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INTERNATIONAL LABOUR OFFICE  
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I.L.O. REGISTRY-GENEVA

5 JUN 1967

Industrial and Labour Developments in  
March-April 1967.

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With  
on:

N.B. Each Section of this Report may be taken  
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## CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

### INDIA - MARCH-APRIL 1967.

#### 11. Political Situation and Administrative Action.

##### West Bengal: Casual Labour to be Abolished Soon.

Shri Subodh Banerjee, the Labour Minister of West Bengal announced at Gauhati on 21 April 1967 that the Government would soon abolish casual labour, revise minimum wages, extend the Industrial Disputes Act to more categories of employees and reorganise the Employees' State Insurance Scheme. He said that legislation would also be introduced to abolish contract labour wherever possible and regulate it in a few industries such as road-building where such labour was indispensable. He said casual labour was entitled to several benefits after completion of 240 days of work, but the labourers were always being deprived of them through various unfair means. The Government thought that the only remedy was to ban casual labour.

He disclosed that thirteen minimum wage committees were now engaged in revising the minimum wages in a number of important industries accounting for a total labour force of 4,600,000. The Minimum Wages Act would also be extended to industries employing 10,000 workers.

He described Employees' State Insurance Scheme in its present form as a "source of great waste and corruption". The system of panel doctors would be abolished. Full-fledged Government doctors would be appointed and the Government would open its own pharmacy to prevent overcharging of drugs and deception of unbettered patients.

Shri Banerjee said the "present propaganda about gheraos in the State are a little more than a bogey by industrialists to pressurise the Government to abandon its progressive labour policy."

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There were more than 700 gheraos in the State last year whereas there were only 41 cases last month.

Nearly eight per cent. of the gheraos in March had been suspended and the resumption of the 20 per cent. in recent days was due to the non-implementation of the assurances given by industrialists at the recent tripartite conference.

(The Times of India, 23 April, 1967).

13. Press and OpinionINDIA - MARCH - APRIL, 1967

In addition to the attached clippings, the following references to the work of the ILO appeared in Indian journals received in this office.

1. The Central Board for Workers' Education has published a review on workers' education in India. The review contains numerous photographs among which one shows an ILO Fellow from Mauritius attending a Seminar and another shows ILO Expert Prof. C.A. Orr at one of the education centres.

2. An article on 'Child Welfare and Five Year Plans' is published by the January 1967 issue of 'Kurukshetra'. There is an incidental reference to the ILO.

3. The January 1967 issue of 'Bank Karamchari', refers to "Important ILO Meetings" being held in "White Collar Year" 1967. The journal also published a news item regarding the admission of Nepal to the membership of the ILO.

4. The February 1967 issue of 'Asian Labour' publishes an editorial on "man-power planning - in Asia". The article expresses satisfaction that the ILO should have focussed attention of this problem at its Asian Advisory meeting at Singapore.

The same issue of the journal published an article on 'Trade Union Unity; why and on what Basis' by the President of All-Japan Postal Workers' Union (ZENTEI). An incidental reference is made to the 50th International Labour Conference when American Labour representatives walked out of the Conference in protest over the election of the Chairman.

The journal also publishes a news item concerning a protest lodged by the ICFTU against the arrest of a number of striking teachers in Japan. A reference is made to the ILO Fact-Finding and Conciliation Commission.

The journal also publishes a news-item concerning the 5th World Congress of the International Federation of Petroleum and Chemical Workers. Incidental references are made to International Labour Conventions.

which has appeared in February 1967 issue of the Reserve Bank of India Bulletin refers to the ILO study on the subject.

5. An article entitled "Prices, Wages and Incomes Policies: Some lessons of Foreign Experience". Discussing "creeping inflation" the article in a foot note observes, "for a brief account of this phenomenon reference may be made to H.A. Turner and H. Zoetewij, 'Prices, Wages, and Income Policies in Industrialised Market Economies', ILO Geneva, 1966'. The same article is published in the 'Indian Worker' dated 27.3.1967

6. The 'Indian Rail Worker', March 1967, publishes a news item concerning the mission in India of the ILO Regional Adviser on Workers' Education.

The same issue contains an article on 'National Practices of Labour Management Relations on Railways'. The source is acknowledged as "ILO Report".

7. The March 1967 issue of Workers' Education refers to Mr. Zofka's visit to the regional centre at Jamshedpur and also publishes his message of appreciation.

8. The April 1967, issue of 'Asian Labour' contains the following references to the ILO:

(a) A news item about striking Japanese teachers. The news item denounces the prosecution of union leaders 'as violation of trade union rights enshrined in ILO Convention'.

(b) A news item concerning a decision taken by the Malaysian Trade Union Congress to write to 'ILO and other bodies concerned with free labour' regarding the workers of the Public Daily Rated Employees' Unions Federation.

(c) A news-item concerning ICFTU's complaint to the ILO against the Government of Liberia for violating ILO Conventions concerning freedom of association and protection of the right to organise and to bargain collectively.



(d) A news item regarding AFL-CIO action urging the U.S. Senate to accelerate the ratification of International Labour Convention 105 - on Forced Labour.

9. 'Indian Worker', dated 6 March 1967 publishes the following references to the ILO:

(a) Election of ILO Director-General David A Morse for another five-year term.

(b) A news item concerning a ICFTU's appeal to Nepal for release of imprisoned trade unionists in conformity with International Labour Conventions.

(c) A news-item concerning ICFTU's complaint to the ILO against Liberia for infringement of trade union rights.

(d) A news-item concerning a Liberian Government to ILO Headquarters and ICFTU Headquarters.

10. The Indian Worker, dated 3 April 1967 publishes a news-item concerning a letter from the ILO Director-General to the Assistant General Secretary of the ICFTU thanking him for his felicitations and stressing the common goals of the ILO and ICFTU.

11. The Indian Worker dated 17 April 1967 publishes an article entitled "ILO and Human Rights" by C. Wilfred Jenks, Deputy Director-General of the ILO. The article is based on a statement made by the author before the 23rd session of the Commission on Human Rights of the Economic and Social Council.

13.

Press and Opinion

India, March-April, 1967.

The Indian Textile Journal,  
Bombay, Feb'y. 1967

**Mr. R. Raghunath Rao**

The death occurred recently in Switzerland of Mr. Raghunath Rao, a former Assistant Director-General of the I.L.O.

Educated at the Universities of Madras, Edinburgh, Paris and Geneva, Mr. Rao joined the I.L.O. in 1932 and was the first Asian to hold the rank of Assistant Director-General to which post he was promoted in 1948.

## INDIA: INDUSTRIAL REVOLUTION MADE TO ORDER

**T**HE extent to which industrially developing countries are able to avoid the social hardship which accompanied industrialisation in the West is a question of key importance to millions of workers and to the national communities to which they belong.

Among the efforts being made in many places to "humanise" the twentieth century industrial revolution, those of India deserve special mention, for they have resulted in the establishment of a network of Labour Institutes, which function as centres for the scientific study of the human aspects of industrial development.

At an early stage in the planning of the present industrialisation programme, the Indian Government was aware of the need for a service of this nature. It was quite evident that industry could not be modernised, diversified and expanded merely by installing the required plant and expecting it to function smoothly. For one thing, a great number of skilled workers and technicians were needed, and the instructors to train them had to be found.

### International Partnership

**I**NDIA was at a disadvantage in that like so many other developing countries, it had to do almost everything at once, but there was nothing to prevent it from drawing on the long and often hard-won experience of the industrially developed countries.

One channel through which this experience was made available was International Labour Organisation. At the Government's request, a five-man ILO productivity mission worked in the country from 1952 to 1954.

The chief outcome of the mission was the establishment of the Productivity Centre at the Central Labour Institute in Bombay. Since its inception in 1955, the Centre has demonstrated the effectiveness of modern productivity improvement techniques in a wide range of industrial situations.

The Centre's most significant achievement has perhaps been in creating a climate of opinion conducive to the application of higher productivity techniques. In important industrial centres such as Calcutta, Bombay and Madras, productivity projects have resulted in the formation of local productivity councils. The Productivity Centre was a pioneer in supervisory training, management development and training in industrial engineering at plant level, a field in which a number of agencies are at work today.

four years of its operation. In that period, 173 training officers from various establishments were trained by the Centre; these in turn went on to train some 37,000 supervisors in in-plant programmes.

### Regional Institutes Established

**T**HE demand for the Institute's services led to a decision to extend its work into the heart of other principal industrial regions through the establishment of Regional Labour Institutes, each modelled on the pattern of the Central Labour Institute, though on a smaller scale. Once more the Government enlisted the co-operation of the ILO. Acting this time as executing agency of the United Nations Development Programme (Special Fund), the ILO provided equipment and a team of international experts in management development, industrial physiology, industrial psychology and visual publicity. The Regional Institutes, now entirely staffed and operated by Indian nationals continue to receive ILO expert assistance on a short-time basis through the United Nations Development Programme, the primary purpose being to enable them to keep abreast of new techniques.

Government and industry alike attach considerable weight to the contribution of the ILO team of international experts in the setting up and initial operation of the Regional Labour Institutes. Professor M.S. Thacker of the Indian Government's Planning Commission sees such projects as "Milestones of advance on the road of international development."

That industry's response to the full range of services offered by the Institutes has been good is hardly surprising, considering the benefits which industry stands to reap from the application of the various sciences having to do with men at work. The six firms which in one period in 1964 received advice from the ILO mission on office organisation, systems and procedures are completely "sold" on the idea—they secured total savings of \$50,000 side by side with a productivity increase. No forward-looking enterprise can afford to dismiss evidence as compelling as this.

**T**HE activities of the Institutes are so planned as to provide an integrated technical service to

grammes an opportunity for fruitful debate and study of questions of common concern.

The effects of these activities are both measurable and immeasurable. In terms of reduced cost per unit of production, increased output, improved working conditions and techniques, the result can be recorded and evaluated. There are other effects however, which are not to be seen in company balances sheets; these include improvements in morale, in attitudes towards work, in adaptation to new environments. They, too, are essential in the development of a sound economy and a healthy society.

Now on the threshold of its fourth Five-Year Plan, India is engaged in nothing less than a pre-planned industrial revolution—a

United Nations Week by  
NEWS LETTER,

New Delhi, 10.3.67

### David A. Morse Re-Elected ILO Director-General

THE Governing Body of the International Labour Organisation on 27 February at its one hundred and sixty-eighth session unanimously re-elected David A. Morse as ILO Director-General for a new five-year period, to begin in September 1968 at the end of his current term of office.

Mr. Morse was first elected Director-General in June 1948 for a ten-year period; he has since been re-elected twice in succession in May 1957 and March 1962, on each occasion for a five-year period.

Mr. Morse has now headed the ILO for more than 18 years—a term of office unprecedented in the annals of international organisations.

During the 18 years in which Mr. David A. Morse has been Director-General of the ILO the Organisation has undergone some very profound changes.

The membership of the Organisation increased from 55 in 1948 to 118 in January 1967. The regular budget of the Organisation increased from almost \$4.5 million in 1948 to \$22.5 million in 1967.

The Times of India,  
Bombay, 11.4.67

## Future for labour bright, says Bombay expert

By A Staff Reporter

"If politics is not brought in in the day-to-day working of labour unions, the future of the trade union movement in India is bright," observed the veteran industrial relations expert, Mr. S. C. Joshi, in an interview in Bombay on Monday.

Mr. Joshi, who has been invited by the Central Government to join a labour committee under the chairmanship of Mr. P. B. Gajendragadkar, vice-chancellor of Bombay University, was presented with a gold pin of the St. Xavier's Social Institute of Industry by his colleagues and students on his 75th birthday.

The labour situation at the moment, Mr. Joshi said, was very depressing. "There is still hope for labour to come into its own if every labour problem is not given a political shift."

Himself closely connected with problems of industrial labour for 50



Mr. S. C. Joshi

years, Mr. Joshi referred to the emergence of Opposition parties in several States and said he foresaw a bright future for labour as most of Opposition leaders would now realise the need to keep labour affairs free from political entanglements.

Mr. Joshi has held many responsible posts. He was the first chief labour commissioner of the Government of India who organised the industrial relation machinery, was adviser to Mr. V. V. Giri, a former Union Labour Minister. Mr. Joshi took a leading part in the framing of industrial law in India, represented Indian labour at the International Labour Organisation's conference at Geneva in 1930, was member of the Bombay Legislative Assembly and a municipal councillor.

At present he is the doyen of the professors at the St. Xavier's Social Institute of Industry.

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CHAPTER 2. INTERNATIONAL AND NATIONAL  
ORGANISATIONS.

INDIA - MARCH-APRIL 1967.

21. United Nations and Specialised Agencies.

Food Aid Worth \$5.9 Million Granted to  
India by F.A.O.

The Food and Agriculture Organisation of the United Nations decided at a meeting in Rome on 20 April 1967, to grant food aid of 25 million dollars for 11 economic projects in India, Afghanistan, Korea, the United Arab Republic, Chad, Tanzania, Upper Volta, Burundi and Brazil.

India will benefit most from the aid. In five years she will get food aid of 5.9 million dollars to develop her agriculture and commercialisation centres. An addition of 2.9 million dollars will be given for canal construction by 12,000 workers in Rajasthan.

(The Hindustan Times, 21 April, 1967).

24. Non-Governmental Organisations  
(International, Regional and National)  
Other than Employers' and Workers'  
Trade Organisations.

India - March-April 1967.

World Assembly Meeting of the International  
Secretariat of Volunteer Services held at  
New Delhi, 29 March-3 April 1967.

The World Assembly meeting of the International Secretariat of Volunteer Services was held at New Delhi from 29 March to 3 April 1967. The meeting was attended by an official from Headquarters.

(The Statesman, 4 April, 1967)



25. Wage-Earners' Organisations.

India - March-April 1967.

Ceylon: Tea Estate to be run by a Trade Union.

For the first time in Ceylon, a tea estate has been taken over on lease by a trade union to be run on behalf of its members from this month. The trade union is the Ceylon Workers' Congress, led by Mr. S. Thondaman, and the estate is the 300-acre Kintyre estate at Maskeliya, 100 miles from Colombo.

The estate is among those acquired by the Government for the purpose of a hydro-electric scheme.

(The Times of India, 21 April, 1967).

25. Wage-Earners' Organisations

Twelfth Annual Conference of Indian National Mineworkers' Federation held at Barbil (Orissa), 19 April 1967

The 12th Annual Conference of Indian National Mineworkers' Federation was held at Barbil (Orissa) on 19 April 1967. Shri Michael John presided over the Conference. Amongst others, the Conference adopted resolutions on early acceptance of Wage Board recommendations, nationalisation of mines, abolition of contract and C.R.O. systems, subversion of freedom and democracy and regular supply of foodgrains to workers.

Presidential Address

Delivering the presidential address, Shri Michael John regretted the inordinate delay being taken by the different Wage Boards in the submission of their reports and acceptance by the Government of their recommendations.

Shri Michael John said that although the value of mineral production had gone up from Rs.710 million in 1951 to Rs.2470 million in 1966 and the productivity of the mineworkers had been rising, they were living in sub-human conditions. He urged upon the Government to see that suitable steps were taken to improve the working and living conditions of mine workers. While plans and programmes of industrial production were carried out with vigour and enthusiasm, there was a corresponding apathy and indifference to the problem of providing primary necessities of life to them. He said that bipartite agreement regarding the abolition of contract system in the Coal Industry still remained unimplemented and it was unfortunate that the employers were delaying its proper interpretation and implementation. He hoped that the Government would refer this long-standing dispute without any further delay to the Court of Enquiry or the National Commission of Labour as was decided at the last meeting of the Industrial Committee on Coalmining. The President stressed the necessity of raising the present absurdly low rate of compensation to a level which would act as a deterrent to neglect of safety

provisions. He therefore suggested modifications in the Workmen's Compensation Act so as to provide for injury leave upto at least six months with full pay in addition to free hospitalisation. Concluding his speech, the President appealed to the workers to develop their own strength and solidarity and not rely upon any other agency for the redress of their grievances and furtherance of their interests.

General Secretary's Report: The Secretary presented his report to the Conference which reviews the activities and progress of the Indian National Mineowners' Federation during the year 1966-67. The report, among other matters, has dealt with rise in prices, wage boards, industrial relations, situation in the coal-mining industry; non-payment or delayed payment of profit-sharing bonus, conclusions of the tenth session of the Industrial Committee on Coal Mining, abolition of contract and C.R.O. systems, situation in mines other than coal, safety, social security and welfare measures etc.

Resolutions: Adopting a resolution on nationalisation of mines, the Federation expressed the opinion that without nationalisation it would not be possible to rationalise the structure of the mining industry which was absolutely necessary for ensuring scientific and economic exploitation of the country's mineral resources. The Conference therefore demanded for the immediate nationalisation of coal and other mines.

The Conference also adopted resolutions urging the abolition of contract system and C.R.O. system.

Expressing its concern over the deterioration in the living conditions of workers in mines other than coal, iron-ore, limestone and dolomite, it demanded that the recommendations of the iron-ore, limestone and dolomite Wage Boards be extended to the manganese mines also, more specially where they are situated in the same region. The Conference also urged upon the Government to see that Wage Boards or other suitable wage-fixing machinery are immediately set up for other mines.

(Documents of the Conference received  
in this office)

26. Organisations of Foremen and of Manager of Undertakings.

India - March-April 1967.

Women Pilots Association Formed.

At a meeting of women pilots in the country held at Bombay on 19 April 1967, an Indian Women Pilots Association was formed. Mrs. Chanda Sawant and Mrs. Rabis Futehally were chosen as the President and Secretary respectively.

(The Statesman, 20 April, 1967).

28. Employers' Organisations.

India - March-April 1967.

40th Annual Session of the Federation of  
Indian Chambers of Commerce and Industry  
held at New Delhi, 8 April 1967.

The 40th annual session of the Federation of Indian Chambers of Commerce and Industry was held at New Delhi on 8 April 1967. The Conference was inaugurated by Shri Morarji Desai, Deputy Prime Minister and Minister of Finance. Shri Ramanbhai B. Amin presided. The Conference adopted resolutions on Agricultural Development, Taxation and Economic Development, Planning and Administration, Economic Situation and Social Unrest.

Presidential Address.- Addressing the Session Shri Ramanbhai B. Amin pointed out how the economy of the country was running down since last four years. The national income in real terms ~~and~~ went up only by 13 per cent. as against the Plan expectation of 30 per cent.; in 1965-66 actually declined by 4 per cent; The production of foodgrains went down from 82 million tonnes in 1960-61 to 76 million tonnes in 1966-67, as against our requirements of over 90 million tonnes; Industrial production increased by just 40 per cent. as compared to the Third Plan target of 70 per cent.; in 1966 the increase was only 3 per cent.; Between April and December 1966, the foreign exchange reserves fell by the equivalent of about 18 million dollars despite a net drawing of 137.5 million dollars from the International Monetary Fund; In contrast with these shortfalls, the population increased at the rate of 10 million per year, and the backlog of unemployment steadily grew to 11 million; prices rose by 60 per cent. since March 1963, by 18 per cent. in 1966-67 alone.

The President was of the view that neither the two aggressions on the Northern borders nor the failure of monsoons nor the dearth of foreign exchange but faulty planning, wrong policies and poor implementation constituted the major cause for such an adverse economic situation. There was lack of feeling of participation and enthusiasm in the people in the great national endeavour of production. The President said that the emphasis on Governmental expenditures had undoubtedly led to harmful consequences and the search for revenue was unabated resulting in steeper taxes, higher prices and lesser production. To revive the economy, the President suggested his plan for operation revival. The plan recommends the following action by the Government:

Complete as fast as possible all projects which are under construction before investing in any new undertaking;

Enable the full utilisation of established capacity in private and public sector enterprises;

Reduce and rationalise taxation;

Cut public expenditure at least by 10 percent.;

Remove obstacles like industrial licensing, price controls, etc.;

Adopt a more constructive monetary policy which will help production and distributive trade;

Re-organise the administrative system so that delay attracts penalty, and speedy disposal, recognition.

The Plan further suggests that both the Government and Private Sector should accelerate production of agricultural inputs like fertilisers, improved seeds, agricultural machinery and implements, insecticides and spraying equipment. It also urges the private and public sector enterprises to : Satisfy the consumer by improving quality, widening the range of choice and giving him his money's worth; Meet the growing requirements of goods and services in rural areas; Secure greater efficiency and lower costs; Use indigenous techniques and expertise to the fullest extent and minimise the import bill; Increase export earnings by exploring new markets and exporting new products. And above all, for the successful implementation, the workers must exercise discipline in their demands, take greater pride in their work and help increase productivity and earn more.

### Resolutions:

Resolution on Agricultural Development.- In view of the Federation, the growth of agriculture of the kind and at the pace necessary could only be accomplished if the working methods of modern industry were applied to agriculture. Towards effectively implementing an action-oriented programme Government should associate representatives of industry and business in all their programmes of agricultural development. Such programmes should be initiated by industry too, and Government must not only encourage the industry in this regard but also make available part of the funds specifically being raised from industry for agricultural development. Industry must obviously produce the inputs and make available technical know-how and after-sales services as well. Specifically speaking, industry could take greater interest in agriculture by starting Agricultural Service Centre and entering into detailed contracts to supply the inputs and purchase the output. The Resolution also recommended provision of short and medium term credit to the farmer for the purchase of implements and inputs.

Resolution on taxation and Economic Development. The Federation was convinced that the tax policy followed by Government was mainly responsible for inhibiting production, increasing prices, reducing savings in the hands of the people and rendering the capital market lifeless. In the light of the emergent needs of productive employment, there should be a phase of tax cuts, to help growth-generating activities by the people for the people. In this behalf the Federation made the following main recommendations:

1. Besides eliminating the surcharges on income tax, the maximum marginal rate of tax on personal income should be substantially brought down. In view of the fall in the value of money, the tax rate slabs should also be appropriately revised.
2. The difference between earned and unearned income for tax purposes must be eliminated, in particular dividend income should be treated as earned income, on lines similar to interest on government securities.

3. The incidence of corporate tax both in public and private companies should also be appreciably reduced. The surtax on company profits is a tax on growth, efficiency, initiative and risk-taking and should be withdrawn. One uniform rate of tax should apply to all categories of companies, and plough back of profits by certain classes of private companies should not be discriminated against, as has been the practice at present.

4. The vexatious annuity deposit scheme should be scrapped.

5. The relief in respect of new industrial undertakings should be made more effective.

6. Both development rebate and depreciation should be admissible on the enhanced cost of imported plant and machinery consequent upon devaluation.

7. Indirect taxes, which largely determine the final price, have to be rationalised.

Reduction in taxation is possible because (1) a large part of Government expenditure can be substantially cut down, and (2) the pace of economic activity can be substantially accelerated, making good any lowered incidence of taxes by considerable increase in revenues.

The Federation was firmly of the view that if measures in this direction were taken immediately, they would assist in the economy's forward move.

Resolution on Planning and Administration.— The Federation was of the view that while each successive Plan had grown in size financially, the achievements made in physical terms had been far from adequate. In the opinion of the Federation there were quite a few drawbacks which must receive urgent attention and rectification. The Federation made the following suggestions in this regard:—

1. Government should take upon themselves only those tasks which they can accomplish with efficiency and in this view limit themselves to the development of infra-structure of the economy.



To

2. ~~The~~ improve the implementation of policy, administrative procedure must be streamlined. At all levels, there should be a proper allocation of responsibilities and powers for quick decisions, and there must be a system by which efficiency is recognised and inefficiency penalised.

3. The inhibitory restrictions on economic activity must be eliminated and thereby help a smooth working of market mechanism.

4. The Planning Commission must continually have close and effective consultations with different economic groups, i.e. industry, business, agriculture and labour, so as to take a comprehensive view of different areas of growth.

5. With a view to imparting realism to Plan exercises, the membership of the Planning Commission must be composed of experienced persons of proven practical ability from different walks of life. They must be assisted by compact task forces ~~for~~ of experts.

6. The Planning Commission must function only as an advisory body to provide major guidelines. There must be no overlapping of authority between the Planning Commission and Government.

7. There must be an annual assessment of achievements as much of targets, the latter being necessary to check whether they have been realistically framed and also to allow for flexibility.

Resolution on Economic Situation and Social Unrest.- The Federation felt compelled to express its grave concern at the growing uncertain conditions on the social and economic fronts. The Federation recommended in particular, action in the following directions for bringing about a significant improvement in the prevailing economic situation and thereby overcome serious inflationary pressures and rising prices:-

1. A substantial increase in agricultural and industrial production and productivity;

2. Progressive policy of decontrol;

3. Review of the taxation measures with a view to reducing the incidence of taxation at all levels;

4. The full utilisation of normal trade channels in both the internal and external trade of the country;

5. Eschewing deficit financing and adoption of rigorous discipline both at the Centre and the State levels in respect of non-Plan non-development expenditure;

6. Encouraging efforts at furthering and augmenting industrial production on the basis of efficiency and costs and not on the basis of any pre-conceived notion regarding the relative roles of the public and private sectors;

7. Revival of the capital market through appropriate refashioning of the fiscal, monetary and credit policies calculated to generate saving and investments and provision of adequate finance for industries;

8. Formulation of programmes of development keeping in view the availability of resources and ensuring their efficient implementation (as also strict avoidance of unproductive expenditure);

9. Promotion of exports through appropriate measures designed to increase the competitiveness of the export products in overseas markets; and

10. Implementation of programmes for popularising Family Planning.

The Federation reiterated its firm conviction that the contribution of the normal trade channels to the health of the economy was as vital as that of the producers in agricultural and industrial field. The Federation urged upon the authorities to revise their approach to the traders and enlist their cooperation, experience and expertise, instead of viewing ~~them~~ them with suspicion or demigrating their role.

Shri L.N. Birla was elected President for 1967-68.

(Documents received in this Office from the Federation of Indian Chambers of Commerce and Industry, New Delhi).

27th Annual Conference of the All-India  
Manufacturers' Organisation-held at  
New Delhi, 27 April 1967.

The 27th Annual Conference of the All-India Manufacturers' Organisation was held at New Delhi on 27 April 1967. The Conference was inaugurated by Shri Morarji R. Desai, Deputy Prime Minister and Minister of Finance and presided over by Shri B.D. Somani. Among others Shri Jaisukhlal Hathi, Union Labour Minister and Shri K.B. Lal, Secretary of the Union Commerce Ministry addressed the meeting. Resolutions on economic situation, labour policy and export promotion were adopted by the Conference.

Presidential Address- Addressing the meeting Shri B.D. Somani, President of the All-India Manufacturers' Organisation, pointed out how the economy of the country presented a picture of unmitigated depression, creating a climate of gloom and frustration - rise in general level of price by 15.6 per cent. in 1966-67, expected growth of industrial production to be barely 2.5 per cent., fall in exports, increasing dose of deficit financing etc. He urged for reorganisation of the Planning Commission as an advisory body of top ranking economists and technologist to play their role within the means and resources available, and to temper down the excesses of planning which the economy had witnessed bringing in the field three dimensional picture (i) Deficit financing, (ii) Devaluation, and (iii) Declining trend in industrial production resulting in continuous rise in prices and economic depression.

Suggesting corrective measures for the revival of the economy Shri Somani said the first and foremost need of the country was stepping up of agricultural production. Industrialisation of agriculture which would modernise methods of production, would alone augment food production in the quickest possible time. This would be possible only by amending some of the land ceiling laws and by making the land more easily transferable without depriving peasant proprietors of economic holdings so as to give full opportunity for operation by joint stock companies. Only in this way efficiency of land utilisation could be improved,

and the small and fragmented uneconomic holdings could be ~~imp~~ consolidated into well organised modern farms run and managed on scientific lines with substantial savings and capital diverted towards the production of the much needed food to become self-sufficient in the shortest possible time.

Speaking on the coordination and cooperation between public and private sector units, the President urged that both Private and Public sectors must be treated on par and without prejudice, if both were to co-exist. Unless, healthy competition was developed between them e.g. public ~~vs~~ vs private sector as well as between companies in each sector, the best productive forces could not be expected to be released, resulting into the optimum productivity and minimum prices to the consumers. He welcomed the idea of forming consortium, more particularly for developing export market, but stressed that the proposed consortium should not be confined to the units in the public sector only but competent private sector units should also be allowed and they should be actively associated in designing, tendering and executing ~~tw~~ key jobs whether within or outside the country. Apart from the general industrial research, the President suggested intensification of efforts on in-plant operational research, proper production planning, inventory control, value analysis, budgetary cost control, quality control, proper material handling and work study programme and in-plant training. In the matter of dealings with employers and workers he said that more and more direct and personal contacts with the persons working on the floor was needed. If the employers took a little more personal interest in the welfare of the employees, the employees were bound to respond favourable and start taking interest in their problems pertaining to the saving in production costs, etc. and for better earning of the confidence and good will. The President suggested that top business houses and leading businessmen should come forward and render voluntary services for national projects to facilitate better and more productive use of national assets to revive the economy of the country.

#### Resolutions:

Resolution on Economic Situation.- The Conference viewed with great alarm the growing dissatisfaction and frustration among the people over the soaring prices, mounting cost of living and heavy incidence of taxation year after year, which had occasionally manifested itself in widespread vandalism, arson, loot, strikes, "bandhs", "gheras" and destruction of public property. The Conference therefore urged immediate action on the following lines to arrest any further deterioration in the economic situation:-

i) immediate and drastic curtailment of public administrative expenditure, at least to the extent of 10 per cent. at all levels, including Central Government, State Governments and local authorities;

ii) restrained and selective spending on public sector;

iii) utmost concentration on increasing productivity and improving the efficiency of the working of public sector projects so as to raise the yield from investment from the low figure of 3 per cent. to at least 12 per cent. laid down in the Plan and to curtail the heavy production cost particularly by reducing the heavy inventories to economic level;

iv) immediate revival of capital market by following a policy of progressive reduction in the incidence of taxation on corporate sector and on individuals; by the withdrawal of the provision of 10 per cent. surcharge on Income-tax and making it obligatory to use the same in investment in equity or ~~preference shares or debentures;~~ and preference shares or debentures; and by allowing also closely held trading and investment companies - both joint-stock and private - which are at present compelled under the statute to declare a dividend of 90 per cent. to lowering such dividend to 50 per cent. subject to the condition that the remaining profits are utilised for investing in share or debentures of joint-stock companies engaged in industry not within the same group of managing agents;

v) modification of Industrial Policy Resolution so as to permit the entry of the private sector in all industries in order to promote healthy competition between private and public sector enterprises; Government not to enter into such industrial fields where enough capacity already exists;

vi) progressive decontrol of all essential consumer commodities from licensing and price restrictions as well as distribution regulations keeping in mind the interest of medium and small scale industries so as to facilitate expansion of production, competitive output and free movement of commodities for the ultimate benefit of consumers;

vii) encouraging industrialisation of agriculture and permitting the entry of the Joint Stock sector for growing crops especially on fallow and waste lands, and for running model seed farms;

viii) priority to be given for the production of various agricultural inputs such as fertilisers, insecticides and agricultural implements;

ix) provision of more liberal credit facilities to such industries as are facing recession and are, therefore, in need of larger credit to help the distribution of their manufactured goods;

x) encouraging every industry to adopt a scheme of payment of wages by results for awakening productivity consciousness among labour.

Resolution on Export Promotion.- Among other measures, the Conference recommended the following measures to be taken by the Government for export promotion:-

i) announcement of exact details and policies on supply of basic raw materials;

ii) reduction in import duty particularly those levied after devaluation;

iii) Permission to actual users, especially for replenishment of raw materials required for export, to import their requirements directly, instead of through the S.T.C. or the M.M.T.C.; (Minerals & Metals Trading Corporation)

iv) Exemption of the cash subsidy from income-tax to make up for the various indirect taxes such as Sales Tax and Octroi which are not refunded at present; for export oriented industries, preference should be given for expansion and for import of capital goods;

v) Reduction in the high freight charges;

vi) Unchanged export policy at least for 5 years.

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The resolution also recommended measures to be taken up by the industry. To enable even the small manufacturers to play their effective role, in the export promotion efforts, export effort should be organised industry-wise and/or through Small Scale Industries Development Corporations in respective States wherever established. This would enable each industry to provide a variety of goods for competitive markets abroad, and to appoint common agents and also to render effective after-sales service, wherever necessary.

Resolution on Labour Policy.- The resolution on Labour Policy criticised the present Labour Policy of the Government which had failed to establish good and sound employer-employee relations. Even though money wages had gone up considerably during the past few years, real earnings had not increased on account of inflationary forces in the country. The Conference urged upon the Government to modify their policies and made the following recommendations:-

(a) the objectives of the labour policy should be in tune with the objectives of the National Plans. The present policy of merely ensuring peace in industry and a fair deal to labour is weak in concept and inadequate for the achievement of our economic goals;

(b) the plethora of labour legislation should be thoroughly examined and only a limited number of revised laws based upon practical consideration should be kept on the statute book;

(c) similarly, all labour welfare measures like Provident Fund, Employees' State Insurance, Retrenchment Compensation, Gratuity etc. should be amalgamated and consolidated under one comprehensive scheme so that the operation becomes easy and simple; the huge administrative costs are reduced to the minimum and the amount saved may be utilised for augmenting the benefits to employees;

(d) even though labour is a concurrent subject, National Labour Policy should be evolved and implemented uniformly throughout the country. The attention of the States should primarily be concentrated on implementing the National Policy and on creating a good climate for developing sound industrial relations and ensuring disciplined behaviour by all concerned;

(e) sound wage policy for employees should be evolved. It should aim at a planned rise in earnings of employees principally based upon increase in employees' contribution to productivity so that it assists not only in maintaining the price line but in reversing its rising trend and thus ensuring a real increase in earnings;

(f) the growing trend to curb the powers of the Management to manage should be checked and stricter measures should be adopted to check the growing indiscipline, violence and other undesirable practices in the trade unionism, which besides undermining the industrial efficiency is having grave repercussions on the moral fiber and economy of the nation;

(g) the law and order machinery should not be a mere spectator when individual liberty, and safety of the person and property of the management is infringed or endangered under the garb of non-interference in an Industrial dispute;

(h) this Conference urged National Commission for Labour to consider the foregoing suggestions in all their aspects and suggest long-term measures.

The Conference, assured the National Commission on Labour of its full cooperation in its vital task. The Conference also urged upon employers in industry to adopt a positive and constructive approach to the problems of industrial relations, earnings of employees, working conditions, efficiency in all spheres of work, and the use of latest and best management techniques, by creating an atmosphere of trust and confidence through giving employees a sense of genuine participation in decision-making affecting the employees, and by preparing long-range wage plans based upon productivity and incentives, the Conference believed that employers could create a real industrial democracy for the prosperity of the employees, employers and the country.

Shri B.D. Somani, was re-elected as President of the All-India Manufacturers' Organisation for the year 1967.

(Documents received in this Office during the month of May 1967).



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## Chapter 3. Economic Questions

### 34. Economic Planning, Control and Development.

India - March-April 1967.

Study on Performance of Government Undertakings  
Published: Loss of Rs.5,880 Million estimated.

According to a special study entitled "Performance of Government Undertakings" made by the Economic and Scientific Research Foundation, India is losing 5,880 million rupees worth of industrial output every year as a result of the massive investment in ~~low-yielded~~ low-yield public sector undertakings during the last two Plans.

The study is based on a detailed examination of the performance of Government companies over a seven-year period ending in 1964-65. It covers a total of 32 ~~companies~~ completed industrial and trade enterprises, specifically declared "running" by the Government accounting for a paid-up capital of 8,200 million rupees.

According to the study, the public sector undertakings (excluding Hindustan Steel) yield a return on capital of 6.1 per cent. as compared with 19 per cent. in respect of private sector enterprises. If Hindustan Steel's results are included, the yield goes down to about 3 per cent. - less than one-sixth of the return obtained in private industry.

"The entire public sector investment programme", the Foundation points out, "is divorced from calculations either of costs or of return on capital and is necessarily an ad hoc programme governed mainly by some unexplained predilections of the planners".

The public sector companies receive funds from the treasury without any commitment on either side as regards their profitability. On the other hand, the level of profits is a major factor governing the flow of investment funds in private sector companies. It is thus possible for Government companies to go on expanding - Hindustan Steel is a striking example - without any compulsion to maintain a competitive level of costs or profits.

The study points out that the investment in public sector industry has increased rapidly over the years and is expected to be of the order of 40,000 million rupees in the Fourth Plan as compared to less than 10,000 million rupees in the Second Plan.

Thus, more and more resources are being directed to increasingly low-yield sectors, with the result that larger and larger capital resources are required even to maintain the present low rate of growth.

For instance, with the proposed investment of 40,000 million rupees in Government undertakings in the Fourth Plan, the annual loss in industrial output at the end of the Plan is estimated to reach a level of 14,680 million rupees, which is more than the average yearly increase in the national income during the last two Plans. Taking the economy as a whole, the loss would work out at about 20,000 million rupees a year, or nearly 10 per cent. of the yearly national output.

(The Statesman, 3 April, 1967 )

Quality Control and Plant Utilisation  
urged for Increasing Production .

A Seminar on total Quality Control and Reliability Engineering was inaugurated by Prof. M.S. Thacker, member of the Planning Commission, at New Delhi on 1 March 1967. The Statistical Quality Control (SQC) unit of the Indian Statistical Institute has estimated the overall wastage in Indian industry at a conservative minimum of 20-25 per cent. It was stated that statistical quality control alone could increase the annual industrial production by about 44,000 million rupees - without additional imported equipment or investment of more capital.

A SQC analysis of the industrial scene threw the spotlight on another "conspicuous factor" responsible for rocketing cost of production, namely, under-utilisation of expensive equipment and machinery. The overall plant utilisation even in the best managed factories was hardly 40 per cent. the SQC unit said.

Noting the comparative scarcity of capital as against labour, the unit said the emphasis in India, unlike in the U.S. should be on machine productivity rather than labour productivity.

(The Hindustan Times, 2 March, 1967).

36. Wages.

India - March-April 1967.

Productivity Bonus of 30 to 40 Percent.  
Recommended by Expert Committee.

An expert committee of the National Productivity Council has evolved a "national formula" for sharing the gains of productivity among partners of production as well as the consumer.

The seven-member committee headed by Mr. Leslie Sawhny, in its report released on 29 April 1967, ~~recommended~~ recommends by majority opinion a productivity bonus of 30 to 40 per cent. to labour.

The ingredients of the formula outlined by the committee are: 30 to 40 per cent. of share of gains of productivity to labour, capital investment of 20 to 30 per cent. for development dividends of 20 per cent. on capital and a reduction of 20 per cent. in prices to consumers.

Shri B.N. Datar, adviser on labour in the Planning Commission, and Shri Satish Loomba, the All-India Trade Union Congress representative, have dissented on the ground that the share of labour is insufficient in the distribution of gain.

In a counter<sup>ly</sup>-proposal, these two dissenting members have suggested that where the wages of labour are below the need-based minimum wage, workers' share should be between 65 and 70 per cent. Where the wages are at a level between the need-based minimum wage and fair wage, the worker's share should be from 55 to 65 per cent. and where the wages are between the fair wage and the living wage, the share should be between 40 and 45 per cent. They have proposed that the residue in each case has to be shared equally between the industry and the community, subject to the condition that in no situation should the share of the community exceed 20 per cent.

Shri N.N. Wanchoo, the Productivity Council's Chairman, after a scrutiny of the conflicting claims and varying views of the different sections in the committee has proposed another formula in the nature of a compromise which seeks to strike a balance and reconcile various interests.

The highlights of the compromise formula, which has been supported by the Governing Body of the Council are that after making a provision of up to 20 per cent. for consumers, labour will receive half of the balance of the gains of productivity in those industries where their wages clearly correspond to a fair or living wage. Where the wages are at a level below either the fair wage or the need-based minimum wage, the share of labour will be larger, to be decided by mutual agreement. Where the industry has clearly built up large free reserve, the share of labour will be higher than that of the industry.

(The Hindustan Times, 30 April, 1967).

36. Wages

INDIA - MARCH - APRIL 1967

Interim Relief granted to Workers in units covered by Central Wage Board for Heavy Chemicals and Fertilizer Industries

A Resolution dated 29 April 1962 of the Department of Labour and Employment, Ministry of Labour and Rehabilitation states that a Central Wage Board for Heavy Chemicals & Fertilizers Industry was constituted by the Government of India by their Resolution dated the 3rd April, 1965. The Wage Board has made recommendations for the grant of Interim Relief, as shown below;

The Government has decided to accept the recommendations of the Wage Board. It has, however, been decided that interim relief will not be payable in those units where the recommendations of any other Wage Board have already been applied.

The Government request the concerned employers to implement the recommendations of the Wage Board at an early date.

The Board unanimously decided to recommend Interim Relief on the following lines to the workers in the units covered by the Central Wage Board for Heavy Chemicals and Fertilizer Industries with effect from 1.11.1966.

Wages (i.e. Basic plus D.A.) or the consolidated wage.

1. Up to and inclusive of Rs.100 p.m. Rs. 12.50 subject to a maximum of Rs.109.00
2. Above Rs.100 but not more than Rs.200 p.m., Rs.7.50 subject to a minimum of Rs.110 and a maximum of Rs.206.
3. Above Rs.200 and up to Rs.500 p.m. Rs.5 subject to a minimum of Rs.207.50 and a maximum of Rs.500.

The above Interim Relief is subject to the following conditions:

- (a) This is payable to all workers on the roll of the Company as on 1st October, 1966, or engaged thereafter.

- (b) Trainees, Apprentices, learners, Head Office and Branch Office staff are excluded.
- (c) In the case of composite establishments which are included within the jurisdiction of the Board, these recommendations apply only to the workers engaged in the Heavy Chemical/Fertilizer Sections of these establishments and not to others.
- (d) The amount of Interim Relief recommended above will be suitably adjusted in cases where the increase in the total emoluments was made on the basis of an agreement, settlement or award or notice of payment subsequent to the appointment of this Wage Board (Government of India Resolution No. WB-12(1)/64 dated 3rd April 1965) wherein such an adjustment was provided for.
- (e) The above payment will be an ad hoc relief which will be adjusted in the final recommendations of the Board and shall not be taken into account for purposes of Provident Fund, Gratuity, Incentive payments, Bonus or other allowances.
- (f) Workers employed in construction-cum-expansion programme of the units and not directly connected with production are not eligible for interim relief, it being assumed that their emoluments are duly considered on a separate basis.

(The Gazette of India, Part 5,  
Sec. I, 13 May 1967, pp. 547-  
548)

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## Chapter 5. Working Conditions and Living Standards

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

India - March-April 1967.

#### Annual Report on the Activities Financed from Iron Ore Mines Labour Welfare Fund during the Year ending 31 March 1966.

The Ministry of Labour, and Employment and Rehabilitation published on 4 March 1967 the annual report on the activities financed from the Iron Ore Mines Labour Welfare Fund during the year ending 31 March 1966. A brief summary of the report is given below.

The Iron Ore Mines Labour Welfare Fund has been constituted under the Iron Ore Mines Labour Welfare Cess Act, 1961 (58 of 1961) which provides for the levy and collection of a cess on the production of Iron Ore for the financing of activities to promote the welfare of labour employed in the iron ore mining industry. The Act provides for the levy of a cess at a rate not exceeding 50 paise per metric tonne of iron ore produced. The present rate of levy is only 25 paise per metric tonne. The Act is applicable to the whole of India except the State of Jammu and Kashmir. It was enforced with effect from 1 October 1963 except the territory of Goa, Daman and Diu where it came into effect from 1 October 1964.

The Iron Ore Mines Labour Welfare Cess Rules, 1963, have been framed to carry into effect the purposes of the Act. Five Advisory Committees - one each for Andhra Pradesh and Mysore; Madhya Pradesh and Maharashtra; Bihar; Orissa; and Goa, Diu and Daman, have been constituted to advise the Central Government in administering the Fund. The welfare activities for which the proceeds of cess are to be utilised under the Act relate to improvement of public health and sanitation, the prevention of disease and the provision and improvement of medical facilities, water supply and facilities for washing, the provision and improvement of educational facilities, the improvement of standards of living including housing and nutrition, the amelioration of social conditions, provision of recreational facilities and the provision of transport to and from work.



The following welfare measures have so far been undertaken in Mysore, Andhra Pradesh, Orissa, Madhya Pradesh, Maharashtra and Bihar:-

(i) Medical Facilities:

(a) Hospitals.- A 10 beded Emergency Hospital was set up at Barajamda in Bihar during the year at a cost of Rs.14,160.00.

(b) Assistance to T.B. Patients.- Ten beds were reserved with effect from 16 October 1965 in the Mahadevi Birla T.B. Sanatorium, Nankum, Bihar, for the treatment of iron ore miners suffering from T.B. and an expenditure of Rs.11,800 was incurred for the purpose. Steps were also taken to provide medical facilities to the iron ore miners suffering from T.B. in other Regions. Subsistence allowance at a rate not exceeding Rs.50/- per month is also given to the dependents of miners undergoing treatment for T.B. in a sanatorium in cases where the miner is the only earning member of the family.

(c) Other Medical Facilities.- An amount of Rs.5,000/- was paid as subsidy for augmentation of medical aid for Redi group of mines in Maharashtra. Grants-in-aid to the extent of Rs.50,700.00 were also given to iron ore mine owners for maintenance of dispensary-cum-maternity centres/welfare centres in Orissa.

(ii) Education Facilities:

(a) Scholarships.- Scholarships are granted to the children of iron ore miners studying in schools, colleges and technical institutions. The following expenditure was incurred under the Scheme in different Regions:-

Mysore and Andhra Pradesh.	--	Rs.16,780
Orissa.	--	Rs. 7,330
Bihar.	--	Rs.23,230

(b) Uniforms to the primary school-going children of iron ~~ore~~ ore mine workers were also given free in Mysore and Andhra Pradesh at a cost of Rs.2,940.

(iii) Recreational Facilities:

(a) Grants-in-aid to the extent of Rs.30,000 were given for providing recreational facilities for miners in Madhya Pradesh and Maharashtra. An amount of Rs.20,000 was also spent on the development of an open air theatre in Madhya Pradesh. A subsidy of Rs.15,000 was given for organising sports, tournaments and other recreational and cultural activities for Iron Ore miners in Madhya Pradesh and Maharashtra.

(b) Multi-purpose Institutes have been set up in Bihar and Orissa and the following expenditure was incurred on them:-

Bihar	-	Rs.1,600.00
Orissa	-	Rs.9,300.00

(c) A Holiday Home has been established at Bhubaneshwar in Orissa at a cost of Rs.11,200 for the Iron Ore miners.

(d) Bharat Darshan tour and excursion-cum-study trips were organised for the iron ore miners in Madhya Pradesh and Bihar respectively.

(iv) Drinking Water Facilities:

Two wells were sanctioned on subsidised basis in Bihar to provide drinking water facilities to the iron ore miners. Under the Scheme, 50 per cent. cost of sinking a well is borne by the mine owners and 50 per cent. is paid by the Fund.

(v) Housing Facilities:

Various housing schemes, already in existence under the Coal/Mica Mines Labour Welfare Fund Organisation, are being adopted for the iron ore miners and it is hoped to construct houses under these schemes during the coming year.

The statement of accounts appended to the report shows receipts at 10.162 million rupees including an opening balance of 3.255 million rupees; expenditure amounted to 0.6525 million rupees leaving a closing balance of 9.509 million rupees.

(Notification SO 753 dated 27 February 1967, the Gazette of India, Part II, Sec.3, Sub-section (ii), dated 4 March 1967, pp. 582-584 )

53. Women's Work.

India - March-April 1967.

Meeting of the National Council for Women's  
Education held at New Delhi, 8 March 1967:  
1.5 Million Trained Women without  
Employment.

The ninth meeting of the National Council for Women's Education was inaugurated on 8 March 1967 by Shri Fakhruddin Ali Ahmed Union Education Minister. Miss S. Panandikar was the Chairman of the Council. Among others the meeting was addressed by Mrs. Durgabai Deshmukh, former chairman of the Council.

The meeting discussed the problem of proper use of the services of educated and trained women in the country. It was felt that the money spent on educating women was not yielding adequate results. This was largely due to the fact that the Centre as well as the States were doing little to provide part-time employment to house-wives or women engaged in domestic work. Several delegates referred to the difficulty of getting young women to teach in villages. The need for improved residential facilities for women teachers was emphasised. It was felt that training institutions should be set up for adult teachers. Lack of funds for implementation of programmes was a common complaint at the meeting.

Addressing the meeting Mrs. Durgabai Deshmukh said that two surveys conducted privately have shown that 1.5 million educated and trained women were idle. Of these 6,000 had the M.Sc. degree. She said polytechnics too were turning out women who could not find employment. The council should launch pilot projects to determine the needs of different areas and find out the new employment trends. The adult literacy programme should be taken up as a national movement and a five-year crash programme launched.

Miss S. Panandikar, chairman of the council, stressed the need for continuance of the national and State councils for women's education because of the time had not yet come when the education of women could be considered a part of the general education programme.

(The Hindustan Times, 9 March, 1967).

## Chapter 6. General Rights of Workers.

### 67. Conciliation and Arbitration.

India - March-April 1967.

#### Arbitration - As a Mode of Dispute Settlement\*.

An article on Arbitration - As a Mode of Dispute Settlement has appeared in March 1967 issue of the Indian Labour Journal. The article points out the difference between arbitration, mediation and conciliation, describes the statutory provision for arbitration, evolution ~~of adoption~~ of arbitration on voluntary basis, the extent of adoption ~~of~~ arbitration, voluntary arbitration vs adjudication and the tasks before the proposed National Arbitration Promotion Board. On the future scope of arbitration the article states that arbitration provides a simple, straightforward and less expensive mode of resolving disputes. Under the Code of Discipline or the Industrial Truce Resolution arbitration is informal and free from procedural wrangles. It has therefore great potentialities and needs to be given encouragement by all parties concerned.

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\* Indian Labour Journal, Vol. VIII, No. 3, March 1967, pp. 200-213.

Industrial Peace in Gujarat.

An article on Industrial Peace in Gujarat has been published in March 1967 issue of the Indian Labour Journal. The article traces out the contribution made by Mahatma Gandhi in strengthening the labour movement in Ahmedabad and the formation of Textile Labour Association. It also describes the provisions of the Bombay Industrial Relations Act 1946 and subsequently the adoption of Code of Discipline in Industry, Industrial Truce Resolution, the scheme of Joint Management Councils, appointment of Central Wage Boards and Bonus Commission which have helped in the maintenance of industrial peace in Gujarat.

(Indian Labour Journal, Vol.VIII, No.3,  
March 1967, pp. 191-200 ).

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN  
CATEGORIES OF WORKERS.

INDIA - MARCH-APRIL 1967.

71. Employees and Salaried Intellectual Workers.

Maharashtra: Central Dearness Allowance for  
All Government Employees.

At a Cabinet meeting held at Bombay on 4 March 1967, Shri V.P. Naik, Chief Minister of Maharashtra announced the decision of the Government that all employees of Maharashtra Government will get dearness allowance on par with Central Government rates from 1 March 1967.

The State Government had increased the employees' Dearness Allowance from 1 July last year, removing the disparity between the Central and State rates fully in respect of employees drawing a basic salary below Rs.110 per month mensem and 80 per cent. in the case of those getting more than Rs.110.

The Government had now decided to pay the remaining 20 per cent. of the difference to those getting a basic salary of more than Rs.110.

In addition, the Government had also decided to give all employees the benefit of the recent increase in Central Government employees' Dearness Allowance given after the Gajendragadkar Commission's recommendation. The number of Government employees eligible for Dearness Allowance is over 223,000.

(The Times of India, 5 February, 1967).

## CHAPTER 8. MANPOWER PROBLEMS.

### INDIA - MARCH-APRIL 1967.

#### 81. Employment Situation.

##### Employment Review 1961-1966 Published\*.

The Ministry of Labour, Employment and Rehabilitation has recently published a Review providing information about employment ~~trends~~ trends in the country for the third Plan period 1961-66. Some of the salient features of the Review are given below.

Over-all Employment Growth.- Employment in the organised sector, during the Third Five Year Plan period increased from 12.09 million to 15.46 million or by 27.9 per cent. The average annual employment growth rate in the entire organised sector was of the order of 5.6 per cent. - as against a national income growth of 2.5 per cent. The annual growth rates in the public and private sectors were 6.6 per cent. and 4.2 per cent. respectively. The employment growth rate in both the sectors has shown a tendency to decelerate in recent years. In the private sector it was as low as 1.0 per cent. in 1966 as against 5.9 per cent. in 1964 and 4.5 per cent. in 1965.

Employment Growth in the Different States.- Taking the Third Plan as a whole, the employment growth was markedly higher than the all-India growth rate of 27.9 per cent. in the case of Punjab (47.7 per cent), Maharashtra (40.1 per cent.), Kerala (35.9 per cent.) and West Bengal (32.9 per cent.). It was lower than the all-India rate in the case of Bihar (12.3 per cent.), Orissa (14.7 per cent.), Gujarat (16.7 per cent.), Rajasthan (18.6 per cent.), Madhya Pradesh (19.0 per cent.) and Madras (19.6 per cent.). In Andhra Pradesh and Uttar Pradesh, it was 25.3 per cent. and 25.9 per cent. respectively. In Assam, the position remained static during the plan period.

\* Employment Review 1961-1966, Directorate  
Directorate General of Employment and Training,  
Ministry of Labour, Employment and Rehabilitation,  
New Delhi, 1967; pp.48.



Employment Growth in Different Industries.-

Analysis of employment growth shows between 1961 and 1966, the increase in employment in Industry (excluding construction) was 21.2 per cent. The most significant aspect of this growth is the low growth rate of 13.9 per cent. in industry in private sector as against 58.3 per cent. in the public sector.

The analysis of employment growth in different industry divisions shows that employment increased in all of them except in mining and quarrying - where it decreased by about 2.9 per cent. mainly on account of the decline in employment in coal mines. The increases in employment in some of the industry divisions/services were: manufacturing - ~~8.7 per cent.~~ 0.87 million or 25.7 per cent.; services - 1.49 million or 37.2 per cent.; transport and communications - 0.41 millions or 22.8 per cent.; trade and commerce - 0.14 million or 56.0 per cent.; electricity, water and sanitary services - 0.09 million or 34.6 per cent.

The number of industrial establishments increased considerably during 1962-66, in a number of industries such as sugar, cement and cement products, iron and steel, structural steel products.

Work-Seekers.- Notwithstanding the increases in employment, there was also an increase in the number of work-seekers registered with the employment exchanges, their number increasing from 1.56 million in March 1961 to 2.47 million in March 1966 - an increase of nearly 0.9 million or 58.2 per cent. An interesting feature of the registered work-seekers was that it remained more or less constant i.e., round about 2.5 million from 1963 onwards. Similarly, the number of vacancies notified to the employment exchanges also, remained more or less unchanged, round about 0.9 millions, between 1964 and 1966. These are no doubt, indicators of the reduced tempo of economic growth in recent years.

Employment Outlook.-Although employment growth was rapid in the earlier part of the Third Plan period, it showed a decelerating tendency during the later part, on account of many factors, particularly in the private sector. It seems that the scope for growth of employment opportunities would remain restricted during the first one or two years of the 4th Plan period - conditioned, as it usually is, by the economic and social climate prevailing in the country. The existing difficult financial and foreign exchange resources position particularly, points to the urgent need for better utilisation of existing human resources.

( A copy of the Employment Review, 1961-66, DGE&T, was sent to Geneva on 5 April 1967 vide this Office minute DL/1490/67 of the same date)

83. Vocational Training.

India - March-April 1967.

Demand for Engineering Graduates decline.

According to the unemployment live register of the Directorate of Scientific and Technical Personnel about 575 engineers remained unemployed on 1 November 1966. The demand for engineering graduates has declined. One official explanation is that against the desired growth of 11 per cent. for industries and allied sectors, the average rate of growth has been considerably less. It is also said that in some parts unemployment is due to non-attractive terms and conditions of service, lack of experience and lack of mobility of personnel.

A recent study of the employment pattern of engineers passed out from a particular institution between 1956 and 1961 shows that about 50 per cent. of the graduates secured employment almost immediately, and another one-third in a year. The remaining persons got jobs after two years or more after graduation. The number of engineering graduates registered with the employment exchanges has also indicated an increase. The figure went up from 1,975 on 30 June 1964 to 3,650 on 30 June 1966.

The registration with the employment exchanges is voluntary and therefore all the unemployed graduates may not have got themselves registered with the employment exchanges.

(The Times of India, 29 February, 1967).

CHAPTER 9. SOCIAL SECURITY.

INDIA - MARCH-APRIL 1967.

90. General.

VI. Compensation in case of Employment  
Injury or Occupational Disease.

Review on the Working of the Workmen's  
Compensation Act, 1923, during the Year  
1964\*.

A review on the working of the Workmen's Compensation Act, 1923, during the year 1964, has been published in the April 1967 issue of the Indian Labour Journal. The review is divided into two parts - Part A deals with the statistics relating to compensated accidents and occupational diseases and Part B with the statistics of cases dealt with by the Commissioners for Workmen's Compensation in various States. According to the review, during the year 1964, 118,356 accidents for which a sum of Rs.16,218,246 was paid as compensation were reported. The accident per one thousand workers (on the basis of the reported figures) was 22.52 during the year under review. The average amount of compensation paid during 1964 was Rs.4,412, Rs.924, Rs.37 and Rs.137 in respect of deaths, permanent disablement, temporary disablement and all cases respectively.

Out of 12,984 cases dealt by the Commissioners for Workmen's Compensation, 7,351 (56.6 per cent.) related to temporary disablement, 3,757 (28.9 per cent.) to permanent disablement and 1,876 (14.5 per cent.) to fatal cases.

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\* Indian Labour Journal, Vol.VIII, No.4,  
April 1967, pp. 353-359.

92. Legislation.

India - March-April 1967.

Gujarat: Employees' State Insurance Scheme  
Extended to Certain Areas in the State.

In exercise of the powers conferred under the Employees' State Insurance Act, 1948, the Central Government has appointed the 26th day of March 1967 as the date on which the provisions of chapter IV (except sections 44 and 45 which have already been brought into force) and chapters V and VI (except sub-section(i) of section 76 and sections 77, 78, 79 and 81 which have already been brought into force) of the said Act shall come into force in the following areas in the State of Gujarat namely:-

- i) Municipal limits of Morvi municipality.
- ii) Bhadiad and Trajpur Village of Morvi Taluka.

(Notification SO 1011 dated 23 March, 1967, the Gazette of India, Extraordinary, Part II, Sec.3, sub-sec.(ii), dated 23 March 1967, page 765 ).

92. Legislation

Andhra Pradesh: Employees' State Insurance Scheme extended to certain areas in the State

In exercise of the powers conferred under the Employees' State Insurance Act, 1948, the Central Government has appointed the 30th day of April, 1967 as the date on which the provisions of Chapter IV (except sections 44 and 45 which have already been brought into force) and Chapters V and VI (except sub-section (1) of section 76 and sections 77, 78, 79 and 81 which have already been brought into force) of the said Act shall come into force in the following areas of the State of Andhra Pradesh, namely:

I. In the Revenue village of Vantithadi Agraharam which is situated to the South of Vizianagaram with the following boundaries:

- North: Vizianagaram (Revenue village)
- East: Dharampuri (Revenue village)
- South: Sarika (Revenue village)
- West: Chillapeta h/o Duppada.

II. In the Revenue village of Kanapaka-Ayyannapeta with the following boundaries:

- North: Kukalametta Lakshmipuram (Revenue village)
- East: Gajularega and Vizianagaram Contonment.
- South: Bobbadipeta h/o Duppada
- West: Karakavalasa (Revenue village)

(Notification SO 1522 dated 22 April 1967, the Gazette of India, Part II, see-3 sub-section ii, 29 April 1967 pp. 1576-1577)

92. LegislationMaharashtra: Employees' State Insurance Scheme extended to certain areas in the State

In exercise of the powers conferred under the Employees' State Insurance Act, 1948, the Central Government has appointed the 30th day of April, 1967 as the date on which the provisions of Chapter IV (except sections 44 and 45 which have already been brought into force) and Chapters V and VI (except sub-section 1 of section 76 and sections 77, 78, 79 and 81 which have already been brought into force) of the said Act shall come into force in the following areas in the State of Maharashtra, namely:

Area within the limits of Sangli Municipal council in Taluka Miraj, District Sangli in the State of Maharashtra

(Notification S.O. 1527 dated 25 April 1967, the Gazette of India, Part II, Sec. 3, sub-section (ii) 29 April 1967, pp. 1577-1578)

CHAPTER 11. OCCUPATIONAL SAFETY  
AND HEALTH

INDIA - MARCH - APRIL 1967

111. General

Report of the Central Coal Mines Rescue  
Station Committee for the year 1965-66.

A summary of the Report of the Central Coal Mines Rescue Station Committee for the year 1965-66 has been published in March 1967 issue, of the Indian Labour Journal. According to the report till 31 March 1966 a total of 3,222 persons (1,677 at the Mines Rescue Station, Dhansar and 1,545 at the Mines Rescue Station, Sitarampur) were given the full course of initial training in Rescue and Recovery work in mines. Details of refresher practices and rescue training given during the year under review at Dhansar and Sitarampur Rescue Stations along with comparative figures for the previous year are given below:

	1965-66		Total	1964-65
	Dhansar	Sitarampur		Total
No. of workers trained	105	70	175	248
No. of workers medically examined	530	751	1,281*	1,142**

Refresher Practices Given During 1965-66

No. of gallery refresher practices held	1,546
No. of pit refresher practices held	931
No. of men practices for gallery refresher practices	9,042
No. of men practices for pit refresher practices	5,341

\* In addition to this figure 378 more persons were medically examined i.e. 152 at Singareni, 114 at Parasia and 112 at Bijuri.

\*\* In addition to this figure 441 more persons were medically examined i.e. 190 at Parasia, 129 at Singareni, 115 at Argada and 7 at Ledo.

Rescue Recovery and Emergency Work -  
During the year under review, the rescue stations were called out for rendering assistance in 27 cases involving 104 days of work.

The Coal Mines Rescue Organisation assisted in 19 recovery operations involving 104 days of work and 780 protomanshifts and recovered 1.85 million tonnes of coal locked in areas sealed due to occurrence of fire.

Rescue Competitions - During the year under review Mines Rescue Competitions were held on a zonal basis at the mines Rescue Stations at Dhansar, Sitarampur, Argada, Parasia, Singareni and Bijuri and the Twelfth All-India open Mines Rescue Competition was held at Mines Rescue Station, Dhansar.