

COPY NO. 2.

12745

INTERNATIONAL LABOUR OFFICE
INDIA BRANCH

Industrial and Labour Developments in November 1962.

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

<u>Contents.</u>	<u>Pages.</u>
<div style="border: 1px solid black; padding: 5px; display: inline-block;">I.L.O. REGISTRY GENEVA - 2 JAN 1963 C.S. 2 - 263</div>	
<u>CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.</u>	
<u>11. Political Situation and Administrative Action:</u>	
a) New Ministry formed in Maharashtra.	1
b) Measures under National Emergency: New Ministry of Defence and Economic Co-ordination set up: Full Cooperation assured by Employers and Workers to maintain Industrial Peace and Increase Production.	2-5
c) The Defence of India Rules, 1962.	6-9
d) Shri Jaisukhlal Hathi appointed Minister of Supplies.	10
<u>12. Activities of External Services:</u>	11
<u>CHAPTER 3. ECONOMIC QUESTIONS.</u>	
<u>34. Economic Planning, Control and Development:</u>	
a) Price Stabilisation Committee appointed: Minister's statement in Parliament.	12-16
b) Reserve Bank's Review of Indian Economy during 1961-62 published.	17-29
c) Agriculture allocated additional 500 million Rupees: Five Year Plan to be rephased to suit defence efforts.	30-31
d) Progress of Third Five Year Plan during 1961-62.	32-39

<u>Contents.</u>	<u>Pages.</u>
36. <u>Wages:</u>	
a) Recommendations of Central Wages Board for Steel Workers accepted: Interim rise in Wages.	40
b) Interim Wage increase for Coffee Workers: Recommendations of Central Wage Board accepted.	41
c) Minimum Wages (Maharashtra Amendment) Bill, 1962.	42-43
38. <u>Housing:</u>	
Working Group on Housing Co-operatives constituted.	44-45
<u>CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN BRANCHES OF THE NATIONAL ECONOMY.</u>	
42. <u>Co-operation:</u>	
a) Loans to agriculturists to be given through Cooperatives: Recommendations of Cooperative Credit Committee.	46
b) Top Priority for Consumers' Cooperatives in Urban Areas: Rs.100 Million allocated outside the Plan.	47-48
<u>CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.</u>	
50. <u>General:</u>	
a) Tripartite Committee for Bidi Industry appointed.	49-50
b) Working Conditions of Labour in Jute Industry: Report of the Indian Jute Mills' Association.	51-57
52. <u>Workers' Welfare, Recreation and Workers' Education:</u>	
West Bengal Mining Settlements (Health and Welfare) Bill, 1962.	58-60

<u>Contents.</u>	<u>Pages.</u>
55. <u>Protection of Minors:</u>	
Working of the Employment of Children Act 1938 in Railways and Major Ports during the Year 1960-61.	61-62
56. <u>Labour Administration:</u>	
Punjab: Annual Administration Report on the Working of the Labour Department for the Year 1961.	63-67
<u>CHAPTER 6. GENERAL RIGHTS OF WORKERS.</u>	
64. <u>Wage Protection and Labour Clauses in Employment Contracts with the Public Authorities:</u>	
Working of the Payment of Wages Act, 1936 on Railways During 1960-61.	68-70
✓ 67. <u>Conciliation and Arbitration:</u>	
a) Results of a Case Study in Labour-Management Relations in a Bata Shoe Company.	71-84
b) Industrial Disputes (Maharashtra Amendment) Bill, 1962.	85
c) Punjab: Annual Report on the Working of the Industrial Disputes Act, 1947, in the State during the Year 1961.	86-89
<u>CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS.</u>	
73. <u>Officials and Public Employees of National, Regional and Local Administrations, of Nationalised Undertakings or Undertakings Managed with the Participation of the Public Authorities:</u>	
Retirement Age of Central Government Employees Raised to 58.	90

<u>Contents.</u>	<u>Pages.</u>
<u>CHAPTER 8. MANPOWER PROBLEMS.</u>	
<u>83. Vocational Training:</u>	
a) Educational Plans to be Reorientated to meet the needs of Emergent Situation.	91
b) Mysore State Apprenticeship Council Rules, 1962.	92
c) Committee to review Plans and Programmes for Training of Technical Personnel set up.	93
<u>CHAPTER 9. SOCIAL SECURITY.</u>	
<u>91. Pre-legislation Measures:</u>	
Retirement Age of Central Government Employees Raised to 58.	94
<u>93. Application:</u>	
<u>VIII. Maternity Benefits:</u>	
Working of the West Bengal Maternity Benefit (Tea Estates) Act 1948 for the Year 1959.	95-97
<u>BIBLIOGRAPHY - INDIA - NOVEMBER 1962.</u>	98-99

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1

CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - NOVEMBER 1962.

11. Political Situation and Administrative Action.

New Ministry formed in Maharashtra.

Consequent upon the appointment by the President of India of Shri Y.B. Chavan as Union Minister for Defence, a new Cabinet was formed in Maharashtra on 19 November 1962 with Shri M.S. Kannamwar as Chief Minister of Maharashtra. The new Ministry comprised 16 Cabinet Ministers and 15 Deputy Ministers.

(The Hindustan Times, 21 November,
1962)

2

Measures under National Emergency: New Ministry of Defence and Economic Co-ordination set up: Full Cooperation assured by Employers and Workers to maintain Industrial Peace and Increase Production.

Reference is invited to the Special Report October 1962 of this Office which reviewed the proclamation by the President of India a state of emergency in the country consequent upon external aggression at India's northern borders. The measures taken by the Government of India under this emergency included the formation of a new Ministry of Defence and Economic Coordination, the setting up of the National Defence Council, the holding of a tripartite meeting which pledged full support to the policy of the Government in holding the price line and maintaining industrial peace and raise output, and the assumption of wide powers by the Government by virtue of the rules framed under the Defence of India Ordinance, 1962.

National Defence Council.- A National Defence Council comprising 30 members, with Shri Jawaharlal Nehru, Prime Minister of India as its chairman, was set up on 6 November 1962 to deal with the situation created by the Chinese invasion.

The President of India appointed on 14 November 1962 Shri Y.B. Chavan, Maharashtra Chief Minister as Defence Minister and Shri T.T. Krishnamachari, Minister and without Portfolio, as Minister of Economic and Defence Coordination, to deal with coordination of civil and defence production and supplies and such other subjects as may be assigned by the Prime Minister from time to time.

Joint Meeting of Workers and Employers.- A joint meeting of all employers' and workers' organisations was held at New Delhi on 3 November 1962, under the chairmanship of Shri G.L. Nanda, Union Minister for Labour and Employment. The meeting agreed that industrial peace should be preserved and no efforts spared to achieve maximum production to promote the defence effort. The conference adopted a comprehensive resolution embodying certain principles in regard to industrial peace, stepping up of production, price stability and savings. The resolution said: "Under no circumstances shall there be any interruption in or slowing down of production of goods and services".

Both workers and employers would in respect of their economic interests exercise voluntary restraint and accept the utmost sacrifice in an equitable manner. There should be maximum recourse to voluntary arbitration for which adequate arrangements should be made. Industries mentioned in the first schedule to the Industrial Disputes Act, 1947, and others such as petroleum and chemicals might be declared as public utility services. The resolution called for the removal of all impediments to ensure full utilisation of men, machinery and materials. There should be no idle plant capacity or waste and managements should exercise the maximum economy in their operations.

The resolution urged establishments to work, wherever possible, extra shifts, extra hours or on Sundays and holidays by mutual agreement. All advantages accruing to industry from the extra effort of the workers should go to the consumer and/or be made available for defence efforts, it said.

The resolution also urged that absenteeism should be discouraged and that unions should come out against negligence of duty or disturbance to normal work. Similarly any lapse on the part of the management that contravened the spirit of the ~~defence~~ defence effort should be condemned and put right forthwith.

Technical and skilled personnel in short supply should be switched over to emergency work having a bearing on defence, the resolution added.

The resolution called for utmost efforts to see that prices of industrial goods and essential commodities did not rise and to ensure supply of essential articles at fair prices to the working class through co-operatives.

INTUC Resolution.- At its 69th session held on 26 November 1962, the Working Committee of the INTUC adopted a resolution on INTUC's pledge to the nation. The resolution reiterated its resolve that stepping up of production both in the fields and factories was of utmost importance to keep up the supplies to the army and civilian requirements uninterrupted and in adequate quantities. Workers must display a high sense of discipline. There should be a significant increase both in the quality and quantity of output. A great responsibility, therefore, dwelt upon the workers of our country. Whatever the sacrifice involved, every worker would do his utmost so that production is maintained at the peak level throughout the period of emergency. The Committee urged the manufacturers to reduce the prices by cutting into their margin if necessary as part of their part of the contribution. The Committee felt that it was necessary for unions to see that ~~for~~ genuine grievances of the workers do not go

4

unredressed. The agreement reached at the conference to have maximum recourse to arbitration to settle disputes should be fully utilised. The Committee called upon the affiliated unions to extend all cooperation to see that the Industrial Truce resolution was properly implemented and was not utilised to exploit the workers who have volunteered to sacrifice.

AITUC Resolution.- The General Council of the All-India Trade Union Congress which met on 16 and 18 November 1962, passed resolutions endorsing the Industrial Truce arrived at the Delhi tripartite conference on 3 November 1962. ~~The resolutions endorsing the industrial truce arrived at the Delhi tripartite conference on 3 November.~~ The resolution warmly congratulated workers on their enthusiastic participation in "patriotic demonstrations, organising collection of donations to the National Defence Fund and contributing in other ways to the defence efforts".

By another resolution, the Council called upon its affiliated unions and their workers to do their duty. It also appealed to other trade union organisations to co-operate with the AITUC in the common cause. The resolution added: "Our working ~~and~~ class, taking its stand on the basis of the sound and healthy nationalism of an independent, anti-colonial country defending itself against foreign aggression, will build its common front with all classes of our people in order to fulfil its patriotic duty".

FICCI Meeting.- At an emergent meeting held at New Delhi on 5 November 1962, the Committee of the Federation of Indian Chambers of Commerce and Industry, pledged to increase production of vital commodities without any profiteering; to supply products of their industries to the consumers through normal trade channels at prices which they were expected to pay, the goods stamped with retail prices where possible; to contribute on a more regular basis to the National Defence Fund, defence bonds and loans; and to form a committee to exercise vigilance and guide the community in helping the Government to successfully prosecute the defence effort.

Addressing the meeting, Shri Morarji Desai, Union Minister for Finance who also attended the meeting, stressed the overriding need to hold the price line. If the Federation succeeded in checking profiteering, the Government would not step in.

5

Defence of India Rules.- Comprehensive and sweeping powers have been taken by the Government under the Defence of India Rules. Under these rules, framed in pursuance of the recent Ordinance, the State has been given the authority to cope with any problem connected with the war effort, ranging from sabotage to the safety of Indian coastal vessels.

The rules empower the Central and the State Governments to provide for regulating the production, movement and disposal of any article for the purpose of controlling prices of such articles.

The recruitment and movement of labour in specified areas may also be regulated by the Government.

Provision has been made under the rules to empower the Government to prohibit strikes and lockouts even though such lock outs and strikes may be permissible under the Industrial Disputes Act.

Prejudicial acts under the Rules will include, among other things, any act which adversely affects India's relations with a foreign power, or interferes with the discipline or recruitment of the army, or incites the cessation or slowing down of work in any establishment employing more than 100 persons (except in furtherance of an industrial dispute).

Rules dealing with "public safety and order" empower Government to control processions, meetings or assemblies, prevent strikes in places of employment, and restrict use of possession of motor vehicles in any area.

The rules dealing with maintenance of essential supplies for the community lay down that any male person in any specified area may be required to assist in maintaining the supplies or in clearing premises which have been damaged. Control of building operations and of agricultural operations (so as to ensure maximum utilisation of lands for specified crops) is also provided for.

(The Statesman, 4, 6, 7 and 20
November 1962;
The Hindustan Times, 8 December 1962;
The Indian Express Worker,
3 December 1962).

The Defence of India Rules, 1962.

The Central Government gazetted on 5 November 1962 the text of the Defence of India Rules, 1962, made in exercise of the powers conferred under the Defence of India Ordinance, 1962 (vide pages 1-7 of the Special Report of this Office for October 1962). The Rules deal inter alia, with access to certain premises and areas, control of signalling, telegraphy, postal communications, etc., restriction of movements and activities of persons, prevention of prejudicial acts and control of information, false representation, etc., preparations for defence, control of arms and explosives, public safety and order, shipping and aircraft, requisition and acquisition of moveable property, essential supplies and work, transport, financial provisions, miscellaneous provisions, supplementary and procedural matters.

Part XII of the Rules (Rules 118-126) deal with essential supplies and work. Rule 125 which deals with general control of industry provides inter alia that if the Central Government or the State Government is of opinion that it is necessary or expedient so to do for securing the defence of India and civil defence, the efficient conduct of military operations or the maintenance or increase of supplies and services essential to the life of the community or for securing the equitable distribution and availability of any article or thing at fair prices, it may, by order, provide for regulating or prohibiting the production, manufacture, supply and distribution, use and consumption of articles things and trade and commerce therein. Such an order may provide, among other matters, for regulating the carrying on of any undertaking engaged in, or capable of doing, work appearing to the Government essential to any of the above mentioned purposes, and, in particular, -

- (i) for requiring work to be done by an undertaking,
- (ii) for determining the order of priority in which, and the period or periods within which work shall be done by an undertaking,
- (iii) for controlling or fixing the charges which may be made by the undertaking in respect of the doing of any work by it;

- 7
- (iv) for requiring, regulating or prohibiting the engagement in the undertaking of any employees or class or classes of employees;
 - (v) for requiring the undertaking to provide adequate safeguards against sabotage.

For requiring persons engaged in the production, manufacture, supply or distribution of, or trade and commerce in any article or thing, to maintain and produce for inspection such books, accounts and records relating to their business and to furnish such information relating thereto and to employ such accounting and auditing staff as may be specified in the order.

For collecting any information or statistics with a view to regulating or prohibiting any of the aforesaid matters.

For requiring persons carrying on any industry, trade or business or employed in connection with any undertaking to produce to such authority as may be specified in order, any books, account or other documents ~~relating~~ relating thereto; and for requiring such persons to furnish such authority as may be specified in the order such estimates, returns or other information relating to any industry, trade or business or any undertaking as may be specified in the order or demanded thereunder.

Clause 4 of the rule provides that if it appears to the Central Government or the State Government that in the interests of the defence of India and civil defence, or the efficient conduct of military operations, or for maintaining supplies and services essential to the life of the community, it is necessary to exercise control over the whole or any part of an existing undertaking, that Government may by order authorise any person (hereinafter referred to as an authorised controller) to exercise, with respect to the undertaking or any part thereof specified in the order, such functions of control as may be provided by the order.

Clause 5 of Rule 125 provides that the Central Government, so far as it appears to it to be necessary or expedient for securing the defence of India and civil defence or the ~~efficient~~ efficient conduct of military operations, or for maintaining supplies and services essential to the life of the community, may direct the employment of persons subject to the Army Act, 1950 or the Air Force Act, 1950, or the Navy Act, 1957 -

- (a) in any public utility service as defined in section 2 of the Industrial Disputes Act, 1947, or

- (b) in any undertaking or part thereof,
 - (i) which is being carried on by the Central or a State Government, or
 - (ii) which, in the opinion of the Central Government, is engaged in any trade or business essential to the life of the community, or
 - (iii) with respect to which an order made under sub-rule (4) is in force;

and thereupon it shall be the duty of every person so subject to obey any command given by any superior officer in relation to such employment and every such command shall be deemed to be a lawful command within the meaning and for the purpose of the Army Act, 1950, or the Air Force Act, 1950, or the Navy Act, 1957, as the case may be.

Rule 126 provides with that if in the opinion of the Central Government or the State Government it is necessary or expedient so to do for securing the defence of India and civil defence, the public safety, the maintenance of public order or the efficient conduct of military operations, or for maintaining supplies and services essential to the life of the community, notwithstanding anything contained in any other provisions of these rules, the Central Government may, by general or special order, applying generally or to any specified area and to any undertaking or class of undertakings, make provision -

- (a) for prohibiting subject to the provisions of the order a strike or lockout in connection with any industrial dispute;
- (b) for requiring employers, workmen or both to observe for such period as may be specified in the order such terms and conditions of employment as may be determined in accordance with the order;

Provided that no order made under clause (b) shall require any employer to observe terms and conditions of employment less favourable to the workmen than those which were applicable to them at any time within three months preceding the date of the order.

If any person contravenes any order made under this rule, he shall be punishable with imprisonment for a term which may extend to three years, or with fine, or with both.

In this rule, the expressions "employer", "lock-out", "strike", "industrial dispute" and "workman" shall have the meanings respectively assigned to them in section 2 of the Industrial Disputes Act, 1947 (14 of 1947).

(Notification GSR 1465 dated 5 November 1962;
The Gazette of India, Extraordinary, Part II,
Sec.3, sub-sec.(i), 5 November 1962,
pp. 577-642).

Shri Jaisukhlal Hathi appointed Minister
of Supplies.

Shri Jaisukhlal Hathi, Minister of State in the Ministry of Labour and Employment, has been appointed with effect from 15 November 1962 Minister of Supplies in the Ministry of Economic and Defence Co-ordination which is headed by Shri T.T. Krishnamchari.

(The Statesman, 16 November
1962).

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12. Activities of External Services.

India - November 1962.

Lectures

The Director addressed the delegates of the Seventh Annual Conference of the All India Educational and Vocational Guidance Association held at Bombay on 3 November 1962.

Visitors

Among visitors to the Office during the month under review were Mr. Jef Rens, Deputy Director-General and Mr. E.J. Riches, Treasurer-Comptroller.

Chapter 3. Economic Questions.

34. Economic Planning, Control and Development.

India - November 1962.

Price Stabilisation Committee appointed: Minister's statement in Parliament.

Shri Gulzarilal Nanda, Union Ministry for Planning in his statement in the Lok Sabha on 10 November 1962 regarding the measures that the Government proposed to take to maintain the price line during the national emergency, stated that the Government had decided to appoint a high-level committee on price stabilisation within the Department of Economic Affairs in the Ministry of Finance. The Secretary of the Economic Affairs Department would be the chairman of the Price Stabilisation Committee, and the chief of the economic policy section of the Planning Commission as member-secretary. The Committee would include secretaries of Ministries concerned and representatives of the Reserve Bank.

This Committee, Shri Nanda said, would keep under close scrutiny current price trends, especially retail prices, and secure a regular and systematic flow of information concerning ex-factory costs and wholesale and retail margins in relation to essential commodities. It would also arrange for special inquiries. In the light of its studies, which would be undertaken on a continuing basis the committee would recommend action by the Ministries concerned and formulate proposals for consideration by the Planning Commission and the Cabinet.

Consumer stores.- The Minister said that the Government had sanctioned a scheme for building up a network of co-operative and other consumer stores, specially for the supply of essential commodities. In the first instance, it was proposed, in co-operation with the State Governments, to set up about 200 wholesale stores with about 4,000 branches and primary stores.

These would cover all metropolitan cities, State capitals, industrial centres, cities with a population of 100,000 or more, as well as a number of other towns.

The Minister also stated the various decisions taken by the Government in regard to foodgrains, cotton textiles and drugs and medicines.

Food grain policy.- The following are the principal decisions which have been taken for giving effect to the policy for food grains:

(1) Substantial quantities of wheat are being made available for consumption at a concessional price in millet-consuming areas.

(2) Releases of wheat from stocks are being made, in particular, in those States in which there has been a shortfall in the production of millets last year and in which food prices have been high this year.

(3) Steps will be taken to popularize the consumption of wheat in rice-consuming areas and to discourage the consumption of rice in wheat-consuming areas.

(4) In addition to larger imports of rice, specially under PL 480, the Ministry of Food and Agriculture propose to build up adequate stocks from the coming harvest.

(5) For effecting purchases on behalf of the Central Government from wholesale traders and from rice mills, procurement prices for rice and paddy for the coming season are being fixed in consultation with State Governments.

Based on these procurement prices, State Governments will also be asked to announce purchase prices at which they will be prepared to buy from farmers directly. These purchase prices will have the effect of assuring farmers of the necessary support and, at the same time, of enabling State Governments to obtain larger stocks.

With a view to stimulating increased production, it is envisaged that these prices will continue beyond the current year. State Governments are being asked to take necessary measures to strengthen their machinery for making purchases on behalf of Government. Financial accommodation will be made available to State Governments to the extent necessary for facilitating their purchase operations.

14

(6) Arrangements will be made by the Ministry of Food and Agriculture to regulate inter-State movements of wheat by rail and road.

(7) Wholesale traders and rice mills are already licensed and the system will be further strengthened and extended. State Governments are being asked to adopt broadly uniform conditions for licensing throughout the country.

The conditions of licence will be enforced strictly and arrangements will be made for proper inspection of and supervision over the operations of the licensees, including checking of accounts and use of stocks.

(8) Under the Essential Commodities Act, licensees are required to comply with such orders as may be issued from time to time by Government. One of the main conditions of the licence will be to enable the Government to impose a levy on wholesale traders and on rice mills, that is, to obtain such proportion of the quantity purchased by them as may be necessary in the public interest.

(9) The working of the system of fair price shops will be improved and strengthened in a number of directions. Distribution through fair price shops will be directed towards meeting the needs of specified sections of the community, and adequate arrangements will be made for administrative vigilance, including inspection and supervision of stocks, returns and operations.

(10) Through close liaison between the Reserve Bank of India and the Ministries of Finance and Food and Agriculture, advances against food grains by scheduled banks will be suitably regulated.

(11) The programme for the construction of three million tons of additional food storage which was to be completed by the end of the third Plan will be accelerated, so that the target can be reached as far as possible by the end of 1964-65.

This will bring the total storage available to Government to about 5 million tons. It is also proposed that in addition to the setting up of large godowns, a number of small storage units should be located at suitable places.

Cotton Textiles.- In respect of cotton textiles, the following are the main decisions which have been taken:

(1) A scheme for supervised marketing of cotton has been introduced by the Textile Commissioner, Cotton can be purchased by mills only through approved supervisors who surveys the cotton and determine appropriate prices. No mill will be permitted to maintain stock in excess of requirements for a prescribed period.

(2) The relative production of cloth in the lower ranges and of the more popular varieties will be increased. The medium category, now classified into lower medium and higher medium, is proposed to be divided into three parts - lower medium, middle medium and higher medium.

It is hoped to raise production in the coarse and lower and middle medium range to the extent of about 250 to 300 million yards a year.

(3) With the approval of the Textile Commissioner, the Indian Cotton Mills Federations, through its Regional Associations, will appoint 'nominees' for wholesale distribution. The 'nominees' will hold stocks of common varieties of cloth and arrange for distribution according to the Textile Commissioners' instructions.

Mills whose cloth is in popular demand are being asked to open retail shops on a more extensive scale and also bring considerably larger numbers of retail dealers on their approved lists.

(4) Prices to be stamped on cloth will be specifically approved by the Textile Commissioner, who would also indicate selling margins at the wholesale and retail levels.

(5) To ensure supplies to consumer stores, fair-price shops, etc., a prescribed proportion of the output of textile mills will be distributed under the specific instructions of the Textile Commissioner.

This proportion may ordinarily be up to 10 per cent but, if necessary, it may be raised.

(6) The Textile Commissioner will take steps to impose restrictions to the extent necessary on stocks held by mills and on movement of cloth, both by rail and road.

(7) State Governments are being requested to take urgent steps to strengthen the co-operative sector in the handloom industry and to bring as many handlooms as possible into co-operatives.

They are being asked to establish the necessary arrangements for placing orders, providing specifications and technical guidance, supplying raw materials and other facilities, financing, production and for organising marketing.

Drugs and medicines, - Arrangements are being made by the Ministry of Commerce and Industry to ensure that prices of many essential drugs and of the more common and important household remedies are fixed with Government's approval and widely publicized and displayed.

(The Hindustan Times, 11 November 1962;
The Statesman, 22 November 1962)

17

Reserve Bank's Review of Indian Economy
during 1961-62 published.

According to the Report of the Central Board of Directors of the Reserve Bank of India, for the period 1 July 1961 to 30 June 1962, was one of special stresses and strains which tended to slow down economic development. In the first place, adverse natural factors - floods in some places and drought in others - affected agricultural output which, with raw cotton the worst sufferer, is likely to show only a small increase over the previous year. This followed a record advance in agricultural output in 1960-61 when the weather had been unusually favourable on the whole; the raw jute crop had, however, done worse than in 1959-60 which was itself a bad year for jute. The two leading industries, cotton and jute textiles, which account for nearly one-half of the total industrial activity contributing to the production index, were thus affected by a shortage of raw materials. These shortfalls in domestic production along with a reduction in imported raw materials following a tightening of import restrictions - dictated by declining foreign exchange reserves - and some bottlenecks in basic sectors, such as coal, power and transport led to a decline in the rate of growth of industrial output from the all-time high achieved in the preceding year. In 1960-61, national income had risen by as much as 7.1 per cent. as a result of the high rate of growth of agricultural as well as industrial output. Some slackening in this rate of increase was to be expected. The rise in national income for the financial year 1961-62 is estimated at about 3 per cent., giving a modest start to the Third Plan and increasing the leeway to be made good during the remaining years.

18

Secondly, imports necessitated by the growing economy continued to be high, though they were less than last year. At the same time there was a small expansion of exports, leading to some improvement in the trade balance. However, the overall balance of payments position showed a deterioration as a result of the unfavourable turn in current 'invisibles' during the year from a traditional surplus to a sizeable deficit.

Thirdly, the inadequacy of Government resources in the face of stepping up in Plan outlays and increase in other expenditure was reflected in a sharp swing from a surplus of 600 million rupees in the overall budget of the Central Government in 1960-61 to an appreciable deficit amounting to 710 million rupees in 1961-62, in spite of the imposition of substantial additional taxation in the latter year. The States, notwithstanding substantial loans and grants from the Central Government, including loans to cover their unauthorised overdrafts on the Reserve Bank as on 30 June 1961, incurred a deficit in 1961-62 of 160 million rupees as against 280 million rupees in the previous year.

One of the consequences of slower development, by dampening the growth of demand relative to the growth of supply, was some improvement in the price situation. The rise in prices over the accounting year was 1 per cent. as compared to 2.6 per cent. in 1960-61 and a larger rise of 6.4 per cent. in 1959-60, indicating a lessening of the imbalance between aggregate demand and aggregate supply. Again, the growth of monetary resources (which is money supply plus quasi-money i.e., time deposits of banks) during the year was reflected in a more rapid rise of bank deposits than of currency, and thereby helped the banks to strengthen their resources.

All in all, 1961-62 witnessed a slackening in the tempo of rapid economic advance and focused attention on many of the problems which would require to be considered on an urgent basis, if the objective of making the economy self-sustaining in a reasonably short time is to be realised. Against such a background the Reserve Bank's monetary and credit policy of the three tier system of lending rates introduced on 1 October 1960 was continued throughout the year. Further, early in July 1962, this was substituted by a four-tier system, with smaller quotas of lending at the lower rates, designed to raise the net cost of access to the Reserve Bank by about $\frac{1}{2}$ per cent. or more.

Output in Agriculture and Industry.- In a country liable to the vagaries of the monsoon, fluctuations in agricultural output are a usual feature. The increase in agricultural output tentatively estimated at 1.6 per cent. for 1961-62 is thus to be taken with the increase of 8.1 per cent. in the previous year; as such the performance of the agricultural sector considered over a period was not unsatisfactory. Total food-grains output is expected to be nearly the same as in the previous year when it had amounted to 79.3 million tons. Wheat output touched a new peak of 11.6 million tons. The groundnut crop at 4.7 million tons registered an increase of 6.6 per cent. over the previous year. Rice is expected to be just marginally short of last year's record of 33.7 million tons. Raw jute achieved an all-time high of 6.3 million bales and even exceeded the Third Five-Year Plan target. Cotton, however, at 4.5 million bales was about 0.9 million bales less than in the previous year. This record of production, while emphasising the continuing dependence of the Indian economy on the monsoons, also indicates that the various measures adopted during the past several years, whether they relate to the methods of cultivation, use of fertilisers and improved seed, spread of irrigation facilities, or provision of cheap production credit and storage facilities have borne some fruit.

Industrial production increased during the first nine months of the accounting year 1961-62 by only 4.3 per cent. as against 10.5 per cent. in the corresponding period of the previous year. The shortage of raw jute both in 1959-60 and 1960-61 led to a progressive sealing of looms, and high prices for jute manufactures. In 1961-62, with a bumper raw jute crop, there was a substantial expansion in output from November 1961, and although the shortage of the earlier months had affected output, the performance for the year as a whole was satisfactory. The volume of exports of jute manufactures improved considerably between 1960-61 and 1961-62. Owing to shortage of raw cotton and coal, the output of cotton cloth (mill-made) declined in the latter part of the year, and for the year as a whole, the output recorded a small decline as compared to the previous year. There was, however, an encouraging advance in the output of pig-iron and ferro-alloys and steel, reflecting the maturing of investment in the old steel plants and the getting into stride of the new ones. Cement output also went up but not adequately to meet the demand for it.

The bottlenecks in power and transport which were in evidence in the previous year had an even greater adverse effect during 1961-62. Some attempts have undoubtedly been made to resolve the transport bottlenecks in railways but it would be some time before they are considerably eased. Coal is an instance where during 1961-62 transport affected output owing to inadequate clearance of pit-head stocks, and this in turn affected industrial output generally. The shortage of power too its being increasingly felt and in the eastern regions power cuts involving even a fall in exports have been threatened. The seriousness of the power and transport problems, which the year 1961-62 has specially brought to the fore, cannot be exaggerated, since both bottlenecks relate to the infra-structure of planned development and affect the advance of the entire economy. Another factor, which accounts both for high cost and low output, is under-utilisation of capacity in several industries.

The overall industrial picture for the year, hence, throws up in bold relief the necessity for securing maximum development at the lowest cost with a minimum of resources remaining unutilised or under-utilised.

Mobilisation of Resources in the Public Sector.-

With the substantial stepping up of the growth in its outlays, the problem of resource mobilisation in the public sector in 1961-62 became even more difficult. This is evident from the fact that there was a wide swing from an overall surplus of 320 million rupees for 1960-61 in the Central and State budgets to a deficit of 870 million rupees for 1961-62, in spite of the fact that during the year taxation estimated to bring in 4,500 million rupees over the Third Plan quinquennium was imposed by the Centre and taxation estimated to bring in 800 - 850 million rupees over the same period was imposed by the States. Another principal source for mobilising funds is borrowing on the domestic capital market. Net market borrowings by the Centre and the States amounted in 1961-62 to 1,370 million rupees, which was more or less the same as in 1960-61, the last year of the Second Plan (1,340 million rupees). With a target of 8,000 million rupees fixed for the Third Plan, market borrowings were made more attractive during the year. There was a stepping up of the redemption yields on the new loans from 3.55 - 4.01 per cent. to 3.71 - 4.11 per cent. for Central loans and from 4 - 4.07 per cent. to 4.25 - 4.31 per cent. for State loans. The response was measurably better than for the Centre's borrowings for several years past. As regards borrowing by States, fourteen State Governments announced on 7 August the floatation of 12-year loans for an aggregate amount of 935 million rupees, with redemption yields ranging from 4.50 per cent. to 4.55 per cent. of one-

2)

or one-fourth of 1 per cent. higher than those in respect of the 11-year loans issued last year. The performance of small savings was disappointingly below expectations during the year. Total net receipts from small savings during 1961-62 (April-March) amounted to 900 million rupees as compared to 1,060 million rupees in 1960-61.

External assistance in the form of loans and grants at 4,150 million rupees was 1,180 million rupees higher than in 1960-61, but budgetary receipts on account of P.L. 480 counterpart funds, mainly because of the diminution of food and raw cotton imports, dropped from 2,400 million rupees to 540 million rupees. In the aggregate, net foreign assistance was 680 million rupees less in 1961-62 than in the previous year.

Mobilisation of Resources in the Private Sector.-
Since both the public and the private sectors ultimately draw on the common pool of national savings, mobilisation of domestic resources in the public sector cannot be considered in isolation from that in the private sector. In the private sector, although precise and up-to-date data are not available, mobilisation of resources for financing the needs of industry appeared to have proceeded well during 1961-62. The new issue market continued to be strong. According to preliminary data, the total capital raised by non-Government companies through shares (other than bonus) and debentures is expected to be in the neighbourhood of 1,000 million rupees in 1961 as compared to 880 million rupees in 1960. Total consents granted by the Controller of Capital Issues to the private sector for raising capital through shares (other than bonus) and debentures - which indicate the level of investment intentions - touched a new peak of 1,330 million rupees, which was higher by 190 million rupees than the 1960 level. Private ~~sector~~ foreign participation in industry is also likely to record a further increase in 1961. ~~Private~~ The number of foreign collaboration agreements including financial participation sanctioned by the Government of India increased from 388 in 1960 to 402 in 1961, and the amount of foreign participation in capital issues (other than loans from the World Bank) approved by the Controller of Capital Issues rose from 190 million rupees in 1960 to 340 million rupees. Investors appeared to be more selective than in the previous year in subscribing to new floatations. Nonetheless, the public response continued to be generally encouraging, and a number of new issues with growth potential, especially those with foreign collaboration, attracted sizeable over-subscriptions and commanded substantial premia even before allotment.

22

Pressure on Prices.— The index of wholesale prices for the accounting year 1961-62 showed a rise of 1 per cent. as compared to the Second Five-Year Plan period when prices rose on an average by about 6 per cent. per year. The annual average of weekly indices for the accounting year 1961-62 shows a marginal decline of 0.5 per cent., the fall in prices in the first half of the year thus being almost completely offset by the rise, slow at first, in the latter part of the year.

The relative stability of wholesale prices over the year thus indicated, however, obscures significant variations during the year. The price level moved to a peak by the end of July 1961, then declined by about 5 per cent. in the following five months. This was followed by a brief period of narrow fluctuations and during the last quarter the uptrend was resumed. In the result, the year-end level as compared to the year before showed little change. The relief indicated by the average price level for the year was, therefore, essentially temporary. With the still uncertain outlook of the monsoon in several parts of the country, the current trend of prices is upward.

Monetary and Credit Trends.— Reflecting the increase in deficit financing, the pace of monetary expansion was slightly larger than last year, although scheduled bank credit recorded a much smaller expansion than in 1960-61. Money supply (currency and demand deposits of banks) which had risen by 2,040 million rupees (7.3 per cent) in 1960-61 went up by 2,140 million rupees (7.9 per cent.) in 1961-62. Nearly three-fourths of the increase in money supply during the year was accounted for by the rise in currency with the public. The expansionary effect of bank credit to the private sector was less marked than in the previous year, for it rose by 1,510 million rupees as compared to 1,960 million rupees. Not only this, the increase in bank credit was more than counteracted by a sharp rise of 1,950 million rupees in time deposits of banks, as compared to a rise of only 710 million rupees in 1960-61. The result was a sizeable decline in the net indebtedness of the public to the banking system of 430 million rupees as against a rise of 1,250 million rupees last year. However, bank credit to Government (comprising mainly the increase in the Government securities portfolio of the Reserve Bank and banks and the change in the cash balances of Government adjusted for P.L.480 and 665 deposits with banks), which had recorded an increase of 950 million rupees in 1960-61, expanded by as much as 3,310 million rupees. Thus the roles played by bank credit to Government and that to the private sector in expanding money supply were sharply reversed in 1961-62. A partial offset to the expansion of the

23

money supply was the deficit in the balance of payments as reflected in the movement of the foreign assets of the Bank, which declined by nearly twice as much as in 1960-61 (750 million rupees as against 430 million rupees).

The pressure on bank credit to the private sector was noticeably less than in the previous year owing to the rapid growth of deposits which was the most striking feature of banking trends during 1961-62. Aggregate deposit liabilities of scheduled banks rose over the year by 2,350 million rupees; in the preceding year they had declined by 350 million rupees. Excluding P.L.480 and 665 funds, aggregate deposit liabilities showed a rise of 2,530 million rupees as compared to 1,280 million rupees in 1960-61 and 1,890 million rupees in 1959-60. The setback to the long-term rise in the rate of deposit growth, noticed in the previous year, thus proved to be temporary.

As a consequence of the larger deposit growth and the smaller expansion in credit, banks were able to build up their investment portfolio and to reduce their indebtedness to the Reserve Bank. Investments of scheduled banks in Government securities rose by 590 million rupees during the year as against a decline of 1,910 million rupees (470 million rupees if adjusted for the transfer ~~for~~ of P.L.480 and 665 funds from the State Bank to the Reserve Bank) in 1960-61. In view of the sharp rise in deposits, however, the investment-deposit ratio remained steady over the year at 28 per cent. For the same reason, although cash reserves increased by 60 million rupees as against a decline of 110 million rupees in the preceding year, the cash ratio declined from 7.5 per cent. ~~of~~ to 7.0 per cent. With the quota system and slab rates for borrowings from the Reserve Bank under the three-tier system in force, banks were generally reluctant to borrow from or to remain indebted to the Reserve Bank for long. Borrowing from the Reserve Bank touched a much smaller peak (664 million rupees) in the 1961-62 busy season than in the previous year busy season (945 million rupees), while the net expansion in borrowings in the 1961-62 busy season (62 million rupees) was also much smaller than in the 1960-61 busy season (215 million rupees).

No major shift in credit policy occurred during the year under review. The major role played by deficit-financing in the growth in money supply as well as the worsening of the balance of payments situation pointed to the need for continued caution and restraint. The slackening in the rate of growth in industrial production which stemmed from physical shortages and bottlenecks and the slow-down of the rate of growth of the economy as a whole, far from calling for any relaxation, made the need for restraint on monetary demand all the greater. In consequence, the Reserve Bank's monetary and credit policy continued to be one of general restraint, with due regard to the needs of the developing economy and the changing situation in regard to particular commodities. The three-tier system of slab rates, which was brought into force on 1 October 1960, was the chief instrument of credit control employed by the Bank during the year. Selective credit controls, however, were liberalised in keeping with the improvement in the supply and prices of the commodities subject to control, some of the controls being relaxed and some withdrawn.

The Reserve Bank continued to render an increasing measure of financial assistance to the co-operative sector at or below the Bank rate. During 1961-62, the volume of finance made available to State co-operative banks for financing seasonal agricultural operations and marketing of crops recorded a further increase. Credit limits aggregating 1,377 million rupees were sanctioned to 17 State co-operative banks at the concessional rate of 2 per cent. below the Bank rate, as compared to 1,106 million rupees sanctioned to 18 State co-operative banks during the previous year. Total drawals against these limits amounted to 1,538 million rupees during the year. The Bank also extended to three State co-operative banks advances for 107 million rupees for their normal banking business at the Bank rate against the collateral of Government securities. In addition, one State co-operative bank was sanctioned a special short-term credit limit of 19 million rupees at the Bank rate for meeting the working capital requirements of five co-operative sugar factories. As regards medium-term loans, eleven State co-operative banks were sanctioned loans out of the National Agricultural Credit (Long-term Operations) Fund, for agricultural purposes, aggregating 96 million rupees during 1961-62 as against 47 million rupees sanctioned to eleven State co-operative banks during the previous year. Last year's Report made mention of the acceptance, by the Reserve Bank, in principle, of the recommendations of the Committee on Co-operative Credit, which submitted its Report to Government in May 1960. The main recommendations of the Committee included the promotion of 'viable' units of co-operative service and business, indirect State participation in the share capital of societies, revision of the standards of credit limits at different levels and liberalisation

25

of the existing standards adopted by the Reserve Bank for sanctioning short-term and medium-term credit limits to co-operative banks. Necessary action was taken by the Reserve Bank during the year to implement the recommendations of the Committee, and State co-operative banks were informed of the acceptance by the Bank of the liberalised standards recommended by the Committee for fixing short-term credit limits. Additional limits were also sanctioned during the year on the basis of the liberalised standards to central banks in two States. Reference was also made in the last Report to the relaxation of the conditions regarding mortgage security of land for the sanction of medium-term loans for agricultural purposes made out of medium-term loans sanctioned by the Reserve Bank in the case of loans for amounts below Rs 500. A further relaxation was made during the year in the case of loans ranging from Rs 501 to Rs 1,000 in that the Bank has agreed to such loans being given on the borrower creating a statutory charge on his land in favour of the lending institution, if legal provisions for the purpose exist in the States concerned. The Bank has also given effect to a liberalised definition of "owned funds" which forms the basis for determining the normal and additional credit limits; owned funds now include, besides the paid up share capital and statutory reserve fund, other reserves such as special bad debt reserve, agricultural credit stabilisation fund, dividend equalisation fund and under certain circumstances the building fund.

During the year, credit limits aggregating 31 million rupees were sanctioned to 113 central cooperative banks in 12 States as against 27 million rupees sanctioned to 92 central co-operative banks in 10 States during 1960-61 under Section 17(2)(bb) or (4)(c) of the Reserve Bank of India Act at the concessional rate of $1\frac{1}{2}$ per cent. below the Bank rate for financing the production and marketing activities of weavers' co-operative societies. Further, credit limits aggregating Rs. 68 million rupees were sanctioned to three apex handloom weavers' co-operative societies in Madras, Andhra and Maharashtra under Section 17(2)(a) or (4)(c) of the Reserve Bank of India Act at the Bank rate for financing bona fide commercial or trade transactions.

Balance of Payments Position.- For several years now, under the impact of economic development, the external payments position has been under acute strain. During the year under review there was a net drawing from the International Monetary Fund amounting to 580 million rupees; in addition, foreign exchange reserves were drawn down by 410 million rupees. Thus the real draft on the reserves was 990 million rupees in contrast with one of 450 million rupees in the previous year. The worsening of the payments position took place particularly between April and June 1962, when the reserves fell by as much as 560 million rupees, partly on account of the seasonal decline in exports and partly due to some delay in receipts from reimbursements for imports under Aid projects.

The sharper fall in foreign exchange reserves in 1961-62 than in 1960-61 took place despite the improvement in the trading account. Exports are expected to have been somewhat larger than in the preceding year, while import payments on both private and Government accounts are likely to be smaller. During the year, for the first time, the traditional net receipts from invisibles other than official donations turned into net payments owing, on the one hand, to the growing burden of servicing of external debts and, on the other, to a decline in investment income receipts. Notwithstanding this, the net current account deficit is estimated to be narrower than last year. But the favourable turn here is likely to be offset by the net outgo on banking capital account, higher amortisation payments and a reduced inflow of capital on private account.

With a view to plugging the leakage on account of foreign travel, certain measures were recently taken. Steamship/airline companies and travel agencies were directed not to book passages abroad for persons resident in India unless the traveller was granted exchange by the Bank or was specifically granted permission to book his passage. The permission to proceed abroad without release of foreign exchange would ordinarily now be given only to those who have been invited by foreign Governments or non-commercial organisations of repute or very close relatives (parents, sons and daughters) so that no foreign travel abroad by Indian residents would be financed indirectly or directly out of funds that should rightly accrue to the Control in the authorised manner. Facilities available for private remittances and capital transfers have also been modified.

Conclusion.- The economic developments and problems of 1961-62 which have been reviewed point to some narrowing of the imbalance between aggregate demand and supply with an easing of the pressure on prices which had characterised the economic situation in the past several years. But this relative stability was associated with a slackening in the rate of development and growing pressure on the balance of payments. No doubt natural factors affecting agriculture played a large part in the slower rate of increase in production during the year, but there was evidence of strains and stresses from bottlenecks in fuel, power and transport and from deficiencies in technical and managerial skill and organisational ability, which acted as drags on economic progress. There is now an opportunity for intensifying the efforts to overcome the immediate hazards and pitfalls that have been observed so as to make on the whole for a smoother pace of economic growth.

In agriculture, the need to pursue intensively the various measures already accepted for increasing both production and productivity assumes a special urgency not only to broaden the industrial base internally but to make possible an increasingly larger flow of ~~making~~ exports. The emphasis on agricultural productivity remains to be translated into a practical drive which will embrace every farmer in the land reasonably quickly.

For industry, the problem today is one of making every effort to produce internally, as far as technically feasible, the raw materials and intermediate products required to reduce dependence on imports. Under-utilisation of capacity has been a growing problem latterly and shortage of foreign exchange has intensified it. There is urgent need to bring about the largest measure of import substitution through research, inventiveness and adaptation, and this need would be all the greater if untied loans from abroad are not forthcoming on the scale desired.

A limit to available maintenance imports is set, under the present balance of payments position, by the necessity to pay for them through additional exports. The stagnancy in exports over the Second Plan period was a disturbing feature in the otherwise undoubted achievements of the economy and the stimulation and expansion of exports should continue to have top priority. The Government has recently set up a Department of International Trade to impart a new dynamism to the solution of the export problem. The difficulties of exporters have been considered piecemeal from time to time and measures have been introduced to provide additional assistance or special incentives to facilitate exports. What is needed, however, is a comprehensive approach to the entire export problem, for, in the case of exports especially, a drive for

28

all-round increase in productivity is essential. There is evidence that business and industry are getting increasingly aware of the need to reduce cost and there is now a sense of determination about the job. However, cost reduction is not a once-for-all but a continuous operation.

In the context of not merely exports but the health of the economy, the need to hold the price line cannot be over-emphasised. The development process involves, almost unavoidably, a certain degree of inflationary pressure in a less developed country. But such pressure has to be contained by suitable policies which would mop up surplus purchasing power. There is an inescapable dilemma here. While the object of development is to ^{raise} ~~raise~~ the living standards particularly of those sections in the community who are at or below subsistence levels, there is equally the need to spread the costs of development so as not to exempt these very sections from the scope of the tax net, if the pace of economic development is not to be retarded. This undoubtedly causes some hardship, but development demands sacrifice from all sections of the community. From this point of view the mobilisation of substantial resources by taxation becomes an inescapable constituent of our planning. In fact, since savings in the economy are low - a characteristic of less developed economies generally - this method of levying what in substance is forced savings is unavoidable and is preferable to forced savings by deficit financing beyond the limits set by the growth of the economy. The latter is a form of indiscriminate taxation whose incidence is greatest on those least able to bear it. To make a plea for greater tax effort is of course not to understate the role of voluntary savings both institutional and personal, whether through large public borrowing or maximum mobilisation of small savings. In short, the price line will be better held, if the task of financing the Plan expenditure is executed effectively.

Given the size and pattern of the Plan investments, foreign assistance on an adequate scale remains an indispensable supplement to domestic resources for our development. The loans granted so far have been largely tied to projects. The form of foreign assistance available is thus tending to become largely specialised or assigned. As such it allows inadequately for the heavy unfavourable incidence on the balance of payments, of a programme of development of the magnitude and kind on which India has embarked. A certain proportion of aid in the united form should therefore improve its general efficacy and provide greater flexibility in execution of the Plans, owing to the varying procedural delays in securing reimbursement of tied aid.

29

The Reserve Bank's policy in a context where inflationary pressures continue has necessarily been largely a regulatory one, in the interest of ensuring steady and orderly growth. It has, however, been tempered by encouragement to certain sectors like the co-operatives and small-scale industries; the Bank continued to make additional credit available to them at lower rates of interest. Efforts to strengthen the banking system have also continued, through merger of sub-standard units, and through improvement of the capital funds or equity base of banks, while proposals for legislation to raise the liquidity ratio of banks are under way.

The Report, inter alia, also deals with in detail banking legislation and development, developments in industrial finance - progress and working of the various industrial and credit invest and investment cooperatives -, and cooperative finance and development policy.

(The Reserve Bank of India Bulletin,
September 1962, pp. 1375-1410).

Agriculture allocated additional 500 million Rupees: Five Year Plan to be rephased to suit defence efforts.

The Government of India has proposed to increase substantially the agricultural targets of the third Five Year Plan and to provide all the financial resources needed to achieve whatever an assessment of the physical resources shows to be feasible. Even in the Plan as a whole financial allocations for social services will have to be curtailed for the time being to make more funds available for agriculture, industry, transport and power. The principal proposals are that greater reliance than hitherto should be placed on mobilizing manpower and on minor irrigation work, soil conservation and dry farming. For these measures an extra allocation of 500 million rupees has been decided. Areas have been demarcated for the intensive cultivation of cotton and oilseeds. Cotton cultivation will put special stress on varieties ranging from coarse to medium.

While the diversion of resources under the State Plans will be towards agriculture, Central reallocations will be shifted in favour of transport, power, heavy and metallurgical industries, especially steel and special alloys industries closely connected with defence. For the time being the review of allocation will be confined to those envisaged for the next financial year.

State Governments had drawn up many of their proposals for 1963-64 when the emergency was declared. They have now been asked to reshape the proposals by the end of November for further discussion with the Planning Commission.

States are being advised to keep up their third Plan programme of mobilizing resources and of making more effective use of savings.

31

As part of the rephrasing emphasis will shift towards production connected with defence needs, projects from which benefits can flow more speedily, more efficient use and maintenance of existing capacity and an intensified programme of manpower training.

Plan and expenditure procedures are also being reshaped to speed up the flow of benefits. An attempt is to be made to ensure that foreign exchange allocations can be more flexibly shifted over a list of agreed projects. Similarly, Central allocations to the States will be less rigidly allocated to specific items and the procedure for channelling Central assistance will be simplified and made more flexible.

(The Statesman, 4 November 1962).

Progress of Third Five Year Plan during
1961-62.

The year 1961-62 might count as one of its outstanding achievements, the crystalization of some basic problems implicit in a plan of the scope and magnitude of the country's Third Plan. These problems are now receiving close attention of the planners and the executives. Reviewing the progress in the Lok Sabha, Shri Gulzari Lal Nanda, Union Minister for Planning, Labour and Employment, laid special stress on this, and made mention of the developments concerning major programmes, specially in the fields of industry, transport, power, agriculture and education. The Minister's review is summarised below.

Plan Outlays.- The Plan outlay during 1961-62 amounted to 11,480 million rupees as against 10,710 million rupees in 1960-61 and 10,110 million rupees in 1959-60. This represented an increase of 770 million rupees as against 600 million rupees in the preceding year. It may be noted that at the end of each Plan substantial amounts of expenditure on social services etc., are taken as 'committed expenditure' for the next Plan period and are provided for outside the Plan. In this sense, the increase in development outlays in 1961-62 over the preceding year amounted to 2,170 million rupees. For 1962-63 the Plan outlay has been raised over the preceding year's level by about 3,000 million rupees.

The distribution of Plan outlay during 1961-62 and 1962-63 as compared to 1960-61 is as follows:-

(In Million Rupees)

	1960-61	1961-62	1962-63
Agriculture, Community Development and Co-operation. ...	1,400	1,510	1,920
Irrigation and Flood Control. ...	930	980	1,250
Power. ...	1,080	1,310	1,650
Industry. ...	2,190	2,490	3,330
Transport and Communications. ...	2,780	3,020	3,490
Social Services....	2,060	2,030	2,570
Miscellaneous. ...	270	140	250
Total.	10,710	11,480	14,460

Problems of Coordination.- Problems of coordination in the related sectors of industry, transport and power, received special concern during 1961-62. Some of these problems were inevitably related to past trends and developments and decisions taken in different sectors of the economy in earlier years. The very process of expansion in an economy creates, generally speaking new pressures on the available facilities. While improvements in planning and execution and better economic and statistical intelligence are vital, under conditions of rapid economic development, new stresses may create fresh problems and suitable safeguards have to be devised from time to time to tackle them.

Production Trends.- Industrial production rose during the year 1961-62 by about 5 per cent. Apart from cotton textiles, jute and sugar industries, in which special conditions prevailed, the rise in industrial production during 1961-62 is reckoned at about 8 per cent. Progress in certain key industries is shown below. Where new plants are being established and long gestation periods are involved, the rise from year to year is necessarily uneven as between different industries.

	1960-61	1961-62 (estimated)	1962-63 (Projected)
Finished(million tons)...	2.4	2.9	3.9
Aluminium('ooo tons) ...	18.2	19.4	38.0
Nitrogenous Fertilisers ('000 tons) in terms of Nitrogen. ..	97.1	140.0	200.0
Phosphatic fertilisers ('ooo tons). ..	53.0	61.9	90.0
Sulphuric acid('ooo tons). ..	353.9*	423.0*	523.0*
Machine tools(value in Million Rupees). ..	72.4*	85.0*	105.0
Cement (million tons). ..	7.8	8.2	9.5
Paper and Paper board (million tons). ..	343.0	362 .8	400.0
Iron ore (million tons)..	10.7	12 .1	13.5
Coal(million metric tonnes). ..	55.5	55 .2	62.0

* Calendar Year.

During 1961-62 there was significant increase in installed capacity in several important industries, notably in aluminium, industrial machinery, machine tools, electrical equipment, fertilisers, heavy chemicals and cement. Several new products were manufactured for the first time in the country during the year. Among the more important of these may be mentioned hydraulic presses, gear cutting machines, time-pieces, watches, radio valves, compressors (sealed unit), reduction gear units, argon gas, polyvinyl chloride, butyl alcohol, plasticisers and rayon tyre cord.

Industrial Projects.- Construction work on a large number of industrial projects proceeded during the year according to approved schedules. Thus, the construction of the three steel plants in the public sector initiated in the Second Plan was virtually completed during the year. Preliminary steps in connection with their expansion were initiated. The implementation of the projects under the Heavy Engineering Corporation progressed satisfactorily. By the end of 1961-62, the Heavy Machine Building Project had progressed to the stage of commencement of construction. Civil construction on the Foundry/Forge Project had commenced and the delivery of the plant equipment for the first stage had begun. The Coal Mining Machinery Projects had also progressed to the stage of civil construction. The project report for the Heavy Machine Tool Plant Ranchi, was received, before the end of the year. The expansion of the Hindustan Machine Tools, Bangalore, was completed during 1961-62. The site for the select second Machine Tool Plant at Chandigarh was selected and orders for plant and equipment placed. The Heavy Electricals

Project, Bhopal, which went into production in July, 1960, took up a number of new items of production and stepped up the volume of its manufacturing capacity. The construction of the Rourkela Fertiliser Plant reached an advance stage in 1961-62.

The progress of the construction of the Neyveli Fertiliser Plant was also satisfactory. In the case of Trombay Fertilisers, a considerable amount of preliminary work was completed and orders were placed in respect of the major items of plant and equipment. The second stage of expansion of FACT was also nearly completed by the end of 1961-62. For Naharkativa Fertilisers the site was acquired and contracts for the main plant were given out.

In the private sector, during 1961-62, industrial licences were issued covering the entire targetted capacity of a fair number of industries. The number of applications for licences under the Industries Development and Regulation Act rose from 3,467 in 1960 to 4,012 in 1961. Several industries in which adequate capacity in relation to the Third Plan targets had been licensed were placed on the 'banned' list. Projects which ~~were placed~~ would save or earn foreign exchange were given priority in licensing. A large share of the capital goods for which imports were allowed went to paper and pulp, chemicals, textiles other than cotton, automobiles and engineering industries. A notable development in 1961-62 was the expansion of facilities for designing and fabrication.

Larger Coal Supplies.- The output of coal in 1961-62 was 55.2 million tonnes compared to 55.5 million tonnes in the preceding year. For a variety of reasons the output of the National Coal Development Corporation could not be stepped up over that of the previous year. A series of measures have been taken in recent months to expand transport facilities for the movement of coal, the programme of coal washeries is being pushed forward and, by way of incentive, the price structure for coal has been recently revised. In spite of lower production, actual supply of coal was stepped up by 3 million tons.

More Funds for Transport.- To enable the Railways to expand facilities mainly for the movement of coal an additional outlay of 1,200 million rupees has been approved. A further provision of 250 million rupees has been accepted for line capacity works, for general goods traffic and as an advance measure related to the movement of coal for the early period of the Fourth Plan.

During 1961-62 the production of wagons increased from 11,984 in the preceding year to 19,115. Doublings and conversions were completed on about 422 miles of track. Electrification was done on 327 route miles.

During 1961-62, 70 miles of missing links and 5 major bridges were constructed. Further 300 miles of existing highways were improved. The plan for 1962-63 provides for the construction of 70 miles of missing links and 10 major bridges and improvement of 400 miles of existing highways. The total addition to road mileage in the country was about 4,000 miles and is expected to be about 4,500 miles during 1962-63.

Power Programmes.- Estimates of installed generating capacity, generation of power and towns and villages electrified in 1960-61, 1961-62 and 1962-63 are given below:-

	1960-61	1961-62	1962-63 (Target)
Installed generating capacity (in MW) ..	5,595	6,174	6,881
Generation of power (Million KW Hrs.) ..	20,040	22,900	25,500
Additional towns and villages electrified.	1,600	3,100	3,500

During 1961-62, the generation of power increased by about 13 per cent.; however, in several areas, the demand for power increased more rapidly, and shortages were experienced. Foreign exchange has now been arranged for a large proportion of the power projects included in the Third Plan and the implementation of the power programme is being accelerated as much as possible. To meet shortages in certain regions additions to the programme for power generating capacity amounting to about 500 MW have been agreed to.

Agricultural Production.- While the year 1960-61 enjoyed unusually good weather conditions resulting in a large increase in agricultural production over the previous year, weather conditions were somewhat below normal during 1961-62.

The following table gives the figures of production of agricultural crops in 1961-62 for which final estimates are available.

	1960-61	1961-62
Wheat (million tons) ...	10.8	11.6
Barley " ...	2.8	3.1
Rice " ...	33.7	33.6
Jowar " ...	9.2	7.7
Bajra " ...	3.2	3.5
Maize " ...	3.9	4.0
Ragi " ...	1.7	1.8
Small millets " ...	1.9	1.9
Oilseeds " ...	6.5	6.8
Sugarcane " ...	10.4	9.7
Cotton (million bales) ...	5.4	4.5
Jute " ...	4.0	6.3
Mesta " ...	1.1	1.7

The total potential created by major and medium irrigation schemes increased from 12.24 million acres in 1960-61 to 13.75 million acres in 1961-62. The target for 1962-63 is about 16 million acres. In minor irrigation, an additional 1.67 million acres were benefited in 1961-62, the target for 1962-63 being over 2 million acres.

Steps are being taken to intensify the minor irrigation and soil conservation programmes so as to raise the area to be benefited over the plan period by about 20 per cent.

For cotton and oilseeds, where the shortage is particularly marked, areas of intensive development have been specially marked out, and additional agricultural personnel, plant protection facilities and other assistance are being provided.

The consumption of nitrogenous fertilisers increased from about a little over 0.2 million tons in terms of nitrogen in 1960-61, to nearly 0.3 million tons in 1961-62. During the current year the consumption will increase to about 0.4 million tons (N).

Short and medium term credit advanced by co-operative societies amounted to 2,560 million rupees in 1961-62 as against 2,000 million rupees in 1960-61 and is expected to go up to 3,000 million rupees in 1962-63.

Educational Progress.- Progress in the fields of education is shown below:-

	1960-61	1961-62	1962-63
<u>Education</u>			
Enrolment in Primary Schools (million) ...	34.3	37.8	41.5
Enrolment in Middle Schools (millions) ...	6.3	6.9	7.6
Enrolment in Secondary Schools (millions) ...	2.8	3.1	3.4

In the Third Plan, considerable emphasis is being placed on the provision of scholarships for needy children. Under the scheme of national scholarships for outstanding students for post-matric education, 2,400 awards were made in 1961-62. In addition to these, 61,000 scholarships were awarded in 1961-62 under the programme of assistance to scheduled castes, scheduled tribes and other backward classes.

Considerable progress is being made in technical education.

Year.	Degree Courses		Diploma Courses		Craftsmen Training	
	No. of institutions.	Admission capacity.	No. of institutions.	Admission capacity.	No. of institutions.	Admission capacity.
1960-61 ..	100	13,860	196	25,570	167	49,830
1961-62 ..	108	15,300	210	26,450	260	84,550
1962-63 .. (Target)	112	15,940	220	28,270	323	107,760

The Apprentices Bill 1961 has been passed by the Parliament. Action has been taken to set up Central Apprenticeship Councils as laid down in the Act and also for other steps for the implementation of the Act. The four Central Training Institutes for the training of crafts instructors were expanded during 1961-62 for an admission capacity of 820 as against 530 in 1960-61.

Employment Position.- Additional employment opportunities created are estimated at 2 million in 1961-62 and are expected to be 2.4 million in 1962-63.

Two new programmes of great importance for the expansion of employment opportunities in rural areas have been initiated under the Third Plan. The Rural Works Programme aiming at the fuller utilisation of manpower resources of the rural areas, specially for agricultural development, now extends to more than 200 development blocks. Given adequate organisation at the technical and administrative levels, it is proposed to expand this programme four-fold early next year.

The high-level Rural Industrial Planning Committee constituted by the Planning Commission a few months ago has drawn up a scheme for the intensive development of small industries in rural areas. With the object of gaining experience in the intensive development of small industries, 46 acres are being selected, each comprising a population of 3 to 0.4 millions and consisting of complete development blocks situated within the same district. The projects will be directed to all kinds of small industries and processing industries which can be developed in rural areas, and will be undertaken as part of a wider and well-coordinated plan of local development.

(The Journal of Industry and Trade, October 1962, pp. 1667-1670).

36. Wages.

India - November 1962.

Recommendations of Central Wages Board for Steel Workers accepted: Interim rise in Wages.

Placing the report of the Central Wage Board for steel and iron industry before the Lok Sabha on 15 November 1962, Shri C.R. Pattabhiraman stated that about 100,000 workers employed in the four public sector and two private sector steel plants will get increased wages under the interim relief recommendations made by the Central Wage Board for the iron and steel industry. The proposals, accepted by the Government, will take effect from 1 December 1962.

Excluding, at this stage, Tata Iron and Steel, all other steel plants will have to pay Rs 95 to the lowest paid unskilled worker. This should consist of the basic wage, dearness allowance and, ~~workers~~ where it exists uniformly for all workers, coke subsidy and house rent allowances. Tata Iron and Steel, will pay Rs 10 per month to all workers, including those drawing a maximum pay up to Rs 500 per month.

The interim rise will be treated as an additional cash payment which will not count for production bonus or any other fringe benefit pending the final recommendations of the Wage Board.

(The Statesman, 16 November 1962).

41

Interim Wage increase for Coffee Workers:
Recommendations of Central Wage Board
accepted.

On the recommendations of the Central Wage Board for the coffee industry, 82,000 coffee plantation workers have been granted an interim wage increase ranging from 2 nP to 13 nP a day. The wage rise varies from 3 nP a day to men workers in Mysore to 13 nP to men workers in Salem and Madurai districts of Madras. In the case of women workers, the rate of increase is 2 nP a day in Mysore and 10 nP in Salem and Madurai districts. There is a corresponding increase in the rates of wages for adolescents and children. The total number of employees in Mysore plantations is 61,000, in Madras 14,000 and Kerala 7,000.

In the case of monthly-rated staff, which includes office, medical, education and field staff, the wage increase is Rs 9 a month in gardens of 300 acres and above and Rs 7.50 a month in gardens of less than 300 acres.

The wage increase will be payable from 10 August 1962.

(The Hindustan Times,
28 November 1962).

Minimum Wages (Maharashtra Amendment) Bill, 1962.

The Government of Maharashtra published on 22 November 1962 the text of a Bill to amend the Minimum Wages Act, 1948, in its application to the State of Maharashtra. According to the Statement of Objects and Reasons of the Bill, the Bill seeks to amend the Minimum Wages Act, 1948, in its application to the State of Maharashtra for various purposes. The following notes on clauses explain the important provisions of the Bill.

Clause 2.- The High Courts of certain States have held that the term "employee" as defined in the Minimum Wages Act, 1948, does not include an ex-employee, and ex-employees are debarred from making any claims under section 20 of the Act. This clause, therefore, provides for widening the definition of "employee" to include an ex-employee for the purpose of section 20 and other relevant sections to enable him to claim wages due to him under the Act.

Clause 3.- At present, the minimum rates of wages payable to employees in employment specified in Part I of the Schedule to the Act cannot be fixed for a part of the State, or for any specified class or classes of such employments. By clause 3, it is proposed to enable such fixation of rates. Employment under local authorities varies because certain local authorities have powerful labour unions capable of collective bargaining with the employer; but certain other local authorities have no such unions. Government considers, therefore, that it is unnecessary to fix minimum rates of wages for employees of local authorities falling in the former category. In order to enable the State Government to do so, it is sought to take power to the State Government to fix the rates of minimum wages for any specified local authority or class of local authorities.

Clause 7.- The failure to pay wages within the time prescribed under section 12(1) of the Act is made an offence.

43

Clause 8.- This clause provides for penalty for obstructing a Inspector in the exercise of any power conferred on him by or under the Act and for failure to produce on demand by the Inspector any registers, records, etc.

Clause 9.- It is proposed to amend section 26(2A) of the Act for investing the Commissioner of Labour with the power to exempt employees who are in receipt of wages exceeding the limit prescribed by Government from all or any of the provisions of the Act, subject to the control of the State Government. This clause secures that object.

Clause 11.- This clause seeks to exclude banks from entry 17 in Part I of the Schedule to the Act, as the wages and conditions of service in banks are settled on all India basis.

(The Maharashtra Government Gazette,
Part V, 22 November 1962,
pp. 324-328).

38. Housing.

India - November 1962.

Working Group on Housing Co-operatives
constituted.

A Resolution dated 1 October 1962 of the Ministry of Works, Housing and Supply, Government of India states that having regard to the important role that Housing Cooperatives can play in the amelioration of housing conditions, the Government of India has set up a Working Group on Housing Cooperatives, to examine in detail the development of cooperative housing and, among other things, to recommend suitable measures for the organisation of Cooperatives in the field of Housing and also to suggest specific programmes indicating suitable patterns of financial and other assistance.

The Working Group consists of nine officials with Shri Dharma Vira, Secretary to the Government of India, Ministry of Works, Housing and Supply, as chairman. The terms of reference of the Working Group are:

- (i) To examine the scope for cooperative form of organisation in the field of Housing;
- (ii) To draw up a pattern of organisation for the cooperatives;
- (iii) To assess financial requirement of cooperatives at various levels and suggest ways and means of meeting them;
- (iv) To suggest patterns of financial assistance from the Central and State Governments;
- (v) To recommend specific programmes and physical targets for the organisation of cooperatives during the Third Plan period;

- (vi) To make recommendations for allocating to cooperatives a certain portion of the funds provided for the entire sector; and
- (vii) To indicate the lines of development of Housing Cooperatives in the Fourth Plan.

For the purpose of study of different problems, the Working Group may constitute special units and/or coopt members with the required experience and knowledge.

(The Gazette of India, Part I, Sec.1, 20 October 1962, page 324).

46

Chapter 4. Problems peculiar to certain Branches
of the National Economy

42. Co-operation.

India - November 1962.

Loans to agriculturists to be given through
Cooperatives: Recommendations of Cooperative
Credit Committee.

The Committee on Takavi Loans and Cooperative Credit, in its report submitted to the Government recently, has recommended that co-operatives should be accepted as the institutional agency to provide credit to agriculturists for normal production and land improvement purposes. It has also suggested that the Government should ~~discontinue~~ discontinue the direct issue of loans to agriculturists, and channel the same through co-operatives. It may, however, continue to provide distress loans and special types of loans which, due to the technical nature of the operations or the financial risks involved, cannot be administered by co-operatives.

The report adds that the funds available with the Government for making advances to agriculturists should be utilized to supplement the resources of the co-operatives. The committee has also suggested that the State Governments should take steps to complete the programme of establishing one central co-operative bank for each district.

(The Statesman, 8 November 1962).

Top Priority for Consumers' Cooperatives in Urban Areas: Rs 100 Million allocated outside the Plan.

The Government of India has, it is understood, made an allocation of 100 million rupees outside the Plan to start consumers' co-operatives in urban areas to check profiteering and hold the price line during the emergency. The money will be disbursed through the State Governments, which have been urged to give the "highest priority" to the scheme and to utilize the allocation, if possible, by the end of 1963-63.

This emergency scheme is being financed entirely by the Centre, and the States will not have to make any contribution from their own exchequers. Under the scheme, all cities and towns with a population of 50,000 or more will be covered. Much emphasis has been put on the establishment of wholesale co-operative stores. It is proposed to set up by the end of 1963-64 a total of 200 wholesale and central stores and 4,000 branch and primary stores.

Wholesale Trade.- The Union Government seems to have proceeded on the assumption that in holding the price line retail stores by themselves would not be of much use and that these should be backed by wholesale societies if they are to play a really effective role.

This emergency scheme will not be independent of the existing co-operative movement but will be integrated with it at least as far as procurement and distribution of essential commodities are concerned.

Plans have been prepared to strengthen and extend the consumers' co-operative movement among Government employees. The Home Ministry, it is stated is setting up a consumers' store of Central Government employees in Delhi and proposes to set up similar stores in Calcutta, Bombay and Madras.

The Union Ministry of Co-operation has, in a communication to the State Governments, indicated tentative targets for them but has at the same time pointed out that they should fix the targets in consonance with their organisational ability.

The States have been informed that a Joint Registrar is being appointed exclusively for the emergency scheme and that a cell is being set up in the Co-operation Ministry to co-ordinate work under the scheme.

(The Statesman, 17 November 1962).

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - NOVEMBER 1962.

50. General.

Tripartite Committee for Bidi Industry appointed.

The Government of Maharashtra has appointed a nine member Tripartite Committee to investigate into and report on the wages, working conditions, etc., of workers in the bidi industry, with Shri G.K. Dhutia, Deputy Commissioner of Labour, Nagpur as its chairman.

The problems that the committee will consider are: sanitary and other working conditions in the bidi industry, leave with wages; implementation of the Minimum Wages Act in respect of the employment in bidi industry, revision of minimum rates of wages fixed for employment in bidi industry under the Minimum Wages Act; regulation of khep system or contract system or tekadari and application of the Minimum Wages Act and other amenities for the workers working under this system; implementation of various other labour laws in the industry; determination of any machinery to decide dispute regarding the quality of bidi prepared by the bidi rollers; the quantum of leaves to be distributed to the worker which should be considered as sufficient to enable him to prepare 1,000 bidis, having regard to the relations of the wages with the all India bidi prices, the measures which should be taken to enable the industry to stand in competition with bidi manufacturers outside Maharashtra; and payment of arrears of wages due to the employees as a result of the decision of the Supreme Court in Civil Appeals Nos. 415-418 of 1960, Bidi, Bidi Leaves and Tobacco Merchants Association versus the State of Bombay (Labour and Social Welfare Department) and others.

50

In addition, the Committee will take into consideration various points that may be referred to it by the various labour unions and the employers. The committee has been asked to consider the necessity of enacting suitable legislation for regulation of the conditions of bidi workers in the State as has been done in Madras State. The Committee has also been asked to suggest whether a separate code of discipline should be formulated for the bidi industry. The unanimous decisions of the committee, which will submit its detailed report to Government within a period of 6 months, would be binding on both the employers and employees.

(Maharashtra Labour Gazette,
Vol. XLII, No.1, September 1962,
pp. 3-4).

51

Working Conditions of Labour in Jute Industry:
Report of the Indian Jute Mills' Association .

The Indian Jute Mills' Association published recently the Report of the Committee for the year ended 31 December 1961*. The report, among other matters, contains a chapter dealing with the working conditions of labour in the jute industry. The following is a brief review of this section of the report.

General labour situation.- Due to the difficult raw jute situation restriction in production had to be resorted to during the period under review.

The weekly working hours were reduced from 45 to 42½ hours from 30 January 1961, instead of sealing further looms, which would have resulted in unemployment. In most mills, however, the working hours of departments other than weaving were maintained at 48 hours per week, thus avoiding any loss of wages to the time-rated workmen. Although the weavers suffered a small loss in basic earnings, the dearness allowance continued to be paid for 48 hours in accordance with the terms of the Tribunal Award. As the raw jute stock position deteriorated further, mills had to close down en bloc for one week each in June and July and lay-off compensation, according to the Industrial Disputes Act, was paid to the workers without disturbing the employment situation. Later on many mills were compelled to seal additional looms on a voluntary basis according to their raw jute stock position. With the arrival of the new crop production was gradually restored, working hours were increased and the sealing of looms gradually reduced. During the last quarter of the year labour problems created by the shortage of raw jute was completely removed.

* Indian Jute Mills Association - Report of the Committee for the Year ended 31st December 1961: 1962, pp. 175.

Strikes and lockouts.- The number of strikes and lockouts in the jute industry and the consequent loss of man hours in each of the past five years is given below:-

Year.		Number of Strikes and/or Lockouts.	Man Hours Lost.
1957	...	15	2,123,115
1958	...	15	1,516,893
1959	...	124	3,273,382
1960	...	58	6,400,620
1961	...	87	6,427,749

Although there was a considerable increase in the number of work stoppages during the year, the total time lost due to such stoppages recorded only a slight rise over the previous year. There were 87 stoppages resulting in the loss of 6,427,749 man hours in the previous year 1961 as against 58 stoppages and a loss of 6,400,620 man hours in the previous year. Of the 87 stoppages during the year under review 70 stoppages involving 204,369 workmen and a loss of 1,564,237 man hours were brought about as the result of two general strikes on 13 February 1961 and 24 May 1961. The general strike on 24 May 1961 was called by the leftist political parties to protest against the police action in Silchar. Reduction of weekly working hours to 42½ was the reason for the general strike on 13 February 1961, called by the National Union of Jute Workers and the Bengal Chatkal Mazdoor Union. The remaining 17 stoppages involving 50,366 workmen and a loss of 4,863,512 man hours related to industrial disputes in individual mills. Disputes over working schedules accounted for five of these stoppages. Protests against non-employment of budli workers following the sealing of looms necessitated by the shortage of raw jute were responsible for four other stoppages. Four more stoppages were brought about by the workers opposing the further extension of double loom operation and claiming permanent status for the budlis. Another work stoppage was brought about by the budli workers but no reason was given for it. Protests against the superannuation of weavers due to old age and the issue of charge-sheets to five workers for refusing to work on the Drawing Frames allocated to them under a revised working arrangement were responsible for two other stoppages. Serious dislocation in the manufacturing process following disorderly behaviour and an illegal strike on the part of a certain section of workmen who wished to prevent the workers of a sister concern under the same managing agency from joining the mill, accounted for the last stoppage during the year under review.

53

In addition to the foregoing stoppages there were 37 short duration sectional stoppages. Revision of the working schedule necessitated by the Calcutta curtailment of power supply by the Calcutta Electric Supply Corporation, issue of charge-sheets or warning notices, refusal by either the maintenance department or the finishing department workers to work during the period of block closure, demand for lay-off compensation by the budli workers, claim for permanent status and provident fund membership for all non-permanent workers were some of the reasons for these short duration sectional stoppages.

Wage Board.- The Wage Board in an unanimous recommendation had proposed interim relief to the workers of the jute industry. The Board had recommended that every worker in the jute industry should be paid interim relief at the rate of Rs 2.85 per month from October to December 1960 and Rs 3.42 from January 1961. The recommendation stipulated that the amount of interim relief should be paid as a separate item till the final award of the Board. This recommendation applied to all jute mills in all parts of India except the Katihar Jute Mill, which would pay interim relief at the rate of Rs 3.42 with effect from 1 September 1961 (as this mill entered into an agreement with its recognised union regarding wages after the setting up of the Wage Board).

By a Resolution dated 25 January 1961, the Government of India accepted this unanimous recommendation of the Wage Board and the Association advised member mills to implement it.

The Government of Uttar Pradesh, however, issued a special notification under Section 3 of the U.P. Industrial Disputes Act making the recommendation of the Wage Board legally binding on the mills in U.P. These mills, including one of the member mills of the Association, namely, Maheshwari Devi Jute Mills, filed a writ petition in the Allahabad High Court questioning the validity of the notification issued by the U.P. Government and obtained a Stay Order in respect of the implementation of the Wage Board's recommendation regarding the payment of interim relief.

Labour-Management Relations.- The Association's Labour Department continued to play an important part in the field of labour management relations in the industry. Despite adverse propaganda by the unions about the restriction of production to meet the critical raw jute situation, the Labour Department through its liaison work was able to avoid serious labour unrest. Joint consultations both at the unit and the industry level with the multiple unions in the industry were mainly carried on by this Department of the Association. With the greater appreciation of the value of joint negotiation more and more disputes are now being settled by bipartite or tripartite agreements and the Association's Labour Officers posted in different areas had to devote a great deal of their time to attending joint conferences. This resulted in an increased number of out of court settlements and avoidance of major industrial unrest.

The Department kept the Committee informed of the growing requirements under the diverse labour legislation and recommendations were thereafter issued to members for uniform application of the Association's labour policy in all the mills. The advice of the officers of the Labour Department was constantly sought by mills regarding the implications of the Association's recommendations on labour matters.

The activities of the Department had to be intensified to cope with the work connected with the Central Wage Board for the Jute Industry. The voluminous work in connection with the normal Governmental machinery for settlement of disputes, viz., conciliation and adjudication machinery, was also handled by the Department. All the disputes referred to conciliation were invariably negotiated by the Association's Officers and the disputes referred to the Tribunal or Labour Courts were handled in conjunction with the Association's solicitors.

Complaints from workers recorded at Night Offices and the disputes forwarded by the Labour Directorate to the Association's Labour Department for enquiry and comments were taken up by the Association's Area Labour Officers, who made full investigation of the cases at the plant level and where necessary followed them up at the different stages of conciliation. This greatly helped expeditious settlement of disputes and avoided accumulation of grievances. Discussions with the unions and groups of workers in the Association's Head Office as well as in the Area Night Offices helped to remove misunderstanding and potential sources of disputes. To meet the situation arising out of any labour trouble or strike, the Association's Area Labour Officers worked in close co-operation with the Managers and Labour Officers of mills.

55

Inspection work connected with the Association's Working Time Agreement, which has considerably increased in recent years, continued to be one of the main functions of the Association's Officers, who also took an active interest in developing welfare activities in the mill areas for the benefit of the workers. They were in charge of the administration of five group welfare centres in different areas where various activities in collaboration with the Advisory Committees of these centres were organised. The Area Labour Officers also acted as secretaries of a number of welfare organisations functioning in the different areas for the development of welfare activities.

Works Committees.- Fresh elections of Works Committees were held in eighteen mills during the year. A bye-election was also held in one mill to fill up a vacancy. As in previous years the unions took a keen interest in the elections. An analysis of the Works Committee membership revealed that 35.7 % of the members were nominees of the I.N.T.U.C., 26.9% were nominees of the A.I.T.U.C. and 5.6% belonged to the other unions; the remaining 31.8% were independent candidates.

The Works Committees continued to be a useful medium for joint consultation and discussion of a variety of problems relating to employer/employee relations.

Industrial Health.- Apart from cases of influenza, industrial health during the year under review remained satisfactory. Mass inoculation and vaccination by mill authorities as well as by local Municipal and District Board Public Health Departments helped considerably in checking the spread of cholera and smallpox.

Social and Welfare activities.- The Association and the individual mill welfare centres continued to function as usual and provided the workers with healthy recreational facilities outside the working hours. Indoor and outdoor games, reading rooms, libraries, radio programmes, athletic sports, physical culture classes, dramatic societies, etc., were the main attractions of these centres. The welfare centres also organised elaborate programmes on all important national/festival holidays for the entertainment of the workers and their dependants; programmes of Tagor's songs and dramas were organised at a number of welfare centres to celebrate the birthday centenary-centenary of the poet Rabindra Nath Tagore. The managements in a number of mills contributed generously to help the workers perform Durga Puja, Viswakarma Puja, etc., either in the mill premises or in the labour lines and to organise special programmes on these occasions.

As in previous years the atheletic sports organised by the Association's welfare centres and the individual mill welfare centres evinced keen interest on the part of the workers.

Free cinema shows, dramatic and jatra performances, Allah songs, Ramleela recitations etc., were the other attractions of the welfare centres. Fifty free cinema shows were organised during the year in the Titaghur area by the Association's Labour Department for the entertainment of the jute mill workers. Individual mills also regularly organised free cinema shows either in the mill welfare centres or in the labour lines. Programmes of documentary films on the five-year plans, family planning, prevention of epidemic diseases, etc., organised by the Government of West Bengal Publicity Department usually attracted a large crowd of workers.

The Association's welfare centres continued to run free schools to cater for the educational needs of the workers' children. In addition to routine academic teaching, the school children took part in various indoor and outdoor games, mass drill, agriculture, scouting, music classes, etc.

The Association's Labour Department organised an annual holiday camp at Barakar for 4 days for the school children and the teachers of the welfare centres and mill schools. The camp was joined by forty-four children and nine teachers. The children visited the Maithon Dam, the Panchet Dam, the Bihar State Government Welfare Centre at Kumardhubi and other places of interest in the area.

The I.J.M.A. Bharat Scouts and Guides Local Association continued to be popular among the school children.

Labour Courts, Industrial Tribunals, High Courts, etc.- Sixteen disputes were referred to Industrial Tribunals during the year under review and hearings in respect of four of these cases have been concluded. In one case the Tribunal ordered re-instatement of a dismissed workman. An appeal in the Supreme Court was filed against this award as an important principle was involved. In two other cases the hearings were concluded but the awards had not been published at the time of writing this report. Another case of dismissal of four workmen was settled by the parties concerned. The remaining twelve cases were still pending at the end of the year.

Of the twenty-five awards in respect of disputes that were pending before the Industrial Tribunals and the Second Labour Court at the end of the year 1960, eleven were based on the terms of settlement arrived at by the parties concerned and in one case a 'no dispute award' was given as the reference was withdrawn by the union. The dismissal orders were upheld in five other cases. The Tribunal ordered re-instatement with back wages in a case relating to the discharge of two clerks on the ground of loss of confidence. The management have decided to file an appeal against this award.

Issues involved in the other awards were disputes in individual mills relating to superannuation, wages for lock-out period, stoppage of annual increment on reaching the top of the grade, festival holiday pay for 15 August 1960 (Independence Day) and compensation to weavers for idle looms.

In two applications under Section 33A the Second Industrial Tribunal held that the removal of a name from the budli list and non-employment of a budli hand during the waiting period did not attract the provisions of Section 33. Two other applications under Section 33A were compromised.

In dealing with an appeal by the management against the decision of the Fifth Industrial Tribunal directing payment of compensation for loss of earnings to the weavers who were transferred from broad to narrow looms, the High Court set aside the award of the Industrial Tribunal on the ground that the workmen could not make out a case that they had a right to be attached to the broad looms only or that the company was bound ~~at~~ always to manufacture broad hessian cloth for the benefit of the workmen, though not required to do so for the purpose of trade. In another appeal the High Court set aside the Third Industrial Tribunal's direction to re-instate a workman on an application under Section 33A.

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

India - November 1962.

West Bengal Mining Settlements (Health and Welfare) Bill, 1962.

The Government of West Bengal published on 6 November 1962 the text of the West Bengal Mining Settlements (Health and Welfare) Bill, 1962, proposed to be introduced in the Legislative Assembly of the State. According to the Statement of Objects and Reasons of the Bill, under the existing Bengal Mining Settlements Act, 1912, the Mines Board of Health is not a corporate body. It cannot acquire or hold property and has no duly constituted fund. It has also no specific authority for maintaining any establishment or levying fees on owners of mines. The provision for penalty under the Act is also inadequate. Besides, the existing Act is defective in various other respects.

The Government also considers that the constitution of the Mines Board of Health should be made more representative and that Government should have power to inspect the Board's property, works or institutions constructed or maintained by the Board and registers, books, accounts and other documents relating thereto, and to supervise the work of the Board's Health Officers and, also, a power to give necessary directions to the Board and enforce the compliance thereof.

The Government have, therefore, decided to replace the existing Act by a more comprehensive one so as to remove the aforesaid defects and also to introduce necessary new provisions. The present Bill has been brought forward with the aforesaid object.

The Bill provides for the establishment of a Mines Board of Health for a mining settlement consisting of not less than 11 and not more than 15 members of whom three (or if the Board consists of more than twelve members, four) shall be elected by owners of mines which employ persons residing within the mining settlement or by representatives of such owners duly authorised in the prescribed manner; one each shall be elected by the members of the National Association of Colliery Managers and by the members of the Indian Mines Managers' Association, from amongst themselves; and not less than six and not more than nine shall be nominated by the State Government of whom one may be a Labour Welfare Officer, one shall be a woman and one shall be a person representing mine labourers selected by the State Government.

A Board shall appoint a Health Officer or, if so required by the State Government, more than one Health Officer for the mining settlement.

A Board may, with the approval of the State Government, determine the number of Sanitary Inspectors and other officers and servants necessary for its administration and fix the salaries and allowances to be paid to them, and shall have the power to appoint such Sanitary Inspectors and ~~other~~ ~~speci~~ other officers and servants.

Every Health Officer or Sanitary Inspector or such other officer of a Board as may be specified in this behalf by the State Government may, within the area over which he has jurisdiction,-

- (a) make such inquiries as he may think fit in order to ascertain whether the provisions of this Act and of the rules, by-laws and ~~others~~ orders made thereunder are observed;
- (b) enter, with such assistants (if any) as he may think fit, and inspect any place within such area at all reasonable times by day or by night;
- (c) make inquiries regarding the sanitary condition of such area; and
- (d) do all things necessary for the due discharge of the duties imposed upon him by or under this Act.

For the purpose of meeting the expenses to be incurred by a Board under this Act, the Board may, in such manner and subject to such terms and conditions as may be prescribed, impose and assess on the owners of a mine or mines, the employees of which reside within the mining settlement, after giving such owners an opportunity of being heard, -

- (a) a fee payable generally by all such owners, and also,
- (b) a water rate and a conservancy rate, payable by the owners of mines the employees of which reside within the area or areas in respect of which provision has been made by the Board -
- (c) in the case of water rate, for the supply of water, and
- (ii) in the case of conservancy rate, for the cleaning cleansing of private latrines, urinals and cesspools.

Other provisions of the Bill deal inter alia with establishment of a mining settlement fund, application of the fund, penalties and offences, power to make rules and regulations, etc,

The Bill also seeks to repeal the Bengal Mining Settlements Act, 1912.

(The Calcutta Gazette, Extraordinary,
6 November 1962, pp. 3245-3259)

55. Protection of Minors.

India - November 1962.

Working of the Employment of Children Act 1938
in Railways and Major Ports during the Year
1960-61.

The following is a brief review of the Working of the Employment of Children Act 1938 in railways and major ports during the year 1960-61.

Inspections and Irregularities.- The number of departmental and contractors' establishments inspected in each Railway and Major Ports and irregularities detected therein during the year 1960-61 were 5,295 and 1,616 respectively as against 5,670 and 1,441 respectively during the preceding year.

Classification of Irregularities.- Of the 1,616 irregularities detected, 1,436 (88.86 per cent.) related to non-display of abstracts, 164 (10.14 per cent.) related to non-maintenance of registers, 8 (0.50 per cent.) related to improper maintenance of registers and 8 (0.50 per cent.) related to under-aged children.

Rectification of Irregularities.- At the end of the year 1959-60, 457 irregularities were pending and 1,616 irregularities were detected during the year under review, thus making a total of 2,073 irregularities for rectification. Out of 2,073 irregularities 1,166 or 56.25 per cent. were rectified during the year under review. Of these, 774 or 66.38 per cent. were rectified within 3 months, 181 or 15.52 per cent. within 3 to 6 months, 73 or 6.26 per cent. within 6 to 9 months, 21 or 1.80 per cent. within 9 to 12 months and 117 or 10.04 per cent. were rectified in more than one year. Out of a total of 2,073 irregularities for rectification, 907 or 43.75 per cent. remained pending at the end of the year 1960-61.

(A similar brief review on the Working of the Employment of Children Act 1938 in Railways and Major Ports during the year 1959-60 was reported in wide Chapter 5, Paragraph 55, pp.86-87 of the report of this Office for September-October 1962).

(The Indian Labour Journal, Vol. III, No. 10, October 1962, pp. 859-860).

56. Labour Administration.

India - November 1962.

Punjab: Annual Administration Report on the Working of the Labour Department for the year 1961.

The Government of Punjab published on 30 November 1962 its review on the annual report on the working of the labour department for the year 1961. According to the review, the post of the Labour Commissioner was held by Shri H.R. Singh up to 14 March, 1961 and Shri P.N. Bhalla, I.A.S., took over as Labour Commissioner on 15 March 1961. The Labour Commissioner held the following additional offices:- (i) chief inspector of factories; (ii) certifying officer under the Industrial Employment (Standing Orders) Act, 1946; (iii) conciliation officer under Industrial Disputes Act, 1947; (iv) authority under section 16 of the Workmen's Compensation Act, 1923; (v) statistical authority under the Punjab Statistics Labour Rules, 1952; (vi) appellate authority under the Fair Wage Clause and East Punjab Public Works Department Contractors Labour Regulations; and (vii) part-time regional provident fund commissioner for the administration of the Employees' Provident Funds Act in the State of Punjab and Himachal Pradesh; and (viii) chief inspection of plantations.

The field staff who assisted the Labour Commissioner in carrying out the implementation of the different labour laws consisted of 3 labour officers, 6 conciliation officers, 2 medical inspectors of factories, 7 factory inspectors, 17 labour inspectors, 4 wage inspectors, 3 deputy chief inspectors of shops and 33 shop inspectors.

Labour Legislation.- The following labour enactments and labour welfare schemes were administered by the Department during the period under review:

(a) Central Legislation.- (i) The Industrial Disputes Act, 1947. (ii) The Factories Act, 1948. (iii) The Payment of Wages Act, 1936. (iv) The Minimum Wages Act, 1948. (v) The Workmen's Compensation Act, 1923. (vi) The Industrial Employment (Standing Orders) Act, 1946. (vii) The Indian Trade Unions Act, 1926. (viii) The Plantations Labour Act, 1951. (ix) The Employment of Children Act, 1938. (x) The Working Journalists (Condition of Service and Miscellaneous) Act, 1955. (xi) The Collection of Statistics Act, 1953.

(b) State Legislation.- (i) The Punjab Maternity Benefit Act, 1943. (ii) The Punjab Industrial Housing Act, 1956. (iii) The Punjab Shops and Commercial Establishments Act, 1958.

(c) Welfare Schemes.- (i) Labour Welfare Centres.

A resume of the salient features on the working of the important Acts is given below:-

The Industrial Disputes Act, 1947.- A total of 1,452 disputes were taken on the file during the year, of which 889 disputes were finally settled in conciliation, 76 per cent. of which took less than one month's time in settlement. There were only 10 strikes and no lock-out was reported during the year. As a result of strikes, 10,176 man-days were lost. Two hundred eighty-six cases were referred to the industrial tribunal/labour courts for adjudication and the 332 awards were given by the industrial tribunal/labour courts. A total of 7,454 complaints were received and 7,527 were disposed of during the year. Four works committees were constituted, 7 ceased functioning during the year and there were 116 works committees in several concerns working at the end of the year 1961.

The Factories Act, 1948.- A total of 4,079 factories were on the register of which 3,489 actually worked during the year under review. Average daily number of workers employed in the working factories was 130,022 and 95,084,524 man-days were worked during the year under report. The total number of accidents reported was 3,600 of which 33 proved fatal, 215 serious and the remaining of minor nature. As a result of these accidents, 46,368 man-days were lost. In all 1,686 inspections were conducted and 3,834 prosecutions were launched by the inspectorate staff and 1,291 convictions were obtained against 783 factories. The fines realised on account of these was Rs 25,654.26nP. A sum of Rs 425,112.88nP. on account of licence fees was realised from the managements during the year under review, as against Rs 384,490.00nP. during 1960.

The Payment of Wages Act, 1936.- A total of 110,403 average workers were employed daily in the registered factories and industrial establishments covered under this Act and total amount of Rs108,390,952. 19nP. was paid as wages to the workers during the year under review. The total number of inspections conducted and prosecutions launched was 20,811 and 20, respectively. Convictions were obtained in two cases, 5,232 complaints were received and 151 were brought forward from the preceding year. A total of 5,264 complaints were disposed of by the field staff thus keeping 119 complaints pending at the close of the year.

The Minimum Wages Act, 1948.- Employment in metal rolling and re-rolling industry and brass, copper and aluminium utensils making industry were added to the schedule during the year under report. A total of 9,319 inspections were conducted and the 53 prosecutions were launched by the field during the year under review. Twohundred thirty-three complaints were disposed of by the field staff for the strict enforcement of this Act. Eight posts of wage inspectors were sanctioned and appointment of four wage inspectors was made during the year.

The Workmen's Compensation Act, 1925.- A total of 862 accidents took place of which 26 proved fatal, 69 of permanent disablement and the remaining of temporary disablement. The total amount of compensation paid was Rs 174,070.45nP. Seventythree complaints for non-payment of compensation by the employers were disposed of by the field staff thus leaving 9 complaints pending at the close of the year under report. No prosecution was launched.

The Industrial Employment(Standing Orders)Act, 1946.- The standing orders were certified in respect of 19 establishments and the number of standing orders modified was 11.

The Indian Trade Unions Act.- Ninety-seven new trade unions were registered during the year under review. There were 632 registered trade unions with a total membership of 74,360 at the end of the year.

The Plantations Labour Act.- Sixteen plantations were covered under the Act at the close of the year. The average number of workers daily employed in these plantations was 1,912. The number of inspections conducted was 24. Instances regarding violations of the provisions of this Act had come to light.

The Punjab Maternity Benefit Act.- Three hundred seventy-five factories were covered under this Act; of which 310 submitted the returns showing employment of 3,594 women workers. No serious offense was reported and thus no prosecution was launched. Only 11 claims were preferred, for lack of Medical Inspectresses of Factories effective inspections under this Act could not be carried out.

The Punjab Industrial Housing Act.- One hundred twenty tenements were constructed during the year under review. At the end of the year, the total number of houses built was 2,616 at important industrial centres.

The Punjab Shops and Commercial Establishments Act.- This Act covered 163 towns and 178,428 establishments. A total of 100,693 employees were benefited under this Act. The number of inspections conducted and prosecutions launched was 141,763 and 6,884, respectively. A total of 6,681 cases were decided by the courts and 2,094 complaints were disposed of thus leaving only 59 complaints pending at the end of the year.

Labour Welfare Centres.- Twentyone Labour Welfare Centres continued to provide recreational and educational facilities to the workers. The Workers Education Centre, Yamunagar trained 80 worker-teachers, in 3 sessions and worked satisfactorily.

The Employees State Insurance Scheme.- The Scheme was extended to Hissar, Sonapat and Kharar with effect from 7 January 1961, 18 February 1961 and 16 September, 1961, respectively, and service system was adopted. Onehundred and two doctors were on the approved list who afforded necessary assistance and treatment to the insured workers registered with them. Seven beds were reserved for inpatient treatment of the workers and the total number of reserved beds was 36 at the end of the year. Some specialists were also employed and the number of approved Chemists was raised to 19.

Committees and Conferences.- The following meetings/conferences were held during the year under report:-

- (i) The representatives of employers and employees' Organisations convened a meeting under the Chairmanship of Labour Commissioner, Punjab, at Jullundur on 16 April 1961. At this meeting, the question of reduction of span of working hours under the Shops and Commercial Establishments Act was considered.

(ii) The Labour Ministers' Conference and the Standing Labour Committee's meeting held on 29 April 1961 and on 27 and 28 April 1961, respectively were attended by the representatives of the State Government.

(iii) A departmental meeting of the Inspectors of Factories was held at Chandigarh in August, 1961, under the Chairmanship of Labour Commissioner, with a view to overhaul the policy of inspections/prosecutions under the Factories Act.

(iv) The State Evaluation and Implementation Committee held four meetings at various important places in the State during the year.

(v) The representatives of the State Government attended the 19th Session of the Indian Labour Conference held at Bangalore from 7 to 10 October 1961 to finalise the terms of the Bonus Commission.

(vi) The State Labour Advisory Board held its 9th Session on 24 November 1961 at Chandigarh.

(vii) The first meeting of the Tripartite Committee for working journalists was held at Chandigarh on 11 December 1961.

(viii) The meetings of the Tripartite Committee for Transport Industry were held on 20 April, 1961 and 17 August 1961 to finalise the draft of an agreement between employers and workers in all transport undertakings in the State.

(Supplement II, Punjab Government Gazette, 30 November 1962, pp. 181-184).

68

Chapter 6. General Rights of Workers.

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

India - November 1962.

Working of the Payment of Wages Act, 1936 on
Railways During 1960-61.

The Payment of Wages Act, 1936, seeks to ensure regular and prompt payment of wages to the workers and to protect them against arbitrary deductions and fines. The following is a brief review of the report dealing with the working of the Act on Railways and Railway Contractors' Establishments during 1960-61.

Inspections and Irregularities.- During the year 1960-61, in all 6,538 inspections (6,218 relating to Railways and 320 relating to Railway Contractors' Establishments) were carried out and 11,769 irregularities (10,452 in Railway Establishments and 1,317 in Railway Contractors' Establishments) were detected, the corresponding number of inspections carried out in the previous year was 7,420 (6,566 relating to Railways and 854 relating to Contractors' Establishments) and the number of irregularities was 14,510 (12,600 in Railways and 1,910 in Railway Contractors' Establishments). Of the 10,452 irregularities detected in Railways, as many as 7,108 irregularities, i.e. 68 per cent. related to Transportation Department. As regards Railway Contractors' Establishments, the number of irregularities relating to the establishments in Northern Railway was the highest, i.e. 315 (24 per cent.).

Nature of Irregularities.- Out of 10,452 irregularities detected in Railways during the year, 3,501 (33.50 per cent.) related to delayed payment of wages, 2,632 (25.18 per cent.) related to non-payment of wages, 2,372 (22.69 per cent.) related to non-display of notices, 776 (7.43 per cent.) related to non-maintenance of registers, 320 (3.06 per cent.) related to improper maintenance of registers, 314 (3.00 per cent.) related to unauthorised deductions from wages, 117 (1.12 per cent.) related to irregular imposition of fines, 26 (0.25 per cent.) related to irregular recovery of advances, 19 (0.18 per cent.) related to irregular deductions for damage or loss and 375 (3.59 per cent.) related to other miscellaneous irregularities.

As regards Railway Contractors' Establishments, out of 1,317 irregularities detected during the year under report, 496 (37.66 per cent.) related to non-maintenance of registers, 432 (32.80 per cent.) related to non-display of notices, 191 (14.50 per cent.) related to delayed payment of wages, 126 (9.57 per cent.) related to improper maintenance of registers, 8 (0.61 per cent.) related to non-payment of wages and 8 (0.61 per cent.) related to unauthorised deductions, one case (0.07 per cent.) related to irregular recovery of advance and 55 (4.18 per cent.) related to other miscellaneous irregularities.

Rectification of Irregularities.- As many as 11,242 irregularities were pending rectification in Railways and Railway Contractors' Establishments at the end of previous year and 11,769 irregularities were deducted during the year, thus making a total of 23,011 irregularities for rectification. Of these 23,011 irregularities, 18,609 (81 per cent.) were rectified during the year under report. Out of 18,609 irregularities rectified, 6,610 (35.52 per cent.) were rectified within 3 months, 2,909 (15.63 per cent.) within 3 to 6 months, 1,969 (10.58 per cent.) within 6 to 9 months, 1,481 (7.96 per cent.) within 9 to 12 months and the remaining 5,640 (30.31 per cent.) were rectified in more than one year.

Total Wages Paid and Deductions Made.- The total number of persons employed in all the Railways excluding Railway factories in India covered by the provisions of the Act was about 1.237 millions. The total amount of wages paid during the year was about 1,448.0 million rupees. The amount realised as deductions in Railways was Rs 25,120.44nP. in case of fines, Rs 115,562.35nP. in case of damage or loss and Rs 1,189.60nP. in case of breach of contract. Total disbursement from fine funds in all the Railways amounted to Rs 1,067,488.65nP.

Out of 674 Contractors' Establishments covered by the Payment of Wages (Railway) Rules, 1938, annual returns were received from 239 Contractors' Establishments, employing 0.716 million persons. The total wages paid to them was about 12.162 million rupees.

Claims.- At the end of 1959-60, 675 applications were pending before the authorities and 2,475 applications (2,456 in respect of Railway employees and 19 in respect of Railway Contractors' employees) were filed in 1960-61, making a total of 3,150 applications for disposal before the authorities. Of these 3,150 applications, 472 applications were decided during the year under report. Out of a total amount of Rs 1,102,581.29nP. claimed as wages and compensation in these 742 applications, a sum of Rs 162,022.32nP. (Rs 139,913.08nP. in respect of wages and Rs 22,109.24nP. in respect of compensation) was awarded during 1960-61. As many as 2,408 applications remained pending before the authorities at the close of the year.

Prosecutions.- During the year 1960-61, 21 cases were filed against Railway Contractors as against 2 cases filed during the previous year. Of these 21 cases, 10 were decided during the year, 7 resulting in conviction and 3 resulting in acquittal of the accused and a total amount of fines imposed by the courts in these 7 cases was Rs 225/-. Eleven prosecutions were pending with the courts at the end of the year under report.

(A review of the Working of the Payment of Wages Act, 1936 on Railways during 1959-60 was reported vide in Chapter 6, Paragraph 64, pp. 99-100 of the report of this Office for September-October 1962.)

(The Indian Labour Journal, Vol. III, No. 10, October 1962, pp. 857-859).

67. Conciliation and Arbitration.

India - November 1962.

Results of a Case Study in Labour-Management Relations in a Bata Shoe Company.

At the instance of the Government of India the Government of West Bengal, after consulting the Labour Directorate, selected Bata Shoe Company, Budge Budge, 24-Parganas, as the first unit for a case study in labour-management relations. The following is a brief review of this study.

Scope and Method of Study.- Wages, working and living conditions, etc., being the primary concerns, special emphasis were given to evaluate points like: (a) Brief background of the factory, its position in the industrial economy of the State, organisation, production, volume of employment, wage structure, welfare and other amenities, service conditions, etc.; (b) management's approach and policy in recognising trade unions and in concluding collective bargaining; (c) trade union's attitude and approach regarding collective bargaining; (d) a short history of trade union organisations and their activities; (e) brief history of labour-management relations through collective bargaining; (f) channels of communication including grievance procedure; (g) functioning of machineries like Works Committee, Production Advisory Committees, etc., in which labour-management co-operate; (h) functioning of Canteens, Credit Society, Sports Committees and other similar bodies; (i) constructive activities of trade unions, besides collective bargaining; and (j) principal factors which have led to stable industrial harmony.

Production.- From 1940 onwards, Bata celebrated its popularity by competing and actually ousting foreign competitors from the markets of India. The company's production statistics for the last eight years are given below:-

Year	Rubber		Leather	
		Total Pairs		Total Pairs
1951	----	12,024,985		2,564,592
1952	----	9,925,667		2,349,923
1953	----	10,245,494		2,865,812
1954	----	10,698,854		2,944,360
1955	----	11,667,828		3,097,671
1956	----	12,473,583		4,119,222
1957	----	12,005,498		4,495,871
1958	----	13,548,198		4,516,163

Employment.- The distribution of total number of employees on the 15 June 1959 was as follows:

Category of Employees.	No. of persons employed.
(i) Managerial Staff..	68
(ii) Supervisory and Clerical Staff.	1,099
(iii) Essential ..	262
(iv) Hourly fixed..	1,330
(v) Accord (Piece Rate).	4,826
	<u>Total.</u>
	<u>7,585</u>

Skilled operatives formed the largest bulk of the total manual operatives as the following table would show:

Categories of Employees.	No. of operatives employed
Highly skilled professional.	628
Skilled.	4,695
Semiskilled.	102
Unskilled.	109

Recruitment.- Usually persons who are trainees, direct dependants of ex-employees or stand-by workers are preferred as direct recruits. Though operating with a surplus staff, the company's avowed policy is to avoid retrenchment and so recruitment has been negligible for the last few years. Candidates are selected by a well-organised Personnel department subject to passing medical tests. The stand-by workers, are generally workers' relatives, trained by the company to meet exigencies of production and are, from union's point of view, akin to budli or casual labour. Once trained, their names are maintained in a Register,

which ensures an attendance allowance of Rs 1.50 when not provided with work, and 1½ times normal rate of wages per day minus Dearness Allowance and bonus when provided with work. The union is not in favour of such a system and as a result of representation the company have absorbed 1,236 stand-by workers in permanent roll narrowing the list to 126 stand-by workers. Besides direct recruits, managerial staff are generally recruited from Supervisors Grade I.

Training Schemes.- The company provides for two types of training both being divided in sub-groups while the border line between the categories of training is the presence or absence of commitment on either side as regards employment.

I. Those given training for absorption in the company:

(a) Training for responsible positions in the factory.- The Training Department while drawing the training schedule keeps an eye to ensure that trainees gather knowledge of all the important departments of the factory. On the basis of periodical progress report often changes and alterations in the training programme are made. Trainees are periodically examined by the departmental heads in conjunction with the Training Department.

(b) Training for skilled or semi-skilled in factory.- Persons recruited as probationers are usually attached to the Training and Allocation Centres, which according to the training schedule control and check their progress. Such trainees complete their schedule by working as substitutes for absentees. Some persons, though negligible, are placed under the direct supervision of a particular department and complete their training schedule within the department.

(c) Craftsman Trainees.- The company also provides a three-year course of a voluntary nature for training in overhauling, Machinery and Equipment Departments. The trainees are to attend a theoretical class once a week and receive allowances of Rs 30, Rs 40 and Rs 60 for the 1st, 2nd and 3rd year respectively. The Training Department in conjunction with the respective departments periodically examines the trainees and keeps a record of their progress. After training, the trainees build up a reserve for the Machinery Department.

II. Apprentices who are trained without commitment of employment:

(a) Those given training as an act of national service.- Under the "Specialised Shoe-Making Training Scheme" usually six apprentices, at least Matriculates, are selected each year and receive practical training in tannery, the Leather and Rubber factories along with theoretical classes under the supervision of the appropriate Training and Allocation Centre, The trainees receive T.A. and free lunch from the factory canteen.

(b) Government Trainees.- (i) Nominees from the Ministry of Education, Government of India: Two B.Sc.(Tech.) students receive training for a year as part of their degree requirement and receive a stipend of Rs 150 shared between the Central Government, - who select the students as recommended by the College of Leather Technology, Calcutta, - and the Company.

(ii) Nominees from the Directorate of Industries, Government of West Bengal, for Supervisory Training: For Supervisory Training in Leather Shoe Making or in Tannery, the Directorate of Industries nominate annually one matriculate candidate in the age group of 18 to 24 years - preferably with a diploma from the College of Leather Technology, Calcutta. Such candidates receive an allowance of Rs 60 per month after three months' successful probation, free lunch and a free railway ticket from Sealdah to Batanagar.

(iii) Four matriculate candidates in the age group of 18 to 24 years nominated by the Directorate of Industries are also taken in the Company as Trade Apprentices and are paid an allowance of Rs 30 after three months' successful training.

(iv) Nominees of the Directorate of Industries, Government of West Bengal: Three nominees of the Directorate receive the same training as in (ii) under identical terms.

Wages and Remuneration.- The Management believe that adequate wages and other benefits are incentives to good and efficient work. The main components of employees' remuneration consist of (1) Basic Wages, (2) Dearness Allowance linked with cost of living index, and (3) a quarterly General Bonus on agreed percentages of quarterly wages and (4) a night shift allowance at the rate of 20 per cent. of the normal calculated rates. The present wage structure is the outcome of a collective agreement of 1958 between the parties due to expire on 31 December 1961.

(i) Basic Wage.- The bulk of the production workers at the Batanagar factory are piece-rated workers. Under the agreement of 1958 a minimum basic wage of Rs 13.50 for a full working week has been fixed. Weekly rates against Grade of workers as arrived at under the agreement of 1958 have been shown in the following table:-

<u>Grade.</u>	<u>Rate.</u>
	<u>Rs.</u>
I	37.50
II	32.50
III	30.00
IV	28.00
V	26.00
VI	25.00
VII	24.00
VIII	23.00
IX	21.50
X	21.00
XI	20.50
XII	19.50
XIII	18.50
XIV	18.00
XV	17.50
XVI	17.00

Rates of time-rated different grades of workers as provided in the agreement of 1958 are shown in the following table:-

<u>Grade.</u>	<u>From.</u>	<u>Basic Weekly Increment per Year.</u>	<u>To.</u>
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
A	24.00	0.75	29.00
	29.00	1.00	37.00
	37.00	1.00	41.00
			(This extended grade only for specific workers so decided by the Company.)
B	19.00	0.75	24.25
C	16.50	0.75	20.25
D	15.50	0.50	18.00

(ii) Dearness Allowance.- The agreement of 1958 provided that at a living index of 340, the basis of Dearness Allowance would be Rs 7 per week and for every 20 points, the Dearness Allowance would be increased or decreased by annas 8 commensurate with the corresponding rise or fall. On the basis of the latest available living index of the preceding months, the Dearness Allowance would be revised twice a year, commencing on first week of January and again on the first week of July. The agreement of 1960 in order to avoid confusion revised the Dearness Allowance on a slab system.

(iii) Bonus.- The present bonus scheme was a process of evolution beginning with the collective agreement of 1951, whereby the Attendance bonus and Production bonus were combined in one General bonus; agreement of 1954 whereby rates were increased and finally another agreement of 1958, which provided that the rate of bonus would be 18½ per cent. of the total wages, excluding Dearness Allowance and other allowances, for each quarter. To be eligible for the bonus, a worker must complete six months' approved service ending on the last day of the quarter while those who have completed less than six months' service, the rate will be 8.75 per cent. of their total wages as aforesaid.

The collective agreements of 1948, 1951, 1955 and 1959 pushed the wage structure higher and higher as would be evident from the following table, showing progressive rise in the minimum wages paid to the unskilled permanent workers by the Company during the last 12 years:-

(a) Piece-rated workmen year. Minimum Wages paid to unskilled permanent workmen.

		Minimum rates of wages in Rs.		
		Basic.	D.A.	Total.
1947 to 1949	..	53.07	25.01	78.08
1950 to 1952	..	54.81	29.01	83.91
1953 to 1955	..	63.07	37.49	100.56
1956	..	69.60	30.45	100.05
1957 to 1958	..	69.60	34.80	104.40
1959	..	73.91	34.80	108.71

(b) Time-rated workmen Year.

1947 to 1949	..	34.80	25.01	69.81
1950 to 1952	..	43.50	29.10	72.60
1953 to 1955	..	50.02	37.49	87.51
1956	..	56.55	30.45	86.99
1957 to 1958	..	56.55	34.80	91.35
1959	..	67.39	34.80	102.19

Service and Working Conditions.- Designed and built to the requirements of an ideal plant, the factory provides ample space for free movement of men and materials, separate lavatories, washing rooms, shower baths and drinking water facilities in each building. A progressive outlook of the company and the union's watchful concern, as reflected in 1958 agreement, have modelled out the present-day job securities and working conditions. With Saturdays and Sundays as non-working days, workers have to work 42½ hours a week. The Standing Orders and Rules of the Company - a product of mutual agreement - have provided for a detailed procedure to be followed in cases of retrenchment and if such numbers exceed 50 or over at a time or totally in a year, such question, in accordance with 1958 agreement, will be a subject of negotiation between the Management and the union, and on failure, to arbitration or adjudication. The matter of promotion lies at the discretion of the Management according to merit and seniority, etc., and occasionally candidates are to appear in trade tests.

As regards leave and holidays, the Management allow 12 days' Privilege leave, 13 National and Festival holidays, 6 days' casual leave, 15 days' sick leave (non-cumulative) - all with full basic pay provided the worker has put in one year's continuous service. Besides, such workers are also entitled to 20 days' ordinary leave without pay.

The Company has a scheme of contributory provident fund with 6½ per cent. contribution on either side and also a scheme on gratuity to provide the employees against old age.

Industrial Peace and Harmony.- In keeping with the maxim that workers should not be considered as "mere tools of production but as human beings", the management always tackle the complex problem of labour relations with a humanitarian approach. That fair remuneration, adequate welfare amenities, and good working conditions make very sound contribution to healthy relations has not been underestimated, at the same time, the management is alive to the necessity of fair and equitable treatment to all employees. This pleasant concept of labour relations and the belief in collective bargaining in amicably settling all grievances and disputes concerning labour did not come out of nothing. In 1946 and 1947 two disputes of serious proportion resulting in strikes lasting for about four and a half months caused the company immense loss in production. In exploring avenues for effectively combating such evils, the management evolved an elaborate joint consultation machinery including the Works Committee, Production Advisory Committee and the Employees' Grievance Negotiation Committee. The union was reciprocated recognised and the first collective agreement concluded in 1948. The union reciprocated by

accepting their responsibility to the employer and the community. A stipulation in the 1954 Agreement reiterated in 1958 Agreement laid down restrictions on declaration of lock-out by the management and on any strike, picketing, sit-down, stay-in strike or wilful curtailment of production by the union until the agreed procedure for settlement of grievances is exhausted. From then on the position has been one of understanding and mutual help in a joint endeavour.

Trade Unions.- A strong and stable union is an essential pre-requisite for successful collective bargaining. No less important is the management's attitude to create a condition where the union may thrive best. But the Bata Mazdoor Union has its own story of earlier stress and strain. As early as 1939 there was a strike by the workers without any union but led by a prominent union leader. The strike fizzled out but as an aftermath the workers gained certain benefits in the shape of provident fund, increase in wages, and erection of dormitories, etc. The Bata Mazdoor Union was organised and registered in 1945 under the present President of the Union, a member of Democratic Vanguard Party, and had 3,000 or slightly over 50 per cent. of the employees in its roll. A strike was launched on the issue of recognition and other demands from 4 April 1946 and continued till the middle of May, when the union was recognised by the company and some of the demands were met. Centring round the issues on norms of production and engagement of extra hands, a sporadic strike and later slow-down of production started in 1946, which culminated in a fracas between the employees and the company's durwans. This was followed by a Charter of Demand being placed by the union in the early part of 1947. This led to dismissal of 52 workers including a few leaders of the union. Matters came to a pass from 18 April 1947, when a strike paralysed the whole factory following an unfruitful attempt of a settlement on a Charter of Demands, which included reinstatement of the above-mentioned workers. The then Congress President of Bengal, acting as an arbitrator on mutual consent, brought about a settlement, many of whose terms went in favour of the workmen. From this year, the union engaged- changed its affiliation from A.I.T.U.C. to I.N.T.U.C., which was again changed in 1951 and since then its affiliation to A.I.T.U.C. is being continued.

In 1948, the Bata Mazdoor Union concluded with the company the first collective agreement, which may rightly be termed as the first collective agreement in industrial relations in West Bengal, and ushered in an era of progressive labour policy in the industrial undertaking at Batanagar. Under this agreement the Management recognised the union as the sole and exclusive collective bargaining agent. Since then the union is gaining in strength and importance. From 3,000 members in 1945, the membership rose to 7,300 out of a total complement of 7,435 employees in 1959. The union at present represents the employees of Bata-nagar Factory, Head Office of the company at Calcutta, Sales Office, Shipping Office, and the Central Repairing Shop of the Company. Any person in the pay-roll of the company and above 15 years of age may be a member of the union on payment of an annual membership fee of one day's basic salary. Of the 35 members forming the Executive Committee, four members may be outsiders (honorary members) and the rest are filled up by proportional representation from various sections or offices. This has the advantage of giving any minor group or party a voice in the Executive Committee. At present, the President, Secretary and another Executive member are outsiders. The Union carries on its activities on accepted trade union lines and in negotiations over any problem has always tried to guard and protect the rights and interests of its members. Among other activities of the union may be listed management of Bata Workers' Sickness Benefit Society, the Co-operative Stores and Credit Society and running a Relief Fund to provide the members against protracted illness and financial assistance in cases of death.

Industrial Relations - Union Management
Negotiations and Collective Agreement.- To trace the growth of the existing healthy and conductive labour-management relationship one has to appreciate union's willingness to negotiate an honourable settlement on the one hand and the receptive and sympathetic attitude of the management as well as their readiness to compose differences on the other. In course of the last twelve years, there have been four important bipartite agreements usually of three years' duration. A study of the agreements along with the backgrounds of the disputes will not be out of place for appreciating the evolution of labour-management relationships.

A 3½ months' old strike in 1947 led the management to accept the principle of supporting strong representative union in the matter of negotiation and consultation. The agreement that followed in July 1947 standardised the grades and designations and provided for agreed rates for different operations. Another settlement introduced a 5-day working week with 43½ hours' work. In the same year the Bata Workers' Sickness Benefit Society was also vested in a Committee with equal representatives from the company and the union.

In 1948 relation became closer as testified by the settlement on night allowance, basis of payment to engineering section, payment of minimum wages and terms of employment of employees transferred to Calcutta and also formation of Works Committee. The First Collective Agreement was signed in November 1948. Under this agreement the union was recognised as the sole bargaining agent. The Standing Orders and Rules, which was a statutory obligation of the Company, were framed on an agreed basis. A grievance procedure and certain other issues like avoidance of industrial stoppage under certain circumstances, bonus, management's right and responsibility to maintain order, unfair union and labour-management practice, etc., were settled. The agreement has been hailed as unique in many respect and accredited as the real foundation for the future growth of labour-management relationship.

After the expiry of the First Agreement in 1950, a series of consultations resulted in another agreement on 3 October 1951. Under the Second Collective Agreement the rates and grades were little improved, and a Joint Expert Committee was formed to settle grievances regarding rates and wages. The attendance and production bonus were amalgamated enhancing the rate of bonus to 15 per cent. generally.

The basic piece and hourly fixed rates were improved and the night shift allowance was also increased. The number of festival holidays was raised from 12 to 13, sick leave and casual leave were also increased and the terms of Provident Fund and gratuity were improved.

In the same year, the union was allowed to realise membership subscription from pay envelopes of individual workers.

In 1952 recommendations of the Joint Expert Committee for improvement of a number of grades were accepted. A new wage system was introduced for the Engineering Section and factory hours were reduced from $43\frac{3}{4}$ to $42\frac{1}{2}$ hours per week. In the same year, under an agreement, a Production Advisory Committee with equal representatives was formed to study the disparities arising out of introduction of any new machine or production scheme or any dispute relating to work-load resulting from change in working process and to suggest remedial measures.

The Third Collective Agreement signed on the 18 February 1955 made further improvements in basic rates, grades, dearness allowance and bonus. The grades of the Clerical and the Supervising staff and special grades for the Foreman in the factory were also fixed. Another agreement in the same year improved the grades of the employees in the Engineering and Maintenance Group.

In 1956 a revised Incentive Scheme was introduced in 680 Godowns, Retail, Supply and Packing Section.

The Fourth Collective Agreement was reached on 6 October 1958. This Agreement, like the previous ones, is operative for three years. Under the Agreement further increase in the rate of bonus, dearness allowance, weekly basic rates of piece rated and hourly rated workmen were allowed. The grades of the Clerical and Supervisory staff and the Foreman were further improved.

In 1957 the union submitted a demand to rectify the anomalies in the rates, grades, designations and emoluments of individuals. All such cases, except 48 individual disputes referred to arbitration were settled by an agreement, dated 6 October 1958. The Chairman of the Company, acting as the arbitrator agreed upon by the parties, disposed of all the cases and his award, dated 6 July 1959, went in a number of cases in favour of the workmen.

In 1959 the workmen slowed down production for about five weeks over the demands of Puja bonus and enhanced Dearness Allowance according to the correct interpretation of the Dearness Allowance Scheme embodied in the 1958 Agreement. The Company agreed on advance payments to be recovered in weekly instalments from an agreed date in place of Puja loans, which was not accepted. An agreement was reached in 1960 on Dearness Allowance, whereby it was decided that the employees were entitled to higher Dearness Allowance than what was paid to them under the Dearness Allowance Scheme in the 1958 Agreement.

In 1960 another demand for Puja bonus was met by providing advances to permanent employees to be recovered from weekly wages and quarterly bonus.

Joint Consultation - Consultative and other bodies.- Plant level joint consultation has a two-fold function. In the first place, it seeks to eliminate misunderstandings by first-hand knowledge of employees' views on important policy decisions. The other object aims at inculcating employees with an idea that each of them has an important part to play and that the management value their contribution.

Since the constitution of a Joint Expert Committee in 1951, joint consultation forms an integral part of the Personnel Policy of the management. In its earliest form joint consultation started from 1948 with the formation of the Works Committee. The embryo of 1951 took definite shape from the series of Collective Agreements since 1951. In every case the Bata Mazdoor Union nominated representatives to the joint bodies.

A brief account of the Joint Committees and other similar bodies is given below:

Works Committee.- The first Works Committee constituted in 1948 had a body of 16 members - eight from either side including one Chairman, one Vice-Chairman and two Joint Secretaries. The management attached much importance to this Committee as was apparent from the fact that the Chairman of the Company acted as the Chairman of the Works Committee. The Vice-Chairman was nominated by the workers' representatives. The Committee had the same obligations as required under the Industrial Disputes Act and Rules. The Works Committee was competent to discuss production, consideration of grievances raised out of grievance procedure, working conditions, welfare and discipline, order and cleanliness in the factory and colony.

Calcutta Grievance Committee.- For the Calcutta office a Committee with similar functions of the Works Committee has been set up to deal with day to day grievances of the employees employed therein.

Production Advisory Committee.- Comparable with the Works Committee is another Joint Consultative Body known as Production Advisory Committee consisting of five representatives of the management and five representatives of the workmen. The Committee checks any change in wage rates efficiencies due to introduction of new methods of production and handles any grievance on account of such changes.

Joint Expert Committee.- This Committee considers grievances relating to improvement in grades and wage structure. In 1952, this Committee improved a number of grades of the employees of the Engineering Section and also introduced a new wage system.

Other Bodies.- The Bata Workers' Sickness Benefit Society - another joint enterprise - deals with the medical benefits including hospitalisation and also other measures like facilities of Family Planning Clinic, etc. The body is entrusted to a Managing Committee of eight members - four from each side - with the Chairman of the company as the Chairman of the organisation and two Joint Secretaries - one from each side.

Social Welfare, educational services, etc., are also entrusted to the elected committees with Company's nominees under the guidance of the Welfare Department.

Grievance Procedure.-If a workman desires to dispute or feels dissatisfied from any order passed against him by the company other than in respect of an order arising out of any complaint made by him, the following procedure will be adopted:

- (i) The workman may appeal in writing to the Works Committee within seven days of receipt of such order. The company will implement the unanimous recommendation.
- (ii) If the Works Committee is divided in opinion or if the company fails to implement the unanimous recommendation, the workman may refer the matter within one month to arbitration to be mutually agreed upon or to the Government.

During pendency of these proceedings, the dispute can always be negotiated between the company and the union.

In recent years the machinery has settled quite a number of cases.

Conclusion.- By way of assessment it may be concluded that labour-management consultation and collaboration has worked successfully to the mutual benefit of both sides. The management gained by high morale of the employees resulting in greater production while the workmen gained adequate wages and good working and living conditions.

The study reveals that on some issues the parties have not been able to reach complete agreement. But these factors have not embittered relations and it is hoped that the present understanding and co-operation would resolve the unsettled disputes and develop into a more mature collective bargaining relationship. It is also hoped that the study would act as a guide to those industrial units where mature relationships are still to develop for a healthy approach to modern personnel problems.

(West Bengal Labour Gazette,
November 1961, pp. 503-520).

85

Industrial Disputes (Maharashtra Amendment)
Bill, 1962.

The Government of Maharashtra published on 15 November 1962 the text of a Bill to amend the Industrial Disputes Act, 1947, in its application to the State of Maharashtra. According to the Statement of Objects and Reasons of the Bill, the Bill seeks to amend section 7A of the Industrial Disputes Act, 1947, in its application to the State of Maharashtra, for making District Judges and persons qualified for appointment as Judges of the High Court eligible for appointment as presiding officers of Industrial Tribunals. The necessity of this amendment is felt because of the considerable difficulty experienced in securing the services of sitting or retired High Court Judges as presiding officers of Industrial Tribunals.

The Bill also seeks to amend the First Schedule to the Act for taking power to the State Government to declare any of the following industries to be a public utility service under section 2(n)(vi) of the Act, if it is satisfied that public emergency or public interest so requires, namely:-

1. Oxygen and Acetylene.
2. Mineral oil (crude oil), motor and aviation spirit, diesel oil, kerosene oil, fuel oil, diverse hydrocarbon oils and their blends including synthetic fuels, lubricating oils and the like.
3. Vaccines.
4. Sera.
5. Antibiotics.
6. Catgut.

(Maharashtra Government Gazette, Part V,
15 November 1962, pp. 317-319).

Punjab: Annual Report on the Working of the Industrial Disputes Act, 1947, in the State during the Year 1961.

According to the review on the annual report on the working of the Industrial Disputes Act, ~~1947~~, 1947, in the State of Punjab during the year 1961, to promote cordial relations between the labour and the industry and to maintain industrial peace, the Labour Department has been directing its full energies to achieve this end. The conciliation machinery provided for the settlement of industrial disputes was further geared up by setting up an independent section of six conciliation officers with chief conciliation officer to supervise the work, while implementation and enforcement of other labour laws was entrusted to separate units of labour inspectors/officers, etc. This arrangement has shown appreciable results.

Disputes.- There was a decrease of 584 industrial disputes during the year under review over the last year. This is mainly due to the efforts of the field officers in educating the workmen about the labour laws and its implications. The managements are also becoming conscious about their legal obligations towards their employees. This has helped in the maintenance of healthy relations between the employers and the workers. Out of 1,596 industrial disputes which arose during the year under review, 889 were settled through conciliation, 286 were referred to the industrial tribunal/labour courts for adjudication and 352 were either withdrawn by the Unions or were not considered fit for reference for adjudication. Thus 69 cases were pending at the end of the year.

Strikes and Lock-outs.- The strikes have decreased by 50 per cent during the year under review as compared with the last year, i.e., 10 against 20, which except in the case of M/s. Kalsi Mechanical Works, Nandpur, were short-lived and were called off at the intervention of the field staff. In M/s. Kalsi Mechanical Works, strike started against the dismissal of one active worker of the Union and fizzled out without any settlement.

Man days lost have also decreased considerably to 10,176 during the year under review as compared with 56,564 of last year.

Out of ten strikes, 2 occurred in machine engineering industry, 2 in transport industry, 1 in textile industry, 1 in paper industry and remaining 4 in other industries.

The results of these strikes were as follows:-

Successful	--	5
Partially Successful	--	1
Unsuccessful	--	4

The main reason for strike in 6 cases was non-payment of wages and the remaining 4 cases were due to non-acceptance of demands of leave, working hours and retrenchment, etc.

Speedy Settlement of Disputes.- The average time taken per case at conciliation stage was maintained at 28 days during the year. About 75 per cent. of the cases were finalised within a period of about three weeks during the year under review.

Works Committee.- A total of 116 works committees were functioning during the year under review. These committees proved useful in maintaining industrial peace in the industrial establishments.

Adjudication Machinery.- The table appended below will depict the position with regard to the number of cases referred to and disposed of by the industrial tribunal/labour courts during the year under review.

88

I. Regular Industrial disputes.-

(i) Number of cases pending at the beginning of the year on 1 January 1961.	..	189
(ii) Number of cases referred for adjudication during the year, i.e., from 1 January, 1961 to 31 December, 1961.	..	286
(iii) Number of cases in which awards were accepted and gazetted by the Government during the year.	..	332
(iv) Number of cases pending at the close of the year.	..	143

II. Applications under Section 33 and 33A.-

(i) Number of applications under Section 33 and 33A pending at the beginning of the year i.e. on 1 January, 1961.	..	43
(ii) Number of fresh applications filed under section 33 and 33A.	..	134
(iii) Number of applications decided.	..	106
(iv) Number of applications pending at the close of the year i.e., on 31 December 1961.	..	71

Implementation of awards/settlements.- The following table will show the position with regard to the implementation of awards during the year under report:-

(i) Number of awards given by the industrial tribunal/labour courts.	..	332
(ii) Number of awards requiring implementation at the end of the year.	..	14

Only 14 awards could not be got implemented in the year under review as against 26 at the end of last year. There was an overall improvement in the working of the Implementation Section with regard to the implementation of awards and settlements.

The amount of money recovered as arrears of land revenue for non-implementation of awards and settlements was Rs 24,485.04.

Implementation and Evaluation Committee.- The Implementation and Evaluation Committee was recognised during the year under review after consulting the Central Organisation of employers and workers. The Committee held four meetings during the year in which the working of the Code of Discipline was reviewed. Efforts were undertaken to bring home to the employers' and employees' associations the importance and moral sanctity of the Code.

Recognition of Unions.- During the year under review, six Unions were given recognition under the Code of Discipline through the persuasions of the implementation machinery.

(Supplement to Punjab Government
Gazette, 9 November 1962, pp.151-152).

Chapter 7. Problems peculiar to certain
Categories of Workers

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

India - November 1962.

Retirement Age of Central Government Employees
Raised to 58.

According to an official statement dated 29 November 1962, the Government of India has decided that the age of retirement of its employees should be 58 instead of 55 at present.

(For details please see paragraph 91, pp. 94 of this report).

91

Chapter 8. Manpower Problems.

83. Vocational Training.

India - November 1962.

Educational Plans to be Reorientated to meet
the needs of Emergent Situation.

The Union Ministry of Education, in a circular, to all State Governments has urged them to rephrase and reorientate their educational plans to meet the needs of the new situation arising from the Chinese invasion. The reorientation has to be so carried out that the goals of educational activities which are designed to contribute to the defence effort should be suitably strengthened by readjustment of the allocation. Since different programmes for strengthening the national defence effort are under way through different agencies and it is possible that calls on the pupils' and teachers' co-operation will be made by them, it is necessary that they should be properly co-ordinated so that the schools may be enabled to make their maximum effective contribution without wasteful dispersion of effort and energy.

Emphasising the role of science teachers it has been suggested that in order to make up the shortage of science teachers, the age of retirement for science teachers should be increased. Till this is done, liberal extensions should be given. Science teachers who have already retired but are physically and mentally capable of rendering service may be re-employed.

(The Hindu, 26 November 1962).

97

Mysore State Apprenticeship Council Rules, 1962.

The Government of Mysore published on 1 November 1962 the text of the Mysore State Apprenticeship Council Rules, 1962, made in exercise of the powers conferred under the Apprenticeship Act, 1961. The Rules prescribe inter alia the number of members of the Council, term of office, method of filling of vacancies in the membership of the Council, mode of conduct of business at meetings of the Council, and fees and allowances to members of the Council.

(Notification No. PLM 176 LTC 62(1) dated 29 October 1962; the Mysore Gazette, Part IV- Sec.1c(ii), 1 November 1962, pp. 2354-2356).

Committee to review Plans and Programmes for Training of Technical Personnel set up.

A Resolution dated 5 November 1962 of the Ministry of Home Affairs states that whereas the President has declared by Proclamation under Clause (1) of Article 352 of the Constitution that a grave emergency exists whereby the security of India is threatened by external aggression; and whereas, it is necessary to review the existing plans and programmes for training of technical and other specialised personnel in the context of this grave emergency; the Government of India has decided that a Committee be set up to deal with this important problem and, in particular, to review existing plans and programmes for training of technical personnel, initiate necessary proposals for the augmentation of existing programmes, introduce accelerated training courses and, where necessary, to modify the existing curricula for technical education.

The Committee consists of Prof. M.S. Thacker, Member, Planning Commission, as Chairman and two representatives of the Ministry of Defence, the Secretary, Ministry of Labour and Employment, Joint Secretary (Technical Education), Ministry of Scientific Research and Cultural Affairs, and the Director, Directorate of Manpower, Ministry of Home Affairs.

The Committee may from time to time co-opt representatives of other Ministries/ Planning Commission and appoint panels or sub-committees of experts in different branches of specialisation as necessary.

(The Gazette of India, Part I, Sec.1,
10 November 1962, pp. 339-340).

91

CHAPTER 9. SOCIAL SECURITY.

INDIA - NOVEMBER 1962.

91. Pre-legislation Measures.

Retirement Age of Central Government Employees
Raised to 58.

According to an official statement dated 29 November 1962, the Government of India has decided that the age of retirement of its employees should be 58 instead of 55 at present. Scientific and technical personnel may be given extension of service beyond the age of 58 if they are fit and suitable for work. Provision is however being made for retirement of employees made after the age of 55 at three months' notice on either side without assigning any reason.

Ministerial Government servants recruited before 1 April 1938, who are at present entitled to serve up to 60 and those categories of Class IV staff including new entrants whose age of retirement is at present 60 will not be affected by the decision.

The State Governments are being advised that members of the All-India services who are due to retire after 30 November 1962, should be continued in service pending a decision on a proposal to make the raised age of retirement applicable to them.

The decision takes effect from 1 December 1962.

(The Statesman, 30 November 1962).

93. Application.India - November 1962.VIII. Maternity Benefits.Working of the West Bengal Maternity Benefit
(Tea Estates) Act 1948 for the Year 1959.

According to the Annual Report on the Administration of the West Bengal Maternity Benefit (Tea Estates) Act 1948 during the year 1959, the number of tea estates factories with their plantations subject to the administration of the Act was 274. Two factories including two plantations remained closed throughout the year. The total average number of women employed daily in the 272 establishments submitting returns was 58,856, an increase of 2,136 women compared to the last year's figure. Average number of women workers employed in tea factories alone was, however, 4,987, a decrease of 230 as compared to the previous year.

Claims and Payments.- The total number of claims made and claims accepted for maternity benefit were 16,699 and 15,680, respectively, an increase of 778 and 577 claims respectively compared to the year 1958. The total amount of benefit paid was Rs 1,051,020.59nP. an increase of Rs 213,357.26nP. compared to the previous year. The rate of payment of maternity benefit was enhanced during the year to Rs 7 per week in place of Rs 5 and 4 annas a week.

The table given below indicates certain relevant particulars for the last five years:-

	1955	1956	1957	1958	1959
Average No. of women employed in tea estate factories and plantations.	58,781	50,027	56,322	56,720	58,856
Percentage of women who made claims.	28.37	26.41	26.23	28.06	28.37
No. of claims made.	16,681	13,215	14,774	15,921	16,699
No. of claims accepted.	15,568	12,520	14,186	15,103	15,680
Total amount of benefit paid in rupees.	888,131	726,802	789,110	837,663	1051,020
Average amount of benefit per accepted claim in rupees.	57.04	58.05	55.62	55.46	67.03

Labour Bureau Clinics and Creches.- Excepting the smaller tea gardens, hospitals with maternity wards were generally maintained in the tea estates. In these hospitals facilities for ante-natal and post-natal treatment of female workers are provided. However, as reported in previous years, very few women avail themselves of these facilities fully. Child birth in the "lines" is still a common feature.

Besides the creches in tea factories covered by section 48 of the Factories Act, 1948, a large number of tea estates had creches of some description. Most of these creches were, however, not up to the mark.

Adult women and infant mortality.- It appears from information specially collected that 167 women and 957 infants died during the period of six weeks following the day of delivery. It is also apparent that in 440 cases benefits were paid to persons other than the claimant women.

General.- On the whole the provisions of the Act appear to have been well complied with. Instances were noticed where payment at the enhanced rate was not made. Full payment was, however, made at the intervention of the Inspector of Factories. Instances were also noted where management were liberal to the female workers and granted them full benefit even when some of them were not legally qualified for such benefit.

(West Bengal Labour Gazette,
November 1961, pp. 520-522).

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49

3

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