year, private investment will probably have been lower. Although the rise in prices during the year has been confined mainly to foodgrains which suffered a sharp reduction in output, the fact, nevertheless, remains that the rate of increase in aggregate output has slowed down. The relative improvement in the balance of payments in the latter part of the year has been due partly to the restrictive import policy and partly to the availability of external assistance in larger measure.

The monetary trends reviewed earlier indicate that the expansion in money supply and in bank credit has been under control and there are signs of slack in certain sectors of the economy as evidenced by under-utilised capacity in cloth and cement. Inflationary pressures in the economy at the present moment can hardly be said to be strong. But it would also be wrong to suggest that the problem of inflationary pressures has been mastered. Basically, the problem still remains - and will for long remain - one of sustaining a high rate of investment in the economy without generating excessive inflationary pressures and causing an undue strain on the balance of payments. Progress consistent with stability towards the higher levels of investment envisaged in the Plan is thus possible only through steady increases in savings and continued exercise of discipline in the fiscal, monetary and foreign exchange fields.

The budgetary allocation for net capital formation in 1958-59 works out at 7,910 million rupees as compared to the revised ~~estimate~~ estimates of 7,230 million rupees in 1957-58 and 5,110 million rupees in 1956-57. It is difficult to present any precise estimate of the trend in investment in the private sector as a whole. In organised manufacturing industries, investment including replacement and modernisation is estimated to have been 1,500 million rupees in 1956-57 and 1,850 - 1,900 million rupees in 1957-58. In the iron and steel industry alone, investment in 1957-58 was about 680 million rupees. Indications are that in 1958-59 investment in manufacturing industries recorded a set back partly because of foreign exchange difficulties. In the coming year there is to be a further step-up in public investment in pursuance of the Plan. Private investment has, as mentioned above, shown a tendency to decline and an early reversal of this trend seems unlikely. In the aggregate, the increase in investment in the economy in the coming year might well be small. Investment activity, it would appear, is levelling off in contrast with the sharply ascending trend observed since 1955-56.

Foodgrains production in this kharif season has been markedly better than in the corresponding season of 1957-58. The rice crop this year is expected to exceed 30 million tons. This should mean an improvement of about 5½ million tons as compared to 1957-58. The prospects for the rabi crop are reasonably good. Industrial production in certain lines is also expected to show improvement. The output of steel will increase by about half a million tons as a result of the completion of the expansion programme in the private sector. The recent increases in installed capacity in a number of industries, such as chemicals and fertilisers, should also help in securing increased production. On the other hand, the tightness of foreign exchange will continue to operate as a restraining factor. While the position regarding total availability of goods in the economy might thus be better than in the current year, no material reduction in the pressure of demands for domestic consumption and investment can be expected; and, there is, in addition, the need to raise exports.

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It follows from this analysis that a close watch on inflationary pressures, a cautious credit policy, maximum effort to increase production and promote savings, and continued vigilance on the foreign exchange front, coupled with a drive to raise exports and to secure the balance of external assistance required for completing the Plan will continue to be necessary in the coming year.

The Plan.— Reference was made in the last year's Economic Survey to the problem of adjustments, in view of the strain on resources, in the Second Five Year Plan. A memorandum on the subject prepared by the Planning Commission was considered by the National Development Council in May 1958, and it was decided that the total outlay for the five year period, in terms of which commitments could be entered into, should be limited to 45,000 million rupees as compared to the outlay of 43,000 million rupees that was initially envisaged. Plan outlays at the Centre and in the States for 1959-60 have been decided upon in the light of this revised five-year ceiling. Outlays in the first three years of the Plan are estimated as follows:—

	(In Million Rupees)		
	Centre	States	Total
1956-57 (actuals) -----	3,420	2,970	6,390
1957-58 (expected) -----	5,000	3,460	8,460
1958-59 (expected) -----	5,820	3,990	9,810
Total.	<u>14,240</u>	<u>10,420</u>	<u>24,660</u>

This leaves a balance of 20,340 million rupees of outlay to be incurred in the next two years. There has been, in each of the three years, a shortfall in actual outlay as compared to the budgetary provision. Taking this into account, and the fact that the expenditure on the steel projects in the public sector is to reach the peak in the coming year, the total of plan allocations for the Centre and the States for 1959-60 has been fixed at about 10,920 million rupees.

A substantial tax effort has been made over the last three years. The yield of additional taxation undertaken over the three years at the Centre and in the States is expected to aggregate to about 9,000 million rupees over the five year period. Market borrowings which suffered a setback in 1957-58 registered a striking improvement in 1958-59 as stated earlier. Small savings have also been doing better. The net collections up to January 1959 were 471 million rupees, i.e. 93 million rupees more than for the same period in 1957-58. The amount of external assistance coming into the budget has also gone up year by year. Nevertheless, the budgetary deficit over the three years is estimated at about 9,500 million rupees. The deficit in 1957-58 was exceptionally heavy, and although 1958-59 is expected to show a relative improvement, it is evident that the resources position vis-a-vis the requirements of the Plan is difficult.

It is true, of course, that the size of the budgetary deficit in any particular year is not necessarily a measure of the inflationary impact of all governmental operations on the economy in that year, especially as there is a time lag between the contractionist effect on the economy of the sales of the commodities thus obtained and the budgetary accounting of the receipts. Nevertheless, it is clear that creation of money incomes ahead of increases in production has to be kept down to the unavoidable minimum, especially as the foreign exchange reserves have fallen to a low level.

Public revenues have increased significantly over the last three years, partly as a result of the tax measures adopted and partly in consequence of the rise in money incomes. The proportion of public revenues to national income has gone up from 9.1 per cent in 1956-57 to about 10.1 per cent, but this rise has been absorbed, more or less by the increase in non-development expenditures. In consequence, the reliance on borrowing from the public, from the banking system and from ~~the~~ abroad for financing the Plan has tended to increase.

The sterling balances held by the Reserve Bank declined by 5,400 million rupees over the first three years of the Plan, despite the accommodation of 950 million rupees received from the International Monetary Fund and an acceleration of the pension payments by the U.K. which brought in 350 million rupees. The total of external assistance authorised up to the end of January 1959 comes to 10,180 million rupees. This includes the assistance made available as a result of the August Conference in Washington. There was, in addition, a carry-over of 1,950 million rupees of assistance authorised during the First Plan period. Of this total of 12,110 million rupees, 4,790 million rupees was utilised between April 1956 and September 1958. The implementation of the Plan will, on present estimates, have involved external assistance of the order of 15,000 million rupees, despite the large draft on foreign exchange reserves. In other words, of the total investment, public and private, - which may turn out to be about the level of 62,000 million rupees envisaged in the Plan - over the Plan period, as much as one-third would be accounted for by external assistance and the utilisation of past savings in the form of foreign exchange reserves.

There has been marked and continuous stepping up of investment over the last two years. During the First Plan, investment in the economy was stepped up from 5 per cent to about 7 per cent of national income, and there has been since then a progressive increase in investment to a level of between 10 and 11 per cent of national income. Some of the investments undertaken under the two Plans have begun to bear fruit.

Several others are in advanced stages of construction. The production potential of the economy is thus being strengthened year by year. While it cannot yet be said that the economy has crossed the threshold to self-sustaining growth, a good beginning has been made. Despite the cut in Plan outlays mentioned earlier, the priority given in the Plan to industrial, mining and transport projects has been maintained, and the aggregate expenditure on these projects will be larger than was originally envisaged. Agricultural programmes are also being strengthened, especially in respect of schemes calculated to increase production in the immediate future.

The National Development Council took two important decisions in November last: (i) to reorientate and expand the co-operative movement on the basis of the multi-purpose village society as the primary unit; and (ii) to extend State trading to wholesale transactions in foodgrains. The broad lines along which these decisions are to be implemented have been worked out. Detailed discussions with the State Governments are to commence shortly. These institutional changes are means to an end; the end is to increase production, to raise savings, to maintain price stability and to promote and facilitate, through organisational changes, active participation of the people in developmental activity all over the country.

The Second Plan has still to run for two more years. The mobilisation of resources, both internal and external, will call for continuing effort in this period and will, in fact, have to be accelerated further if the Third Five Year Plan is to be, as it should, a decisive step forward towards the goals envisaged.

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36. Wages.

India - April 1959.

Mofussil Labour and Wages in Bombay State in 1957-1958.

Statistics of agricultural and mofussil wages of non-factory workers are compiled by the Office of the Commissioner of Labour, Bombay, on the basis of the monthly returns of each district in the former Bombay State. A review of these statistics for 1957-58 is given below.

I. Agricultural Labour and Wages in the State excluding merged Areas.- As compared with the wage rate prevailing in the previous year, there was a general trend of rise in the wage rates except those of unskilled labour in the urban areas. The wage rates of skilled labour increased by 7.94 per cent and 11.31 per cent in the urban and rural areas respectively. In the case of field labour there was a rise of 0.68 per cent and 6.09 per cent in the urban and rural areas respectively. Although there was a rise of 1.68 per cent in the wage rate of unskilled labour in the rural areas, there was a marked fall of 1.97 per cent in the wage rates of unskilled labour in the urban areas.

The average rate of daily wages for agricultural labour in the urban areas during the year was 1.47 rupees as against 1.46 rupees during 1956-57, showing a slight rise of 0.68 per cent while the wage in the rural areas was 1.22 rupees as against 1.15 rupees during 1956-57 showing an increase of 6.09 per cent.

Among the Administrative Divisions, a fall in the wage rates was recorded in the urban areas of the Southern Division viz., from 1.38 rupees to 1.25 rupees or 9.42 per cent while the highest rise in the wage rates was recorded in the rural areas of the same division viz., from 1.08 rupees to 1.50 rupees or 38.89 per cent.

Among the Administrative Economic Circles a high rise in the wage rates was indicated in the rural areas of the Gujarat Circle, viz., from 1.21 rupees to 1.34 rupees or 10.74 per cent. However there was a maximum fall of 11.11 per cent in the wage rates of the field labourers in the urban areas of the Konkan Division.

During the year under review, the average rates of daily wages for unskilled labour in the urban areas showed a slight fall of 1.97 percent as compared with those prevailing in the year 1955-57 i.e., from 1.52 rupees to 1.49 rupees. But the average rates of daily wages for unskilled labour in the rural areas showed a slight rise of 1.68 per cent as compared with those prevailing in the previous year i.e., from 1.19 rupees to 1.21 rupees.

Among the Administrative Divisions, the average rates of daily wages in the urban areas in the Central Division recorded a maximum fall of 5.44 per cent as compared to those prevailing in the year 1955-57 i.e., from 1.47 rupees to 1.39 rupees, while the maximum rise of 29.31 per cent was recorded in the wage rates in the rural areas of the Southern Division.

Among the Economic Divisions, the maximum fall in the wage rates was recorded in the urban areas of the Konkan Circle viz., from 1.71 rupees to 1.55 rupees or 9.36 per cent. However there was a rise in the rates of wages in the urban areas and rural areas in the Gujarat circle. The maximum rise was in the urban areas of the Gujarat circle i.e., from 1.60 rupees to 1.71 rupees or 6.88 per cent.

The average rates of daily wages for skilled labour in both urban and rural areas showed a rise of 7.94 per cent and 11.31 per cent respectively. The wage rates in the urban areas and rural areas during the year was 3.67 and 3.15 respectively while those for the previous year was 3.40 rupees and 2.83 rupees respectively.

In Administrative Divisions there was a general trend of increase in the wage rates of skilled labour. The maximum rate of 7.49 per cent was recorded in the rural areas of the Northern Division and the lowest rise of 0.66 per cent was recorded in the urban areas of the Central Division.

Among the Economic Circles the average rates of daily wages in the rural areas of the Deccan Circle showed a rise of 10.36 per cent or 3.25 rupees to 3.55 rupees while those in the urban areas of the Konkan Circle showed a fall of 7.79 per cent i.e., from 3.85 rupees to 3.55 rupees.

The following table shows the average rates of daily wages for field, unskilled and skilled labour in the urban and rural areas in Bombay State separately:-

Category and Labour	Average daily wages in 1938-39	Average daily wages in 1956-57	Percentage increase over 1938-39	Average daily wages in 1957-58	Percentage increase over 1938-39	Percentage increase (+) or decrease (-) over 1956-57
Urban Areas -						
Field Labour ---	0.34	1.45	+330.77	1.47	+332.35	+ 0.68
Unskilled Labour.	0.43	1.52	+254.88	1.49	+246.51	- 1.97
Skilled Labour.	1.34	3.40	+152.71	3.67	+173.88	+ 7.94
Rural Areas -						
Field Labour.	0.28	1.15	+307.41	1.22	+335.71	+ 6.09
Unskilled Labour.	0.31	1.19	+280.00	1.21	+290.32	+ 1.68
Skilled Labour.	0.94	2.83	+200.00	3.15	+235.11	+ 11.31

II. Agricultural labour and wages in Districts formed after the merger of Indian States and integrated areas after reorganisation of States. - Due to re-organisation of States from 1 November 1956, some districts have been integrated from other States with the Old Bombay State in addition to the districts and formed after merger of Indian States.

In these areas the average rate of daily wages of unskilled labourers was highest in Halar District viz., 2.32 rupees while Osmanabad District recorded the lowest wage rate viz., 0.89 rupees. In Dangs District the average rate of wages of unskilled labourers remained steady at 0.94 rupees as compared with that in the preceding year.

Among the districts formed after the merger of Indian States and after integration of areas due to formation of Bilingual Bombay State, Halar District recorded the highest wage rate for unskilled labour viz., 2.38 rupees while Bhir and Osmanabad Districts registered the lowest wage rates of 0.97 rupees during the year under report. In Kolhapur District, the average rates of field labour remained unchanged as compared with that in the previous year.

The average daily wages of skilled labour in 1957-58 were in the highest in Halar District viz., 4.91 rupees while Osmanabad District recorded the lowest wage rate viz., 1.99 rupees during the same periods.

(Labour Gazette, Vol. XXXVIII, No. 6, February 1959, pp. 695-706).

Earnings of Factory Workers during 1957.

An article on the percapita average earnings of factory workers during 1957 on the basis of data received under the Payment of Wages Act, 1936, from the States and Union Territories has been published in the Indian Labour Gazette, March, 1959, Vol. XVI, No. 9. The data cover employees including clerical and supervisory staff whose monthly wages did not exceed 200 rupees. The wages, for the purposes of this article, includes all remuneration capable of being expressed in terms of money which would be payable in terms of the contract of employment; it however excludes the value of housing accommodation, social security contributions, gratuity, and travelling allowances.

Average annual earnings by States.- The table given below presents the statistics of average annual earnings by States during 1956 and 1957:-

(Please see table on the next page)

State/Union Territory.	1956		1957	
	In Factories Furnishing Returns.		In Factories Furnishing Returns.	
	Average Daily Employment.	Average per capita Annual Earnings.	Average Daily Employment.	Average per capita Annual Earnings.
		Rs.		Rs.
Andhra Pradesh -----	46,986	594.9(R)	46,862	1,030.8
Assam -----	9,128	1,525.9	8,946	1,833.6
Bihar -----	106,514	1,235.6	107,842	1,299.2
Bombay -----	737,864	1,414.8	725,608	1,452.6
Kerala -----	53,502	735.9	44,627	805.0
Madhya Pradesh -----	31,242	982.4	59,804	1,138.7
Madras -----	206,045	950.1	241,987	978.9
Mysore -----	25,718	852.5	11,117	967.3
Orissa -----	13,771	948.5	15,659	956.8
Punjab -----	41,006	991.0	52,210	955.3
Rajasthan -----	16,258	769.6	13,497	907.1
Uttar Pradesh -----	169,095	1,014.1	172,708	1,077.5
West Bengal -----	537,752	1,141.6	537,146	1,173.6
Andaman and Nicobar Islands---	3,787	688.8	2,808	657.1
Delhi -----	44,857	1,466.9	46,963	1,493.4
Tripura -----	111	854.3	61	933.0
TOTAL.	2,043,638	1,186.8(R)	2,087,845	1,233.9

(R) Revised.

N.B.- (i) The above figures do not cover Railway Workshops (the returns in respect of which are not collected by State Authorities) and the seasonal group of Industries consisting of Food, Beverages, Tobacco and Gins and Presses. The figures relate to re-organised States. No returns were received from Jammu and Kashmir where the Payment of Wages Act, 1936 was enforced only from 1-4-1958 and also from Himachal Pradesh and Manipur.

(ii) In the case of Punjab and Tripura figures in columns (5) and (9) have been taken from returns under the Payment of Wages Act.

It should be noted that taking all the States and Union Territories covered in this table, only about 70 per cent of the factories covered under the Act furnished returns during 1957 as compared to about 72 per cent during 1956.

Wages by Industry.- The average per capita annual earnings during 1957 in some of the more important and well-known industries are reproduced below:-

Industry	Average annual Earnings per capita during 1957.
	<u>Rs.</u>
1. Cotton Textile -----	1,363.5
2. Jute Textile -----	1,037.4
3. Silk Textile -----	1,215.7
4. Paper Mills -----	1,212.8
5. Printing, Publishing and Allied Industries-----	1,217.5
6. Tanneries and Leather Finishing -----	775.9
7. Artificial Manures -----	1,284.8
8. Heavy Chemicals -----	1,259.0
9. Matches -----	914.0
10. Iron and Steel -----	1,929.0
11. Metal Containers and Steel Trunks -----	1,101.0
12. Textile Machinery and Accessories -----	1,201.1
13. Ship building and Repairing -----	1,658.9

Average annual earnings by components.- The following table shows the break-down of per capita average annual earnings during 1957 by the various components, viz., bonus, money value of concessions, etc., for individual States excluding a few which did not furnish this break-down in their consolidated returns.

State/Union Territory	Basic Wages.	Cash Allowances with D.A.	Money value of concessions.	Bonus.	Arrears.	Average Annual Earnings.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Andhra Pradesh -----	548.0	377.1	7.3	97.0	1.4	1,030.8
Assam -----	849.5	536.4	198.3	244.1	5.3	1,833.6
Bihar -----	775.3	286.8	60.8	163.5	12.8	1,299.2
Bombay -----	706.8	669.0	1.8	70.8	4.2	1,452.6
Kerala -----	532.6	223.0	0.5	41.3	7.6	805.0
Madras -----	495.1	322.3	86.7	72.9	1.9	978.9
Orissa -----	652.5	235.4	0.2	66.8	1.9	956.8
Punjab -----	865.2	77.3	0.2	5.4	7.2	955.3
Rajasthan -----	590.2	266.8	15.1	28.4	6.6	907.1
Uttar Pradesh -----	633.3	419.0	1.2	19.3	4.7	1,077.5
Andaman & Nicobar Islands-----	461.8	160.2	1.0	6.8	27.3	657.1
Delhi -----	889.1	515.0	0.5	81.9	6.9	1,493.4
Tripura -----	614.9	317.1	-	1.0	-	933.0
All the above States-----	668.4	496.8	21.2	70.4	4.8	1,261.6

N.B.- The above break-down is not available in respect of the States of Madhya Pradesh, Mysore and West Bengal and hence these States are excluded in this Table.

Basic wages and cash allowances (including dearness allowance) constituted about 53.0 per cent and 39.4 per cent respectively of average annual earnings taking together all the States which furnished the information. Of the remaining 7.6 per cent, bonus accounted for 5.6 per cent, money value concessions 1.6 per cent, and arrears 0.4 per cent. The share of bonus in average annual earnings was comparatively high in Assam (13.3 per cent), Bihar (12.6 per cent) and Andhra Pradesh (9.4 per cent) and the share of money value of concessions was comparatively high in Assam (10.8 per cent), Madras (8.9 per cent) and Bihar (4.7 per cent).

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Average daily earnings.- It appears that in every State, average daily earnings for all the seasonal industries (Gins and Presses, Food, Beverages and Tobacco) together were lower than those for all the other perennial industries together. Taking all the States together, the average daily earnings in seasonal industries was 1.69 rupees as against 4.28 rupees for perennial industries. Taking all the States together, average daily earnings ranged from 1.35 rupees in Processes Allied to Agriculture to 6.29 rupees in Products of Petroleum and Coal, the overall average for all industries together being 3.67 rupees. In Bombay, the range was from 1.60 rupees in the Tobacco Industry to 6.85 rupees in Products of Petroleum and Coal with an overall average of 4.54 rupees, in Madras from 0.63 rupees in Food to 5.60 rupees in Electricity, Gas and Steam with an overall average of 2.61 rupees, in Kerala from 1.27 rupees in Food to 6.89 rupees in Products of Petroleum and Coal with an overall average of 2.11 rupees, in Rajasthan from 0.60 rupees in Food to 5.44 rupees in Electricity, Gas and Steam with an overall average of 2.58 rupees, in Delhi from 2.52 rupees in Rubber and Rubber Products and Non-Metallic Mineral Products to 6.68 rupees in Products of Petroleum and Coal with an overall average of 4.89 rupees, in Orissa from 1.28 rupees in Personal Services to 5.27 rupees in Machinery (except Electrical Machinery) with an overall average of 2.78 rupees, etc. These statistics provide only rough indicators for inter-State and Inter-Industry differentials in the level of earnings, a closer study of which requires detailed investigations both into the causes and into the quality of primary data.

(A similar review for the year 1956 was reported at Section 36, pp.9-12 of the report of this Office for April 1958).

(Indian Labour Gazette, Vol.XVI, No.9,
March 1959, pp. 673-695).

Bombay: Minimum Rates of Wages fixed for Employees
in Shops and Commercial Establishments.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Bombay has fixed the following minimum rates of wages payable by the month in respect of employment in any shop or commercial establishment other than that covered under any of the other entries in the schedule to the Act.

Classes of employees in the said scheduled employment.	Shops employing more than two employees and all commercial establishments, except those in the heading of column 4.	Shops employing two or less employees, except those in the heading of column 4.	Shops and commercial establishments wherein a "manufacturing process" as defined in the Factories Act, 1948, is carried on and shops and commercial establishments employing less than ten employees in the business of tailoring, haircutting saloon, and laundries and others rendering similar services.
1	2 Rs.	3 Rs.	4 Rs.
<u>Zone I.</u>			
Skilled -----	140.00	..	90.00
Semi-skilled-----	100.00	85.00	80.00
Unskilled-----	35.00 for employees upto the age of 18 years (18 inclusive) 52.50 for employees between the age of 19 and 21 years (both inclusive). 70.00 for employees of 22 years and above.	65.00 for employees of 22 years and above.	65.00 for employees of 22 years and above.
<u>Zone II.</u>			
Skilled -----	130.00	..	80.00
Semi-skilled-----	95.00	85.00	70.00
Unskilled-----	32.50 for employees upto the age of 18 years (18 inclusive) 49.00 for employees between the age of 19 and 21 years (both inclusive). 65.00 for employees of 22 years and above.	60.00 for employees of 22 years and above.	60.00 for employees of 22 years and above.

Table continued:-

1	2	3	4
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Zone III			
Skilled-----	110.00	..	65.00
Semi-skilled-----	75.00	65.00	69.00
Unskilled-----	27.50 for employees upto the age of 18 years (18 inclusive)		
	41.00 for employees between the age of 19 and 21 years (both inclusive)		
	55.00 for employees of 22 years and above.	50.00 for employees of 22 years and above.	55.00 for employees of 22 years and above.
Zone IV			
Skilled-----	100.00	..	60.00
Semi-skilled-----	70.00	60.00	55.00
Unskilled-----	25.00 for employees upto the age of 18 years (18 inclusive)		
	37.50 for employees between the age of 19 and 21 years (both inclusive)		
	50.00 for employees of 22 years and above.	45.00 for employees of 22 years and above.	50.00 for employees of 22 years and above.
Zone V			
Skilled-----	90.00	..	55.00
Semi-skilled-----	62.50	55.00	50.00
Unskilled-----	22.50 for employees upto the age of 18 years (18 inclusive)		
	34.00 for employees between the age of 19 and 21 years (both inclusive)		
	45.00 for employees of 22 years and above.	40.00 for employees of 22 years and above.	45.00 for employees of 22 years and above.
Zone VI			
Skilled-----	80.00	..	52.50
Semi-skilled-----	55.00	52.00	47.50
Unskilled-----	20.00 for employees upto the age of 18 years (18 inclusive).		
	30.00 for employees between the age of 19 and 21 years (both inclusive).		
	40.00 for employees of 22 years and above.	38.00 for employees of 22 years and above.	40.00 for employees of 22 years and above.

(a) Zone I comprises the area within the limits of the Municipal Corporation of Greater Bombay;

(b) Zone II comprises the area within the limits of the Municipal Corporation of Ahmedabad;

(c) Zone III comprises the areas within the Municipal limits of the towns of Rajkot, Jamnagar and Surat;

(d) Zone IV comprises the areas within the limits of the Municipal Corporation of Poona and Nagpur and the Municipal limits of the towns of Baroda and Bhavnagar;

(e) Zone V comprises the areas within the municipal limits of the towns of Ahmednagar and Kolhapur;

(f) Zone VI comprises the area within the municipal limits of the town of Sholapur and the remaining localities of the State of Bombay which are not covered by any of the entries (a) to (f) of this clause; and which are not exempted by relevant notification under section 26 of the Act.

(The Bombay Government Gazette,
Part II, 23 April 1959, pp.1969-1972).

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West Bengal: Minimum Wages Act, 1948, extended to
Employment in Bone Mill Industry.

The Government of West Bengal, has, in exercise of the powers conferred under the Minimum Wages Act, 1948, added the following employment to Part I of the Schedule to the Act, namely -

"13. Employment in bone mill industry".

(Notification No. 2240 L.W/L.W/27-20/57
dated 31 March 1958, the Calcutta
Gazette, Part I, dated 9 April 1959,
page 1517).

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38. Housing.

India - April 1959.

Survey of Housing Needs of Industrial Workers:
Minister's Statement in Parliament.

In reply to a question in the Lok Sabha on 25 February 1959, Shri Ahid Ali, the Union Deputy Minister of Labour, said that the Government of India had received reports from the States of Bombay, Kerala and Delhi which had completed the special survey to find out the magnitude of the housing problem of industrial workers. Complete reports from Rajasthan and Andhra Pradesh were awaited.

The main features of the reports from Bombay, Kerala and Delhi were as follows:

Bombay.- Survey covered 80 per cent of the total employment in the State. The total number of permanent workers in the State in factories employing more than 250 workers is roughly estimated at 5,35,000. About 3,000 houses have been constructed under the Subsidised Industrial Housing Scheme. Only about 6 per cent of the workers have been provided with housing facilities by the employers.

Kerala.- Survey conducted in respect of factories employing 250 or more workers revealed that there are about 78,000 labourers in such factories and that majority of workers live in nearby areas.

Delhi.- A survey was conducted in respect of the registered factories employing 100 or more workers. Out of 60,000 workers in registered factories, the number of quarters provided by the employers and non-employers is estimated at 6,000.

(Indian Information, Vol.2, No.4,
15 March 1959, page 143)

Industrial Tribunals cannot Compel Employer to provide Housing: Supreme Court's Judgement.

In a judgement delivered on 23 April 1959, Shri Justice B.P. Gazendragadkar of the Supreme Court allowed the appeal of the Patna Electric Supply Company, Ltd., impugning the validity of an award by which the Industrial Tribunal had directed the appellants to provide housing accommodation to all its employees.

The Industrial Tribunal's award having been confirmed by the Labour Appellate Tribunal, the company impugned its validity by special leave in the Supreme Court. Setting aside the award his Lordship observed: "The argument is that the scheme formulated by the Industrial Housing Sub-Committee in Bihar is concerned has materially altered the position so far as the State of Bihar is concerned. To begin with the scheme was intended to be applicable only to factories registered under the Factories Act of 1948. It provides for financial assistance by the State Governments to the employer on terms and conditions specified in it.

"We do not think that the scheme in question can justify the direction issued by the award under appeal. The scheme in question on which the respondents rely has no statutory force. It is clear that the tribunal cannot call upon the Government to advance a loan to employers whenever they pass awards calling upon the employers to start their employment the construction of quarters for their employees. We may incidentally point out that if the present award is upheld, it would give rise to similar demands from employees in other allied or similar industries in Bihar; and if such demands are upheld it would inevitably impose a very large burden on the employers and that may materially affect the industrial progress of the State of Bihar.

"Assuming that the tribunal had jurisdiction to entertain the dispute, the question still remains whether, apart from the agreement on which the tribunals have based their decision, the award under appeal can be justified on general grounds. In our opinion, under the present conditions, the answer to this question has to be in favour of the appellant and against the respondents. Under a proper scheme of dearness allowance adjustments can be made when necessary from time to time so as to take into account an appreciable rise in the rents which industrial labour may have to pay.

"It is a very big problem and involves the expenditure of a huge amount Efforts are being made by the Central Government to invite the co-operation of industrial employers to tackle this problem with the progressively increasing financial and other assistance offered by the State Governments. But it is obvious that this problem cannot at present be tackled in isolation by industrial tribunals in dealing with housing demands made by employees in individual cases."

(The Hindustan Times, 24 April 1959).

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

INDIA - APRIL 1959.

41. Agriculture.

Madras: Tiruchirappalli Kaiaeruvaram and Mattuvaram
Act, 1958 (Madras Act XXXVI of 1958).

The Government of Madras gazetted on 31 March 1959 the Tiruchirappalli Kaiaeruvaram and Mattuvaram Act, 1958, of the Madras Legislature which received the assent of the President on 26 March 1959. In certain areas of Tiruchirappalli district certain peculiar kinds of relationship in respect of land called kaiaeruvaram and mattuvaram are prevalent and the Act defines the conditions of engagement and provides for the protection of kaiaeruvaramdars and mattuvaramdars.

The term kaiaeruvaramdar means any person engaged by a landowner to do ploughing and watering operations or ploughing operation alone on a land for remuneration for such work by a share in the crop on the land in respect of which such work is done or by payment of a fixed quantity of paddy or by both such share and payment. The term mattuvaramdar has been defined to mean any person engaged by a landowner to supply bulls for ploughing operations and to do ploughing and other operations on a land for remuneration for such work by a share in the crop on the land in respect of which such work is done.

The Act provides that the remuneration payable to any kaiaeruvaramdar shall be on the same terms as were applicable to him immediately before the commencement of this Act, and that no landowner shall dismiss a kaiaeruvaramdar after the commencement of the agricultural operations in a crop season except as provided in the Act.

Any landowner may dismiss a kaiaeruvaramdar for misconduct or for neglect of duty but shall within a week of the dismissal report the fact to such dismissal to the Tahsildar having jurisdiction over the area. Any landowner or kaiaeruvaramdar may terminate the engagement by giving notice ~~in writing~~ writing of not less than twelve months or by mutual agreement, provided that where the landowner terminates the engagement under this sub-section, he shall be liable to pay to the kaiaeruvaramdar such compensation as may be prescribed or such amount as may be mutually agreed upon.

Any dispute between a landowner and a kaiaeruvaramdar shall be decided by the Tahsildar having jurisdiction over the area in which the land is situated.

Notwithstanding anything contained in the Madras Cultivating Tenants Protection Act, 1955 (Madras Act XXV of 1955), and the Madras Cultivating Tenants (Payment of Fair Rent) Act, 1956 (Madras Act XXIV of 1956), the provisions of these Acts shall apply to any mattuvaramdar under a landowner who owns more than ten acres of wet land and such a mattuvaramdar shall be deemed to be a cultivating tenant within the meaning of those Acts; and any mattuvaramdar under a landowner whose engagement has not been terminated under the Act shall be entitled to continue as a mattuvaramdar on the same terms as were applicable to him immediately before the commencement of this Act and the Madras Cultivating Tenants Protection Act, 1955 (Madras Act XXV of 1955), shall, as far as may be, apply to him as if he were a cultivating tenant under that Act. Power is given to landowners to resume possession of land in certain specified cases viz., when the landowner owns not more than 10 acres of wet land and is not assessed to any sales tax or income-tax during the years 1955-56 or 1956-57.

(The Fort St. George Gazette, Part IV-B,
Extraordinary, 31 March 1959, pp.167-174).

Madras Agricultural Produce Markets Bill, 1959.

The Government of Madras published on 17 April 1959 the Madras Agricultural Produce Markets Bill, 1959, to be introduced in the Legislature of the State. The Bill provides for the better regulation of buying and selling of agricultural produce and the establishment and proper administration of markets for agricultural produce in the State.

According to the Statement of Objects and Reasons of the Bill, the Madras Commercial Crops Markets Act, 1938 (Madras Act XX of 1938), which provides for the better regulation of marketing of commercial crops in this State has undergone many changes since it was placed on the statute book about 25 years ago. There has of late been opposition from a section of the trade to the extension and enforcement of the Act. The validity of the enactment was also questioned by a section of the trade. But the High Court at Madras and the Supreme Court of India have upheld the enactment as a valid piece of marketing legislation - See the decision of the Madras High Court in Kutti Koya v. State of Madras ((1954) 1 M.L.J. 117) and that of the Supreme Court in Arunachala Nadar v. State of Madras ((1959) 1 M.L.J. 133).

The Government constituted in January 1957 an Expert Committee with Shri W.S. Krishnaswamy Naidu, Retired Judge of the Madras High Court, as the Chairman, to review the working of the Act with a view to remedy defects and make the marketing legislation more effective and beneficial to agriculturists and to consider the extension of the Act to all agricultural produce. The various recommendations of the Committee and the draft Comprehensive Marketing Bill prepared by it have been examined by the Government. This Bill seeks to repeal the Madras Commercial Crops Markets Act, 1933, and to enact fresh legislation to implement the recommendations of the Expert Committee on Marketing Legislation.

The Bill also seeks, among others,-

(i) to substitute the expression "agricultural produce" for the expression "commercial crop". "Agricultural produce" is defined to include the produce of agriculture, horticulture or animal husbandry and any other produce, both processed and unprocessed, declared by Government by notification;

(ii) to make the marketing committee as the licensing authority and not the Collector as at present, and to have one licence both for purchase and sale, and for storage, weighing and processing, instead of having two separate licences;

(iii) to empower specified employees of the market committee to stop the vehicles, inspect the records and seize notified agricultural produce taken or proposed to be taken out of the notified market area in the vehicle to evade the payment of cess or any other fee; and

(iv) to replace the existing system of election of the members of the market committees by the system of nomination by the Government, raising their strength from 12 to 15.

(The Fort St. George Gazette, Part IVA, Extraordinary, 17 April 1959, pp. 241-258).

Steps to Improve Indian Agriculture: Ford Foundation
Team's Recommendations: Top Priority to Food Production.

According to the team of agricultural experts of the Ford Foundation which has recently completed a detailed study of the agricultural problems of India, the Third Plan target of 110 million tons cannot be realised without an all-out emergency food production programme which must get the highest priority in terms of personnel, fertilisers, steel and other sources. With a possible increase of 80 million in the country's population by the end of the Third Plan, the team considers this target of 110 million tons as reasonable.

Among other measures, to step up the present rate of food production, the team has suggested stabilisation of farm prices and announcement of a guaranteed minimum price to producers in advance of the planting season, utilisation of unemployed and underemployed human resources in the rural areas by undertaking public works programmes, increased supplies of chemical fertilisers, better water management, drainage improvement, security of land tenure and land consolidation; provision of large-scale credit through co-operatives; progressive reduction of useless cattle; and the need for a high-level co-ordinating food production authority.

The team has come to the conclusion that if the rate of increase in food production remains as at present, the gap between the supplies and the target will be almost 20 million tons by 1965-66; and no conceivable programme of imports or rationing can meet a crisis of this magnitude.

(The Statesman, 12 April 1959).

Kerala Plantation Labour Rules, 1959.

The Government of Kerala published on 7 April 1959 the Kerala Plantation Rules, 1959, made in exercise of the powers conferred under the Plantations Labour Act, 1951. The rules deal inter alia with powers and functions of inspectors, duties of certifying surgeons, provisions relating to health, medical facilities, welfare provisions, housing accommodation for workers, hour and limitation of employment, payment of sickness and maternity benefits, procedure for appeals against orders of inspectors, and forms.

(Kerala Gazette No.14, dated 7 April 1959, Part I, Sec.IV, pages 1-36).

Uttar Pradesh: Government's Decision on Land Ceilings
announced.

Dr. Sampurnanad, Chief Minister, Uttar Pradesh, announced on 27 April 1959 the Government's decision to fix land ceilings at 40 acres per family. The Chief Minister said that this would ensure an annual net income of 4,000 rupees for a family of five. The Planning Commission's suggestion was for ensuring a minimum annual income of 3,600 rupees per family of five.

The size of the family holding, the Chief Minister said, would be allowed to vary up to a maximum limit of 80 acres in proportion to the size of the family. The Planning Commission's recommendations allowed such adjustments up to a maximum family size of eight members.

Dr. Sampurnanand also announced the appointment of a committee of official experts, headed by the Board of Revenue members in charge of land reforms, to examine the question of ceilings for less productive areas like the hill tracts and Bundelkhand region. The committee would decide questions about compensation for the land held by tenants in excess of the ceiling and the manner of their disposal. It would also define who should legally constitute a family.

The holdings under tea plantations, orchards, timbers, dairy, wool raising and sugarcane farms owned by sugar factories will not be affected by the imposition of ceiling. The agricultural holding of mechanized farms and religious trusts would be subject to ceiling but not so those held by charitable trusts. The latter would have to apply and give convincing proof of their objects in order to secure exemption.

According to rough estimates, Dr. Sampurnanand said, about 1,500,000 acres of agricultural land would be available for redistribution. This amount, he said, would not satisfy the villagers' hunger for land. There are about 3,500,000 landless kisans in Uttar Pradesh. Their number may increase with the introduction of co-operative farming.

The Chief Minister confirmed that the Government had decided to suspend operations of the consolidation scheme. An official committee had been asked to examine and make recommendations about the future of the areas where the scheme had been carried out.

(The Hindustan Times, 28 April 1959).

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42. Co-operation.

India - April 1959.

Report of the Working Group on Co-operation:
Recommendations on Organisational Arrangements.

The achievement of the target of 20 million membership of co-operatives by the end of the current Plan, set by the National Development Council, would involve the doubling of the present membership in the course of two and a half years and would call for a large-scale programme of revitalisation of existing societies and rehabilitation of the movement on a priority basis, says the report of the Working Group on Co-operative Policy.

The Working Group was set up by the Ministry of Food and Agriculture (which until recently had been in charge of co-operation at the Centre) to consider the administrative and organisational arrangements required for implementing the resolution of the National Development Council on Co-operative Policy.

The group recommends that efforts should be made to bring into the co-operative fold such people in the village who are relatively better off with surplus funds for investment. Membership of the village society should be a necessary condition for obtaining various facilities made available from various Government agencies.

It should also be provided that no resident of a village can get a loan from a Central or Primary Land Mortgage Bank of market his produce or get a loan from a marketing society, unless he is also a member of his village society.

Ordinarily, a primary society should serve one revenue village including its hamlets. Where such villages are too small, they might, however, be grouped to include a population of about 1,000 under the co-operative.

Organisation.- For the purpose of organisation, the group suggests two patterns. The one for general adoption constitutes a village multi-purpose co-operative society which must first and foremost be a service co-operative with other functions including provision of short and medium credit, supply of agricultural and other production requirements, marketing of agricultural produce and helping in the formulation and implementation of an agricultural production programme for the village.

The other pattern combines the idea of a small village co-operative having initiative for production and development in the village with that of a compact credit union covering a few villages and ensuring the supply of adequate credit. After some time, when a village primary society of this pattern is able to look after the credit function, it might be enabled under the by-laws to go out of the union and function independently in the manner envisaged by the first pattern. In this sense, the second pattern, the group feels, would be a transitional one and would be complementary to and not an alternative to the first one.

Regarding contribution by the State to the share capital of the primary village societies, the Working Group is against State participation at the village multi-purpose society level till the results of the working of the existing 6,000 large-sized societies with such participation is carefully assessed. It, however, recommends the continuance of State participation in various other types of societies, such as marketing and processing, central and apex banks.

The Group estimates that the target of 20 million membership would entail the provision of credit to the extent of 4,000 million rupees, to meet their production requirements.

The central co-operative banks in the existing conditions cannot be relied upon to raise on their own a large part of the resources required. The Group maintains that it would not be advisable for Government to provide the additional funds required, except as a purely temporary measure, particularly in view of the unhappy experience of the taccavi loans during the last few years.

The Group pleads for much more assured and sizable support to the banks by the Government of India or by the Life Insurance Corporation and other banking institutions.

Co-operative marketing societies, the Group observes, should be enabled to function as agents of Government for buying foodgrains off-right and making them available to the Government at rates known in advance.

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Specific areas or zones exclusively for purchase of foodgrains from the farmer by such societies should be earmarked. More than 1,000 primary marketing societies which are already in existence, should be appointed as agents of the Government in their respective areas.

It is necessary to set up about 10,000 rural godowns for assisting effectively the marketing and supply operations of the village societies and marketing co-operatives.

(The Statesman, 10 April 1958).

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Demand for Reform of Co-operative Laws: Report
submitted to the Government by the Indian
Co-operative Union.

The Indian Co-operative Union has called for a new approach to the movement so that it could "embrace a significant sector of the lives of a majority of our people". In a report submitted to the Prime Minister, the Ministry of Co-operation and the Planning Commission, the Union said that the "movement, circumscribed by inappropriate legislation and mismanaged by authoritarian departments, remains for all practical purposes a departmental fossil".

It regretted that though the country acquired full democratic sovereignty and had embarked upon the road of socialism with co-operation as one of the instruments of progress, not much had been done to restore the people's confidence in the movement.

Deploring what it called "progressive departmentalisation of the movement", the report said that ~~there~~ it should not only be stopped but completely reversed.

It called for steps to screen the existing co-operative societies and evolve methods for their proper development. While demanding a new co-operative law, it said that the role of the administration in relation to the co-operative movement should be redefined.

As a step to revitalize the movement, the report suggested that co-operatives should be subjected to a searching inquiry by a commission comprising judges, co-operators and public men. Wellrun societies should be freed from departmental control, those showing promise should be helped and defunct societies wound up.

The report also recommended a similar inquiry into the working of the co-operative departments to assess the worth of personnel.

Role of State.- The State should assist the growth of co-operatives rather than continue its past functions of sponsorship, supervision and control. The co-operative law and the functions of the co-operative departments should also be changed.

The report also recommended that promotion, organisation and education of co-operative societies should vest primarily with non-officials. Successful federal and apex societies should be encouraged to undertake this work as a measure of deliberate policy. In the initial stages aid may be taken from popular national organisations like the Bharat Sewak Samaj, the Sarva Seva Sangh and the universities.

The report pointed out that this will remove undue dependence on the Government. District and State unions of co-operatives should be reorganised to take over most of educational and promotional work.

Supervision of societies, it said, should be done by district unions and the district and State unions should take over most of the functions of the co-operative departments. The unions should also organise research.

Warning that financial aid from the State will serve no purpose if it "introduced authoritarian control through the back door", the report suggested that an autonomous body, called the Co-operative Grants Commission, be set up for the promotion, examination of preliminary prospects, organisation, education, training, research and evaluation.

The report recommended the setting up of autonomous State-level co-operative development boards. Before giving a grant, it said, promotional bodies must first ensure that members contributed resources to their utmost capacity. The functions of the co-operative development boards should be taken over by the State unions within the next 15 years.

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Independent Audit.- The report also recommended independent audit by qualified personnel.

Describing the present co-operative legislation as "cramping" it said that the laws were really "detrimental to a free and democratic popular movement". The new co-operative law should provide for safeguards against non-statutory interference by authorities and provide for statutory recognition to unions and their federal bodies.

It called for the setting up of co-operative tribunals functioning under the control of the High Courts. There should be no reference of disputes to the administrative authorities or officials of the co-operative departments and the right of appeal against refusal to register a society should be provided.

Concluding, the report said: "Co-operation is not a matter which can be entrusted to a committee of experts in the hope of obtaining a foolproof recipe. Nor can it be left in the hands of an administrative hierarchy, howsoever devoted and efficient, to be percolated from the top through a set of rules and procedures. We envisage that in due course, co-operation will embrace a significant sector of the lives of a majority of our people."

(The Hindustan Times, 29 April 1959).

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43. Handicrafts.

India - April 1959.

Madras Khadi and Village Industries Board Bill, 1959.

The Government of Madras published on 8 April 1959 the Madras Khadi and Village Industries Board Bill, 1959, to be introduced in the Legislature of the State. The Bill provides for the establishment of a Board for the development of khadi and village industries ~~in the~~ 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.

(The Fort St George Gazette, Part IVA,
Extraordinary, 8 April 1959, pp.129-141).

44. Merchant Marine and Fisheries.

India - April 1959.

National Shipping Board Inaugurated: Speedy development urged.

The Prime Minister, Shri Jawaharlal Nehru, inaugurated on 10 April 1959 at New Delhi, the first meeting of the National Shipping Board. The meeting, among others, was addressed by Shri S.K. Patil, Union Minister for Transport and Communications and Shri G.L. Mehta, Chairman of the Board.

The meeting called for greater importance to shipping in the national economy and unanimously urged that it should be included in the "hard core" of the Third Five Year Plan. The Board set up an eight-member committee with Shri A. Ramaswami Mudaliar as chairman, to formulate schemes for shipping in the third Plan.

Inaugural address.- In his inaugural speech, Shri Nehru called for self-reliance in shipping as in other industries and cited the progress made by Japan which was today the leading shipbuilding country. He conceded that that the sea must play an important part in planned and co-ordinated thinking both from the point of view of essential protection and the needs of developing economy. Shri Nehru was alarmed at the figures of freights paid for importing food grains and said that if a part of the money now being spent on sea freights was utilised for building ships, there could be a considerable saving.

Chairman's address.- Shri G.L. Mehta, Chairman, in his speech urged for a higher provision for the Shipping Development Fund and allocation of more foreign exchange for accelerated development of shipping. He made two concrete suggestions for this. He expected the Government to make a specified sum of money available to the Shipping Development Fund from the general revenues so that it would be possible to plan on a long-term basis. He envisaged a 10-year programme of development to coincide with the third and fourth Five-Year Plans.

Shri Mehta also emphasised the importance of looking after the welfare of merchant navy personnel. "I would urge that in the shipping plans that we may draw up hereafter, we should make adequate provision for financing schemes for the welfare of our seamen whose skill and courage and resourcefulness are as essential as the for building up a merchant navy as the initiative and enterprise of shipowners", he said.

(The Hindustan Times, 11 April 1959).

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - APRIL 1959.

50. General.

Conditions of Work of Staff on Indian Railways:
Railway Board's Annual Report for 1957-1958 .

The following information regarding the conditions of work of railway employees in India during the year ending 31 March 1958, is taken from the Annual Report of the Railway Board on Indian Railways for 1957-58*.

Number of Staff.- The total number of employees permanent and temporary, on all the Railways (including Non-Government Railways) and in the office of the Railway Board and other offices subordinate thereto, excluding staff employed on construction at the end of 1957-58 was 1,108,529 as compared with 1,056,779 at the end of 1956-57.

As compared with the previous year, there has been an increase in the total number of staff employed on the Government Railways during 1957-58 of 52,202 on the open line and 2,132 on construction.

The total cost of staff including those on loan from the Indian Audit and Accounts Service, increased by 166,220,000 rupees during the year as compared with the figure for the previous year. The increase in cost is chiefly due to the increase in the number of staff, an ad hoc increase of 5 rupees in the rate of dearness allowance and partly due to the redistribution of posts in the different grades with retrospective effect, etc.

* Government of India: Ministry of Railways (Railway Board): Report by the Railway Board on Indian Railways for 1957-58; Vol. I. Published by the Manager of Publications, Delhi, 1959, pp.155.

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Recruitment and promotion.- Two hundred and forty eight appointments, temporary and permanent were made in the Gazetted Railway Services by direct recruitment during the year. Thirty-two permanent promotions were made during the year from Class II and Class III Services to Class I Service. These include the ex-State Railway officers promoted against the 16-2/3 percent special quota reserved for such officers.

Training.- To develop the increased training facilities required in the Second Five Year Plan, the capacity of the Railway Staff College, Baroda, was increased, as already stated in the last year's report, from 30 to 110, residential accommodation being provided in hutments. Proper hostel accommodation and residential accommodation for the Instructors is now being planned.

At the end of the year, the library had 8,015 books, 1,248 books having been added during the year. Six more instructional films on railway matters were acquired during the year and the film library has now a stock of 36 films.

Officers from different railways gave lectures on subjects in which these officers had special experience.

Excursions were arranged to show the trainees practical aspects of railway working, like new railway constructions and re-modelling works and railway operation of yards and loco sheds and commercial and accounts working.

There are now 50 training schools on Railways. Some of them are Traffic Training Schools where recruits are trained in the duties of station masters, signallers, guards, booking, parcel and goods clerks, etc. In other schools, loco running staff and permanent way staff are trained. Separate schools also exist for training the staff of the Railway Protection Force. Refresher and promotion courses for staff already in service are also provided in a large number of these schools.

The training facilities at some of the schools were expanded and technical Institutes/Schools for the Mechanical and Electrical Apprentices were established at Lucknow, Ajmer and Bangalore City. Additional hostel accommodation has also been provided.

The three Technical Training Centres one each at Shahjahanpur, Mhow and Madhopur continued to train Apprentice Assistant Inspectors of Works, Draftsmen and works mistries.

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An all India Signal and Tele-communication school has been set up at Secunderabad for training Signal Inspectors. Temporary arrangements have also been made for a Fuel training course at Jamalpur pending the setting up of a permanent school at Dhanbad.

Suitable arrangements have also been made by the Railway Administrations to provide initial training, refresher and promotion courses for certain categories of Class IV staff.

The Railways continued to maintain Training Schools for imparting theoretical training to their apprentices in the mechanical, electrical and signal and tele-communication departments and to the apprentice train examiners in the mechanical engineering department. Practical training facilities are available in the workshops.

Apprentice Mechanics are selected from among candidates who have passed the Matriculation Examination or its equivalent. Diploma holders in mechanical and electrical engineering from recognised institutions are also recruited for a condensed course of training. A limited number of skilled workmen who are Matriculates and have completed a full trade apprenticeship are also taken for further training as apprentice mechanics. The training of apprentice mechanics is designed to get trained personnel for the supervisory posts in the Railway workshops.

Trade apprentices are selected for training in various trades such as fitting, carpentry, blacksmithy, moulding, machining, turning, millwright, boiler-making, tin and copper-smithy, welding, pattern making, painting, polishing, trimming and electrical wiring, etc. The candidates are required to have passed the VIII standard. Such of the artisans as have successfully completed a full course of basic training for a period of 1-1/2 years in one of the Government Technical Training Centres are also recruited for further training as trade apprentices for a reduced period of training. A number of basic training centres have been opened in the workshops and running sheds to meet the increased demand of trained men during the Second Five Year Plan. This training scheme is designed to get trained workmen for skilled categories of staff in the workshops.

The Apprentice Train Examiners are selected from among candidates who have passed Matriculation Examination or its equivalent. The training designed to obtain trained personnel for supervisory posts in the train examining branch of the Mechanical Department.

Relations with labour. - The relations between the Railway Administrations and the labour were generally cordial.

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The working committee of the National Federation of Indian Railwaymen met four times during the period under review, i.e., on 14 and 15 April 1957 at Ahmedabad, on 7 and 8 May 1957 at Mughalsarai, on 23 September 1957 at New Delhi and on 13 to 15 December 1957 at Jubbulpore. At these meetings, resolutions covering a number of subjects including unity among workers were passed by the Federation.

Permanent Negotiating Machinery for settlement of disputes.-
The Permanent Negotiating Machinery set up on Railways in 1952, with a view to maintaining contact with labour and resolving disputes and differences which may arise between them and the Administration, continued to function satisfactorily during the period under review. On the eight zonal Railways, forty seven meetings were held at the Headquarters level and one thousand and seventy meetings at District/Divisional levels. The discussions covered a wide range of subjects.

At the second tier of the Machinery, there were two periodical meetings between the Railway Board and the National Federation of Indian Railwaymen - one in July 1957 and the other in February 1958 at which a number of subjects were discussed. In addition, there was also another meeting with the National Federation of Indian Railwaymen to discuss with them the question of the introduction of the Pension scheme on the Railways.

At the third tier, the sittings of the ad hoc Tribunal were resumed with a view to deciding the issues under two terms of reference which were pending before it and which were not settled in the negotiations in July 1955. In the first instance, negotiations were carried on between the Railway Board and the Federation on the issues numbering over three hundred falling under the two terms of reference and agreements were arrived at on a number of them. Orders were also issued on most of these agreements for implementation by the Railway after placing the matter before Tribunal for communicating the agreed decisions. The issues on which agreement could not be arrived at by discussion were referred to the Tribunal, hearings before whom had not concluded at the close of the year under review.

Working of Staff Councils, Staff Committees and Labour Advisory Committees.- The deliberations of these bodies were useful in promoting better understanding between the Administration and the staff.

The Labour Advisory Committee through which representatives of labour are associated in the formulation of welfare schemes, worked satisfactorily.

Labour Welfare: (i) Railway Schools.- In consultation with the National Federation of Indian Railwaymen, a survey of facilities for primary education in Railway colonies was undertaken by the Railway Administrations to ascertain where such facilities were not adequate. The proposals submitted by the Railway Administrations in this regard were under examination during the year.

On the formation of the Northeast Frontier Railway, from 15 January 1958, the Railway Board sanctioned the taking over of two non-Railway High Schools by the Railway, one each at Alipurduar and Pandu.

During the year, two Railway Schools were upgraded to the High School standard, one at Bilaspur on the South Eastern Railway and the other at Gangapur City on the Western Railway. Sanction was also conveyed to the conversion of three High Schools - one at Asansol on the Eastern Railway, the other at Golden Rock on the Southern Railway and the third at Khajepur on the South Eastern Railway - into multi-purpose schools.

There were 156 schools (including Intermediate, Secondary/High Middle and Primary) with 43591 pupils on roll functioning on the Railways.

(ii) Staff Benefit Fund.- A contribution of two rupees per employee was made from the Railway Revenues to the Staff Benefit Fund during the year. With a view to increasing the non-official element in Staff Benefit Fund Committees and enhancing their powers, the composition of these Committees at the Headquarters of each Railway, was modified and recognised unions given representation on them.

The Staff Benefit Fund Committees on the various Railways held in all 126 meetings at the Headquarters/Divisional/District levels. A majority of the constituent members attended each of these meetings as they were primarily responsible for the administration of the Fund, with the representatives of the Administration mostly filling the role of advisers.

(iii) Canteens.- Besides the canteens statutorily required to be provided under the Factories Act, 1948, the Railways have provided, as a measure of staff welfare, canteens at places where there is a concentration of staff. During the year under review, a number of canteens, which were managed otherwise, were transferred to Committees of Management consisting of duly elected representatives of the Staff for whose benefit the canteens are run, representatives of shareholders of the co-operative society if managed by one, and the representatives of the Railway.

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(iv) Sports activities.- This is one of the important activities financed partly from revenue and partly from the Staff Benefit Fund. As usual, Divisional/Regional and Inter-Divisional/Inter-Regional tournaments and inter-Railway tournaments were held in all the popular games during the year under review.

(v) Holiday Homes.- The Holiday Homes for Class III and Class IV staff at various places proved to be popular, particularly among class III staff. One new Holiday Home at Pahalgam (Kashmir) was opened by the Northern Railway.

(vi) Children's Camps.- Nineteen camps or excursions were organised by the Railways during the year for the benefit of railwaymen's children.

The expenditure on these camps is primarily met from the Staff Benefit Fund and the amount payable by the parents is kept low so as to bring the benefit within the reach of the lower-paid staff. Besides affording the children glimpses of the country outside their normal surroundings, these camps provide an opportunity for the children to mix together in outdoor life and to participate in healthy debates, elocution competitions, variety entertainments, sports, etc. These camps are app greatly appreciated by the staff and children.

(vii) Scholarships for Technical Education.- During the year under review it was decided that 1000 scholarships ranging from 15 rupees to 50 rupees should be awarded every year in addition to the scholarships continuing from the preceding year. This scheme has been of considerable benefit to the staff.

(viii) Scouting.- The Scouts and Guides Organisation on the Railways gained added impetus and its activities considerably increased. Staff training camps, service camps and rallies were held during the year.

(ix) Labour Welfare Organisation.- The Welfare Organisation on the Railways consisting of Welfare and Assistant Welfare Inspectors was augmented during the year. These Welfare Inspectors, besides attending to the expeditious disposal of staff representations and grievances and finalisation of their settlement dues after retirement, paid attention to various social and cultural activities like organisation of sports, children's camps, cinema shows, festival and social gatherings, dramas, folk dances, music competitions, etc. The Inspectors also helped in extending the co-operative movement among the staff and in organising the small savings scheme, literacy classes and welfare centres for the benefit of staff and their families.

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Service Conditions of Staff: (i) Leave.- All Class IV employees governed by the Liberalized Leave Rules have been brought on par with other Class I, II and III railway staff in the matter of earning leave from 1 April 1957.

(ii) Dearness allowance.- An ad hoc increase of 5 rupees in the dearness allowance has been sanctioned to railway staff drawing basic salary upto 300 rupees per month.

(iii) Pension scheme.- As a result of various representation received from and on behalf of railway labour, which were also voiced in the Parliament, expressing preference for the pensionary benefits, as for other Civil Services of the Government, in substitution of the existing retirement benefits under the State Railway Provident Fund Rules, the Railway Minister in his speech made at the time of presenting the Railway Budget for 1957-58, referred to certain proposals then under consideration for the introduction of the Pension system for railway employees. Subsequently, consultations were held with the National Federation of Indian Railwaymen who accepted in the main the Pensionary scheme of retirement benefits as meeting a demand which had been made by the Federation. Final orders introducing on the Railways the Pension scheme, as obtaining on the Civil side, were issued on 16 November 1957. In the case of Class IV employees, however, in modification of the Pension Rules obtaining on the Civil side, for those who retire after 30 years of qualifying service, an additional gratuity of 200 rupees per year of qualifying service in excess of 30 years, subject to a maximum of 1,000 rupees, has been allowed. In terms of these orders, all railway servants entering service on or after 16 November 1957 are automatically governed by the Pension Rules. Railway servants who were in service on 15 November 1957 or demitted service between 1 April 1957 to 15 November 1957 have been given an option to be governed by the Pension Rules or to retain their existing retirement benefits under the State Railway Provident Fund Rules. In the case of all those railway servants, referred to above, who opt for pension, their service would be deemed to have been in the pensionable establishment from the commencement of their service irrespective of the date they began subscribing to the State Railway Provident Fund. Even after the introduction of the Pension system, staff eligible for pension shall subscribe to the State Railway Provident Fund at the existing rate, on a compulsory basis. Such staff will, however, not be eligible for any Government contribution or special contribution to the Provident Fund.

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Co-operative Credit Societies, and Banks.- There were 26 Co-operative Credit Societies of Railwaymen at the end of the year. They had a membership of 583,697 at the end of the year as against 559,046 at the beginning. The paid up share capital of these societies rose from 35.466 million rupees to 38.258 million rupees. More than 60 per cent of the railwaymen are members of these societies, the average share capital which they have subscribed amounting to about 70 rupees per head.

The owned capital of the societies has increased during the year from 55.196 million rupees to 61.331 million rupees. This is an index of their increasing financial strength. Similarly the inflow of deposits into these societies has also recorded a substantial improvement during the year. This is proof of the increasing confidence that these societies enjoy among railwaymen.

The following statement shows the loan transactions of the societies with the members during the year:

(Figures in Million of Rupees)

Loans outstanding at the beginning of the year ---	220.809
Issued during the year -----	155.181
Repaid during the year -----	130.982
Outstanding at the end of the year -----	245.008

The loan transactions of the societies are steadily increasing and they are being called upon to meet larger and larger demands for loans from members from year to year, the increase during 1957-58 being about 11 per cent over the figures of 1956-57.

All the 26 societies worked at a profit, amounting to 2.972 million rupees. This works out to about 1.5 per cent of the turnover. Some of the societies declared a dividend of $6\frac{1}{4}$ per cent on the value of shares during the year.

The Jackson Co-operative Bank on the Western Railway, the Central Employees' Co-operative Bank, Secunderabad, the Northern Railway Co-operative Credit Society, Lucknow and the South Eastern Railway Employees' Urban Bank, Calcutta, also paid bonus to their staff from the net profits. The total of such bonus disbursed during the year amounted to 32,274 rupees.

Some of the credit societies are serving the entire railway zones; in some of them, the membership is as high as 50,000 or more. Generally the societies are being managed efficiently and are of real service to the railway community.

Railwaymen's Consumer Co-operative Societies.- The working of the Railwaymen's Consumer Co-operative Societies received further impetus. Their number increased from 110 to 120 during the year. The following statement shows the comparative progress in respect of membership, share-capital and business done by them during the last two years:-

	<u>1956-57</u>	<u>1957-58</u>
Number of Members -----	51,930	58,391
	(In Million Rupees)	
Paid up share capital -----	0.737	0.911
Total working capital -----	1.636	2.145
Purchases -----	6.002	7.722
Sales -----	6.254	7.866

About 7,000 more railwaymen have come within the fold of the Co-operative Consumer movement during the year, bringing in an additional capital of about 0.2 million rupees. The sales too have recorded an increase of about 25 per cent over those of the last year. These features are evidence of the increasing popularity of the Consumer Societies among the railwaymen railway community.

Of the 120 societies, 107 worked at a gross profit aggregating to 0.457 million rupees, while the trading results of 13 societies revealed a gross loss of 56,823 rupees. After meeting the establishment and other overhead charges, 85 societies worked at a net profit, while 35 sustained a net loss. Twentyeight of the societies declared a dividend up to a maximum of 6½ percent on the value of shares, from the net profits earned, while 9 societies declared, in addition, a rebate on the purchases made by the members. Another good feature was that ten societies also gave bonus to their staff from out of the profits earned, the amount disbursed as bonus being 5,525 rupees.

At the end of the year, there were four Co-operative Housing Societies consisting exclusively of Railwaymen recognised by the Railway Administrations. These societies had between them 388 members with a paid up share capital of 58,320 rupees. The working capital of these societies amounted to 0.947 million rupees of which 0.442 million rupees represented loans obtained by the societies from Government as well as deposits made by individuals for construction of houses. They disbursed loans to the extent of 26,450 rupees during the year and a sum of 55,801 rupees was outstanding against members at the end of the year.

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It is the policy of the Railway Board to encourage the formation of housing societies of Railwaymen wherever possible, so that they might take advantage of the loans under the Low Income Group Housing Scheme, which are made available through State Governments, or the advances sanctioned by the Ministry of Works, Housing and Supply and build their own houses. In order that the employees coming under the low income group may take advantage of these loans to a larger extent than hitherto, the Central Government has suggested to State Governments that they might try to arrange, where possible, the allotment of land to intending builders at as low a price as possible. Co-operative Housing Societies can either approach the State Governments for provision of such house-sites on behalf of their members, or, where this is not possible, they may acquire suitable land on their own initiative and allot it to members after development.

Provision of quarters for staff.- In pursuance of the policy of providing quarters for the essential staff, who are required to live near the site of their work, and for the non-essential staff at places where private accommodation is not readily available, 15,006 quarters were constructed on Indian Railways during the year 1957-58, as compared to 9,645 quarters during 1956-57.

Medical aid.- During the year under review the following medical facilities were provided:

Dental clinics in charge of whole time dental surgeons were provided at the headquarters hospital of each Railway administration in addition to part time dentists at most of the divisional/district hospitals of the Railways.

At headquarters hospitals services of honorary consultants of eminence have been provided on most of the Railways in addition to specialists' services available at divisional/district hospitals.

For control and treatment (domiciliary) of tuberculosis, 12 additional chest clinics were established bringing the total to 45 and for indoor treatment the number of beds reserved in approved sanatoria was 538 in addition to 192 maintained in Railway hospitals and chest clinics.

During the year under review the following were added:

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- (i) 6 new health units bringing the total to 440;
 - (ii) 407 additional indoor beds bringing the total to 3,950; and
 - (iii) 6 mobile vans bringing the total to 9 for the benefit of the Railway staff working at places away from the dispensary and where train services are not frequent.

Orders removing all distinction between Class III and Class IV staff in the matter of medical attendance and treatment were issued during the year under review.

The control of infant and maternal mortality and morbidity resulting from confinement was quite satisfactory during the year under review and 65 lady doctors and 268 midwives were working on all Railways.

Accidents.- The following table shows the number of passengers, railway servants and other persons killed and injured in accidents on Indian Railways exclusive of casualties in railway workshops during 1957-58 as compared with the previous year:-

(Please see table on the next page)

Classification	Killed		Injured	
	1956-57	1957-58.	1956-57	1957-58.
A-Passengers -				
(a) In accidents to trains, rolling-stock, permanent way, etc. -----	276	77	348	504
(b) In accidents caused by movement of trains and railway vehicles exclusive of train accidents.---	364	354	3,131	3,057
(c) In accidents on railway premises in which the movement of trains, rail vehicles, etc., was not concerned.-	5	4	142	122
TOTAL.	645	435	3,621	3,683
B-Railway Servants -				
(a) In accidents to trains, rolling-stock, permanent way, etc.-----	23	18	213	219
(b) In accidents caused by the movement of trains and railway vehicles exclusive of trains accidents.--	187	222	6,787	7,133
(c) In accidents on railway premises in which the movement of trains, vehicles, etc., was not concerned.-	43	43	19,292	20,732
TOTAL.	253	283	26,292	28,084
C-Other than passengers and railway servants -				
(a) In accidents to trains, rolling-stock, permanent way, etc. -----	49	49	180	184
(b) In accidents caused by movement of trains and railway vehicles exclusive of train accidents.--	218	263	147	178
(c) In accidents on railway premises in which movement of trains, vehicles, etc., was not concerned.	35	53	130	138
TOTAL.	302	365	457	500
GRAND TOTAL.	1,200	1,083	30,370	32,267

On the Government Railways, the main causes for the accidents to railway servants caused by the movement of trains and railway vehicles exclusive of train accidents, are analysed in the following table:-

Cause	Killed		Injured	
	1956-57	1957-58.	1956-57	1957-58.
(1) Misadventure or accidental.---	182	209	6,653	7,019
(2) Want of caution or misconduct on the part of the injured person. -----	5	11	105	83
(3) Want of caution or breach of rules, etc., on the part of railway servants other than the persons injured.-----	-	-	21	19
(4) Defective apparatus, appliances, etc., or want of sufficient appliances, safeguards, etc.-----	-	-	-	-
TOTAL.	187	220	6,779	7,121

(The report for the year 1956-57 was reviewed at pages 55-63 of the Report of this Office for May 1958).

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51. Hours of Work.

India - April 1959.

Punjab: Working Hours Increased and Holidays
Reduced in Government Offices.

The Punjab Government announced on 15 April 1959 its decision to increase the number of working hours for its employees, in the Secretariat as well as other offices, from 1398 to 1710 hours a year and decrease the total number of holidays, including earned and casual leave, Sundays and Saturdays from 150 to 135 days in a year, with effect from 1 July 1959.

For daily working hours, the year has been broken into two parts:

Winter (September to April) - from 9 a.m. to 5.30 p.m. with a half-hour lunch break, and Saturdays and Sundays as off-days.

Summer (May to August) - from 7 a.m. to 1.30 a.m. (no lunch break) with only Sunday as off-days.

(The Tribune, 16 April 1959).

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

India - April 1959.

Working of the Bombay Labour Welfare Board during
1957-1958.

Finances.- The total receipts of the Bombay Labour Welfare Fund during the period under review excluding loans was 599,207 rupees. Of this, 526,598 rupees was from 'fines' and 38,387 rupees from unpaid accumulations. The latter source of income would not now be available to the Board, as the Supreme Court by a decision during the year under review declared the provisions of the Bombay Labour Welfare Fund Act 1953, relating to the payment of accumulations of unpaid wages ultra vires of the constitution. The receipts from other sources included 18,145 rupees from workers' contributions, 4,307 rupees under the remunerative employment schemes, 1,098 rupees from donations and 10,672 rupees from miscellaneous sources. During the year under report, the Board incurred a total expenditure over of 699,654 rupees as against 709,695 rupees in 1956-57. The decrease over the preceding year was due to lesser expenditure on activities and programmes despite increasing participation and could be attributed to the efforts, particularly of the field staff. There was an increase in the expenditure during the year 1957-58 on pay and allowances, when compared with the previous year. This was mainly due to (a) increased dearness allowance given to the lower-paid staff, and (b) starting of a new centre at Ahmedabad.

Welfare Activities.- As regards activities, the total attendances excluding the circulating libraries, at the welfare centres rose from 17.6 millions in 1956-57 to 20.5 millions in the year under review. At the circulating library posts and reading rooms outside centres, the attendances during the year came to 1.76 millions.

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Sports and other competitions were attended with much greater enthusiasm and there was greater participation in them during the year under review than in the past two years. The total attendances at the outdoor and indoor games and other events during the year was about 8,800,000 as against 7,200,000 in 1956-57 and 8,200,000 in 1955-56. Important among the other recreational activities were dramatic performances, film-shows, organisation of music concerts, variety entertainment programmes, etc. As regards the workers' education in the centres there was a very noticeable fall in the attendance because of the absence of any particular scheme or plan of education. As against a total attendance of 339,000 in 1955-56 and 256,000 in 1956-57, attendance in 1957-58 was only 134,459. The scheme of scholarship to students from working class families on the condition that each scholar give at least two hours of his or her time each day for the organisation of activities in which workers were interested was continued during 1957-58. The number of scholarships was raised from 12 to 24, 14 for boys and 10 for girls. The annual value of each scholarship is 100 rupees payable in 10 equal instalments. In addition, the Board deputed six more members of the staff of the welfare centres for the short-term course in the urban community recreation and other social work at the Tata Institute of Social Sciences.

The total number of persons who made use of medical aid facilities provided at the centres during 1957-58 was 29,662 as against 21,938 during the preceding year. This is apart from the first aid and home nursing facilities which were made available to 48,393 persons during the year under review as against 27,947 during 1956-57. An important event was that the help given by the participants of the Ashokpura centre in Ahmedabad to the municipal authorities and local doctors in combating the influenza epidemic. Another important activity of the Fund was organisation of excursions. In all, 287 excursions were organised by members of different welfare centres as against 237 during 1956-57. The participants numbered 8,657 and expenditure on these excursions came to 6,777 rupees. In March 1958, the Board started its first Holiday Home for workers at Ambalighat.

The special activities for women and girls included sewing, handicrafts, subsidiary occupation and cooking. The total attendance in these activities was sewing classes in the centres 869,267; handicrafts 74,837; subsidiary occupations 48,500; cooking classes 34,498. The earnings of workers in the sewing classes at the centres came to 63,337 rupees and from subsidiary occupations 13,082 rupees during the year.

The Board continued to cater to the needs of children. Sanction was accorded to the construction of additional creche and nursery school premises at Bombay, Ahmedabad and Sholapur at a total cost of about 136,000 rupees. The total attendance of children at different centres in 1957-58 was 6,128,005 as against 4,964,214 in the preceding year. The attendance in the different activities during the year under review as - nursery schools 415,715; playgrounds 509,221; children's libraries 1,365,407; creches 11,640. The activities in the field of scouting and guiding continued to be satisfactory during the year under review. There were 500 scouts, 140 scouters, 70 guides and 6 guiders. The total attendance in the scouting and guiding programmes was 72,968.

(Indian Labour Gazette, Vol. XVI, No. 9,
March 1959, pp. 714-716).

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Bombay: Holiday Camp for Low-income Group.

The Governor of Bombay, Shri Sri Prakasa declared open on 11 April 1959 a holiday camp for middle and low-income group people at the seaside resort of Tithal, in Surat District. Speaking on the occasion, the Governor expressed the hope that poor people would take full advantage of this and similar other camps that had been opened by the State Government at various beauty spots in ~~the~~ all the divisions of the State.

Explaining the State Government's scheme of starting health resorts for the benefit of middle and low income group people, Shri Homi J.H. Talyarkhan, Parliamentary Secretary to the Chief Minister, stated that Bombay State was perhaps the pioneering State to establish such holiday resorts for poor people. He said that so far 12 such centres had been opened - eight on hill stations and four on seaside, including the one at Tithal.

Shri Talyarkhan said that an amount of 1.2 million rupees would be spent by the State Government on holiday resorts during the Second Five-Year Plan period. Out of this amount, 500,000 rupees had already been spent.

(The Hindu, 13 April 1959).

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Delhi Workers' Education Centre Opened.

A workers' education centre was opened at Timarpur, Delhi, on 5 ~~May~~ April 1959.

Twenty-eight trainees have been selected from textile mills, engineering concerns and newspaper establishments for a three-month course which begins on 6 April 1959. The medium of instruction will be Hindi.

(The Hindustan Times, 6 April 1959).

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55. Protection of Minors.

India - April 1959.

Employment of Children (Madhya Pradesh) Rules, 1958.

The Government of Madhya Pradesh gazetted on 10 April 1959 the Employment of Children (Madhya Pradesh) Rules, 1958, made in exercise of the powers conferred under the Employment of Children Act, 1938, and in supersession of all previous rules on the subject. The rules regulate the procedure of inspectors appointed under the Act and makes provision for the grant of certificates of age in respect of young persons in employment or seeking employment.

(Madhya Pradesh Gazette, Part IVc,
10 April 1959, pp. 227-228)

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56. Labour Administration.

India - April 1959.

Lok Sabha Votes Demands for Grants for the Ministry
of Labour and Employment.

The Lok Sabha adopted on 6 April 1959 the demands for grants of the Ministry of Labour and Employment, for the year 1959-60.

Debate.— Initiating the debate on the demand on 4 April 1959, Shri Gulzarilal Nanda, Union Minister for Labour and Employment, stated that there was no justification for the "public agitation" that the labour laws of the country were such that they placed heavy burdens on the industry and hampered economic progress. Such views, he added, were being expressed by various industrialist friends and a section of the Press on various occasions. "I have closely examined this matter and I think there is no justification for this kind of public agitation."

From the workers, the Minister said, he heard that they were faring badly. They were not having a proper share in the fruits of progress. "Regarding this too I wish to say that there can be grievances here and there. There may be causes for discontent. But on the whole the working class is not losing ground. I think it is gaining ground", Shri Nanda added.

He quoted figures of wages and productivity to show that there had been no undue burden on the industry. Between 1947 and 1957 the real wages had increased by 33 per cent or an annual average increase of 3.3 per cent. But from 1951 the total real wage had increased by 14 per cent. As against this between 1951 and 1956 the productivity of workers had gone up by 20 per cent.

"This would show that neither the ratio of labour cost to the total cost of production nor to the total value added by manufacture has increased. That is practically steady. Therefore, the cost of production - on account of what has been paid to labour - is not at all a factor which is hindering the progress of the country", he said.

The intention of the Government was to assure the worker a fair deal in the matter of wages. The Government was trying to evolve a proper basis for wage fixation.

Referring to the demand of workers that they were not getting adequate wages, the Labour Minister said that while there was some truth in it they had to guard against the danger of inflation and curtailment of the rate of investment.

Shri Nanda said that it was not enough only to ensure more wages. It was also necessary to provide for workers' participation in management. There had been some response to the Government's scheme for labour participation in the management. He said he was thinking of rapid expansion of this scheme.

Reminding the House that the country was passing through a critical stage, the Minister said that it was an early stage for development and difficulties were inevitable. People were to make sacrifices and the "working class can, of course, ask that sacrifices should be equitable."

Shri Nanda listed the reasons which stood in the way of ensuring a higher standard of living to the worker and also the measures the Government had taken to tackle them. Among the problems to be tackled, he said, were employment, housing, security of service and better wages.

In the matter of employment, he said, the Government could not give a very satisfactory account. But this was due to three main reasons: rising population, internal upsets in the economy including closures and the impact of forces of international market. Therefore, the only remedy for expanding employment opportunities was to increase the rate of investment.

With a view to having better co-ordination and ensuring a fair picture of demand and supply in the labour market, Shri Nanda said that it had been decided to bring forward legislation which would make compulsory the notification of vacancies in the private sector to the employment exchanges.

Mr. M. Elias (Com.-West Bengal) said a major reason for the discontent among workers was that their wages were far below minimum wages. The last Indian labour conference had recommended that wage boards should be set up in all major industries but till now only three wage boards had been set up.

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Referring to the wage committee for working journalists, he said the employees' representatives had given their reactions on the tentative proposals of the committee but it was not known what the employers had done. Meanwhile, Shri Elias added, journalists with 20 to 25 years of service were being discharged from service or compulsorily retired. The Government should look into this, he said.

Shri Elias demanded the immediate setting up of a commission to go into the question of safety measures in coal mines. In the last year alone, he said, 500 deaths had occurred in coal mines accidents.

He also urged the Labour Minister to overhaul the conciliation and adjudication machinery. He complained of inordinate delays in referring disputes for adjudication. The employers, for he said, must be stopped from appealing to the Supreme Court against decisions of tribunals. Workers should also be given legal aid for fighting their cases.

Dr. G.S. Melkote (Congress - Mysore) asked the Government to take steps to tackle the problem of rising unemployment and urged that the recommendations of the second Pay Commission should be implemented at the earliest possible moment without any modifications.

The Government should not yield to demands for the scrapping of prohibition, but extend it to as many areas as possible, because the question of welfare of workers, particularly in urban areas, was "intimately affected" by this question, he said.

Speaking of the labour movement in the country, Dr. Melkote said that a "particular group or party" was trying to undermine the whole trade union movement for political purposes. It had violated the Naini Tal code of conduct and harassed, threatened and sometimes even killed workers who were trying to work in a constitutional manner. This had happened in Jamshedpur and the plantations in Kerala.

Dr. Melkote said the situation was "very serious" and the Government should help trade unions working in a democratic and constitutional manner.

Shri P.C. Bose (Congress - Bihar) said some of the labour legislation like the Indian Mines Act should be amended and brought in line with the recommendations of the International Labour Organisation. Some I.L.O. Conventions had also to be ratified by the Government.

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Shri S.M. Banerjee (Ind.-U.P.) said it was now sufficiently clear that the second Plan had failed in respect of one of its main objectives, namely, increasing employment facilities. The number of unemployed registered at the exchanges in 1949 was a little over 200,000; at the end of 1958 it had risen to over 1.1 million.

The fact was, Shri Banerjee said, that employment opportunities had been shrinking consistently. A glaring instance was the textile industry where several mills had closed down. Shri Banerjee felt that most of the closures were due to mismanagement. He urged that the Government should form a corporation as suggested by the Textile Inquiry Committee and reopen these mills under its management.

Shri Banerjee also urged the Minister to include the general demand for wage increases in the agenda of the next labour conference. He regretted that the employers had adopted "dubious" methods to avoid giving wage increases recommended by various bodies.

The employers' attitude, he said, was more pronounced in respect of working journalists. To escape the recommendations of the wage committee, newspaper organisations had started closing down, he said. In one instance, he said, while the employees had been served with notices terminating their services, the management had told its agents that there was a possibility of the paper coming out again under a different management.

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Shri Rajendra Singh (PSP-Bombay) described the Labour Minister's opening remarks as "honest and candid", but said that though Shri Nanda was a symbol of good intentions he was afraid that he (Shri Nanda) was an "epitome of ineffectiveness". The Labour Ministry never functioned as an ultimate authority on labour problems, he alleged. "Big brothers in the Cabinet (Ministers for Railway, Transport and Communications, and Defence) either ignored the existence of the Ministry or suffered it as a nuisance".

On the question of labour's participation in management, he said that the whole scheme might be vulgarised unless adequate preparation was made.

Shri Rajendra Singh (PSP-Bihar) said that unless all the Ministries at the Centre and in the States co-operated, labour laws could not be fully implemented. He gave certain instances of what he called "violation" of next the code of discipline in industry in Bihar by "propping up and giving recognition to INTUC unions". If industrial peace was to be secure, he said, Government must set an example.

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The Deputy Minister of Labour, Shri Abid Ali, said that the criticism made against the Labour Ministry was "insignificant". He denied the charge that the Government was partial to the INTUC.

The Deputy Minister said that out of 2,245 applications received from the INTUC during last year for adjudication, they got adjudication in 49.8 per cent of cases. The percentage in this respect in the case of AITUC was 60.5 (of 1,700 odd applications) and the Hind Mazdoor Sabha 65.2 per cent (of 1097 applications).

Regarding Shri Abid Ali said that allegations against the Employees' State Insurance Corporation were baseless.

Regarding the sugar wage-board, Shri Abid Ali said that the Government was alive to the need for getting the interim recommendations of the wage board implemented.

Shri Ramsinghbhai Varma (C-M.P.) said it was unfortunate that today politics dominated the trade union movement and workers were being exploited by certain trade union organisations.

It was regrettable that the Government was tolerating the AITUC to put up false claims for recognition on the basis of inflated membership.

Shri Varma said that the Communists and their unions today opposed the principle of rationalisation, but they forgot that the principle was first advocated by their own leader, Shri Dange, long ago, in 1929.

Labour Minister's reply to debate.— Replying to the debate, Shri Nanda told the critics of his Ministry that its task was not easy. "We have to reconcile the powerful interests of workers on the one side and of the employers on the other - powerful vocal interests and vital interests also. We have also to consider the supreme interests of the community because workers and employers do not exhaust the entire community. Therefore, the basic tasks become more difficult."

Shri Nanda said that Government could not control the speed of wage boards. The sugar wage board had given an interim decision and the question that had arisen now was why it had not been implemented. Government had asked the Chief Ministers to take a hand in the matter and see that there was no delay in implementation.

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Shri Nanda referred to the proposal to increase the provident fund contribution from $6\frac{1}{2}$ percent to $8\frac{1}{3}$ percent. Government was examining the capacity of each industry separately so that it could go ahead in those industries which could afford to pay, he said.

The Labour Minister disclosed that the next Indian labour conference would discuss the entire question of industrial relations, so that trade unions became stronger and there was no discrimination.

Shri Nanda also announced that he had a Bill ready to give statutory sanction to Wage Boards. He would introduce it if the Government found it difficult to implement the awards of existing Wage Boards for sugar, cement and textile industries.

(The Hindustan Times, 5 and 7 April 1959;
The Statesman, 5 and 7 April 1959)

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Chapter 6. General Rights of Workers

67. Conciliation and Arbitration.

India - April 1959.

Bombay: Norms in Industrial Disputes: Committee set up.

The Government of Bombay has appointed a committee called the Norms Committee consisting of representatives of Government, labour and industry, with the Deputy Commissioner of Labour, Bombay, as chairman, for the purpose of evolving norms in respect of various matters which form the subject matter of industrial disputes between employers and workers in specified industries.

The terms of reference to the committee are to examine the settlements, agreements, and awards made under the Industrial Disputes Act, 1947, from 1 January 1953 onwards and suggest norms in relation to various industrial matters, other than those relating to wages and dearness allowance, which have formed subject matter of disputes in the following industries: (1) Engineering. (2) Iron and Steel, (3) Chemicals. (4) Pharmaceuticals. (5) Match. (6) Paints and Varnishes. (7) Oils. (8) Soaps. (9) Paper. (10) Printing Presses. (11) Local Authorities. (12) Rubber. (13) Hospitals. (14) Hotels and Restaurants. (15) Leather and Tanneries. (16) Bidi. (17) Cigarette. (18) Cotton Ginning and Pressing. (19) Salt. (20) Wood and Furniture. (21) Glass. (22) Stone Breaking and Crushing. (23) Film. (24) Shops and Commercial Establishments.

(Labour Gazette, Vol. XXXVIII, No. 6,
February 1959, page 690).

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Annual Report on the Working of the Industrial
Relations Machinery (Central) for the Year 1956-1957.

As in the past, the greater part of the activities of the Industrial Relations Machinery relates to the maintenance and promotion of industrial peace. Some of the important items of work in this connection are mentioned below.

Works and other Committees.- The total number of Central sphere undertakings required to constitute works committees (under Section 3 of the Industrial Disputes Act, 1947) was 1,080 at the end of March 1957. Such committees were, however, functioning only in about 60 per cent of the undertakings. The topics discussed in the works committees were many and varied like retrenchment, medical facilities, provision of rest rooms, supply of drinking water, arrangement for transport, ambulance facilities and grant of loans from welfare funds. Unit production committees, set up on voluntary basis, continued to function in 86 undertakings*. The object of these committees is to avoid waste and to ensure maximum productivity by efficient utilisation of man-power, material and machinery.

Strikes, Lockouts, etc.- The number of strikes, lock-outs, man-days lost, etc., during the years 1954-55, 1955-56 and 1956-57 are given below:-

Year	Strike s and Lock-outs		Number of threatened strikes.
	Number of strikes, etc.	Handays lost (in Millions).	
1954-55 -----	278	0.402	212
1955-56 -----	724	3.499	172
1956-57 -----	347	2.015	192

* In some cases Works Committees themselves functioned as production committees also.

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The number of strikes and lock-outs and the man-days lost, it will be observed, were much less in 1956-57, when compared with 1955-56. The improvement is mainly due to (i) settled conditions in banking industry; and (ii) improved industrial relations in the mines. Of the 347 strikes, etc., 102 were settled by the intervention of the Industrial Relations Machinery. The duration of a fairly large proportion of the strikes and lock-outs, i.e., 273 out of 352 (including strikes pending at the commencement of the year) was less than a week and most of them were reported after the workers had returned to work. From the point of view of man-days lost mines alone accounted for 1.42 million days out of the total of 2.015 million days. Two other important sectors from this point of view are the railways and defence establishments, which accounted for 0.23 millions and 0.24 million of man-days lost respectively.

Industrial Disputes (other than strikes and lock-outs), etc.-
The total number of industrial disputes other than strikes and lock-outs, reported during 1956-57 was 2,341 apart from 602 brought forward from the previous year. The officers of Industrial Relations Machinery intervened in 2,783 disputes and 1,671 of these disputes i.e., about 60 per cent were settled. Four hundred seventy-two disputes were pending at the end of March 1957. Conciliation proceedings and joint meetings held during the year 1956-57 numbered 2,273, as against 2,529 in 1955-56 and 2,168 in 1954-55. The number of cases in which settlements were effected was 1,480, 1,573 and 1,496 respectively. Of 1,480 settlements arrived at in 1956-57, 1,031 were implemented fully and 34 partially. The remaining 415 were pending implementation at the end of March 1957.

Implementation of Awards.- Of 158 awards received during the year 61 were implemented fully and 16 partly. Nineteen awards (including those brought forward from previous years) were pending implementation at the close of the year. In 63 cases of awards given under Section 33A of the Industrial Disputes Act, no action was required to be taken by the Industrial Relations Machinery to secure implementation. The Industrial Relations Machinery made in all 316 applications for recovery of arrears, resulting from non-implementation of two awards of the Labour Appellate Tribunal. The claims of 313 of these amounted to 105,408 rupees and the verified amount came to 102,604 rupees. The realisation of the latter was pending with the revenue authorities at the end of the year.

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

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Name of the Act, Regulations, etc.	Number of unit inspections	Number of irregularities detected.	Number of irregularities rectified during the year.
Payment of Wages Act -			
in Railways -----	6,368*	19,682	10,795
in Mines -----	4,781**	18,023	16,762
Minimum Wages Act -----	1,826@	19,551	@@
Employment of Children Act -----	4,933	853	@@
Hours of Employment Regulations-----	5,796	13,028	100%&
Coal Mines Bonus Scheme-----	3,379	29,456	75% &&
Enforcement of Fair Wage Clause and C.P.W.D. Contractors' Labour Regulations-----	1,465"	4,194	2,268

* No. of inspections in 1956-57.

**No. of inspections in 1956.

@ No. of inspections in 1956.

@@Not available.

& 47% in three months, 32% in three to six months, 15% in six to 12 months and the remaining 6% after 12 months.

&&Approximate figure.

" Out of about 2,888 contractors' establishments.

Under the Industrial Employment (Standing Orders) Act, 1946, 85 drafts Standing Orders were received by the Certifying Officers and 33 were certified during the year. The number of establishments which had their standing orders certified at the close of the calendar year 1956, was 1,015.

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 2,533 and 3,039 respectively. The amount of compensation paid was 54,861 rupees and 1,474,835 rupees respectively. The activities in the sphere of welfare consisted of (a) preparation and circulation of a leaflet containing "Guidance Points", based on the reports of Labour officers; (b) tendering advice to managements of undertakings regarding non-statutory welfare measures; and (c) supervision of 'welfare funds'. As regards verification of trade union membership, the Industrial Relations Machinery verified the membership of unions affiliated to all the four Central Organisations of Labour as on 31 March 1956.

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Industrial Disputes (Bombay Provision for Uniformity)
Act, 1959 (No. XVI of 1959).

The Industrial Disputes (Bombay Provision for Uniformity) Bill (vide page 93 of the report of this Office for September 1958) as passed by the Legislature received the assent of the Governor on 18 March 1959 and has been gazetted as Bombay Act No. XVI of 1959. To make the Industrial Disputes Act, 1947, uniformly applicable to all areas in the State, the Act XVI of 1959 repeals certain amendments made by the former Government of Saurashtra to the Industrial Disputes Act, 1947.

(The Bombay Government Gazette,
Part IV, 2 April 1959, pp. 234-235).

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

India - April 1959.

Functioning of Works Committees: Investigation to be Undertaken.

Shri L.N. Mishra, Parliament Secretary to the Minister of Labour and Employment stated in reply to a question in the Lok Sabha on 8 April 1959 that the functioning of works committees had not been up to expectations. He added that workers expected too much from these committees. The managements also expected too much.

Replying to supplementaries, the Minister of Labour, Shri Nanda, said a special investigation was in progress regarding the working of these committees. The results of this investigation would soon be available and they would be discussed at the coming session of the Indian Labour Conference.

(The Statesman, 9 April 1959).

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES
OF WORKERS.

INDIA - APRIL 1959.

71. Employees and Salaried Intellectual Workers.

Punjab: Working Hours Increased and Holidays
Reduced in Government Offices.

The Punjab Government announced on 15 April 1959 its decision to increase the number of working hours for its employees, in the Secretariat as well as other offices, from 1398 to 1710 hours a year and decrease the total number of holidays, including earned and casual leave, Sundays and Saturdays from 150 to 135 days in a year, with effect from 1 July 1959.

(For details, please see Section 51, page 75 of this Report).

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74. Indigenous Labour.

India - April 1959.

Central Board Recommended for Welfare of Backward
Classes.

The Estimates Committee of the Lok Sabha has recommended the creation of an autonomous Central Board to deal with the work relating to the welfare of Scheduled Castes and Scheduled Tribes and other backward classes. The Committee, among other things, suggested the grant of an independent status for the Commissioner for Scheduled Castes and Tribes, emphasised the need for the implementation of the Untouchability Offences Act and recommended that the Government undertake a detailed study of various legislations on untouchability and social disabilities and their comparative usefulness or failure and prepare a comprehensive model legislation on the subject.

(The Statesman, 17 April 1959).

Chief Ministers' Conference Discusses Welfare of Backward People.

A Conference of Chief Ministers of States was held at New Delhi on 3 April 1959 to discuss questions relating to the welfare of the Harijans and Backward classed. Pandit G.B. Pant, Union Minister for Home Affairs presided.

The Union Home Minister, in his speech asked the Chief Ministers to submit their views and suggestions for determining the "backward classes" to the Government. He emphasised that the mere label of caste was not enough to determine the "backwardness" of a person or family and pointed out that the true criterion was economic. The resources for the uplift of the backward classes being large limited, and their numbers being large, it was imperative that adequate tests should be applied to find out who belonged to a "backward class".

The Conference, among other matters, urged the evolving of more clean and dignified methods of work for the Harijans and the grant of scholarships to Harijan students.

The Conference also decided that new criteria to determine who should be listed among the "backward classes", entitled to State assistance and other statutory privileges were to be laid down by the States with a view to ensuring that such aid went to those in real need and economically backward. Considerations of actual backwardness, and not of caste or hereditary vocation, were to weigh primarily in deciding who should be included among these classes.

(The Hindustan Times, 4 April 1959).

CHAPTER 8. MANPOWER PROBLEMS.

INDIA - APRIL 1959.

81. Employment Situation.

Employment Exchanges: Working during January 1959.

General employment situation.- According to the Review of work done by the Directorate-General of Resettlement and Employment during the month of January 1959, despite the fact that registrations effected by the employment exchanges, during the first month of the year 1959 recorded an appreciable decrease of 25,037 as compared to December 1948, the number of registered unemployed recorded an increase of 12,627 over the figure for the previous month and mounted to 1,195,926. A total of 6,593 employers utilised the services of the employment exchanges during the month under report and notified 28,713 vacancies. The corresponding figures for the previous month were 6,638 and 30,590 respectively. In keeping with the decline in the number of vacancies notified, the placements secured also recorded a decrease of 1,782 and was 19,255, during the month of January 1959.

Widespread shortages persisted in respect of draughtsmen, experienced stenographers, fast typists, compounders, mid-wives and nurses. A number of exchanges experienced shortage in respect of trained teachers, civil engineers, doctors, overseers(civil), skilled turners, electricians and Hindi typists.

Widespread surpluses continued to persist 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 attenders, peons, chowkidars, sweepers, unskilled fitters and carpenters.

Registrations and placings.- The following table compares registrations and placings during the months of December 1958 and January 1959:-

	<u>December 1958.</u>	<u>January 1959.</u>
Registrations -----	212,961	187,924
Placings -----	21,037	19,255

Register of unemployed.- On the last day of the month under review, 1,195,926 applicants were on the Live Register of the employment exchanges, which was 12,627 more than the figure at the close of the previous month. The increase was conspicuous in the States of Kerala (5,398), Uttar Pradesh (3,229), Bombay (2,643), Orissa (2,054), Madhya Pradesh (1,809), Punjab (1,764), Andhra Pradesh (1,667), Mysore (1,607), Delhi (1,492) and Madras (928). On the other hand, drop in the Live Register was significant in the States of Bihar (7,100) and West Bengal (3,239). In all 23,644 employed and self employed persons of whom 565 were women, remained on the Live Register of the employment exchanges at the end of the month under report for further employment assistance.

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

<u>Occupation.</u>	<u>Number on Live Register as on 31 January 1959.</u>
1. Industrial supervisory -----	8,913
2. Skilled and semi-skilled -----	91,683
3. Clerical -----	313,616
4. Educational -----	54,513
5. Domestic service -----	45,146
6. Unskilled -----	627,165
7. Others -----	54,890
Total.	<u>1,195,926</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-----	4,463	552	44,734
2. Ex-service personnel-----	5,614	721	28,647
3. Scheduled castes-----	23,580	2,691	134,124
4. Scheduled tribes-----	3,962	314	26,931
*5. Anglo-Indian applicants-----	219	16	439
*6. Educated Applicants-----	145,772	21,648	364,392

*Figures related to the quarter October-December 1958.

All-India Survey of the Pattern of Graduate Employment.-
 A meeting was held at the office of the Chairman, University Grants Commission to discuss preliminary details of the All India Survey of the Pattern of Graduates Employment proposed to be undertaken by the Directorate General of Resettlement and Employment. The survey will be based on a sample taken out of graduates who took their first degree in 1950 and 1954 from any University in India. Technical advice in the conduct of the Survey has been sought from the Indian Statistical Institute, Calcutta.

Labour Force Survey.- The Central Statistical Organisation is contemplating the introduction of labour force surveys, in urban areas at quarterly intervals to estimate employment and unemployment in the country. The details regarding the Survey were discussed at a meeting held by the Central Statistical Organisation, which was attended by representatives from the Directorate General of Resettlement and Employment.

Central Co-ordination Section: Damodar Valley Corporation.- Out of 4,592 workers declared surplus in Damodar Valley Corporation upto the end of January 1959, 3,888 have been secured alternative employment. Two hundred twenty-four surplus workers are awaiting offers of appointment from Posts and Telegraphs Department, National Coal Development Corporation, Civil Aviation, Port Commissioner, etc.

Hirakud Dam Project.- Two hundred thirty-two workers (220 skilled and 12 unskilled) were retrenched during the month under report. Forty-five skilled workers voluntarily left the Project as they did not require any alternative employment assistance. Two hundred thirty-two workers are still available who require employment assistance.

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Ordnance workers.- One hundred nineteen workers, of whom 61 are semi-skilled are still available with the employment exchanges for employment assistance.

Adjustment of Technical workers of Indian Iron and Steel Co., Kulti, West Bengal.- Out of 775 declared surplus, 674 have already been absorbed by the Government Steel Plants and IISCO works at Kulti/Burmpur. Sixty six have refused offers, 33 have resigned and left voluntarily and 3 have been found medically unfit for re-employment.

Kaisers, Engineers and Overseas Corporation.- During the month, 3,257 workers were further released bringing the total number of retrenched workers to 11,881. The total number of such persons now with the employment exchange, Jamshedpur is 5,681. The State Employment Service has been put in touch with the authorities engaged on the investigation of new Projects under the III Five Year Plan for the absorption of the workers.

Central Tractor Organisation.- Fifty-nine surplus workers of the Central Tractor Organisation have been absorbed under the Oil and Natural Gas Commission, Nangal Fertilizers and Chemicals Private Ltd., Nangal and Bhilai Steel Plant.

Extension of the coverage of employment service.- An employment exchange was opened at Bongaigaon in Assam during the month under report thus bringing the total number of employment exchanges functioning in the country to 212.

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

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Uttar Pradesh Removal of Unemployment Bill, 1959:
Non-Official Bill introduced in Legislature.

Shri Pratap Chandra Azad, Member, Legislative Council, Uttar Pradesh, introduced in the Council on 2 April 1959 a Bill seeking to devise ways and means as may put an end to unemployment in the State. According to the Statement of Objects and Reasons of the Bill, the problem of unemployment of the educated and uneducated persons in the State is getting acute day by day. The State Government had on several occasions given assurances also in regard to the removal of unemployment and some efforts were also made to remove unemployment in the Five-Year Plan, but, despite all this, the problem continued to be all the more serious. Even today the State Government has no statistics in respect of the total number of unemployed persons in the State and the numbers of educated and un-educated unemployed persons amongst them. Employment Exchanges alone possess a few statistics of those persons who have got their names registered with them. In such circumstances it is necessary that the State should possess correct knowledge of the total number of the unemployed persons in the State so that a detailed scheme might be prepared for persons for the solution of this problem. For this very reason this bill provides for the registration of all unemployed persons. Moreover, no such organisation has so far been established as may prepare a detailed scheme for the removal of unemployment in this State and solve this problem in co-ordination with all the departments and the Legislature. For this purpose this bill provides for the constitution of State and District Boards to prepare a detailed scheme for the solution of this problem at the State and district level.

(Government Gazette of Uttar Pradesh,
Part VII, 18 April 1959, pp.59-62).

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83. Vocational Training.

India - April 1959.

Labour Ministry's Training Scheme; Working during
January 1959.

According to the Review of work done by the Directorate-General of Resettlement and Employment during the month of January 1959, the number of craftsmen trainees on the roll of various training institutes and centres on 31 January 1959 was 14,513. There were 12,772 trainees (including 9 women) in technical trades and 1,741 (including 756 women) in vocational trades.

Training of displaced persons.- The total number of displaced persons undergoing training in technical and vocational trades at the end of January 1959 was 1,062 of whom 763 were undergoing training in technical trades and 299 in vocational trades.

Apprenticeship training for displaced persons.- Six displaced persons were undergoing training as apprentices in industrial undertakings and establishments in West Bengal against 1000 seats sanctioned for the purpose.

Training of Supervisors and Instructors.- At the end of the month there were 372 Supervisors and Instructors receiving training at the Central Training Institute for Instructors, Koni, Bilaspur and Central Training Institute at Aundh.

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 month under review.

Training of School-going Children in Hobby Centre, Allahabad.- A total of 106 trainees were undergoing training at the end of the month under report at the Hobby Centre, attached to the Industrial Training Institute, Allahabad.

The following table gives the total number of training institutes and centres and the number of persons (including displaced persons) undergoing training as on 31 January 1959:-

<u>Number of Training Institutes and Centres.</u>	<u>Number of Seats Sanctioned.</u>	<u>Number of persons undergoing Training.</u>
117	27,415	15,581

Stores and Equipment.- TCA equipment worth approximately 3,185 rupees, was reported to have been received at the different Training Centres and Institutes during January 1959. The total of the equipment received under the T.C.A. Aid Programme upto the end of the month under report comes to approximately 2859.9 million rupees as reconciled with the T.C.H. accounts maintained by the Ministry of Finance (Department of Economic Affairs).

Orders for the supply of tools and equipments of the value of approximately 1,700,933 rupees were placed for the Central Training Institutes at Aundh and Bombay during the month under review.

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

84. Vocational Rehabilitation of Disabled Persons.

India - April 1959.

Advisory Committee for Demographic Studies
set up.

In reply to a question in the Lok Sabha on 2 April 1959, Shri D.P. Karmarkar, Union Health Minister stated that the Government of India has decided to set up an advisory committee for demographic studies in the country.

The committee among other things, research and would advise the Government on research and studies on inter-relationship between economic, social and population changes on the reproductive pattern, attitudes on motivation affecting the size of the family and would also co-ordinate demographic research schemes receiving financial assistance from the Government.

It would also advise the Government on programmes of training and research, keeping in view that such training and research would assist the Government to take economic and social action and thereby facilitate a sound national programme of reconstruction.

(The Statesman, 2 April 1959).

Chapter 9. Social Security

92. Legislation.

India - April 1959.

Employees' Provident Funds Act, 1952 extended to
Road Motor Transport Establishments.

In exercise of the powers conferred under the Employees' Provident Funds Act, 1952, the Central Government has with effect from 30 April 1959 extended the provisions of the Act to every road motor transport establishments employing 50 or more persons.

(Notification G.S.R. 399 dated 24 March 1959, the Gazette of India, Part II, Sec. 3, Sub-section (i), 4 April 1959, page 488).

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VI. Compensation in Case of Employment Injuries
or Occupational Disease.

Workmen's Compensation (Amendment) Act, 1959
(No. 8 of 1959).

The Workmen's Compensation (Amendment) Bill (vide pages 70-72 of the report of this Office for October 1958) as passed by Parliament received the assent of the President on 20 March 1959 and has been gazetted as Central Act No. 8 of 1959. Some of the more important amendments made by the Act are summarised below:-

- (1) Section 2 Clause (a) of the Act defining the terms 'adult' and 'minor' is deleted, the effect of the amendment being the removal of distinction between an adult and a minor for the purposes of workmen's Compensation.
- (2) An amendment to Clause (a) of the proviso to sub-section (1) of Section 3 of the Act reduces the waiting period of seven days to three days for being entitled to compensation.
- (3) Section 4(1) Clause (d) provides for compensation in case of temporary disablement, whether total or partial. A new clause is substituted providing for compensation from the date of the disablement, where such disablement lasts for a period of twenty-eight days or more, or after the expiry of a waiting period of three days from the date of the disablement, where such disablement lasts for a period of less than twenty-eight days, and thereafter half-monthly during the disablement or during a period of five years, whichever period is shorter.

Any payment or allowance which the workman has received from the employer towards his medical treatment should not be deemed to be a payment of allowance received by him by way of compensation payable.

(5)

A new section 4 A provides a penalty for failure to pay compensation when due. The section also provides for payment of interest if the compensation is not paid within one month from the due date.

- (4) An amendment to Section 10 of the Act increases the period of limitation for preferring a claim before the Commissioner from one year to two years.
- (5) A new Schedule is substituted for the existing schedule I listing injuries deemed to result in permanent partial disablement. The schedule is on the lines of the schedule in the National Insurance (Industrial Injuries) Benefit Regulations, 1948, of the United Kingdom.
- (6) The existing schedule II which lists persons included in the definition of workmen is enlarged to cover other categories of workmen e.g. all workmen working in power using factories, workmen engaged in manufacture or handling of explosives irrespective of the number of persons employed in the factory, all workers in mines, master and seamen of ships of more than 25 tons, certain classes of workers in ports engaged in hazardous operations, persons employed in the routine work of repairing and replacing electric cables and other fittings, telegraphists and postal and railway signallers, etc.
- (7) The Third Schedule of the Act which lists occupational diseases is replaced by a new schedule, including the following new occupational diseases: poisoning by carbon disulphide or its sequelae; occupational cataract due to infra-red radiation; telegraphist's Gramp; silicosis; coal miners' pneumoconiosis; asbestosis, and bagassosis.

(The Gazette of India, Extraordinary,
Part II, Sec. 1, 31 March 1959,
pp. 49-61).

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93. Application.

India - April 1959.

VI. Compensation in Casse of Employment Injury or
Occupational Diseases.

Working of the Workmen's Compensation Act, 1923, during
the Year 1957.

A review of the working of the Workmen's Compensation Act, 1923, in India during 1957, based on the annual reports received from all States except Jammu and Kashmir and Delhi Territory, has been published in the Indian Labour Gazette, Vol. XVI, No. 9, March 1959. In interpreting this review it should be noted that (i) this do not include a large number of minor accidents in which disability lasts for less than seven days and as such no compensation becomes payable under the Act; (ii) the review exclude those cases in which though the compensation is payable, the employers evade payment; and (iii) notwithstanding the statutory obligations, a fairly high proportion of employers do not submit the returns to the State Governments. For example, in Madras out of 13,640 returns issued to employers, only 5,097 were received back during the year under review.

Number of accidents and compensation paid.- Details regarding the number of compensated accidents and the amount of compensation paid during 1956-57 are given in the following table:-

Year.	Average daily number of workers covered.	Number of compensated accidents causing*				Amount of compensation paid**			
		Death	Perma- nent dis- able- ment.	Tempo- rary dis- able- ment.	Total	Death	Perma- nent dis- able- ment.	Tempo- rary dis- able- ment.	Total
						Rs.	Rs.	Rs.	Rs.
1956..	3,417,529	937 (0.27)	3,406 (1.00)	57,267 (16.76)	61,610 (18.03)	2,041,114 (2,178)	1,759,945 (517)	1381998 (24)	5183057 (84)
1957..	4,123,610	1,033 (0.25)	6,661 (1.62)	64,215 (15.57)	71,908 (17.54)	2,275,026 (2,204)	1,978,525 (297)	1953195 (30)	6186746 (86)

* Figures in brackets show rate per 1,000 workers covered.
 **Figures in brackets show average compensation paid per case.

It will be seen from the table that the number of compensated accidents increased during the year under review. The number of total accidents was 71,908 as against 61,610 in the preceding year. This was mainly due to the increase in the number of accidents in Factories, Mines and Buildings and Construction. The number of accidents increased from 29,446 in 1956 to 35,902 in 1957 in Factories, from 11,256 to 14,19 in Mines and from 750 to 1,547 in Buildings and Construction.

Although there was an increase in the number of accidents as compared to the year 1956, the accident rate per thousand workers decreased from 18.03 to 17.44. This decrease was mainly due to the fact that the number of workers covered during the year 1957 was very high as compared to the year 1956. The number of workers covered during the year under review was 4,123,610 as compared to 3,417,529 in the preceding year.

An analysis of the compensated accidents shows that during the year under review, 89.3 per cent of the total compensated accidents resulted in temporary disablement as compared to 93.0 per cent in 1956; 9.2 per cent accounted for permanent disablement and 1.5 per cent proved fatal. The total number of permanent disablement, cases was 6,661 which was the highest number during the period 1950-57. The accident rate per thousand workers in this case was also the highest as compared to the years 1950-56. The number of accidents causing death rose from 937 in 1956 to 1,032 in 1957. But the accident rate in the case of fatal accidents was the lowest as compared to the years 1950-56.

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The average compensation paid per accident increased from 84 rupees in 1956 to 86 rupees during the year under review. The increase was in the case of accidents causing death or temporary disablement while there was an appreciable decrease in the compensation paid for accidents causing permanent disablement. The average compensation paid per fatal accident increased from 2,178 rupees in 1956 to 2,204 rupees in 1957.

The highest rate of accidents was in the Punjab (68.82). Next in order were Madhya Pradesh (51.84) and Orissa (38.0). The average accident rate is also reflected in the accident rate of temporary disablements as these really preponderate in the total accidents. As compared to other States, the rate of fatal accidents was the highest in Punjab (2.20) and the lowest in Assam (0.04). The rate of accidents resulting in permanent disablement was the highest in West Bengal (5.09) and the lowest in Assam (.09).

The average compensation paid per accident was the highest in Andaman and Nicobar Islands (1,578 rupees). Next in order were Delhi (479 rupees), Assam (141 rupees), Uttar Pradesh (137 rupees), and the Punjab (118 rupees). The highest average Compensation per fatal accident was paid in Assam (5,827 rupees). Next in order were Delhi (2,850 rupees), Bombay (2,791 rupees), West Bengal (2,190 rupees), Andaman and Nicobar Islands (2,100 rupees) and Bihar (1,924 rupees).

Industry-wise Classification of accidents.— The general rate of accidents per thousand workers was the highest in Mines (58.54), followed by Docks and Ports (49.44), Miscellaneous group (23.15), Railways (18.54), Factories (16.84), Tramways (16.27), and Buildings and Construction (15.14). It was the lowest in Municipalities. Similar was the position with regard to rate in the case of temporary disablement except that it was higher in the case of Tramways than in Factories. The rate of accidents causing permanent disability was the highest in Mines (14.83). Next in order were Docks and Ports (7.77), Buildings and Construction (1.22) and Factories (1.01). The death rate was the highest in Buildings and Construction (0.80) followed by Mines (0.75), C.P.W.D. (0.67), Miscellaneous Group (0.63) and Docks and Ports (0.52). The death rate was the lowest in Posts and Telegraphs (0.01).

* Information is partial as the figures do not relate to all industry groups.

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The average amount of compensation paid per accident was the highest in Municipalities (810 rupees), followed by Docks and Ports (225 rupees), Buildings and Construction (208 rupees), Posts and Telegraphs (160 rupees), and C.P.W.D. (130 rupees). In Plantations, the amount (63 rupees) paid per accident was the lowest. For fatal accidents, the maximum average amount per accident was paid in the case of Tramways and Posts and Telegraphs i.e., 3,500 rupees. The maximum amount paid in the case of similar accidents in 1956 was in Posts and Telegraphs and this was 2,629 rupees. Next in order in 1957 were Docks and Ports (3,170 rupees), Railways (2,532 rupees), Municipalities (2,525 rupees), Factories (2,347 rupees), and Miscellaneous Industries (2,090 rupees). The lowest amount was paid in the case of C.P.W.D., viz., 700 rupees per case.

Occupational Diseases.- The Workmen's Compensation Act, 1923 also provides for payment of compensation in case of certain occupational diseases listed in Schedule III of the Act. In Mysore State, 1 fatal and 205 permanent disablement cases occurred as a result of the occupational diseases and compensation amounting to 3,500 rupees and 315,978 rupees respectively was paid to claimants. In West Bengal also, there were 5 cases of occupational diseases pending at the beginning of the year and no fresh case was instituted during the year. Of the 5 pending cases 4 cases were heard and dismissed while one case remained pending at the close of the year. All of them were lead poisoning cases. In Andhra, one case of silicosis was reported which remained undisposed of.

Accident rate per 1000 workers.- The following table shows the comparative accident rate per thousand workers and the average compensation paid in the main industry groups in 1956 and 1957:-

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Industry	1956		1957	
	Accident rate per thousand.	Average Compensation paid per Case.	Accident rate per thousand.	Average Compensation paid per Case.
		<u>Rs.</u>		<u>Rs.</u>
1. Factories -----	20.52	85	16.84	72
2. Plantations-----	1.87	70	1.64	63
3. Mines -----	46.76	84	58.54	67
4. Railways -----	15.50	88	18.54	100
5. Docks & Ports-----	72.19	101	49.44	225
6. Tramways -----	14.04	378	18.27	75
7. Posts & Telegraphs-	10.96	200	0.94	160
8. C.P.W.D. -----	0.59	788	4.02	130
9. Buildings & Construction.	4.85	451	15.14	208
10. Municipalities-----	0.32	1,193	0.30	810
11. Miscellaneous-----	24.18	108	23.15	109
Total.	18.03	84	17.44	86

The incidence of cost of compensated accidents per worker (obtained by dividing the amount of compensation paid by the corresponding figure of average daily employment) in certain important industries is shown in the statement below:-

Industry	1956	1957
1. Factories -----	1.3	1.2
2. Plantations-----	0.1	0.1
3. Mines -----	3.9	3.9
4. Railways -----	1.4	1.9
5. Docks and Ports -----	7.3	11.1
6. Posts and Telegraphs-----	2.2	0.2
7. Buildings and Construction-----	2.2	5.3
OVER ALL AVERAGE -----	1.5	1.5

Proceedings before Commissioners for Workmen's Compensation.— In about 26.8 per cent of the accidents, workers getting below 50 rupees were involved. Workers getting wages between 50 rupees and 100 rupees accounted for 58.7 per cent of the total accidents, those getting between 100 rupees and 200 rupees accounted for 7.1 per cent and those getting 200 rupees accounted for 7.4 percent of total accidents.

During this year 1956, about 29 per cent of accidents involved workers getting less than 50 rupees per month as against 26.8 per cent during the year under review. Similarly, the percentage of accidents involving workers getting more than 100 rupees was 10 in 1956 as against 14.5 during 1957. The percentage of accidents involving workers in middle income groups, viz., 50-100 decreased from 61 per cent in 1956 to 58.7 per cent during the year. Among different wage groups, the percentage to total accidents was the highest (26.2) in the wage group 8-100 rupees followed by the wage group 70-80 rupees (19.0) and 60-70 rupees (8.0). Of the 9,371 cases dealt with by the Commissioners, about 56.1 per cent related to temporary disablement, 28.1 percent to permanent disablement and the remaining 15.8 per cent, to fatal. The corresponding percentages for the year 1956 were 64, 21 and 15 respectively. As in the previous year, women accounted for only 3 per cent of the total accidents during the year under review.

The percentage distribution into wage groups of cases of adult workers coming up before the Commissioners for legal proceedings during the years 1947-57 shows that there was an increase in the percentage of cases relating to workers getting monthly wages between 30 rupees and 60 rupees from 15.0 in 1956 to 16.0 in 1957. Similarly, in the category of workers getting monthly wages of 60 rupees and above it increased from 65.7 in 1956 to 67.7 in 1957. The percentage of cases relating to workers getting 50 rupees and above was the highest on record since 1947. The percentage for workers getting below 30 rupees declined from 19.3 in 1956 to 16.3 in 1957.

Of the 3,675 cases relating to notices of claims disposed of under Section 10 or transferred to other Commissioners for disposal, 832 related to fatal accidents, 2,506 permanent disablement and the remaining 337 to temporary disablement. The Commissioners also disposed of 1,115 cases under Section 8 of the Act pertaining to deposits relating to fatal accidents.

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At the beginning of the year under review, 71 appeals were pending and during the year 26 fresh appeals were received. Of these, 44 were disposed of during 1957 leaving a balance of 53 appeals pending at the end of the year under review. In Andhra 8 appeals were pending at the beginning of the year and no fresh appeal was filed during the year. No appeal was disposed during the year. In Uttar Pradesh and West Bengal the number of appeals pending at the close of the year was less than that pending at the commencement of the year.

In organised establishments where trade unions are active, the workers and their dependants have been making claims for compensation in accordance with the law. In larger number of smaller factories, however, the workers are still found to be ignorant of the provisions of the law and as a result they are not able to file applications in time before the competent authority. In West Bengal, some trade unions of the Calcutta Port have been helpful to the injured workmen who, unaided, could not have otherwise filed their cases. In Bombay, the Insurance Companies representing employers in Workmen's Compensation cases, rendered co-operation in the prompt disposal of claims and especially submitting memoranda of agreement.

In Andhra, the State Government sanctioned a sum of 1,000 rupees during 1957-58 for providing legal assistance at State cost to the injured workmen or their dependants for the conduct of cases under the Workmen's Compensation Act. The Commissioner for Workmen's Compensation was authorised to engage counsel on behalf of the deserving applicants at State cost subject to a maximum of 50 rupees in respect of each case. During the year under review, in four cases, legal assistance was given to the dependants to conduct such cases.

(A review of the working of the Act during 1956 was given at Section 93, pp. 90-94 of the report of this Office for May 1958).

(Indian Labour Gazette, Vol. XVI, No. 9,
March 1959, pp. 694-708).

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CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

INDIA - APRIL 1959.

111. General.

Safety Measures in Mines: Dhanbad Conference's
Recommendations.

The Conference on safety in mines which concluded at Dhanbad on 29 January 1959, has drawn up a comprehensive set of recommendations aimed at preventing mine accidents. Among the measures suggested are development of safety consciousness among the staff and workers and stabilization of the labour force.

The conference, which was attended by technical experts, representatives of workers, employers and Government, and Members of Parliament, was presided over by ShriAbid Ali, Union Deputy Minister for Labour.

Regarding methods of recruitment, the conference felt that a stable and permanent labour force would go a long way in ensuring safety in mines. For this purpose, the existing methods of recruitment should be improved. A list of workers retrenched or likely to be retrenched should be maintained by the Mines Welfare Organisation or any other suitable agency. Workers on this list should have first claim on future vacancies. As far as possible, local labour should be given preference over outside workers.

Causes of Fatigue.- The conference suggested that a body of experts should carry out a scientific study of causes of fatigue. It should also examine the question of working hours. Since physical fitness of workers helped in reducing accidents, they should ~~the~~ be medically examined at the time of first appointment and subsequently every two years. A high priority should be given to the question of housing for mine workers and supply of wholesome drinking water and sanitary arrangements in their colonies.

Training and Education.- The conference was of the view that without competent and dependable workmen, operators and officials, no programme of safety in mines could make any headway. It therefore suggested the setting up of a sub-committee to examine the entire question of training schemes and the personnel who would receive this training.

Regarding safety education, the conference ~~felt~~ felt that schemes to make the mining staff safety-minded should not only give necessary knowledge about safety but also instil in them a sense of discipline and the right attitude towards safety. The chief aim should be to make them want safety.

For the senior managerial staff, a quarterly safety bulletin should be brought out and safety conferences should be held at least once a year. For other officials and workers, accident prevention courses should be introduced. First ~~and~~ training amongst mine workers should be intensified and safety weeks should be held frequently. Safety awards should be instituted and officials' safety meetings should be held at the mine-level.

Technical Measures.- The conference felt that a committee should conduct investigations with a view to making more specific regulations about the standards of ventilation and lighting. The use of open lights should be prohibited and precautions relating to the use of electricity should be incorporated in the Mines Regulations ~~instead of in the Indian Electricity Rules, as at present.~~

Regarding the problem of inflammable gas, it was felt that more attention should be paid to ~~more~~ analysis of air in the mines and only specially trained persons should be employed on the job. It was suggested that a technical sub-committee be appointed to consider the problems created by coal dust and to suggest measures to deal with them. Where heat and humidity were above a specified level, the duration of shift should be reduced or other suitable procedures adopted to make allowances for those.

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The conference agreed that constant efforts should be made to raise the standard of handling and use of explosives. The possibility of using substitutes for breaking coal in gassy mines should be explored. In all the mines above a prescribed size a qualified person should be appointed as safety officer. It was proposed that suitable awards should be introduced for exceptional acts of courage during rescue work. A medical inspectorate should be set up within the Mines Department to undertake regular industrial hygiene surveys in mining areas. Steps should be taken for the manufacture in India of essential safety material.

It was suggested that the definition of Agent in the Mines Act should be amended to include every person, other than a owner or agent, who takes part or has any effective say in the technical management of the mine. Regarding periodical re-examination of persons holding gas-testing certificates, it was agreed that every such person should be required to have his certificates renewed at stated intervals.

The conference felt that no safety official should be dismissed on grounds relating to safety unless his case had been discussed in the Pit Safety Committee. It was considered desirable that workmen should have the right to get the mines inspected by their chosen representatives, who should not, however, deal with matters relating to wages, labour disputes, etc. At every large mine, a Safety Committee should be set up to discuss matters relating to safety.

The conference endorsed, with a few changes, the general recommendations made by the Court of Inquiry into the Chinakuri Colliery Accident.

(Indian Information, Vol.2, No.2,
15 February 1959, pp. 50-51).

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Sixth Session of Industrial Committee on Coal Mines,
New Delhi, 21 February 1959.

The sixth session of the Industrial Committee on Coal Mines was held at New Delhi on 21 February 1959. Besides Central Government representatives, the meeting was attended by representatives from the Government of Assam, Andhra Pradesh, Bihar, Madhya Pradesh and Uttar Pradesh. Employers were represented by delegates from the Indian Mining Association, the Indian Mining Federation, the Madhya Pradesh Mining Association, the Indian Colliery Owners' Association and the National Development Corporation. Workers' representatives were sent by the three Central Federations of trade unions - the I.N.T.U.C., the A.I.T.U.C. and the H.M.S.

Agenda.- The Committee had before it the following agenda:-

1. Action taken on the conclusions of the Fifth Session of the Committee held in New Delhi in August, 1956.
2. Abolition of contract labour system of employment in Coal Mines.
3. Abolition of the C.R.O. and other private Labour Camps and the further continuance of the Gorakhpur Labour Organisation.
4. Conclusions of the Ad-hoc meeting of the Coal Mining Interests held in Calcutta on the 3rd August 1958 (for information).
5. Revision of the Standing Orders in the Coal Industry.
6. Re-employment of workers' partially disabled by accidents and workers cured of T.B.

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7. Inclusion of Malis, Sweepers, domestic servants, colliery school teachers and non-working miners' sirdars within the scope of Coal Mines Provident Fund Scheme.
 8. Water supply in the Coal Fields.
 9. Review of the position regarding provision of Pit-head Baths and Creches at the Coal Mines.
 10. Functioning of Works Committees in Collieries.
 11. Gratuity and old age pension.
 12. Conclusions reached at the Mines Safety Conference.
 13. Implementation of the Code of Discipline in the Coal Mining Industry.
 14. Training Scheme for coal mine entrants.
 15. Grant of paid festival holidays to doctors employed in Collieries.
 16. Proposal to constitute a Sub-Committee for discussing general problems concerning workman employed in the coal industry.

Labour Minister's address.- Inaugurating the Session, Shri Gulzarilal Nanda, Union Labour Minister emphasised the need for greater output of coal but made it clear that this should not be done at the cost of workers' safety. He said that earnest efforts are required to be made by all the three parties, viz., employers, workers and the Inspectorate Staff to ensure that the incidence of accidents was reduced to the barest minimum. In this connection, he emphasised the need for imparting initial training to the workers so as to acquaint them with the hazards of mining before they were actually put on the job. Referring to the incidents of violence and intimidation on the part of the workers and their possible causes, he drew attention of the Committee to the newly evolved Code of Discipline which, if fully observed, should eliminate the source of discontent on both sides.

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Expressing dissatisfaction on the functioning of the Works Committees, he said that a spirit of purposeful participation was necessary on the part of both the parties, workers and employers for the successful functioning of Works Committees. On the question of supply of drinking water in the coal-fields, he said that coal mines welfare organisation had been doing something to solve this problem. With the limited resources at the disposal of this organisation, it could not solve the problem alone. He suggested that smaller schemes should be chalked out by the collieries or groups of collieries which they could finance themselves. The Coal mines welfare organisation, would render financial assistance in the form of subsidy. The State Governments in these areas could also render considerable assistance by implementing bigger schemes.

Regarding the demand for abolition of the Coal-field Recruiting Organisation, he said that Government had appointed a tripartite Committee in 1954 to suggest ways and means of improving the working of the Organisation and that its recommendations had already been implemented. There might be room for further improvements. He invited suggestions for such improvements as well as improvements in the running of labour camps run by private recruiting agencies. As regards rehabilitation of workers disabled by accident or disease, he said that while there would be general agreement regarding the need for their rehabilitation progress in this direction was not considerable.

Conclusions:- The main conclusions of the Committee were as follows:-

Item 1: Action taken on the conclusions of the Fifth Session of the Committee held in New Delhi in August, 1956.
Water Supply.- The question of employers' and workers' members of the Coal Mines Welfare Fund Advisory Committee being included in the Water Board in Jharia should be taken up again with the State Government concerned. (Also see under item 6).

Amendment of the Mines Act.- The Amending Bill should be introduced in Parliament at an early date. In case, there was any delay in the legislation, the managements should consider giving effect to the provisions already agreed upon, namely, overtime and annual leave, on a voluntary basis from the 1 June 1959.

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Item 2: Abolition of contract labour system of employment in Coal Mines.- No new category of work should be brought under the contract system. If any new category had been brought under the contract system after August 1956, the position should be rectified.

Shri A.B. Guha, Mining Adviser, Ministry of Steel, Mines & Fuel and Shri S.P. Mukherjee, Chief Labour Commissioner, should jointly carry out a study and submit a report covering all aspects of the question and with special reference to the categories of work which should be allowed on contract basis.

Item 3: Abolition of C.R.O. and other private Labour Camps and the further continuance of the Gorakhpur Labour Organisation.- The Gorakhpur Labour Organisation might continue, for the present, for purposes of recruitment of only but all forms of control or regulation exercised separately over Gorakhpur Labour after recruitment should cease. There should be a joint co-operative organisation which should look after the various aspects of recruitment, training and welfare of all labour so that there was no distinction between the Gorakhpur labour and other labour.

Steps should be taken to devise a scheme for this purpose.

Item 5: Revision of the Standing Orders in the Coal Industry.- The Sub-Committee contemplated under item 16 should meet early to consider the revision of Standing Orders.

Item 6: Re-employment of workers partially disabled by accidents and workers cured of T.B.- Wherever possible workers disabled through accidents should be re-employed in suitable light jobs. Employers also agreed to participate in schemes of auxiliary employment to be worked out by the C.M.W.C.

Item 7: Inclusion of malis, sweepers, domestic servants, colliery school teachers and non-working miners' sirdars within the scope of Coal Mines Provident Fund Scheme.- Teachers, malis, sweepers and domestic servants who were on the pay roll of the Company should be allowed to participate in the Provident Fund. Non-working sirdars who performed some production functions, should also be allowed to participate.

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Item 8: Water Supply in the Coal Fields.- The Sub-Committee contemplated under Item 16 should go into the whole question and suggest suitable steps for the solution of the problem.

There should be a Special Officer of a high level in the Coal Mines Welfare Organisation to deal with this question at least for the time being. Steps should be taken to get the services of a Public Health Engineer for this purpose with the help of the Health Ministry.

Item 9: Review of the position regarding provision of Pit-head Baths and Creches at the Coal Mines.- The Coal Mines Welfare Commissioner would issue a suitable questionnaire and obtain full information about the present situation including the difficulties standing in the way of progress in the construction of baths. The matter would thereafter be examined with particular reference to design and location of baths.

Mines employing 25 women should, provide creches.

Item 10: Functioning of Works Committee in Collieries.- The Central and State Rules should be studied and appropriately amended with a view to removing the obstacles in the way of successful working of these Committees.

Item 11: Gratuity and Old age pension.- The question should be examined by the Sub-Committee contemplated under item 16 in the light of the recommendations made by the Study Group on Social Security.

Item 13: Implementation of the Code of Discipline in the Coal Mining Industry.- There should be a Special Officer, stationed in the area, to ensure the smooth implementation of the Code. The Sub-Committee contemplated under item 16 would deal with general matters connected with the Code.

Item 14: Training Scheme for coal mine entrants.- The Training Scheme would be re-examined by a Sub-Committee consisting of two employers' representatives, two workers' representatives, the Chief Inspector of Mines and the Mining Adviser, Ministry of Steel, Mines and Fuel.

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Item 15: Grant of paid festival holidays to doctors employed in Collieries.- No specific action was recommended on this subject.

Item 16: Proposals to constitute a Sub-Committee for discussing general problems concerning workmen employed in the coal industry.- The Sub-Committee for the purpose should consist of 1 government representative and 1 representative each from the employers' and workers' organisations represented on the Industrial Committee on Coal Mining.

(A set of documents prepared on the various items of the agenda together with a summary of the Proceedings of the Meeting have been sent to Geneva vide this Office Minute No.E.5/972/59 dated 16 May 1959).

(Summary of Proceedings of the Industrial Committee on Coal Mining, received in this Office).

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LIST OF PRINCIPAL LAWS PROMULGATED DURING THE
PERIOD COVERED BY THE REPORT FOR APRIL 1959.

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

Tiruchirappalli Kaiaeruvaram and Mattuvaram Act, 1958
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Industrial Disputes (Bombay Provision for Uniformity)
Act, 1959 (No. XVI of 1959). (Bombay Government Gazette,
Part IV, 2 April 1959, pp.234-235).

CHAPTER 9. SOCIAL SECURITY.

Workmen's Compensation (Amendment) Act, 1959 (No. 8 of 1959).
(Gazette of India, Extraordinary, Part II, Sec. 1, 31 March,
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CHAPTER 3. ECONOMIC QUESTIONS.

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- * (c) Tenth Census of Indian Manufactures 1955: By H. Ghosh, Director, Directorate of Industrial Statistics, Cabinet Secretariat, Calcutta, 1959. Price Rs.24.50 or 37s.6d. pp.716.
- (d) Thoughts on Education and Some Allied Problems: By Sampurnanand: Information Department, Lucknow. Rs.3.
- (e) Hindustan Year-Book and Who's Who 1959: By S.C. Sarkar; M.C. Sarkar & Sons Ltd., Calcutta; Rs.5.

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- * Report on the Working of the Workmen's Compensation Act in the State of Madras for the Year 1957. Government of Madras 1959. Price 40 naya Paise. pp.9.



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