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No.WB-7(30)/60/3
Government of India
Ministry of Labour & Employment.

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From

Dr. B.R. Seth,
Deputy Secretary to the Government of India.

To

The General Secretary,
All India Trade Union Congress,
4, Ashok Road,
New Delhi.

Dated, New Delhi, the 27 FEB 1961

Subject:- Recommendations of the Central Wage Board
for Sugar Industry.

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Sir,

I am directed to forward herewith a copy of the Government of India Resolution No.WB-7(30)/60 dated the 23rd February, 1961 accepting the recommendations made by the Central Wage Board for Sugar Industry.

2. Copies of the report of the Wage Board can be obtained on payment from the Manager of Publications, Civil Lines, Delhi.

Yours faithfully,

B.R. Seth
(B.R. Seth) 27.2.61
DEPUTY SECRETARY.

GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT

RESOLUTION

New Delhi, dated the 23rd Feb. 1961.

No. WB-7(30)/60. By their Resolution No. WB-7(2) dated the 26th December, 1957, the Government of India appointed a Central Wage Board for the sugar industry with the following composition and terms of reference:-

I. COMPOSITION

Chairman

Shri Bind Basni Prasad

Independent Members

- (1) Shri H.C. Dasappa, M.P.
- (2) Dr. P.S. Lokanathan.

Members representing employers

- (1) Shri Gulabchand Hirachand.
- (2) Shri R.P. Nevatia.

Members representing workers

- (1) Shri Kashi Nath Pandey, M.P.
- (2) Shri Gangadhar J. Ogale.

Consequent on the resignation of Shri Gulabchand Hirachand on the 7th January, 1960, Shri Shanti Lal K. Somaiya was appointed to represent the employers.

II. TERMS OF REFERENCE

- (a) to determine the categories of employees (manual, clerical, supervisory etc.) who should be brought within the scope of the proposed wage fixation;
- (b) to work out a wage structure based on the principles of fair wages as set forth in the report of the Committee on Fair Wages;

explanation

in evolving a wage structure, the Board should in addition to the considerations relating

to fair wages, also take into account:-

- (i) the needs of the industry in a developing economy;
 - (ii) the special features of the sugar industry;
 - (iii) the requirements of social justice; and
 - (iv) the need for adjusting wage differentials in such a manner as to provide incentives to workers for advancing their skill;
- (c) bear in mind the desirability of extending the system of payment by results;

explanation

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

and

- (d) to work out the principles that should govern the grant of bonus to workers in the sugar industry.

2. The Board's report was received by Government on the 28th November, 1960. A summary of the recommendations is appended.

3. After careful consideration of the Board's report, Government has decided to accept the recommendations of the Board subject to the following:

(a) Workload studies

Government has taken note of the Board's recommendations that workload studies be undertaken in the sugar industry and that such studies should be preceded by reasonably specific programme of implementation drawn up in consultation with the

P.T.O.

organisations of the interests concerned.

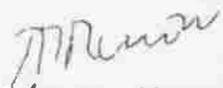
Government propose to consider the matter further in consultation with the parties.

(b) Bonus

Government commends the bonus formula for the North and Central ^{regions} recommended by the Wage Board. If, however, the parties concerned in any of the States included in these ^{regions} agree to adopt any other formula for determination of bonus payable in respect of a particular period, they may be allowed to do so!

4. Government requests the employers, workers and State Governments to take immediate steps to implement the recommendations of the Wage Board. Government expects that the parties will show a spirit of accommodation in interpreting and implementing the recommendations and difficulties if any, will be solved by mutual negotiations and agreement.

5. The Government of India wish to express their appreciation of the great thoroughness and care with which the Board has dealt with the matters referred to it.



(P.M. Menon)

Secretary to the Government of India.

No. WB-7(30)/60

New Delhi, dated the 23rd Feb. 1961

Order: Ordered that a copy of the Resolution be communicated to:

- (i) all State Governments and Union Territories.
- (ii) all Ministries of the Government of India and the Planning Commission.
- (iii) all India Organisations of Employers and Workers.
- (iv) The Indian Sugar Mills Association, Calcutta.

Ordered also that the Resolution be published in the Gazette of India for general information.



(P.M. Menon)
Secretary.

APPENDIX.

SUMMARY OF RECOMMENDATIONS

- (1) The investigations by the Board were decided to be confined to the vacuum pan sugar factories and not to cover khandsari industry and (open pan) gur refineries. (Para 18)
- (2) The workers in the allied industries carried on by sugar factories are beyond the purview of the Board. (Para 19)
- (3) The Board is of the view that its terms of reference do not cover the workers employed on the farms attached to the sugar factories. (Para 21).
- (4) Unless expressly indicated otherwise, the recommendations of the Board would apply to workmen engaged by a contractor of a factory also, if they do work connected with:
- (a) manufacturing process as defined in section 2(k) of the Factories Act, 1948; or
 - (b) cleaning any part of the machinery or premises used for manufacturing process; or
 - (c) any other kind of work incidental to or connected with, the manufacturing process or subject of manufacturing process including handling, loading or unloading of raw materials, stores and finished product in the premises of the factory; or
 - (d) repair and maintenance of machinery, building or other capital assets of the sugar factory. (Para 24).
- (5) All employees falling within the definition of "workmen" - excepting apprentices for whom separate scheme (vide paragraph 29) has been devised, should be governed by the recommendations of the Board. (Para 25).
- (6) Apprentices may be taken for all highly skilled, skilled and semiskilled occupations but no apprentice should be taken for unskilled jobs. Subject to the condition that if an apprentice for a job is recruited from any of the lower jobs in the factory itself, then his emoluments would not be less than what he would be eligible for on that lower post and that the emoluments of none of the existing apprentice would be reduced, the apprentices should not be paid less than sixty percent of the minimum basic wages and dearness allowance or consolidated wages as the case may be of the occupation for which he is given the training but he would not be eligible for any bonus. (Para 29)
- (7) The period of apprenticeship should not exceed two years and while it can not be made obligatory upon a factory to employ a person in the particular occupation for which he was given the training, the Board hopes that the Mills will utilise the training imparted by them to the apprentices. (para 29).
- (8) Having regard to the factors of duration of season, sugar recovery percentage from cane, cost structure of sugar industry in different areas, the sugar price position, the prevailing wages in industry and other cognate matters, the following four regions were decided for purposes of wage fixation:
- (a) North : comprised of the States of Punjab, U.P., Bihar, West Bengal and Assam.

- (b) Central : comprised of the States of Gujerat, Rajasthan, Madhya Pradesh and Orissa.
- (c) Maharashtra : comprised of the State of Maharashtra only.
- (d) South : comprised of the States of Madras, Andhra Pradesh, Kerala and Mysore.

(9) It is not desirable to discriminate against the workers in East U.P. sugar factories in the matter of fixation of wages. It is open to the sugar factories of the area to approach the Central or the State Government for grant of relief. It may well be hoped that the national Government interested as they are in the industrial development of the country would give the matter sympathetic consideration. (Para 41)

(10) While, owing to limitations as to time and personnel, it was not found possible by the Board to embark upon workload study to determine labour surplusage in the mills, it strongly recommends to the Government to undertake workload study in the sugar industry at an early date. (Para 49)

(11) While taking note of the subsidised rent prescribed by the Government in respect of single room tenement and the one fixed by the Cement Wage Board, the Board keeping in view the existing practice in the sugar industry, the standard of housing available, the seasonal character of employment, the paying capacity of the industry and the over-all increase likely to result in consequence of its recommendations, recommends that the element of house rent in the emoluments of the sugar workers at the minimum wage level should be to the extent of rupees five for standard housing accommodation. (Para 147).

(12) Since the minimum rent prescribed for the standard housing was below the subsidised rent fixed by the Government, the Board recommends that as total wages advance, the rates of rent should also increase. (Para 157).

(13) In respect of the quarters provided by the mills to its employees drawing upto Rs. 500/- the house rents in respective cases are to be inclusive of electric energy at the rate of 4 units or in lieu thereof, 2 bottles of kerosine oil per point of electricity (which in the case of single room tenement amounts to 8 units of electricity or 4 bottles of kerosine oil) as per subsidised Industrial Housing Scheme, subject to the condition that where by agreement or award higher electricity energy was provided, the system would not be disturbed. (Para 157).

(14) The rent prescribed by the Board having been fixed with reference to standard housings, the rent chargeable by the factories will be proportionately less for lesser area in respective cases, while the rents for constructions with tinne or tiles (ordinary roof or masonry walls) or with asbestos G.I. sheets will be half of that chargeable for standard type of housing in respective cases. (Para 157).

(15) For purposes of rent, the Board takes no cognizance of the improvised, purely temporary living arrangements - in most cases set up by low paid employees in absence of suitable housing arrangement from the side of the mills. (Para 158).

(16) With a view to encourage construction of quarters the Board considers it essential to prescribe that where a quarter is offered to a worker and the latter does not choose to occupy the same, then 50% of the rent chargeable for the tenement will be deductible from the wage of the workman concerned. (Para 159).

(17) Where food articles were being supplied at subsidised rates or where fuel was being supplied at concessional rates or free to certain extent, the mills would be entitled to make adjustment of concession against wages if the workers opt for the continuance of supply of these articles from the side of the mills. (Para 160,162).

(18) While free or concessional supply of fuel can no longer be legitimately insisted upon, the factories should arrange to supply fuel at cost rates wherever a demand of that kind is made. (Para 162).

(19) While recommending the early institution of workload studies for assessment of fair workload and actual man power requirements, the Board considers it important that such studies should be preceded by reasonably specific programme of implementation drawn in consultation with the organisations of the interests concerned. (Para 192).

(20) Taking all the relevant considerations into account, the Board recommends total minimum wages for unskilled workers for each region separately as follows:-

<u>Region</u>	<u>Total Wages.</u>	
1. Central	66-1-71	
2. North	76-1-81	
3. Maharashtra	87-1-92	
4. South	81-1-86	(Para 203)

(21) Although the total minimum wages would necessarily vary from region to region depending on regional paying capacities of the industry, the Board considers it desirable to have basic minimum wages in the sugar industry throughout the country, as the same has several advantages. It shall be 60-1-65. The rest will be D.A. for each region. (Para 205).

(22) Benefits such as bonus, gratuity, etc. usually calculable on basic wages should be calculated on full basic wages and deductions on account of housing, food and fuel etc. should not be taken into account. (Para 205).

(23) The total minimum wages fixed by the Board having been conceived in reference to 123 points of cost of living index, the difference between the total wages prescribed for an occupation and its basic wage should represent the element of dearness allowance in the respective regions for 23 points of index, over 1949 base (100) (Para 206).

(24) In fixing the minimum wages, regard for differences in paying capacity of the industry in different regions having been made by making differences in the dearness allowance element, basic wages and dearness allowance should together be looked as integral whole. (Para 206,207).

(25) In view of the broad principle that the wages of employees in the same industry in a region should not differ and as the financial capacity of cooperative sugar factories is undisputed, the Board considers that there exists no justification for making any distinction between the wages in cooperative and other factories. (Para 215).

(26) Where, in any sugar mill, a settlement in regard to wages is in force, workmen should have a right to opt between the existing wage rates and the wage structure as evolved by this Board. (Para 217).

(27) The scheme of dearness allowance conceived by the Board falls into two parts. The graduated rates of D.A. comprise part I of the D.A. scheme while part II is comprised of the D.A. rates linked to cost of living index. (Para 231).

(28) The regional differences in graduated D.A. rates have been devised by the Board to adjust the wage structure to the regional differences in paying capacity of the industry and in the same region dearness allowance would vary from one class of occupations to other depending upon the scales of wages. (Para 231).

(29) For rises over 123 points of the All India Average Consumer Price Index Numbers for working class or fall below this level, the Board recommends adjustment of dearness allowance at the rate of 55 N.P. per point of cost of living index in the case of operatives upto skilled 'B' grade and clerks drawing basic wage upto Rs. 100/- p.m., while for supervisory and technical employees of not less than skilled 'A' grade and for clerks drawing basic pay of over Rs. 100/- p.m. the rate recommended is 65 n.p. per point. (Para 232).

(30) While for rises over 123 points of cost of living index or fall below this level, adjustments in dearness amount shall not be made for less than 10 whole points, when once there has been a rise or fall by 10 or more whole points, adjustments should be made for every point of the rise or fall. Once an adjustment has been made, further adjustment shall be made for further rise or fall of ten or more whole points; provided firstly, - that for fall of the average cost of living index below 123 points no deduction from the graduated & flat rate D.A. shall in the first instance, be made unless the fall exceeds 15 points. Provided secondly that at no stage the deduction shall go to the extent of curtailing the basic wage in the scale.

(31) The adjustments in dearness allowance amount related to cost of living index, although automatic, shall be made only once a year on the basis of the average monthly cost of living index calculated over the twelve months period from 1st July to 30th June. (Para 232).

(32) The Board favours the adoption of a common price index series for relating the D.A. rates as against the series maintained in different States or regions; for, apart from other things, otherwise the wage relativities as between different regions are bound to be upset and even in the same region, the wages can hardly remain, uniform. (Para 237).

(33) There is no justification for whittling down the dearness allowance of sugar employees on the assumption that the prices of goods and services stipulated as entering into the consumption of industrial workers are cheaper in rural areas. (Para 239).

(34) Since wages should be fixed with reference to distinguishable jobs with known functions or duties, the Board found it essential to standardise more common of the occupational nomenclatures, enumerate as many of the prevailing designations as could be available, classify the operatives jobs on basis of skill and to further grade them according to basic job factors. (Para 253 and 261).

(35) While in a large majority of cases fitment of incumbents of different occupations into the standardisation scheme is likely to present no problem because it is to be done with reference to the duties performed by persons and not merely by designations some difficulties may, no doubt, come to be experienced where the duties performed by the incumbent of a job do not, for various reasons fully conform to the descriptions, given in the Board's scheme. There may besides be some border line cases where inside an occupation gradations have been made. Given necessary good will, the Board hopes that most of these would be resolved between the parties, failing which a suitable tripartite machinery devised by the Government should deal with it on reference. (Para 263).

(36) The Board recommends as below, eight basic wage scales for operatives, six for clerks and four for supervisory employees receiving upto Rs. 500/-.

CLASS	BASIC WAGE SCALES	
	For Central, North and South Regions.	For Maharashtra Region.
<u>OPERATIVES:</u>		
Unskilled	60-1-65	60-1-65
Semi-skilled B	65-1-50-74	66-2-86
" A	68-2-80	73-3-50-108
Skilled C	75-3-96	80-4-120
" B	90-4-110-EB-5-135	95-5-120-EB-5-145
" A	105-6-135-EB-7-170	115-7-150-EB-7-185
Highly-Skilled B	135-7-170-EB-9-215	150-9-195-EB-9-240.
" A	180-8-220-EB-10-270	180-10-230-EB-10-280.
<u>CLERKS</u>		
VI	72-3-93	
V	77-3-98	77-3-107
IV	87-4-107-EB-5-132	87-4-107-EB-5-132
III	105-6-135-EB-7-170	105-6-135-EB-7-170
II-B	130-7-165-EB-8-205	130-7-165-EB-8-205
II-A	200-8-240-EB-12-300	200-8-240-EB-12-300
I	250-20-350-EB-25-475	250-20-350-EB-25-475

SUPERVISORY

200-10-250-EB-10-300	200-10-250-EB-10-300
200-15-275-EB-15-350	200-15-275-EB-15-350
250-20-350-EB-20-450	250-20-350-EB-20-450
300-25-425-EB-25-600	300-25-425-EB-25-600

(Para 289 and Table XVI)

(37) In so far as the basic wage structure is concerned it is common in respect of three regions viz. Central North and South and allowance for differing paying capacity of the industry in different regions has been made in the graduated D.A. rates. But a departure from this was found necessary to be made in the case of Maharashtra region, for otherwise the amount of graduated dearness allowance would have come to form unduly large proportion of the total wages, while the Board's view was that the bulk of the total wages should consist of the basic wage. (Para 289).

(38) As for medical and educational staff, it is recommended that subject to the condition that no one's emoluments shall be reduced, and those of compounders, nurses and midwives among the medical staff, and the primary school teachers among the educational staff will not be less than the minimum of the lowest grade clerk in the mills, the medical staff excepting ward boys, sweepers and such other unskilled manual workers as may be employed and the educational staff shall receive emoluments (viz. basis wage, D.A. and such other allowances) not less than what may be in force for similar categories of employees in the service of the Government of the State in which the mills may be situated. (Para 291).

(39) Allopathic Doctors possessing upto M.B.B.S. qualifications should be placed in M.S. II grade and those possessing over and above the M.B.B.S., post graduate or foreign qualification should be placed in P.M.S. I Grade (Para 292).

(40) Ward boys and sweepers being on level with unskilled manual workers should receive similar pay. (Para 292).

(41) Since the rules of appointment regarding Labour Welfare Officers as framed by the respective State Governments are applicable to factories in general, the Board does not consider it advisable on its part to make invidious distinction in favour of those Labour Welfare Officers who happen to be employed in sugar industry. (Para 293).

(42) There being very wide variations between the functions, qualifications and existing emoluments of holders of certain designations e.g. Cane Development Officer, and Asstt. Works Manager, Asstt. Sales Manager, Sales Manager, Purchase Officer, Labour Officer, Transport Superintendent and Asstt. Transport Superintendent, the Board recommends that the factories concerned may fix their scales of pay and dearness allowance having regard to qualifications, experience, duties and functions and keeping in view the scales and grades applied to other employees in the sugar industry. (Para 295).

(43) Apart from the few designations, the qualifications and functions of the holders of which show very wide variations, the Board has deliberately left out certain stray jobs, and a few jobs may have been left out on account of information regarding these being not available with the Board. Their emoluments should be fixed by the mills in the light of the revised wage structure and the duties qualifications and experience required of the incumbents of the particular jobs. The matter can also be dealt with at the level of the Tripartite Machinery and failing a settlement on this matter, the machinery provided under the Industrial Disputes Act can be invoked. (Para 295).

(44) In case of seven occupations, the Board found it necessary to prescribe weightages to be applicable generally or in a particular region only, over and above the wage scale fixed for the respective grades under which they have been classified. Accordingly, palledars should be allowed Rs. 5/- over and the emoluments of their grades. This would apply to all the regions. Peons, watchmen, sweepers, guest house attendants cleaners and Lab. boys in Maharashtra factories only should be allowed a weightage of Rs. 5/- per month over the wage scales for the un-skilled. (Para 294)

- (45) As a safeguard against reduction of existing wages it is provided that in no case should the existing wages come to be reduced in consequence of deduction for any of the amenities e.g. housing, fuel etc. which was being enjoyed free or at concessional rates in the past.
(Para 298)
- (46) The Board considers it necessary to clarify that ordinarily the workers would cross the efficiency bar as a normal routine. Only in event of proved inefficiency could the increment be stopped but such cases will be reviewed by the management every year.
(Para 298)
- (47) The Board also considers it necessary to stress that its recommendations constitute a composite scheme. Being the integral whole, they should be implemented as such.
(Para 298)
- (48) The Board recommends that supervisory, clerical, highly skilled and skilled workmen employed on seasonal basis should be paid retaining allowance @ 50% and the semi skilled seasonal workmen @ 25% of their monthly basic pay and dearness allowance, subject to the condition that if immediately prior to the implementation of the recommendations of this Board any workman in any of the above classes was receiving higher amount as retaining allowance, he shall continue to receive such higher amount, until by promotion of the workman concerned, the amount calculable at the rate specified above become higher in his case.
(Para 302)
- (49) While the specialised skill acquired by highly skilled, and semi-skilled employees make it difficult in their case to readily obtain suitable alternative employment, difficulties to such an extent do not exist in respect of unskilled seasonal employees. Further, keeping in view the substantial increase in minimum wages already recommended by the Board, it sees no justification for recommending retaining allowance in their case.
(Para 304)
- (50) Finding force in the demand of the Sugar Technologists Association in this respect, the Board recommends that where-ever the Manufacturing Chemists and Lab-Incharges have been employed on seasonal basis, they should be made permanent (Para 306)
- (51) While generally agreeing with the view of the I.L.O. expert that the nature of the sugar industry imposes certain limitations on the types of the incentive schemes which would be suitable for it and that schemes of piece work type will not suit the main manufacturing operations, the Board commends to the sugar industry further study with a view to introducing incentive schemes where-ever possible
(Para 310&311)
- (52) The Board considers that (i) the factories newly installed which went into production in 1959 or thereafter, (ii) those having daily crushing capacity below 800 tons which suffered loss for two successive years immediately preceding the implementation of these recommendations, and (iii) the units which have so long been paying total minimum wage

-2-

scheme inter-alia provides for the general superannuation age of 58 years, lays down other conditions in which gratuity would be payable, and the rates of gratuity to be applicable in the case of permanent and seasonal workmen separately for different periods of service.

- (61) In the factories where basic wage and dearness allowance were paid separately, the gratuity for period of service prior to 1st November, 1960 will be calculable on basic pay immediately preceding the date of application of the new wage structure subject to a minimum of Rs.30/-. But in the factories where consolidated wage system prevailed, such calculation will be made on the notional monthly basic pay as shown in the schedule. (Para 327)
- (62) For the period of service from the date of implementation of the recommended wage structure, the gratuity will be calculable on the basic wage as may be payable in respective cases when the gratuity claim becomes due. (Para 327)
- (63) Having regard to the particular attitude of labour apropos balance sheets in the North, the good points of the bonus system which has prevailed in the North for thirteen years and the new support which this method of calculating bonus has gained in Central region, the Board recommends for these two regions, a bonus formula which for calculation of net profit rests on the regional cost schedule (given by Tariff Commission 1959) as adjusted to the duration of season and sugar recovery percentage attained by individual mills. (para 356)
- (64) The Board recommends that in the North and Central region 22% of the profits after tax, calculable in the manner prescribed, will be paid by the mills as bonus to their employees, provided that in case of factories having daily (24 hours) cane crush of less than 1000 tons as season's average, the bonus @ 20% of such profits will be paid. Saving in taxation according to clause VII of the formula on the amount distributable as bonus will be further distributed in the same proportion being relief under the income Tax Act but it could be done only once.
- (65) The bonus in North and Central region mills would be subject to a ceiling of three months consolidated wages.
- (66) In view of the fact that the practice of settling bonus claims unit-wise by collective bargaining in the broad frame work of the full bench Labour Appellate Tribunal formula has on the whole worked satisfactorily in Maharashtra and South regions, the Board taking besides note of the fact that the Government have already announced their intention of appointing a Bonus Commission, does not feel it necessary to evolve a fresh bonus formula for the sugar industry of these regions. (paras 360 & 361)
- (67) In respect of Maharashtra and South regions the Board recommends that the present practice of settling bonus claims by negotiations in the back-ground of the full bench Labour Appellate Tribunal formula as recently interpreted by the Supreme Court should continue. (para 361)

of Rs.50/- or less, may find it difficult to implement immediately the full recommendations of the Board. Hence as a measure of relaxation for a limited period, it is provided that for the first two years one half of the recommended B.A. rates may be applied in their case. (Para 313)

- (53) Subject to the condition that no workman shall cross the maximum of the scale or the grade to which he belongs, every workman, including compounders, nurses and midwives shall be so placed in the scale or grade to which he or she becomes entitled in terms of the recommendations of this Board that he or she gets an increment of at least Rs.10/- over the basic wage and dearness allowance or consolidated wages which he or she was receiving on the 31st October, 1960. (Para 315(5))
- (54) For fitting the workmen already in the employ on the date of implementation of the Board's recommendations into the wage structure recommended by the Board, the money value of free housing or any other amenity the cost of which has now been held by the Board as deductible from pay but which was being enjoyed free or at concessional rates in the past, shall be taken into account, i.e. it would in the first instance be added into the pay of the respective workmen to place them into the recommended wage structure. (Para 315(2))
- (55) If in the process of fitting into the new wage structure, the wages of a workman come to fall between two stages of the scale or grade applicable in his case, then he should be fixed in the next higher stage of the scale or grade. (Para 315(5))
- (56) The full time medical officers and teachers should, after being brought into the respective scales prescribed for similar categories of employees in the service of the Government of the State where the mills may be situated be given increments at the rate of one annual increment for every three years of service or part thereof in excess of one year, subject however to a maximum of three increments and the condition that the respective scale or grade is not exceeded. (Para 315(5))
- 57) In Maharashtra region the workers will be given one increment for every four years of service subject to a maximum of three increments and the maximum limit of the scales in respective cases not being exceeded (Para 315(5))
- 58) Since the crushing season usually begins from November, the Board's recommendations should be effective from 1st November, 1960 (Para 317)
- 59) In view of the desirability of there being a truce between the parties in so far as the matters covered by the Board's recommendations are concerned it recommends that at least for five years these should not be revised. (Para 318)
- 60) Having considered the question of gratuity for sugar mills employees in all its aspects, the Board frames a detailed gratuity scheme to apply with effect from 1st November, 1960 to all permanent and seasonal workmen (with the exception of apprentices) employed in, or in connection with sugar factories. The

ALL-INDIA TRADE UNION CONGRESS**4, ASHOK ROAD, NEW DELHI-1.**352
May 18, 1961Sub: Implementation of Sugar Wage Board's
Recommendations

Dear Comrade,

A clarificatory note issued on May 9, 1961 by the Government of Uttar Pradesh, in respect of calculation of wages as per the Wage Board report, is being reproduced below. We hope this might interest you and would help in working out the wages in sugar centres in your area.

Please let us have a report on the progress of the implementation of Wage Board's recommendations.

With greetings,

Yours fraternally,

(K.G.Sriwastava) 18/5/61
Secretary

COPY OF LETTER No.2468(ST)/XXXVI-A dated May 9, 1961, from Shri S.P. Pande, IAS, Up Sachiv, Uttar Pradesh Government, Labour Department, to Managements of All Vacuum Pan Sugar Factories in U.P.

Sir,

I am directed to say that a number of enquiries have been addressed to the Government regarding the manner in which Wages have to be fixed and calculated in terms of Government Notification No.2309(ST)/XXXVI-A.273(ST)1960 dated April 27, 1961. The method of calculation of wages and fitment of workers into the new grades is given in para 315 of the Report of the Wage Board. In brief, the principles laid down therein are:-

(i) That no person shall get less than the basic wage and D.A. recommended for the grade;

(ii) In adjusting the new basic wages, no one shall get less than minimum or more than the maximum basic wage of the grade prescribed for his or her category.

(iii) That where the basic wage so fixed is between two stages of a particular grade, the workman's basic wage will be fixed at the next higher stage.

(iv) That subject to condition (ii) above, the wages shall be so fixed that each workman gets an increment of at least of Rs.10 on his present consolidated pay including the value of housing and fuel amenities until now enjoyed free or at concessional rates.

...../.....

(v) In making the adjustments, the money value of free housing or any other amenity the cost of which is deductible from the wages but which are being enjoyed free or at concessional rates in the past shall be taken into account, i.e., it shall be in the first instance added into the pay of the respective workman to place them into the specified wage structure.

2. In case of workmen whose basic wage and dearness allowance are paid separately, there would be no difficulty in the adjustment of the wages. Considerable difficulty is, however, likely to arise in case of workmen who get a consolidated wage. The method of calculating wages for them will, therefore, be as below:

To the consolidated wage drawn by a workman, add the value of the house-rent or allowance in terms of the scale prescribed in para 157 of the Report. From this, deduct the D.A. as per the rates given in para 231 of the Report, Add Rs.10/- to it. This will be the new "assumed" basic wage. The figures thus arrived at should be adjusted to the scales of basic wage for his or her category. If this is below the minimum of the scale, the basic scale of the worker shall be fixed at the minimum of the scale. If it is between two stages in a grade, it shall be fixed at the next higher stage in that grade. If it is above the maximum of the scale, the basic wage of the workers will be fixed at the maximum of the scale. This will in future be the basic wage of the worker. Add to this, the D.A. From this, deduct the value of the house or the house-rent allowance as the case may be. The balance will represent the "take-home" pay. There will, however, be no adjustment of house-rent or house-rent allowance in the case of doctors, nurses and midwives as vide para 273 of the Report of the Wage Board, such persons have to be provided quarters free of house-rent. In case where workmen are getting free fuel or fuel allowance, the money value of the fuel allowance will first be added to the consolidated wage. From this will be deducted the D.A. of the grade. After adding Rs.10.00 to it, the new "assumed" basic wage will be arrived at. This figure, thus arrived at will then be adjusted in the scales of basic wage. After the new basic wage has been calculated, add D.A. to it. The "take home" pay will, however, be worked out by deducting from this the value of the house or the house-rent allowance. The factories will, however, arrange for supply of fuel at "cost rates", if a demand for it is made by the workmen.

3. A few illustrations are given in the Appendix for facility.

APPENDIX

ILLUSTRATION No.1: An unskilled worker at present is getting consolidated wage of Rs.58. The assumed rent of the house allotted to him the factory is Rs.5. He also gets fuel worth Re.1. The D.A. for that grade is Rs.16. His "assumed" basic wage is thus Rs.58 plus 5 plus 1 minus 16 equal to Rs.48. Add Rs.10. It gives Rs.58. Since the starting salary is Rs.60 in the scale of 60--1--65, his basic wage will be fixed at Rs.60. Add D.A. of Rs.16 and deduct the house-rent of Rs.5. The "take home" pay will thus be Rs.60 plus 16 minus Rs.5 equal to Rs.71.

ILLUSTRATION NO.2:- An unskilled workman at present is getting consolidated wage of Rs.68/-. The assumed house rent is Rs.5/-. The fuel allowance is Re.1/-. The dearness allowance for this grade is Rs.16/-. His assumed basic wage is thus Rs.68 plus 5 plus 1 minus 16/- equal to Rs.58/-. Add Rs.10/-. It gives Rs.68/-. Since the scale prescribed for this grade is Rs.60-1-65, his basic salary will thus be fixed at Rs.65/- which is the maximum of this grade. Add dearness allowance of Rs.16/- to it, and deduct the house rent of Rs.5/-. The take home pay will thus be Rs.65 plus 16 minus 5 equal to 76/-3

ILLUSTRATION NO. 3:- An skilled 'B' grade workman at present getting consolidated wage of Rs.145/-, The assumed house rent is Rs.6/-. The fuel allowance is Rs.2/-. The dearness allowance is for this grade is Rs.25/-. His assumed basic wage is thus Rs.145/- plus 6 plus 2) minus 25 equal to 128. Add Rs.10/-. It gives Rs.138/-. Since the scale prescribed for this grade is Rs.90-4-110-5-135, his basic salary will thus be fixed at Rs.135/- which is the maximum of this grade. Add dearness allowance of Rs.25/- and deduct the house rent of Rs.6. His "take home" pay will thus be Rs.(135 plus 25) minus 6 equal to 154/-.

ILLUSTRATION NO. 4:- A clerk in Gr. IV getting Rs.110/- as consolidated wage. The assumed house rent is Rs.6/-. The dearness allowance for this grade is Rs.25/-. Therefore, the assumed basic wage is Rs.(110 plus 6) minus 25 equal to 91. Add Rs.10 to it. This gives Rs.101/-. Since there is no stage of 101/- in the scale of Rs.87-4-107-5-132, his basic salary will be fixed at Rs.103/-(the higher stage). Add dearness allowance of Rs.25 and deduct the house rent of Rs.6/-. The take home pay will thus be Rs.(103 plus 25) minus 6 equal to Rs.122/-.

ILLUSTRATION NO. 5:- A clerk in grade II 'B' getting Rs.180/- as consolidated wage. The assumed house rent is Rs.7/- and fuel allowance Rs.2/-. The dearness allowance for this grade is Rs.40/-. Therefore, the assumed basic wage is (180 plus 7 plus 2) minus 40 equal to 149/-. Add Rs.10/- to it. It will be Rs.159/-. Since there is no stage in grade of Rs.159/- in the scale of Rs.130-7-165-8-205, his new basic wage will be fixed at 165 (the next higher stage). Add dearness allowance of Rs.40/- and deduct house rent of Rs.7/- and the fuel allowance of Rs.2/-. The take home pay will thus be (165 plus 40) minus (7 plus 2) equal to 196/-.

ILLUSTRATION NO. 6:- A workman of supervisory grade 'D' getting consolidated wage of Rs.250/-. The assumed house rent is Rs.12.50 nP. The dearness allowance for this grade is Rs.40/-. Therefore the assumed basic wage is Rs.(250 plus 12.50) minus 40 equal to Rs.222.50 nP. Add Rs.10/- to it. It gives Rs.232.50 nP. Since there is no stage of Rs.232.50 nP. in the scale of Rs.200-10-250-10-300, the basic wage in this scale will be fixed at Rs.240 (the next higher stage). Add dearness allowance of Rs.40/- and deduct house rent of Rs.12.50. The take home pay will thus be Rs.(240 plus 40) minus 12.50 equal to Rs.267.50 nP.

ILLUSTRATION NO. 7:- A workman of supervisory 'A' grade getting consolidated wage of Rs.500/-. The assumed house rent is Rs.7% of the total pay. The dearness allowance for this grade is Rs.50/-. Therefore, the wage assumed wage is Rs.(500 plus 35) minus 50 equal to 485/-. Add Rs.10/- to it. It comes to Rs.495/-. Since there is no stage of Rs.495/- in the grade of Rs.300-25-600, the basic wage, the basic wage in the grade will be fixed at Rs.500/- (the next higher stage). Add dearness allowance of Rs.50.00 and deduct the house rent of Rs.38.50 (7% of the total pay). The take home pay will be Rs.511.50 nP.

Note:- 1- The house rent in these illustrations is merely assumed or notional. The actual amount of house rent for purposes of calculations will be in proportion to the covered area provided and as per the other specifications and scales given in the Table to para 157 of the report. For example, for a room (10' X 12') with tin roof, with one light point, the rent will be Rs.2/8/- i.e. half of the scheduled rent. If there are five unskilled workmen living in that room, the house rent for each worker will be Re.-/8/- only.

Note:- 2- If by the operation of these rules, unskilled persons getting over Rs.60.00 also get a wage of Rs.76.00, parties may negotiate for higher increments within the ceiling of that grade in consideration of their higher pay or length of service. Similarly if in cases of workmen, other than unskilled workmen, the increment of Rs.10/- leads to a pay in excess of the maximum of the scale, the employers may consider sympathetically such cases of extreme hardship for grant of some kind of "personal" wage.

Received 1379/17-5-61
Replied.....

U.P.State Committee

ALL - INDIA TRADE UNION CONGRESS

Regional Karyalaya,
Ramesh Bhawan, West Katcherry Road,
Meerut.

May 17, 1961

Re. SUGAR WAGE BOARD CALCULATIONS

Dear Comrade,

We have already sent you a Circular on the above subject. Now, we are in receipt of the Government clarification regarding calculations.

Please note that in cases of deductions as in illustration Nos.2 and 3 of the Government, we must press the employer for the "Personal Wage". In case, there is no agreement, we must appeal on this point.

With greetings,

Comradely yours,

(Handwritten signature)
RAM ASREY

COPY

SHRAM KA VIBHAG

No.2468(ST)/XXXVI-A
Dated Lucknow, May 9, 1961

From

Sri S.P.Pande, IAS,
Up Sachiv, Uttar Pradesh Shasan

To

The Manager,
All Vacuum Sugar Factories, Uttar Pradesh

Sir,

I am directed to say that a number of enquiries have been addressed to the Government regarding the manner in which Wages have to be fixed and calculated in terms of Government Notification No.2309(ST)/XXXVI-A.273(ST)1960 dated April 27, 1961. The method of calculation of wages and fitment of workers into the new grades is given in para 315 of the Report of the Wage Board. In brief, the principles laid down therein are:-

- (i) That no person shall get less than the basic wage and D.A. recommended for the grade;
- (ii) In adjusting the new basic wages, no one shall get less than minimum or more than the maximum basic wage of the grade prescribed for his or her category.
- (iii) That where the basic wage so fixed is between two stages of a particular grade, the workman's basic wage will be fixed at the next higher stage.
- (iv) That subject to condition (ii) above, the wages shall be so fixed that each workman gets an increment of at least of Rs.10 on his present consolidated pay including the value of housing and fuel amenities until now enjoyed free or at concessional rates.

...../.....

Sugar W.B. Board file
332

(v) In making the adjustments, the money value of free housing or any other amenity the cost of which is deductible from the wages but which are being enjoyed free or at concessional rates in the past shall be taken into account, i.e., it shall be in the first instance added into the pay of the respective workman to place them into the specified wage structure.

2. In case of workmen whose basic wage and dearness allowance are paid separately, there would be no difficulty in the adjustment of the wages. Considerable difficulty is, however, likely to arise in case of workmen who get a consolidated wage. The method of calculating wages for them will, therefore, be as below:

To the consolidated wage drawn by a workman, add the value of the house-rent or allowance in terms of the scale prescribed in para 157 of the Report. From this, deduct the D.A. as per the rates given in para 231 of the Report, Add Rs.10/- to it. This will be the new "assumed" basic wage. The figures thus arrived at should be adjusted to the scales of basic wage for his or her category. If this is below the minimum of the scale, the basic scale of the worker shall be fixed at the minimum of the scale. If it is between two stages in a grade, it shall be fixed at the next higher stage in that grade. If it is above the maximum of the scale, the basic wage of the workers will be fixed at the maximum of the scale. This will in future be the basic wage of the worker. Add to this, the D.A. From this, deduct the value of the house or the house-rent allowance as the case may be. The balance will represent the "take-home" pay. There will, however, be no adjustment of house-rent or house-rent allowance in the case of doctors, nurses and midwives as vide para 273 of the Report of the Wage Board, such persons have to be provided quarters free of house-rent. In case where workmen are getting free fuel or fuel allowance, the money value of the fuel allowance will first be added to the consolidated wage. From this will be deducted the D.A. of the grade. After adding Rs.10.00 to it, the new "assumed" basic wage will be arrived at. This figure, thus arrived at will then be adjusted in the scales of basic wage. After the new basic wage has been calculated, add D.A. to it. The "take home" pay will, however, be worked out by deducting from this the value of the house or the house-rent allowance. The factories will, however, arrange for supply of fuel at "cost rates", if a demand for it is made by the workmen.

3. A few illustrations are given in the Appendix for facility.

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ILLUSTRATION No.1: An unskilled worker at present is getting consolidated wage of Rs.58. The assumed rent of the house allotted to him the factory is Rs.5. He also gets fuel worth Re.1. The D.A. for that grade is Rs.16. His "assumed" basic wage is thus Rs.58 plus 5 plus 1 minus 16 equal to Rs.48. Add Rs.10. It gives Rs.58. Since the starting salary is Rs.60 in the scale of 60--1--65, his basic wage will be fixed at Rs.60. Add D.A. of Rs.16 and deduct the house-rent of Rs.5. The "take home" pay will thus be Rs.60 plus 16 minus Rs.5 equal to Rs.71.

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.....3

ILLUSTRATION NO. 3:- An skilled 'B' grade workman at present getting consolidated wage of Rs.145/-. The assumed house rent is Rs.6/-. The fuel allowance is Rs.2/-. The dearness allowance is for this grade is Rs.25/-. His assumed basic wage is thus Rs.145/- plus 6 plus 2) minus 25 equal to 128. Add Rs.10/-. It gives Rs.138/-. Since the scale prescribed for this grade is Rs.90-4-110-5-135, his basic salary will thus be fixed at Rs.135/- which is the maximum of this grade. Add dearness allowance of Rs.25/- and deduct the house rent of Rs.6. His "take home" pay will thus be Rs.(135 plus 25) minus 6 equal to 154/-.

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draft MEMORANDUM WITH RECD TO THE MODIFICATION OF
SUGAR WAGE BOARD RECOMMENDATIONS.

The Sugar Wage Board for Sugar Industry submitted its Report to the Government on 26th November, 1960. The Board in its recommendations has divided the Industry in FOUR regions and while recommending a National Minimum Wage of Rs 60-1-65 per month has ~~also~~ devised a scheme of Dearness Allowance providing for different rates of dearness allowance for different regions 'according to their paying capacity'.

Along with this major and the most important recommendation the Board has made other recommendations, which in various ways go to either reduce the quantum of already meagre wage-rise or undo the same.

In face of various recommendations of many authorities previous to the Wage Board such as U.P. Labour Enquiry Committee, Bhatia Committee, Court of Enquiry, it is difficult to accept the Board's recommendations on various matters.

The U.P. Labour Enquiry Committee (1946-1948) as early as 1948 had recommended Rs 30.00 as basic pay and a rate of dearness allowance which on the basis of present prices would have amounted Rs 60.00, bringing the total pay packet to Rs 90.00 per month.

But the Board while eloquently appreciating the Delhi Norms of Need-based Minimum has awarded only Rs 60 -1 - 65 per month and recommended 'readjustment of the monetary value of the facilities now being enjoyed in varying degrees by a large number of workers'.

ESS
ANCE.

The Dearness Allowance as recommended by the Board is in TWO parts. The Board has taken the 'paying capacity' into consideration while awarding different rates of DA to FOUR different regions. The first part i.e. graduated DA rates have been worked out in accordance with the paying capacity of the region concerned and an allowance has been made to adjust the rise upto 123 points of the all India average of the cost of living indices. The Board provides for sliding scale over the rise or fall of 10 points of the All India Average Consumer Price Index Numbers.

When the paying capacity has already been taken into consideration while fixing graduated rates it is incorrect to provide for the All India Average and that too for 10 points rise or fall for a period of a year. It would be more proper and in keeping with the scheme of the Board's spirit if the DA is linked with the rise or fall of every point of the cost of living index of the main working class centre falling in FOUR different regions.

IS
MISSION.

The Board has envisaged formation of Bonus Commission and for that reason it did not devise any all India scheme for Bonus payment. In fact it allowed Maharashtra and South Regions to continue the existing system of payment of Bonus through negotiations. But for the Northern and Central Regions the Board has recommended a scheme of Bonus which provides for Bonus on profits retained after taxation and for each unit separately. Now the Government of India has announced the personnel of the Bonus Commission and also made public its terms of reference. In view of this it would be really just if the existing system of Bonus payment for UP workers is allowed to operate for these regions till the final decision of the Bonus Commission.

AINING
ANCE.

The Board has rejected the demand of retaining allowance for unskilled seasonal workers which has been a point of discontent and

agitation for long. The Board has relied for its decision on a finding of the Hon'ble Supreme Court of India. In fact the above-mentioned decision of the said Court has been used only as a cover whereas the real reason was that the Board is sure that there would be no serious difficulty for the Industry if these unskilled workers are not paid retainer whereas it is necessary to tie the skilled and semi-skilled workers. The Board has given this very argument while discussing this matter.

The recommendation of the Board has to be modified in this regard so that injustice done to these unskilled seasonals is undone. They were recommended payment of retainer from 5% to 25% by various Committees and authorities that investigated the matter before this

Board, and in certain cases workers are getting some retaining allowance. The decision of the Board to withdraw this facility and its consideration is barred for all the time to come.

The scales of gratuity as provided by the Board are too low.

Contrary to the decision of the Hon'ble Supreme Court of India the Board has recommended that the retrenchment compensation and amount of gratuity as recommended by the Board cannot be availed of simultaneously. These scales need modification and revision. Firstly, in accordance with the existing case law on the matter there should be no bar in availing of retrenchment compensation and gratuity simultaneously. Secondly, the gratuity should be paid on the basis of the whole pay i.e. Basic and DA. Thirdly there should be no upper limit to the payment of gratuity. It should be paid on the basis of the whole period of service. Fourthly, in case of Seasonal workers too the payment should be 50% of the whole pay.

The Board has standardised jobs, occupations and nomenclatures.

By the very nature of the ^{issue} matter there is bound to be large scale dispute.

The Board provides for the settlement of these disputes through existing conciliation and adjudication machinery. This would entail prolonged disputes. The recommendation should be modified and it should be provided that the disputes arising out of the implementation of the said recommendation be referred for decision to any mutually agreed expert or an arbitrator.

GRATUITY SCALE
TOO LOW.

DISPUTE
SETTLEMENT
MACHINERY.

EXISTING FACILITIESSHOULD
CONTINUE.

The unkindest cut has come through the recommendation to do away with the existing facilities. Whereas the existent anarchy was to have been ended and standardisation is welcome, it should be remembered that the facilities such as free and concessional housing, free or concessional supply of fuel/light, household accessories and supply of food materials at subsidised rates have been won by the workers, mainly in the Northern Region through prolonged struggles and heavy sacrifices. The doing away of these facilities would result in almost entirely neutralising the meagre wage-rise awarded to the workers of this Region. In view of the fact that the ^{Minimum Wage} ~~Delhi Norms~~ have been denied ^{according to Delhi Tripartite norms on the excuse of insufficient paying capacity} ~~and other~~, it would be proper to allow the existing agreements, awards and conventions that provide for facilities mentioned above, ^{to continue over and above the} ~~to continue over and above the~~ ^{Minimum Wage suggested by the Board.}

The Wage Board for Sugar Industry was expected to have done more justice to the demands of the workers of this Industry as the millowners in this sector have been reaping higher profits. But the expectations of workers have not been fully realised. The Government of India in this situation should modify the recommendations of the Board on the lines suggested above.

A.I.T.U.C.
Received... 16.5.61/2.6.61
Replied.....

332

No. WB-7(32)/60-I.
GOVERNMENT OF INDIA
MINISTRY OF LABOUR & EMPLOYMENT

file

From

Dr. B. R. Seth,
Deputy Secretary to the Govt. of India.

To

to Andhra, Punjab,
Maharashtra, Gujarat,
UP, Bihar and Tamilnad
R
STB

Dated New Delhi, the 2.6.61.

Subject:- Report of the Central Wage Board for Sugar Industry.

Sir,

I am directed to say that some printing errors in Appendix LXIV of the Report of the Central Wage Board for Sugar Industry have come to the notice of this Ministry. I am accordingly to request that following corrections may kindly be made in the Report.

APPENDIX LXIV

1. Page 330-

(i) Item 8-Manufacturing
Assistant:

Under Col. 4 (Broad classification)-
For "Highly skilled"
Read "Skilled".

The Secretary,
All India Trade Union Congress,
4, Ashok Road, New Delhi.

....2

(ii) Item 9- Assistant
Panman:

For "Highly skilled"
Read "Skilled".

1. Page 341-

Item 59-Hammerman-

Insert "B", under Col. 5
-(Grade of skill).

Yours faithfully,

B. R. Seth
31/5/61

(B. R. Seth)
Deputy Secretary.

Copy (with 3 spare copies) forwarded to the Ministry of Food
and Agriculture, Department of Food, New Delhi, for similar
action.

[Signature]
for Deputy Secretary.

Sugar Mills Labour Union (Regd.)

शुगर मिल्स लेबर यूनियन (रजिस्टर्ड) यमुना नगर (ज़ि० अम्बाला)

Sugar Wage Board Award

Ref. No.

A. I. U. C.
I. R. No. 2185 Date 7 JUL 1961

YAMUNA NAGAR

(Distt. Ambala)

Dated 5/7/61 196

File No. Replied on

To

The Labour Commissioner,
Punjab, Chandigarh.

Regt Implementation of sugar wage Board Award in
Saraswati Sugar Mill, Yamunanagar.

Dear sir,

With reference to our letters dated 15.6.61 & 28.6.61 I want to draw your kind attention that the points raised by our union has not been clarified by the management of Saraswati Sugar Mill in connection with the wage Board Award uptill now despite our efforts.

Our union wants to point again the irregularities done in this respect.

1. The oilmen of the Mills also discharge the duties of Beltmen, Hence their category becomes oilman cum Beltman. Therefore they should be given the grade of Beltman instead of oilman.

2. The workmen working on centrifugal Machines have been given the grade of unskilled workers, whereas they should have been given the grade of semi skilled machineman. This should be corrected.

3. The employees working as juice heater mates & weighing clerks have been given the grade of unskilled workman, so, great injustice has been done in this respect. It is, therefore, requested to get them fixed in semi skilled grade.

4. Fitter incharges i.e. Head Fitters have been designated as Fitters, whereas their duties fall under the category of head Fitter according to the report of the wage Board Award.

It is requested to get them fixed in the category of Head Fitter.

P.T.O.

..2..

5. The cane office clerks have been fixed in grade V. Their duties are of accounts clerks & they should have been fixed in grade IV instead of V.

It is requested to get them fixed in grade IV.

6. The amenities, i.e. house rent and other concessions have been cut from the wages of workmen. This has created great resentment amongst the workers.

It is requested to restore these amenities.

Above mentioned facts are certain examples apart from other points of difference in regard to the implementation of wage Board Award & our union has also forwarded to the management the individual applications in this connection.

But we are sorry to point out that nothing has been done either by the management or by the Labour department.

It is, therefore, requested to fix an early date for the settlement of the dispute.

Thanking you,

Yours faithfully,

Pran Singh

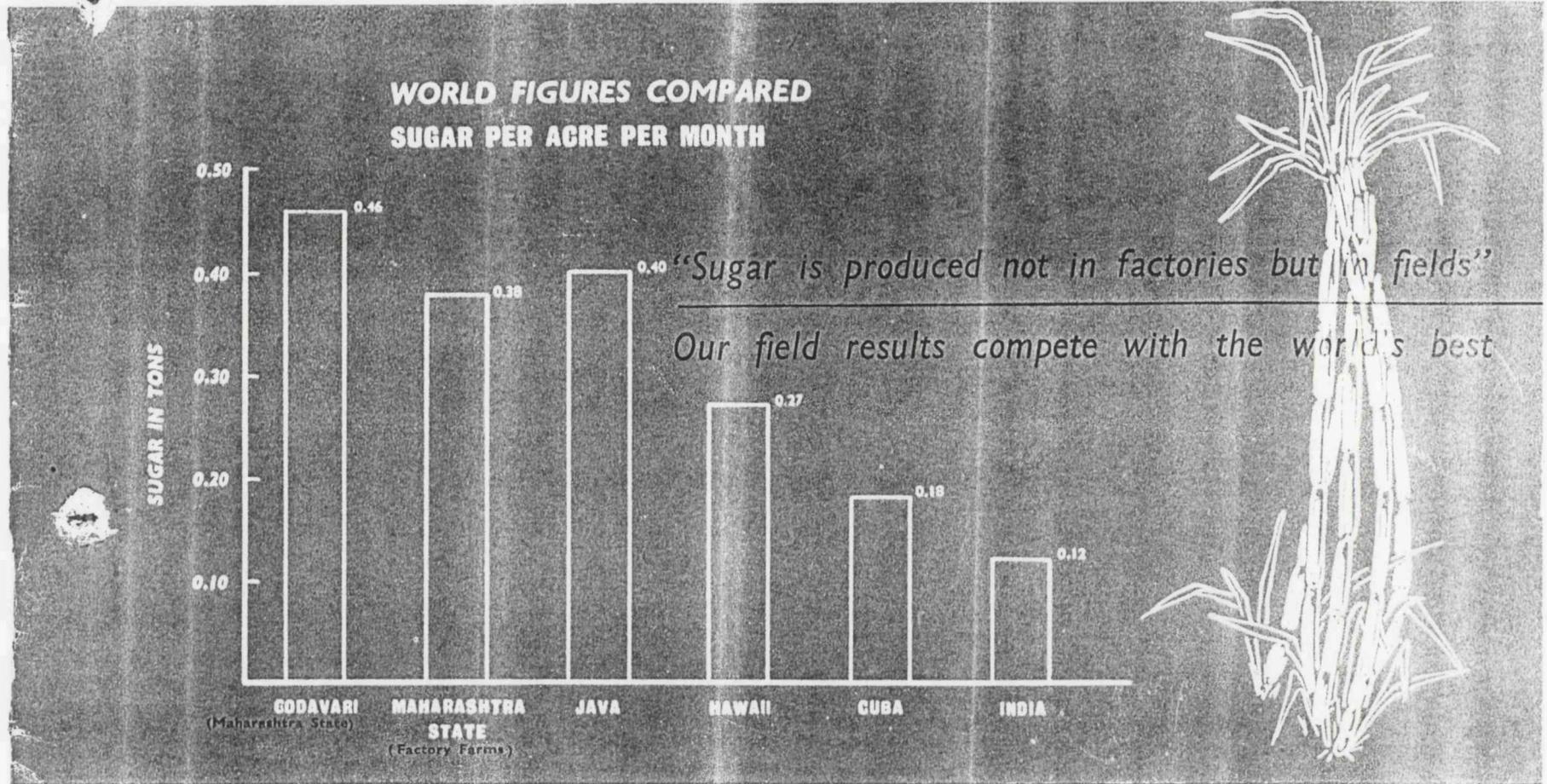
General Secretary.

Copies forwarded to:

1. The Hon'ble Labour Minister,
Punjab, Chandigarh.
2. The Hon'ble Labour Minister
Govt. of India, New Delhi.
3. Punjab State Committee AITUC,
Jullundur.
4. All India Trade Union Congress,
* 4, Asoka Road, New Delhi for
information and necessary action.

SUGAR FACTORY FARMS IN MAHARASHTRA AND LAND CEILINGS

*Don't waste
book*



Issued by THE GODAVARI SUGAR MILLS LIMITED Bombay 1

Factory Farms—Pride of Maharashtra.

**A FEW FACTS
WHY MAHARASHTRA LAND CEILINGS BILL
SHOULD EXEMPT FACTORY FARMS.**

* * *

In the national interest, let these beautifully developed model farms continue undisturbed to contribute their ever-increasing share in country's prosperity.

They are a national asset.

Let us not tamper with them and affect their efficiency and their tempo of continued progress.

INTRODUCTORY

The Maharashtra State Government has recently published a Bill "to impose maximum limit (or ceiling) on the holding of agricultural land in the State". The object of the Draft Bill is to achieve the land reform policy recommended by the Planning Commission and also by the All India Congress Committee in their resolution passed at Nagpur.

The Draft Bill does not propose to exclude even the highly efficient and mechanised farms attached to Sugar Factories as similar legislation in several States has done. This is also contrary to the recommendation of the Planning Commission in the Second Five-Year Plan. The Planning Commission have stated, *inter alia*, that

"there would appear to be an advantage in exempting the following categories of farms from the operation of ceiling, which may be proposed :

* * *

"(4) Sugar cane farms operated by Sugar Factories ; and

"(5) Efficiently managed farms which consist of compact blocks on which heavy investments or permanent structural improvements have been made and whose break up is likely to lead to fall in production."

For reasons best known to themselves, the State Government have not accepted this wholesome principle. Instead, a self-contradictory clause (Sec. 28) has been

proposed. Thus, while, in the earlier portion of the clause, the Government declare that they shall take particular care to **“ensure that acquisition of land does not affect adversely the production and supply of raw materials from such lands to the undertaking”**, yet the subsequent portion of the same clause indicates doubts in the minds of the Government themselves, inasmuch as they have provided for several alternative agencies to cultivate the farms, in case the proposed agencies fail. Provisions for a joint farming society and its termination, State Farm or such other arrangements as the Government may think fit, have been made. Further, the land acquired from factory farms will vest in the Government **and will not go back to the landlords, lessors or the landless**. While this is contrary to the professed objective of the Bill, the ends of social justice or distribution of land to landless also are not served. Evidently the agency of production appears to the authorities to be more important than the efficiency of production.

This legislation is a violation of agreements and assurances under which the private enterprise was encouraged to invest millions of rupees in the development of what were once barren and uncultivable lands, and will tend to shake the faith of the investors, in particular, and the public, generally, in Government assurances.

An attempt has been made in this brochure objectively to present factual data relating to company-owned sugar factory farms and their achievements. A dispassionate study of what follows clearly establishes that the proposal to run these farms as State Farms or through a Joint Farming Society is impracticable. If the Government are confident of their success, they can as well try this experiment on other lands and achieve results before dislocating the existing farms.

Briefly, the achievements of the Farms attached to joint-stock factories are impressive and remarkable. They compare with the world's best record, sugar per acre in the case of Maharashtra State being 0·38 tons, as against 0·27 and 0·40 tons for leading

countries like Hawaii and Java, respectively. In the case of the Godavari Sugar Mills, Ltd., it is higher still at 0·46 tons; it is, indeed, amongst the highest in the world.

Ours is a case for exemption on sheer merit. We are not at all convinced about this hurry to rush through this legislation before all the aspects of the proposed legislation are thoroughly thrashed out. Any hasty decision will dislocate the sugar industry in Maharashtra by disorganising the plantations; once disorganised, it will be difficult, if not impossible, to reorganise these farms. In view of these serious consequences, the least that the Government can do, in our opinion, is to postpone consideration of the Bill until such time that an impartial Commission is able to go fully into the matter and report on the feasibility, as well as the advisability, of the move.

GENERAL

1. (a) Sugar Industry in Maharashtra State is an Agro-industry working at **PEAK EFFICIENCY** which efficiency is still progressively going up.
(b) Its results are comparable with world's best.
2. **Its results are due to:**
 - (a) Pioneering efforts
 - (b) Progressive management having initiative and drive
 - (c) Research and experimentation (with well-equipped laboratories)
 - (d) Adoption of latest techniques and timely operations
 - (e) High mechanisation
 - (f) Huge investments on land development and equipment
 - (g) Rigid control of pests and diseases
 - (h) Scientific cropping schemes
 - (i) Close co-ordination between farm and factory
 - (j) Highly qualified and experienced technicians.
3. **This has resulted in their becoming MODEL FARMS with:**
 - (a) Highest sugarcane yields per acre
 - (b) Highest sugar per acre
 - (c) Better labour conditions, wages and amenities
 - (d) Maximum economy in utilisation of water and manures
 - (e) Reclamation and maximum utilisation of available land.

THEIR BENEFICIAL INFLUENCE

(f) Extension services — as demonstration farms and distribution of good quality seeds, maintenance of nurseries and museums of varieties.

(g) Research and experimental stations, particularly in the establishment of advanced techniques and new varieties.

(h) They have influenced the cane cultivation of the surrounding cultivators' farms.

4. Nation's main problem is poor agricultural efficiency, whereas these farms compete with the best results in the world.
5. For any land policy **productivity and efficiency** should be the deciding criteria. The Planning Commission accepted this healthy principle in the Second Plan, and exempted highly efficient and mechanised farms from land ceilings.
6. **Their beneficial influence on the surrounding agriculturists is very great and they are even better than the Model Farms started by Government with International help.**
7. The land holding of these farms is negligible — 0·002 of the cultivable area of the State and would hardly affect the land policy.
8. There is no uniformity in the country on exemptions; moreover in other States new private sugar factories are encouraged.
9. The tendency all the world over has been to consolidate holdings so as to introduce mechanisation and better control in the farms to improve agricultural efficiency and productivity. The present measure goes contrary to the experience in the rest of the world. Even experiments in U.P. have gone to show that the cane yields of factory farms are definitely superior to the yields in the small fragmented holdings. **Thus there is a case for encouraging formation of factory farms to improve the agricultural efficiency rather than breaking up well-managed farms.**

10. Alternative proposals to maintain productivity are impracticable as will be analysed later. In any case this experiment can be tried on any or all the Co-operative Sugar Factories **before disturbing these efficient and well-organised farms which are national assets.**
11. The Government can try the experiment on existing State Farms or start new ones.
12. Failure of this experiment would mean irreparable loss to cane agriculture of the nation, as **it would retard the present progress and considerably reduce the yields.**
13. Once disturbed it would be impossible to restore the present system unlike other industries.
14. While huge, loans (Rs. 9 millions to each), are advanced to the Co-operative Sugar Factories for the development of the industry, the highly efficient sector in the country with its large investments is sought to be dislocated.
15. The provisions of the Bill are tantamount to expropriation of property where millions of rupees have been invested on land development and equipment by each factory.
16. **There is great need to examine the case on merit before rushing through legislation.**
17. The Government should appoint an impartial Commission to enquire into the working of such farms and decide uniform land policy all over the country for general improvement of cane agriculture. Commission preferably should be of sugarcane experts of national or international fame and well-known economists.

Notes: (i) All the claims are substantiated by national and international data.

(ii) Facts and conditions obtaining on Godavari Farms and referred to in this brochure are generally illustrative of conditions on all factory farms in Maharashtra.

SOME FACTS AND FIGURES

I. POLICY

The object of the Bill is "for distributing the surplus to the persons in need of land for their livelihood as a measure of social justice."

(a) AREA OF THE STATE.....	764 lacs acres
CULTIVABLE AREA IN THE STATE.....	464 lacs acres
AREA WITH SUGAR FACTORIES.....	0.94 lac acres
SUGAR FACTORIES' AREA (as percentage of cultivable area).....	0.20%

The area with the Sugar Factories is negligible compared to the cultivable area in the State (one acre out of 500), and thus the object is hardly served.

(b) AREA WITH FACTORIES.....	94,000 acres
NUMBER OF SHAREHOLDERS OF FACTORIES.....	21,000 Members
AREA PER SHAREHOLDER.....	4.50 acres
CEILING PROPOSED IN THE BILL.....	16 to 156 acres.

Comments:

- (1) There should be no distinction between the members of Co-operative Societies and those of Joint Stock Companies.
- (2) Based on this, the area per shareholder is well below the ceiling proposed in the Bill.

II. SUGARCANE YIELDS

<i>Type of factories</i>	<i>Yield per acre</i>	<i>Total acreage</i>
Joint Stock Companies	53·5 tons	22,000
Co-operative Factories	36·0 tons	45,000
All India	14·5 tons	52,00,000

Note: Cane yields in Co-operative Factories are lower by 17·5 tons per acre.

CANE YIELDS PER ACRE IN AHMEDNAGAR DISTRICT

<i>Joint Stock Companies:</i>		<i>Co-operative Factories:</i>	
Godavari	64 tons	Kolpewadi	45 tons
Maharashtra	63 tons	Loni	45 tons
Belapur	54 tons	Rahata	35 tons

Remarks: Co-operative Factories are working for the last 5 to 12 years. This sector therefore cannot be considered new any longer.

III. VALUE OF CANE (PRODUCE) PER ACRE IN DIFFERENT SECTORS (Based on Rs. 55 per ton factory delivery)

	<i>Rupees</i>
Godavari.....	3,520
Joint Stock Companies.....	2,940
Co-operative Factories.....	1,980
All India average.....	800

IV. YIELDS OF DIFFERENT PRODUCTS PER ACRE (Compared with cane)

	<i>Yield (in Rupees)</i>
CANE — Godavari.....	3,520
Cotton (15 mds/acre @ Rs. 52 per Md).....	780
Tobacco (12 mds/acre @ Rs. 60 per Md).....	720
Paddy (30 mds/acre @ Rs. 18 per Md).....	540
Wheat (15 mds/acre @ Rs. 20 per Md).....	300

Note: The crops figures are for highly efficient farms. All India averages are much lower.

V. REVENUE TO GOVERNMENT PER ACRE

	<i>Cane cess (State) Rupees</i>	<i>Excise (Central Govt.) Rupees</i>	<i>Total Revenue Rupees</i>
Godavari	320	2,095	2,415
Joint Stock Companies	260	1,810	2,070
Co-operative Factories	180	1,221	1,401
All India average	70	420	490

VI. IF THE YIELDS FALL — If Joint Stock cane yields were to fall to Co-operative level
(Basis 22,000 acres)

LOSS OF CANE	3,85,000 tons	
LOSS IN TERMS OF MONEY :		
Cane	Rs. 1,92,50,000	Loss to Nation
Cane Cess.....	Rs. 19,25,000	Loss to State
Excise Duty.....	Rs. 1,30,25,000	Loss to Centre
Total Revenue.....	Rs. 1,49,50,000	
Total Loss.....	Rs. 3,42,00,000	Annually

Besides the revenue loss to the Government the **Joint Stock Companies will have to work under-capacity to this extent.** To make up for the lesser production, 11,000 acres of cane area, i.e. 35,000 acres of cultivable area will have to be diverted from foodcrops for sugarcane. Further, this would mean more manure and water requirements.

Note: Apparently the State and Centre are prepared to forego this revenue. Ends of social justice will be well served if sizeable portion of this revenue is distributed amongst the beneficiaries rather than disturb the farms.

VII. WORLD FIGURES COMPARED

	<i>Tons cane per acre</i>	<i>Recovery</i>	<i>Sugar per acre</i>	<i>Crop age (average)</i>	<i>Sugar Acre/month</i>
GODAVARI	64·00	11·50	7·36	16 months	0·46
Maharashtra State (Joint Stock)	53·50	11·50	6·15	16 months	0·38
Java	56·20	11·49	6·40	16 months	0·40
Hawaii	62·05	10·46	6·50	24 months	0·27
Cuba	17·12	12·25	2·10	12 months	0·18
India	14·50	10·00	1·45	12 months	0·12

Internationally Hawaii and Java are recognised to have outstanding records for Cane cultivation in the world.

These results have been achieved through initiative, research and application of latest practices.

The yields are progressively increasing.

We are sure to surpass in very near future any individual result in the world for sugar per acre if our programmes are allowed to be carried on.

EXPLANATIONS AND ASSUMPTIONS

In the case of Co-operative Sugar Factories, the figures given relate to average of total holdings of members of the Co-operative Factories.

Figures have been taken (1) from D. S. T. A. Proceedings of the 17th Convention, Part 1, 1960 and (2) from *Indian Sugar*, September, 1960 issue.

Cane price : Rs. 55/ per ton factory delivery and
Rs. 50/ field delivery.

Recovery : Maharashtra — 11·5 %
All India — 10·0 %

THIS PROGRESSIVE EFFICIENCY IS DUE TO

PIONEERING EFFORTS

1. Entrepreneurs had to face critical situation till 1930 and one factory actually closed down. Belapur Company with its good results today, also had to face critical situation.
2. Continuous search for new varieties and development of new cultural practices saved the situation.
3. This was possible because the industry owned its own farms and did experiments.
4. The State Government appointed Kamat Committee in the year 1932 to encourage use of canal waters.
5. The State Government gave positive encouragement and assurances to new entrepreneurs to start sugar factories. They were given stamped agreements for irrigation water for 30 years and other facilities. Our agreement, for example, is valid till 1973.
6. When necessity arose Government gave written agreements and when the Peak Efficiencies have reached, these agreements are sought to be broken and investment sought to be practically expropriated by Legislative Apparatus. Should this be considered a pattern for future?
7. This is bound to scare the Private Industry and lead to general loss of faith in the Government's assurances and agreements.

PROGRESSIVE MANAGEMENT

Progressive outlook and very keen interest taken by the top management in the development of cane agriculture is largely responsible for its progress in Maharashtra.

RESEARCH AND EXPERIMENTATION

1. Each of the factory farms undertakes extensive research and experiments every year. On Godavari estate, for example, about 35 large scale experiments with factory crushing tests are undertaken besides a number of other field trials.

2. MANURIAL TRIALS

(a) Manurial trials are most important. Attempts have been made to establish replacement of organic manures by chemical fertilisers. Work is being done on the balanced nutrition of nitrogen, phosphate and potash in different types of soils.

(b) Latest technique of foliar analysis has been undertaken.

(c) These experiments have resulted in economic use of manures. Consequently, sugar factory uses much lower quantity of manure with much higher yields and lower cost of production. In spite of their lower yields the cultivators use 30 per cent more nitrogen fertilisers. On Godavari estate alone this works to a saving of Rs. 5 lacs per year.

3. VARIETAL TRIALS — NEW VARIETIES

(i) Factory farms have been responsible for establishing commercial importance of the new varieties, in relation to their performance in different climatic and soil conditions. This has been possible on account of extensive areas reserved for field trials which ultimately lead to full scale factory trials to judge finally their performance and quality.

(ii) Selection is made for better yields, better recoveries and for early, mid- and late maturing characteristics. Co. 419, wonder variety of Maharashtra, held its own as the only variety till 1955. In spite of it, the absence of alternative commercial variety was keenly felt by the industry.

(iii) Since 1955 on Godavari estates, we started with the new varieties — Co. 740, Co. 678 and Co. 775, which now occupy more than 60 per cent of the area. This has resulted in better performance of the plantations.

(iv) For the last two years the local agriculturists demand and obtain new varieties from us.

(v) This shows the valuable work done by the farms in the establishment of new varieties as well as their beneficial influence on the surrounding cultivators.

(vi) Besides, at present 15 new varieties are under trial for commercial exploitation. The factory farms also maintain museums where about 50-60 varieties are maintained under observation.

4. NURSERY

Keen attention is paid for the maintenance of nurseries where healthy and disease-free seed is developed.

5. IRRIGATION

(i) The factories use water economically on volumetric basis.

(ii) The cultivators take water on area basis and consume about 20 to 25 per cent more water. In terms of money it would mean a saving of Rs. 1.50 lacs on Godavari plantations alone. Alternatively this water can help to irrigate 600 acres of basic cane or 3,000 acres of food crops.

(iii) Recent adoption of Hawaiian graded furrow irrigation at Godavari plantation has revolutionised the irrigation efficiency and economy, besides fully utilising the land otherwise used for bunds resulting in higher yields.

6. SELECTIVE HARVESTING

Preliminary survey before harvesting is carried out by taking refractometer readings and laboratory tests, followed by mill tests at the time of harvesting to get fully mature cane.

7. EXTENSION SERVICES

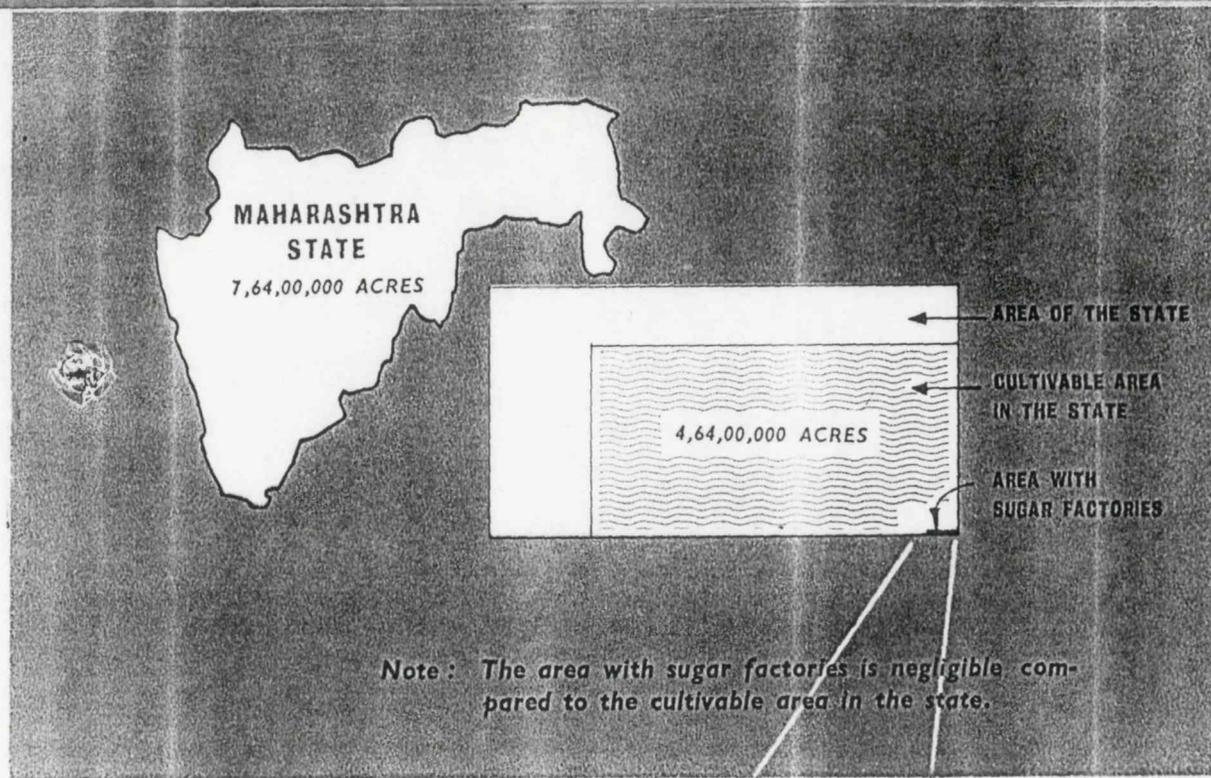
- (i) These farms are Model Farms and serve purposes of education and demonstrations to the surrounding agriculturists.
- (ii) Their outstanding performance is a source of great inspiration to the surrounding agriculturists to copy their various cultural practices.
- (iii) Yields of cane on these agriculturists' farms are much higher than on those which do not come in the region of the influence of factory farms.
- (iv) Quite a few agriculturists pay periodical visits and seek and obtain advice on their problems.
- (v) They are supplied with good seeds of established varieties as well as of the new varieties if they so desire.
- (vi) In extension services these farms are even better than the Government Model Farms.
- (vii) Establishment of new varieties.
- (viii) Late Shri Rafi Ahmed Kidwai characterised these farms as "Community projects in action".

8. RIGID CONTROL OF PESTS AND DISEASES

The factory farms can be considered to be practically free of pests and diseases. This is achieved by taking timely preventive and control measures and regular use of pesticides and insecticides both on ground and aerial spray has become routine field operations. This may be contrasted with the North Indian farms which are full of diseases and which, it may aptly be pointed out, is one of the important factors responsible for the lower All India average of cane.

SOME FACTS AND FIGURES

In the case of Co-operative Sugar Factories the figures given relate to average of total holdings of members of the Co-operative Factories.



AREA WITH SUGAR FACTORIES

94,000 ACRES

DISTRIBUTED OVER 21,000 SHARE HOLDERS = 4.50 ACRES

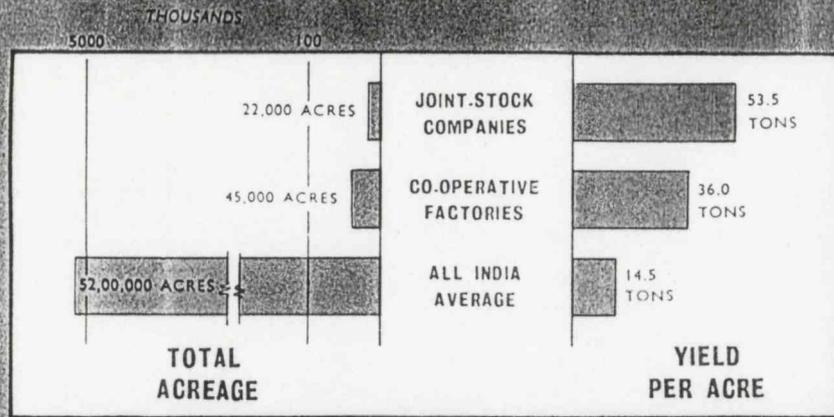
4.5 ACRES

16 ACRES

CEILING PROPOSED IN THE BILL

- Comments: (i) There should be no distinction between the members of Co-operative Societies and those of Joint Stock Companies.
- (ii) Based on this, the area per shareholder is well below the ceiling proposed in the Bill.

ACREAGE AND YIELD PER ACRE



Note: Cane yields in Co-operative Factories are lower by 17.5 tons per acre.

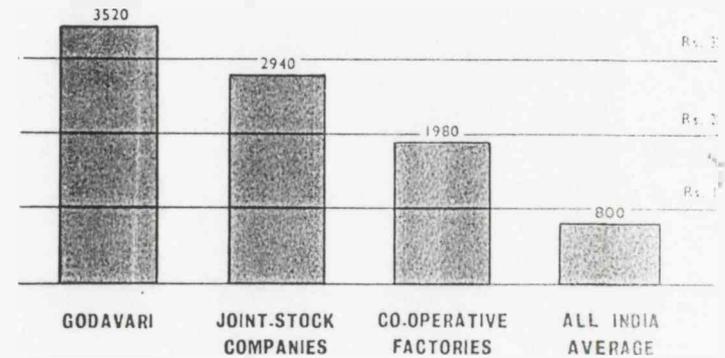
CANE YIELDS IN AHMEDNAGAR DISTRICT

	Tons	Per	Acres
JOINT-STOCK COMPANIES	Godavari		64
	Maharashtra		63
	Belapur		54
CO-OPERATIVE FACTORIES	Kolpewadi		45
	Loni		45
	Rahata		35

Remarks: Co-operative Factories are working for the last 5 to 12 years. This sector, therefore, cannot be considered new any longer.

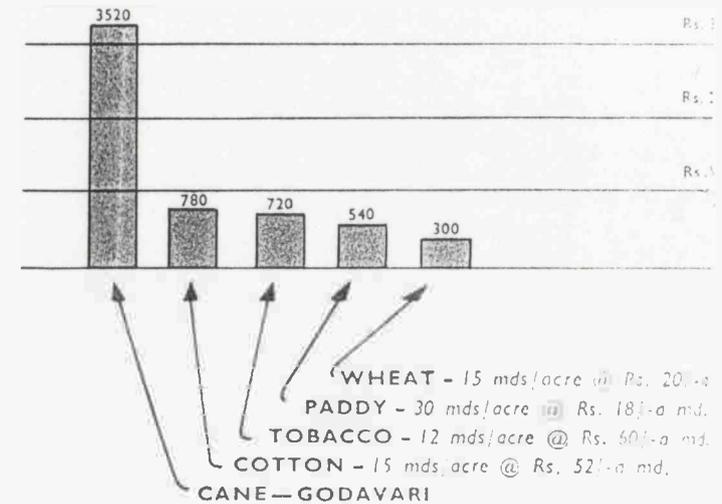
VALUE OF CANE (PRODUCE) PER ACRE IN DIFFERENT SECTORS

Based on Rs. 55 - per ton factory delivery.



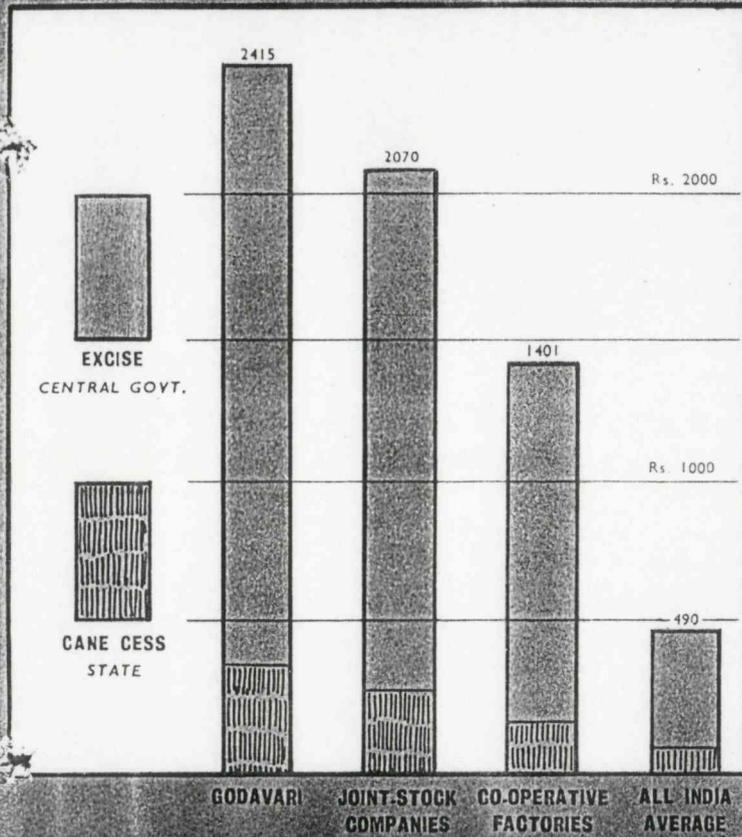
ASSUMPTIONS Cane price: Rs. 55/- per ton factory delivery.

YIELD OF DIFFERENT PRODUCTS PER ACRE (compared with cane)



Note: The crops figures are for highly efficient farms. All India averages are much lower.

REVENUE TO GOVERNMENT PER ACRE OF CANE

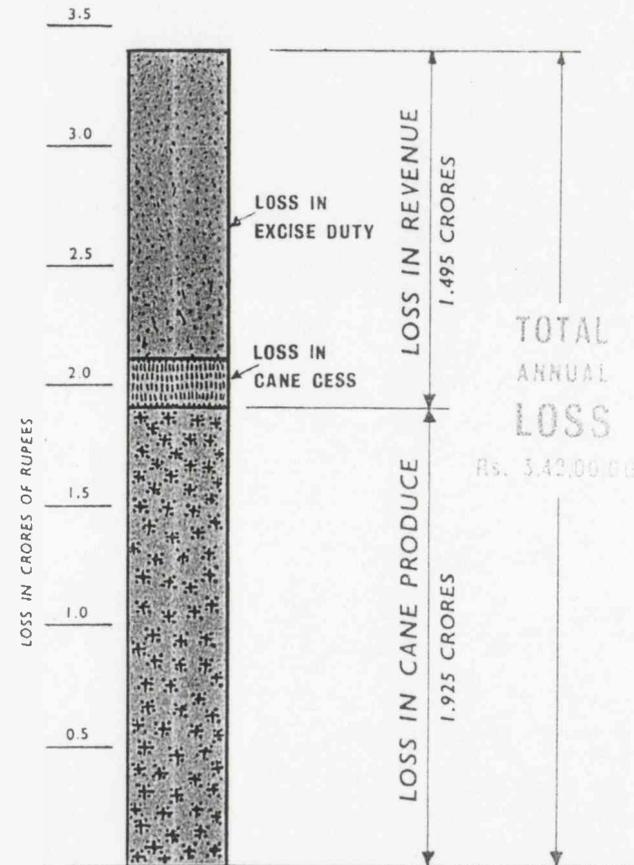


ASSUMPTIONS Recovery: Maharashtra 11.5%
All India 10%

IF THE YIELDS FALL —

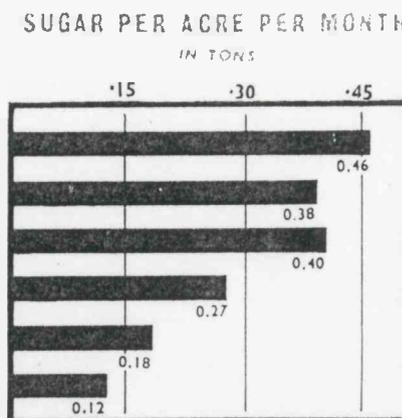
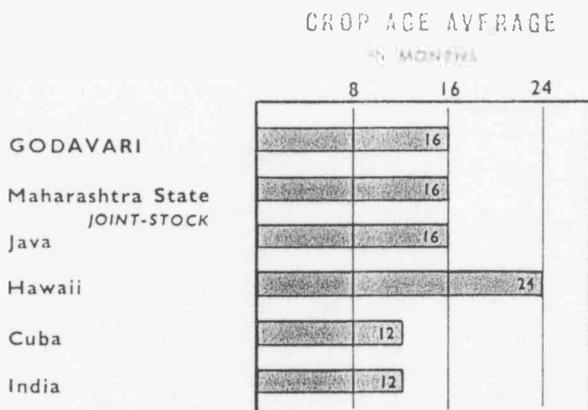
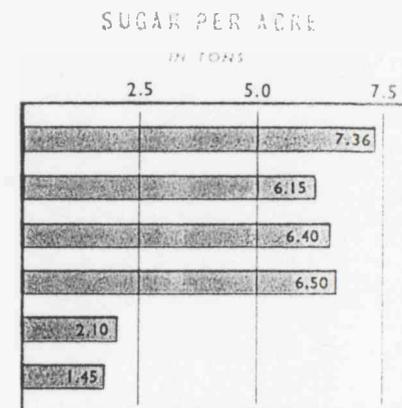
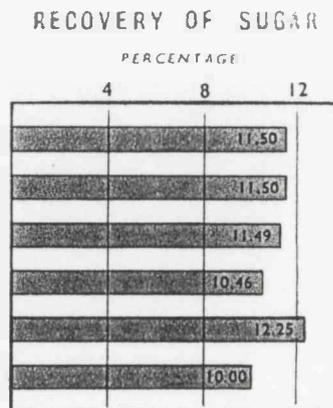
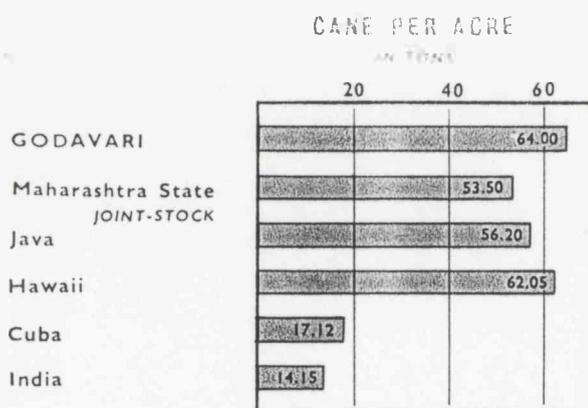
IF JOINT-STOCK CANE YIELDS WERE TO FALL TO CO-OPERATIVE LEVEL

Basis 22,000 acres



ASSUMPTIONS Cane price: Rs. 50/- field delivery
Recovery: Maharashtra 11.5%

WORLD FIGURES COMPARED



Remarks : Hawaii has the best record for Cane Cultivation in the world. We are sure to surpass in very near future any results in the world for sugar per acre per month if our programmes are allowed to be carried on.

These results have been achieved through initiative, research and application of latest practices. The yields are progressively increasing.

9. DECCAN SUGAR TECHNOLOGISTS' ASSOCIATION

- (i) The work of research and dissemination of knowledge gained during the year is facilitated to the delegates at the Annual Convention of the Deccan Sugar Technologists' Association, formed in 1935.
- (ii) Papers of the work done and the problems concerning the industry are presented and discussed thoroughly.
- (iii) The Deccan Sugar Technologists' Association arranges visits to various factories.
- (iv) The work of the technologists as well as the Convention proceedings are internationally recognised and quoted.

INVESTMENT ON GODAVARI PLANTATIONS

1. EQUIPMENT

- (i) The factories maintain costly heavy tractors and implements for levelling of land, deep tillage, inter-cultivation, etc. Investment on this account at Godavari alone will run to Rs. 15 lacs.
- (ii) Each heavy tractor with its implements today costs nearly Rs. 1,50,000. There are 4 such heavy sets besides other 15 smaller units. Such investment is beyond the reach of the small cultivators with only 5 acres basic cane, being the workable ceiling out of 16 acres provided for in the Bill, as only one-third area can be grown under cane at a time.
- (iii) Even the State Government had to close down its Tractor Organisation because of uneconomic working and high maintenance cost.

2. LAND DEVELOPMENT

Uncultivated jungles and unremunerative, barren, fallow lands have been brought under the plough by the Sugar Factories at great cost. All the lands have been generally levelled and bunded to prevent erosion.

3. DRAINAGE PROGRAMME

Drainage programme costing above Rs. 7,00,000 has been carried on the plantation to reclaim the water-logged and saline lands.

4. SOIL IMPROVEMENT

Great attention has been paid towards the improvement of soils. Extensive use of green manure, press mud and farm yard manure has been made. About 10,000 to 15,000 tons of farm yard manure have been supplied annually from Bombay alone to the plantations over a period of about seven years. Thus one lac tons of farm yard manure alone, costing Rs. 20 lacs have been used. This has improved the physical condition of soil considerably resulting in the present record yields.

Thus the investment on the improvement of soil would amount to millions of rupees.

5. SOIL AMENDMENT

Alkaline and saline soils with very poor fertility have been made cultivable by use of soil ameliorative chemicals such as gypsum, sulphur and molasses, etc., and construction of costly drains. This has resulted in bringing under plough normally discarded soils.

6. LIFT IRRIGATION

Huge investment has been made in the development of lift irrigation on waste water of nalas and rivers which was unutilised. This has resulted in bringing the areas growing only dry crops to give higher yields on account of irrigation provided. Investment on this account is about Rs. 5,00,000.

7. PIPE LINES

Investment has been made on laying hume pipes to save water.

8. TRANSPORT

Extensive trolley lines have been developed for the transport of cane. Investment on this account would run to approximately Rs. 10 lacs.

9. WELLS

Large sums have been spent in digging wells on the estate, which amount to nearly Rs. 1.25 lacs. The compensation likely to be received as proposed in the Bill would be hardly Rs. 3,500, which works out to about 3% of the actual cost.

10. LAND PURCHASES

Over 3,500 acres are owned by the Company. Based on the recent market prices ranging between Rs. 1,200 to Rs. 1,500 per acre the value of land is Rs. 47 lacs. The real value of the land however is about twice as much on account of heavy development made on these lands. Compensation provided in the Bill for these lands is likely to be Rs. 7,00,000 payable by transferable 20 years' 3 per cent Bonds. The market value of these bonds will be much lower than the face value. Thus the actual compensation would work out to a meagre 5 per cent of the real value!

LABOUR CONDITIONS

1. Labour on the factory farms enjoy all the benefits of the factory labour and is therefore in a very advantageous position as compared to the agricultural labour working on the farms of the members of the Co-operative factories or with other cane growers. Following comparison will give a clear picture.

<i>Factory Farms</i>	<i>Farms of the members of Co-operative factories.</i>
(1) Same status as factory labour	No such status
(2) Governed by Bombay Industrial Relations Act	Not applicable
(3) Minimum wage Rs. 2·75 nP. per day plus wage scales	No minimum wage. Wage varies from Rs.1·25 to Rs.1·70 per day.
(4) Bonus	Nil
(5) Provident Fund	Nil
(6) Gratuity	Nil
(7) Free medical aid	Nil
(8) Free housing	Nil
(9) Free education to dependants	Nil

Factory Farms

*Farms of the members of
Co-operative factories.*

(10) Paid holidays	Nil
(11) Annual leave with wages	Nil
(12) Fixed hours of work	No prescribed hours
(13) Overtime at increased rate	No such provision
(14) Security of Service	Nil
(15) Female labour treated on par with male labour	Wage varies from Re. 0.75 to 1.00 per day.

Notes:

1. The recent Wage Board Award for factories would subsequently become applicable to the farm labour and this would substantially raise the wages. Overall wage including bonus etc. would come to nearly Rs. 125 per month as against his counterpart on the smaller farms getting less than Rs. 50 per month.
2. **Thus with the disturbance of these farms labour will be a great loser in respect of all the amenities and wages with no security of service.**
3. Even though the Co-operative Sector is in existence for the last 12 years nothing has been done by the Government to improve the lot of agricultural workers.
4. It cannot now be claimed that Government would protect present factory-farm labour to the exclusion of the labour in the farms supplying cane to Co-operative Sugar Factories.
5. It is the permanent grievance of labour that Government has been averse to the application of labour legislation to State Undertakings. As such, little benefit may accrue under State Farms to labour.
6. **The Bill would therefore affect about 25,000 workers and their families who would get less than half wages for sake of distributing land among 2,000 to 5,000 families depending on the scheme of legislation finally adopted.**
7. **Labour will thus lose annually minimum Rs. 1.5 crores on the basis of the present disparity of wages which will increase to more than Rs. 2 crores after implementation of the recent Wage Board Award.**

TECHNICAL CADRE

1. Highly qualified and experienced technicians have been employed on the farms.
2. Senior men in charge have spent their life-time in cane agriculture.
3. The technicians are actively associated with extensive experiments.
4. There is healthy competition and incentive amongst them for their respective performance results and they are encouraged to hold periodical meetings and discussions.
5. They attend annual conventions of the Technologists' Association, present papers and discuss the problems with other agricultural technicians in the State.
6. Some of the technicians have toured abroad and have brought with them the knowledge of the latest practices, obtaining there and have adopted them for beneficial use here.
7. They are encouraged to attend foreign experts' lectures, visit research and breeding stations from time to time.
8. Some assistants are specially trained in research aspects.
9. Their work is internationally recognised.

Sugarcane Technology will suffer a severe set-back if the present set up is disturbed.

ALTERNATIVE PROPOSALS UNDER THE BILL ARE IMPRACTICABLE

GENERAL

1. (a) The case of the State Government against the outstanding results of farms owned by Joint Stock factories rests on the undertaking that "the State Government shall take particular care to ensure that the acquisition of land does not affect adversely the production and supply of raw materials from such land to the undertakings". The productivity is sought to be maintained by legislative Ukase.

(b) The Government also proposes to "maintain the integrity of the area so acquired in one or more compact blocks". These statements need to be fully examined.
2. The Bill (Clause 28) provides two alternatives:
 - (i) Joint Farming Society; and
 - (ii) State Farms.
3. It is clear that even the Government does not believe that the results or the work being done on these farms can be maintained by smaller cultivators themselves or under the present form of Co-operative Societies.

4. Under the Bill
 - (i) **the land owners do not become the owners of the land;**
 - (ii) **the land vests in the Government;**
 - (iii) Joint Farming Society will **merely get a grant to cultivate** under certain terms and conditions;
 - (iv) this grant is **terminable** under certain circumstances on three months' notice.
5. It is not understood **how the object of the Bill, viz., distribution of the land to persons in need of land or the interest of social justice is served when the Government will retain the land.**
6. The very idea of taking over private farms under State control just because they are profitable and for objectives which are not at all served, can never be justified.

JOINT FARMING

1. **Even the Government does not appear to be confident of the success of the Joint Farming** and as such the land is not to be allotted to the Joint Farming Society but only a grant to cultivate the land is to be given. This grant is liable to be terminated.
2. **Joint farming will be a new experiment which has not been tried. The practical implications and repercussions of such an experiment are not yet understood. In the absence of clear understanding of the practical implications, it will be unwise to handover these established farms to them and risk disorganisation.**
3. The form of organisation envisaged is not clear.
4. **If each of the members will be allotted specific plot** and be made responsible for his own profit and loss, then the type of large scale operations, now practised, may not be possible. Operations like irrigation, ploughing, etc. may be undertaken jointly. It will merely mean fragmentation with the joint operations. It will not be strictly joint farming.
5. **A number of problems will arise besides those under para 7 (page 25).**
 - (i) Where will the experiments be conducted?
 - (ii) Who will bear the expense and loss on such experiments?

(iii) He will be interested only in his own area; his interest being limited to the yield of cane rather than quality.

(iv) The situation will not be different than that existing on the farms of the members of the present Co-operative Societies.

6. If individual allotment of land is not preferred and joint holding by all the members is envisaged, then other types of practical problems will arise :

(a) How will the members' interest be created in the lands ?

(b) If operations are carried out as at present by the joint stock sugar factories, what will be his position under the scheme of things ?

(c) Will he be reduced to the position of a labourer ? will there be any compulsion on him ?

(d) Will he be entitled to share profit, irrespective of the work put in ?

(e) If he is compelled to work, what will be the nature of work allotted ?

(f) How will his share of profit be determined; will it be on the type of work performed and who will judge his work ?

(g) If he is to get a share in the profit, irrespective of the labour put in, will his position not be comparable to that of a shareholder of a Joint Stock Company ?

(h) If it is obligatory on him to work, from whom will he take orders if all the members are supposed to be co-owners ?

(i) Who will be in charge of cultivation? Will it be on the basis of ability or merely on the number of votes obtained ? Technicians will be in hopeless minority.

(j) What will be the position of the technicians; from whom will they take their orders?

Under these circumstances, smooth working in the farm will be impossible.

These and a host of other problems will arise.

Summing up: In a Joint Farming a member will either—

(1) be allotted his portion of land in which case it will amount to fragmentation with joint operation; or

(2) have joint holding of the total land; in which case a number of administrative and control problems will arise.

On the face of it, the system is not practicable.

7. The following further consequences may occur:

(a) Close co-ordination between factory and farm will be disturbed.

(b) Scientific cropping programmes will be disturbed.

(c) Research and experiment will receive a severe set-back.

(d) The development of new varieties will also be retarded.

(e) Labour will be a very great loser.

(f) It must be remembered that achievements of the existing farms have been on account of pioneering, initiative and great efforts on the part of entrepreneurs, which initiative will be lost.

(g) Millions of rupees have been spent to develop these lands and improve the soil fertility, and this programme will also suffer.

(h) As investment on equipment is very heavy, the problems of maintenance are very great. The quality of tillage and agricultural operations will also suffer. The State Government had maintained a tractor organisation to help cultivators. This organisation was closed down because of heavy maintenance.

(i) It can be argued that all the present features will be maintained, that the Government will give sufficient financial assistance and such adverse results are not to be feared, etc. Yet there is no substitute for initiative and enterprising spirit.

(j) Technical cadre will be insecure.

8. If the Government is confident that this experiment will succeed, rather than their taking over the present factory lands, it will be advisable to try this experiment on the existing Co-operative Sugar Factories. The members thereof have already formed themselves into a Society and are supplying cane to the Co-operative Factories. They can undertake joint farming and bring in, if at all possible, all the present features of the factory farms.
9. At present their average yields are over 30% lower than the average yields of the factory farms. They have come into being for the last 5 to 12 years, yet the results are nowhere comparable.
10. **In any other circumstances there can be no case for disturbing the present farms because once disorganised, they may not be reorganised.**

STATE FARMS

1. By itself it is a self-contradiction.
2. The object of the Bill is social justice, distribution of the land ; yet the State proposes to appropriate the land to itself for a very meagre compensation.
3. This is not compatible with the principles of democracy and of allowing equal scope to the private sector to show its achievement.
4. Maintenance of results and continued progress on State Farms is doubtful.
5. There is no evidence to show that the results and progress can be maintained on State Farms.
6. The very nature of things will not bring in initiative and drive and free scope to the technologists to show results.
7. Stagnation and lack of initiative in the cadre would retard progress and achievements.
8. **The arguments that apply in the case of joint farming, particularly those in para 7 (p. 25), are equally applicable here excepting that the technical cadre may have a security of service.**

9. Further, the present complete co-ordination between factory and farm, which has been of prime importance, will also suffer a severe set-back.
10. Government have a lot of land and water under their control. If they are confident they can achieve these results on State farms, it is upto them to start such farms on their own and try to duplicate these results.
11. **It is wrong to take over the existing organisations, with their existing set up, highly developed lands, qualified cadre etc., and then to claim these results as their own, if at all they are maintained.**

CONCLUSION

1. There can of course be no positive proof as to why and how joint farming or State farming will not achieve results. It can only be replied by surmises, and past experience under similar circumstances should be taken as a guide.
2. Judged on these observations, neither joint farming nor State farms will have any appreciable results to their credit.
3. Results on the farms of the members attached to Co-operative Factories are 30% lower, being 36 tons/acre against 53·5 tons/acre on factory farms.
4. In all such discussions the average over the entire plantations has to be discussed rather than an individual result on a small area. On sugar factory farms also plots can be shown to harvest 90 to 100 tons per acre.
5. As has been pleaded earlier, any dislocation in the present set up is bound to have adverse effects. The organisation once disturbed would find it very difficult to be set up again in its original position.

R. No. 3285

21/9

332

No. W.B.7(32)/60-II
Government of India
Ministry of Labour & Employment

From

Dr. B.R. Seth,
Deputy Secretary to the Government of India.

To

1. All State Governments (except J and K.)
2. The Secretary, All India Organisation of Industrial Employers, "Federation House", 1st Floor, Barakhamba Road, New Delhi.
3. The Secretary, Employers' Federation of India, 2nd Floor, Army & Navy Bldgs, 148 Mahatma Gandhi Road, Bombay.
4. The Secretary, All India Manufacturers' Organisation, 4th Floor, Co-operative Insurance Bldgs., Sir Pherozeshah Mehta Road, Fort, Bombay.
5. The President, Indian Sugar Mills Association, India Exchange Place, Calcutta-1.
6. The General Secretary, Indian National Trade Union Congress, 17, Janpath, New Delhi.
7. The General Secretary, All India Trade Union Congress, 4, Ashok Road, New Delhi
8. The General Secretary, Hind Mazdoor Sabha, Nagindas Chambers, 2nd Floor, 167 Feroze Road, Bombay.1
9. The General Secretary, United Trade Union Congress, 249, Bow Bazar Street, 1st Floor, Calcutta-12.

Dated New Delhi, the 20/9/61

Subject:- Report of the Central Wage Board for Sugar Industry - Corrections.

Sir,

In continuation of this Ministry's letter No. WB.7(32)/60-I, dated the 2nd June, 1961, I am directed to say that the following further correction may kindly be made in the printed copies of the Report of the Central Wage Board for Sugar Industry:-

APPENDIX LXIV - (page 333) - Engineering Department -
Against item 4, for 'Workshop Foreman' in col 1,
read 'Workshop Foreman-I'.

Yours faithfully,

B. Seth
(B.R. Seth) 19/9/61
Deputy Secretary.

Copy with 3 spare copies, forwarded to the Ministry of Food and Agriculture, Department of Food, New Delhi.

for Deputy Secretary.

Zhu

2500 Sugar Workers Demonstrate In Walachandnagar

372

Immediate Implmentation of Wage Board Recommendations Demanded

In spite of off-season and consequent dispersal of seasonal workers, 2500 Walachandnagar workers rallied at the call of Indapur Sakhar Kangar union to demonstrate and pretest against the delay in the implemtation of therecommendations of the Central Wage Board for Sugar Industry.

Nine months have passed since the Recommendations are out. Still, under the plea of "workeng it out" Maharashtra Sugar Factory Owners, both private and co-operative are delayin^g its implem^tations, trying to create a sense of frustation among the workers. Even in two or three factories where it has been ~~implem~~ implemented workers are degraded in name of new classification and a number of categories of workers, who are already covered by the recommendat^{ions} are deliberately left out in name of 'ambiguity' of the report. The Maharashtra Labour Minister is refusing to intervene in the matter. All over Maharashtra, Workers' wrath against this attitude of the Sugar Employers who refuse to impl^{ent} these very meagre and mostly-favourable-to-employers Recommendations of the Wage Board is mounting and this this found exoression in the demonstration at Walachandnagar on 5th September.

Inclusion of Farm Labour Demanded.

Majority of permanent sugar workers in twelve privately owned sugar factories in Maharashtra work on the Sugar Cane Farms owned and run by the company. But these workers numbering merely 1,00,000 are left out of the perview of the recommendations. After prolong ~~edacation~~ agitation Maharashtra Govt. has referred this issue to the arbritration of the Industrial Court on an industry^{wise} basis. Uptill now the service conditions of factory and farm workers in all respects are exactly similar but a barrier is now created between them. One of the main demand of the Walchandnagar demonstration was to apply these recommendations to farm workers without any furhter delay.

Protest against Police Obstruction

The demonstration was halted by a contingent of police armed with lathis and Rifles at the entrance to the main road. The workers were not allowed to approach even the works' Managers Office. At this point the demonstrators squatted on the road and held a huge meeting which was addressed among others by Shri J.P.Mali M.L.A. and M.M.Katre, B.C.Banasode, W. S.Pundalik, Office bears of the Indapur S-akhar Kamgar Union. The high handed behaviour of Police in refusing permission to workers for demonstration on Walchandnagar's Main Road was severely condemned.

Earlier, at the beginning, the demonstrators were addressed by Shri Santaram Patil M.L.A. prominent sugar workers leader in Maharashtra,

Trade Union centre,
Maliwada, Ahmednagar.
(Maharashtra)
9 Sept.61.

To

The Editor,
Trade Union Record, New Delhi.

Sir,

Kindly publish the above newsitem in your weekly.

Thanking you,

Yours truly,

TRADE UNION CENTRE
MALIWADA, AHMEDNAGAR

M.M. Katre
(M.M.KATRE)
General Secretary.
Indapur Taluka Sakhar Kamgar Union.