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on:

Industrial and Labour Developments in September 1955.

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

<u>Contents.</u>	<u>Pages.</u>
<u>CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.</u>	
<u>11. Political Situation and Administrative Action:</u>	
Meeting of Planning Commission Labour Panel, New Delhi, 17 and 18 September 1955; Reports of Sub Committees on Industrial Relations, Wages, Productivity and Rationalisation and Working Conditions.	- 1-5
<u>12. Activities of External Services:</u>	
Mr. V.K.R. Menon appointed as Member of Labour Panel of the Planning Commission.	6
<u>CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.</u>	
<u>21. United Nations and Specialised Agencies:</u>	
U.N.E.S.C.O.: Meeting of Member States to advise on the Establishment of a Research Centre for Southern Asia on Social Implications of Industrialisation.	7
<u>24. Non-Governmental Organisations (International, Regional and National) Other than Employers' and Workers' Trade Organisations:</u>	
Provision of Employment to 11 to 12 Million Persons and Emphasis on Village Industries; A.I.C.C. formulates Views on Second Five Year Plan.	- 8-11
<u>28. Employers' Organisations:</u>	
Increased Target for Cloth Production during Second Five Year Plan; Millowners' Memorandum to the Planning Commission.	- 12-14

Contents.

Pages.

CHAPTER 3. ECONOMIC QUESTIONS.

<u>34. Economic Planning, Control and Development:</u>	
(a) Nationalisation of Coal Mines under consideration: Production Minister's Statement in Parliament.	15
(b) Growth of Joint Stock Companies in India; Progress during the last 25 years reviewed.	16-21
(c) Special Provision for the Educated Unemployed in the Second Five Year Plan: National Development Council's Decision.	22-26
(d) Provision of Employment to 11 to 12 Million Persons and Emphasis on Village Industries; A.I.C.C. formulates Views on Second Five Year Plan.	27
<u>34. Wages:</u>	
(a) Assam: Minimum Wages Act to be applied to Printing Presses.	28
(b) Payment of Bonus to Workers in Electricity Undertakings: Labour Appellate Tribunal Formula to be applied.	29
(c) West Bengal: Higher Minimum Rates of Wages for Tea Garden Workers announced.	30
<u>38. Housing:</u>	
(a) Bombay: Rules framed for Grant of Loans for Low Income Group Housing.	31
(b) Panel on Housing set up.	32-33
(c) Housing for Middle Income Groups: Details of Central Government's Scheme.	34
<u>39. International Economic Relations:</u>	
Lok Sabha approves G.A.T.T.	35
<u>CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN BRANCHES OF THE NATIONAL ECONOMY.</u>	
<u>41. Agriculture:</u>	
(a) Uttar Pradesh Urban Areas Zamindari Abolition and Land Reforms Bill, 1955.	36
(b) Seventh Session of Industrial Committee on Plantations: Implementation of Plantations Labour Act and Extension of Employees' Provident Fund Scheme Agreed to.	-
(c) Travancore-Cochin: Plantations Labour Act to be extended to Cardamom Plantations.	37-41
(d) Bombay Tenancy and Agricultural Lands (Amendment) Bill, 1955: Absentee Landlordism to be ended.	42
(e) Mysore (Religious and Charitable) Inams Abolition Act, 1955 (No. 18 of 1955).	42-43
(f) Hyderabad Abolition of Inams Act, 1954 (No. VIII of 1955).	44
	44

<u>Contents.</u>	<u>Pages.</u>
<b>42. <u>Co-operation:</u></b>	
Bombay: Working of Industrial Co-operatives during 1953-1954.	45
<b>43. <u>Handicrafts:</u></b>	
(a) Bombay: Working of the Industrial Co-operative Societies and Village Industries for the Year ending 30 June 1954.	-
(b) Credit Facilities for Small Industries: Small-Scale Industries Board sets up Committee to Consider Problems.	46-49
(c) Hyderabad Khadi and Village Industries Board Ordinance, 1955 (No. II of 1955).	50-51
(d) Punjab Khadi and Village Industries Board Bill, 1955.	52
	53
<b>44. <u>Merchant Marine and Fisheries:</u></b>	
Expansion of India's Shipping capacity: Resolution adopted by the Lok Sabha.	54
<b><u>CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.</u></b>	
<b>50. <u>General:</u></b>	
(a) Motor Transport Labour Bill, 1955.	55
(b) Bank Award Commission's Recommendations: Tribunal's Decision to be restored.	56-57
(c) Labour Conditions in the Woollen Textile Industry in India.	58
<b>55. <u>Protection of Minors:</u></b>	
Part-time Employment for Women: Central Social Welfare Board to extend Scheme.	59
<b><u>CHAPTER 6. GENERAL RIGHTS OF WORKERS.</u></b>	
<b>66. <u>Strike and Lockout Rights:</u></b>	
(a) Madras: Sugar Industry declared a Public Utility Service.	60
(b) West Bengal: Tramway Services and Cotton Textile Industries declared Public Utility Services.	61
<b>67. <u>Conciliation and Arbitration:</u></b>	
(a) Industrial Disputes (Amendment and Miscellaneous Provisions) Bill, 1955: Provision for Abolition of Labour Appellate Tribunal and setting up Original Tribunals.	-
(b) Industrial Disputes (Banking Companies) Decision Bill, 1955: Measure to give Effect to Recommendations of the Bank Award Commission.	62-63
	64-65

<u>Contents.</u>	<u>Pages.</u>
68. <u>Labour Courts:</u>	
Industrial Disputes (Appellate Tribunal) Amendment Act, 1955.	66
<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>	
Hyderabad: Staff Committee to increase Efficiency in Public Service appointed.	67-68
<u>CHAPTER 8. MANPOWER PROBLEMS.</u>	
81. <u>Employment Situation:</u>	
Employment Exchanges: Working July 1955.	69-73
83. <u>Vocational Training:</u>	
(a) Labour Ministry's Training Schemes: Progress during July 1955.	74-75
(b) Expansion of Secondary Education: All-India Council set up.	76
<u>CHAPTER 9. SOCIAL SECURITY.</u>	
93. <u>Application:</u>	
<u>VI. Compensation in case of Employment Injury or     Occupational Diseases:</u>	
(a) Bombay: Working of the Workmen's Compensation Act, 1923 during the Year 1954.	77-79
(b) Punjab: Annual Report on the Working of the Workmen's Compensation Act, 1923, during the Year 1953.	80-81
(c) Burma: Report on the Working of the Workmen's Compensation Act for the Year 1953.	82-83
<u>CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.</u>	
111. <u>General:</u>	
Newton-Chickoli Coal Mine Disaster: Court of Inquiry holds Manager responsible.	84

Contents.

Pages.

CHAPTER 12. INDUSTRIAL COMMITTEES.

121. Special Information:

Labour Conditions in the Woollen Textile  
Industry in India.

85-91

LIST OF PRINCIPAL LAWS PROMULGATED DURING THE  
PERIOD COVERED BY THE REPORT FOR SEPTEMBER 1955.

92

BIBLIOGRAPHY - INDIA - SEPTEMBER 1955.

93

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## CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - SEPTEMBER 1955.

### 11. Political Situation and Administrative Action.

#### Meeting of Planning Commission Labour Panel, New Delhi, 17 and 18 September 1955: Reports of Sub Committees on Industrial Relations, Wages, Productivity and Rationalisation and Working Conditions.

The Labour Panel set up by the Planning Commission<sup>1</sup> met at New Delhi on 17 and 18 September 1955, to consider the labour aspects of the second Five Year Plan. The Panel set up three sub-committees to report respectively on a) industrial relations, b) wages, productivity and rationalisation, and c) working conditions. Mr. V.K.R. Menon, who has been appointed as a member of the Panel, was a member of the sub-committee on wages, productivity and rationalisation. The reports of these sub-committees are briefly reviewed below:-

Industrial Relations.- The sub committee felt that the laws relating to trade unions and industrial relations should be revised on the lines of the recommendations made by the committee concerning recognition of trade unions, representative unions, compulsory adjudication, collective bargaining, joint consultative machinery, labour participation in industry etc.

As regards trade unions, it was agreed that the number of outsiders on the executives of primary unions should be reduced from 50 per cent to 25 per cent or to 4, whichever was higher. Persons who had worked for at least five years in the same industry should not be treated as outsiders, but the number of such persons on the executive should not exceed 5 per cent of the strength of the executive. Such persons could be allowed in addition to the number prescribed for outsiders. It was agreed that five office-bearers of each primary union should be protected against victimisation. In the case of federations the number might be raised up to ten.

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1. The Panel members are; Chairman: Mr. Gulzari Lal Nanda. Members; Mr. Naval H. Tata. O.T. Jenkins (alternative), Mr. D.K. Brown) Mr. H.P. Merchant, Mr. V.V. Giri, Mr. D. Ambekar, Mr. S.R. Vasavada, Mr. R.A. Khedgikar, Mr. S.A. Dange, Mr. Mrinal Kanti Bose (alternative) Mr. Jatin Chakravarty) Mr. Asoka Mehta, Mr. A.K. Gopalan, Mr. R. Venkataraman, Mr. G.L. Bansal, Mr. K.P. Tripathi, Mr. Chandulal P. Parikh and Mr. V.K.R. Menon. Secretary: Mr. B.N. Datar.

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The sub-committee also recommended bringing in fresh legislation regarding recognition of representative unions. The percentage of 33 and 1/3rd suggested as the minimum standard for recognition as a representative union was accepted. A suggestion for further consideration was made that agreements on certain important matters entered into by the representative union should be put to the ballot of all union members.

The sub-committee agreed that if a collective agreement applicable to a whole industry in an area was entered into between the appropriate representative union and the employers and there existed already an agreement between an employer and his workers in a particular unit in regard to the same matters, it should be left to the workers of that unit to opt out of the collective agreement if they so preferred. Where there was no such agreement in a unit, the collective agreement applicable to the industry should automatically apply to that unit.

A view was expressed that compulsory adjudication had undermined the strength of trade unions and should be abandoned for a period of three years and the results watched.

It was agreed that the question of unification of the trade union movement might be considered by mutual discussion between the various Central organisations.

The sub-committee agreed to certain conditions for the registration of trade unions and also approved the proposal for setting up statutory inspectorates to inspect the working of the trade unions. The sub-committee also approved in general a note submitted by the Ministry of Labour on collective bargaining and works committees. The note proposed that such matters as wages and working conditions should be matters for collective agreements to be taken up by the representative union, while technical and human problems of the enterprise would fall within the jurisdiction of the works committees.

As regards the joint consultative machinery, the sub-committee agreed that bipartite machineries on the model of the Joint Consultative Board at the Centre should be set up at State levels also.

It was also suggested that a machinery for facilitating voluntary arbitration, including panels of arbitrators, should be built up by the Central and State Governments.

The Committee agreed that association of labour with management should be real and effective and not formal. The Committee felt that instead of the appointment of worker directors as suggested in the Labour Ministry note it might be better to create, in the first instance, councils of management as suggested by a member. The council of management should consist of three directors and three workers' representatives.

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It was agreed that there should be a standing machinery for the implementation of awards and that such machinery should be effective.

The Committee agreed to certain principles to govern industrial relations in the public sector and make the state a model employer. These included the following:-

(i) There should be no undue concentration of power in the hands of the head of the establishment.

(ii) Important decisions affecting workers should not be taken without prior consultation with the representative organisation of workers, whenever such consultation is possible.

(iii) The consultation and negotiation machinery that may be evolved, should be entitled to a hearing on the general rules and methods of promotion, dismissal of workers, etc., which if not settled, would lead to disputes.

(iv) The system of promotion should be so worked that in deserving cases, it should be possible for persons at the lowest level to go up as far as possible.

(v) In case of technological changes, workers' representatives should be consulted in advance.

(vi) Joint Committees should be fully used.

The principle that adequate steps should be taken to discourage illegal strikes and lock-outs and go-slow tactics was accepted. It was felt that the details of the provisions might require further scrutiny.

In conclusion the Chairman stated; that the suggestions regarding association of labour with management should be given a precise shape; that steps should be taken to explore the possibility of unity in the trade union movement; and that the question of limiting the use of compulsory adjudication and of making the machinery for internal settlement more effective should be explored.

Wages, Productivity and Rationalisation.- There was a discussion on the issues raised for the decision of the Sub-Committee. The approach indicated in the Labour Ministry's paper on the subjects to be covered by the Sub-Committee was broadly accepted. This note suggested setting up of wage boards, incentive to workers through payment by results, fresh workers' family budget survey to arrive at a rational wage - dearness allowance structure, a wages commission to rationalise the wage structure in the country, enquiry into the economics of industries and a wage census in agricultural operations.



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It was felt that a static wage structure was not consistent with planning. With certain minimum guarantees there should be always a change for the better in the real wage. This, however, could not be achieved unless there was increase in productivity. The Sub-Committee agreed that steps like better lay out of plants, improvement in working conditions and training of workers would go a long way in achieving higher productivity without increasing the strain on labour. As to the level of real wage below which money wage should not fall in any case in any industry the average real wage of 1939 was accepted as the floor.

While recognising the need for setting up a Wages Commission to evolve a wage policy in consonance with the socialistic pattern of society, as proposed in the Memorandum, the Sub-Committee stressed the main difficulty in the functioning of such a Commission, viz., lack of data. It was felt instead that Wages Boards should be set up immediately for all important industries for settling wages on the same lines as the Wage Boards set up in Bombay. Simultaneously it was decided that a Wage Census should be undertaken forthwith.

There was a general agreement that the "hardy annual" of bonus disputes must cease if production had to increase. It was, therefore, decided that the principles for settling bonus must be thrashed out by parties after expert examination by the Planning Commission.

The Sub-Committee agreed that full implementation of Minimum Wage Legislation should be the objective during the Second Plan. It also accepted the principle that there should be a progressive upward revision of the minimum wage.

There was a good deal of discussion on rationalisation. The Sub-Committee agreed that rationalisation in the context of unemployment had an adverse psychological effect on workers and that (a) rationalisation must not lead to unemployment, (b) it must not be introduced without securing the agreement of workers, (c) while rationalising, stress should be laid on improving working conditions, and providing other safeguards to protect the legitimate interests of workers, in particular in regard to sharing the gains due to rationalisation.

The Committee stated that the measures of rationalisation involving displacement and consequent unemployment of workers should be stopped for two years, but rationalisation in respect of working conditions, layout of factories, management, etc., should be proceeded with. As instances of the latter type, the cases studied in detail by the ILO Productivity Mission were noted.

The Committee agreed to proposals to extend the Employees State Insurance Scheme to families of insured workers; it also asked the Planning Commission to work out a comprehensive social insurance scheme.

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Working conditions.- This Sub-Committee agreed that emphasis should be laid on the implementation of labour legislation through strengthening of inspecting machinery and agreements within the industry on standards of compliance with legal provisions.

It proposed that protective legislation should be enacted for workers in the building and construction industry and transport services.

As regards welfare, the Committee recommended the setting up of a welfare fund and the levying of cess in the manganese industry. It felt that unified administration in the case of important welfare activities like the welfare funds in coal and mica was necessary.

The Committee agreed that it was necessary to enhance the rate of subsidy under the Central Government's industrial housing scheme to 80 per cent and loans to 50 per cent.

The Committee also made a number of suggestions to improve the conditions of contract labour including protective legislation <sup>and</sup> decasualisation. It expressed the view that the system should be gradually abolished.

As for child labour, the Committee suggested the establishment of work schools.

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The Committee felt that it was necessary to set up tripartite industrial committees for the iron and steel, chemicals, engineering and transport industries.

(Documents and reports of the Labour Panel received in this Office).

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12. Activities of External Services.

India - September 1955.

Mr. V.K.R. Menon appointed as Member of Labour Panel  
of the Planning Commission.

Mr. V.K.R. Menon, Director of this Office, has been appointed as a member of the Labour Panel of the Planning Commission\*. The function of the Panel would be to advise the Planning Commission on labour policy for the second Five Year Plan.

Mr. Menon attended the meetings of the Panel on 17 and 18 September 1955. He was a member of the Sub-Committee on Wages, Productivity and Rationalisation.

Committee on Educated Unemployed.- Mr. Menon has been appointed as chairman of the Sub-Committee on "Educated Unemployed" of the Labour Panel.

The Director attended the UNESCO Meeting of Member States to advise on the establishment of a Research Centre for Southern Asia on the Social Implications of Industrialisation, New Delhi, 12-14 September 1955.

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\* Notification No. PC(VI)L-13/8/55, dated 2 September 1955.  
The Gazette of India, Part I, Section 1, dated 10 September, 1955, page 236.

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CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.

INDIA - SEPTEMBER 1955.

21. United Nations and Specialised Agencies.

U.N.E.S.C.O.: Meeting of Member States to advise on the Establishment of a Research Centre for Southern Asia on Social Implications of Industrialisation.

At the invitation of the UNESCO a meeting was held at Delhi on 12 - 14 September 1955 to discuss the establishment of a research centre for Southern Asia on the social implications of industrialisation. The meeting was attended by representatives of Afghanistan, Burma, Ceylon, India, Indonesia, Malaya, Nepal, Pakistan, the Philippines and Thailand. Observers from the U.N. and Specialised Agencies like I.L.O., W.H.O., and F.A.O. and from the International Social Science Council, the Inter-university Board, the Asian Relations Organisation, the Ford Foundation, the International Confederation of Free Trade Unions and the International Federation of Christian Trade Unions also attended. Mr. V.K.R. Menon, Director of this Office, represented the I.L.O.

The establishment of the research centre was proposed by the U.N. Educational Scientific and Cultural Organisation.

Prof. Humayun Kabir of India who was elected chairman of the meeting, announced that the Government of India had decided to offer land and premises for the proposed centre near the building of the Indian Statistical Institute at Calcutta.

The meeting split into two committees, one to consider the structure of the Centre, its relation with U.N.E.S.C.O. and with the countries in the region, and the other to discuss the functions of the centre and the scope of the research to be carried out by it.

(The Hindustan Times, 18 September 1955).

Note: A review of the proceedings was sent to Geneva under this Office Minute No. F.4(d)/1341/55 dated 27 September 1955.

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

India - September 1955.

Provision of Employment to 11 to 12 Million Persons and Emphasis on Village Industries; A.I.C.C. formulates Views of Second Five Year Plan.

An informal meeting of the All India Congress Committee was held at New Delhi on 3 and 4 September 1955 to discuss the second Five Year Plan; Mr. U.N. Dhebar, the President of the Indian National Congress, was in the chair. The meeting was attended among others by Mr. Jawaharlal Nehru, Prime Minister, Mr. G.L. Nanda, Minister for Planning, Mr. Khandubhai K. Desai, Labour Minister, Mr. C.D. Deshmukh, Finance Minister and several other Ministers from the Centre and the States.

Mr. Nanda's note on planning.- In a note circulated to the members, Mr. Nanda, Minister for Planning, on the Draft Plan frame for the second five year plan, stated that the plan might have to be slightly revised on closer examination. "The figures for physical targets in different fields used in the Plan-Frame were necessarily of a preliminary character. Closer examination has shown the need to provide substantially larger amounts for transport and communications and for increase in the expenditure proposed for social services, with the possibility of some reduction in investment in industry".

He also stated that on a closer scrutiny of the physical targets "it appears likely that the contemplated programmes to be undertaken will give an increase of less than 5 per cent per annum and produce employment opportunities falling substantially short of the 11 to 12 million jobs which had been estimated earlier."

Discussing the problem of unemployment, Mr. Nanda stated that- even on the basis of proposals set out in the draft plan-frame, "it could hardly be suggested that the second Plan would result in providing fully for the increase in the working force which will occur during the next planning period". So far as village industries are concerned, while he recognised their importance to employment, without the development of village and small industries on a massive scale, possible only through planning on the basis of common production programmes, "the impact of economic development on the employment situation would fall seriously short of what is desired".

9

He emphasised that for a considerable time to come much new employment has to be secured from various public works. Irrigation and power projects, road development, soil conservation and other programmes would make this possible.

Educated unemployed.- In another note on educated unemployed, Mr. Wanda suggested that a block provision of about 1,500 million rupees to 2,000 million rupees be made in the Second Five Year Plan to be used solely for the relief of the educated unemployed. The relief was not to be in the form of a dole, but would be used to increase production and the productive assets.

Stating that the problem required to be tackled on a regional basis, the Planning Minister said that the distribution of the amount suggested by him among regions would naturally depend on the pressure which the educated unemployed exerted on the employment market in each region.

As measures to help to solve the problem he suggested co-operative sector of production and distribution, expansion of the small-scale and cottage industry sector. ("Even if it were assumed that one person was required to organise production in five villages (about 100,000 people)", Community projects and National Extension Service programmes, work and training camps associated with public works and vocational guidance and training.

Sub-Committees.- The members split up into three sub-committees, to consider respectively (i) the Draft Second Five Year Plan frame; (ii) Village industries and co-operation; and (iii) Organisational matters. The reports of these Committees were approved by the A.I.C.C. and sent to its working Committee for suitable action. The reports of the first two of these committees are briefly reviewed below.

(A) Plan frame and resources.- The report stated that the size of the second Five-Year Plan should be such as to ensure the achievement of the employment target of 11 to 12 million jobs.

The report said that if after further examination the size of the Plan indicated in the Plan-frame at 43,000 million rupees was found to be insufficient for the purpose of realizing the employment target, it should be increased.

According to the report, it should be possible to augment the resources available to the public sector by a steady expansion of the State's direct operations in the field of banking, insurance, finance and trade. In the course of the second Five-Year Plan positive steps should be taken in the direction of State trading in selected commodities both in foreign and internal trade.

*it would not be difficult to envisage employment for*

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In the context of the large development programme, the report recommended, it was necessary to take measures to eliminate "conspicuous consumption" and unsocial ways of spending.

During the discussion on the report, Mr. C.D. Deshmalkh, Finance Minister, referred to the point and agreed that an "expenditure tax" was necessary.

The report said members of the A.I.C.C. group which discussed the Plan emphasised that problems of areas which were exposed to conditions of chronic scarcity should continue to receive special attention through a programme of permanent improvement. One of the speakers in the debate, Mr. Kanawade Patil, strongly urged measures in this direction in the interests of uninterrupted economic development.

The following are some of the other points made in the report:-

(1) The amount intended to be raised through loans and small savings has been under-estimated in the Plan-frame. There are indications that it should be possible by a proper approach to the people to secure a much larger amount in this form, perhaps 50 per cent more than what has been anticipated.

(2) Public opinion should be prepared for shouldering larger tax burdens to match the requirements of the Plan. The burden should fall primarily on those whose capacity to pay is greater and those whose income increases as a result of the programme of development which are undertaken.

(3) In respect of what is described as deficit financing, no rigid limit can be put in advance on the possibilities in this direction. What is intended to be done actually is to create credit in anticipation of production which should materialise within a short period. The extent therefore, of such credit creation will depend upon the measure of ~~our~~ the success in increasing production by concerted action.

(4) Income of individuals should be subject to a ceiling. In the case of land, this process should be speeded up. Wage differentials should also be similarly narrowed down.

(5) Village and small industries should be developed as an integral and permanent element in the economic structure of the country. Through common production programmes for large-scale industries, the latter should receive adequate support.

11

(B) Village Industries.-- The report of the Sub-Committee on village industries and co-operation said that production of cloth by mills should be limited to 5,000 million yards so that the balance of the country's requirements could be met by the handloom industry.

The sub-committee suggested that the principle of cess now in operation on mill cloth be extended to other sectors of the organised industry such as edible oils and mill-polished rice.

It said there should be no expansion of the capacity or production of large-scale tanneries beyond the existing level and that footwear factories should not be permitted to produce more boots than they were doing now.

The sub-committee supported the main recommendations of the Rice Milling Committee now before the Government, and said that huller mills should be closed from the next session and that a phased programme should be adopted for the closing down of huller and shelter mills.

It said that oil mills should not be permitted to crush til, rape, mustard and saff flower seeds.

The Committee hoped that the allocation of resources for the village industries section would not be limited to 2,000 million rupees.

The Committee thought co-operative form of organisation was the one most suited to the economic requirements of the country and for this purpose asked that greater attention be paid to the formation of industrial co-operatives, rural multi-purpose society and co-operative marketing.

(Economic Review (Second Five Year Plan Special Number) (Published by the All India Congress Committee), Vol. VII, No. 10-11, 23 September 1955).



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28. Employers' Organisations.

India - September 1955.

Increased Target for Cloth Production during Second  
Five Year Plan; Millowners' Memorandum to the  
Planning Commission.

The millowners' association, in Bombay and Ahmedabad, in a joint memorandum to the Planning Commission, have urged *that* the target of cloth production to be attained by the end of the second Five Year Plan should be 10,000 million yards, 9,000 million yards of it for internal consumption on the basis of 22 yards per head for a population of 400 million and 1,000 million yards for export.

The mill sector's share of the target should be 7,800 million yards, the handloom sector's 2,000 million yards and the powerloom sector's 200 million yards.

The associations together represent 76 per cent of the 208,000 looms and 66 per cent of the 11.9 million spindles in India's textile industry.

They state that the target can be achieved with an additional productive equipment of 3.6 million spindles and 90,000 looms, bringing the total spindles in the industry to 15.5 million and the total looms to 298,000 million. Finance required would be 1,000 million rupees for rehabilitation and 1,330 million rupees for new equipment and the industry would need 6.9 to 7.0 million bales of cotton.

The memorandum states that the present paid-up capital of the textile industry is 1,100 million rupees and its annual turnover 3,500 million rupees to 4,000 million rupees. After agriculture the textile industry is the most important source of livelihood to the working population over 750,000 workers being employed in over 450 mills.

Planning Commission's target.— The Planning Commission had aimed at a per capita consumption of 19 yards by 1955-56, and the Kanungo Committee had observed that by 1960 "it would not be too much to expect a consumption of 18 yards per head". The Kanungo Committee, therefore recommended a production target of 8,200 million yards, 7,200 million yards for the internal market and 1,000 million yards for export.

The Associations state they hold a different view regarding the likely figure of per capita consumption to be expected by 1960-61. "We consider that the consumption per head will have reached at least 22 yards", the memorandum states.

In support of this "pivotal point on which hinges the industry's programme for the next five years"; the memorandum says that at the beginning of the second Five-Year Plan India's national income should be 112,360 million rupees and at the end of this 140,000 million rupees. The population is likely to be 400 million by 1960-61, and the per capita income would have reached 350 rupees.

13

Out of this per capita income 38.5 rupees would be invested in economy and the balance of 311.5 rupees spent on the consumer goods. This means that the per capita consumption expenditure would have gone up from 284 rupees in 1953-54 to at least 311.5 rupees or 312 rupees by 1960-61, representing an increase of 48 rupees.

In a detailed computation of the estimated expenditure on cloth, the memorandum states that taking 1 rupee 4 annas as the average cost per yard of cloth to the consumer, the per capita expenditure on 15 yards of cloth at present should be 18 rupees 12 annas.

Out of the increased per capita consumption expenditure of 48 rupees after allotting to food 16 rupees to 18 rupees i.e. 53 to 40 per cent, "surely is not too much to expect in the case of cotton-cloth an addition eight to nine rupees, which is more sixth of the additional expenditure".

The memorandum says, "Even <sup>in</sup> pre-war days, the per capita consumption was 15 and 16 yards and with the economic and political changes that have taken place then, we have succeeded merely in catching up once again, with the level of pre-war consumption. We feel that with the further improvement in the economic condition of the common man that is expected to take place in the second Plan the per capita consumption of 22 yards envisaged by us is, if anything, an underestimate".

Mill production. - At present mill production, is running at the rate of 5,000 million yards per annum. The Kanungo Committee estimated handloom production at 1,400 million and powerloom production at 5,200 million yards, making a total of 6,600 million yards. "We have, therefore, a plan for an additional production of 3,400 million yards by the end of the second Five-Year Plan period" (on the basis of the target of 10,000 million yards proposed in the memorandum).

Even assuming that the handloom cum-powerloom industry achieves the production allotted to it by the Kanungo Committee (1,600 million yards) there still remains scope for the production of an additional 1,800 million yards by the mill industry.

"We have, however, <sup>it</sup> gave doubts about the ability of the handloom-cum-powerloom industry to fulfill the role proposed to be given to it by the Kanungo Committee", the memorandum states.

"It is only with the liberal help financial and otherwise extended to it by the Government, that the handloom industry is able to produce cloth even on the present scale".

Any expansion of the handloom sector would only multiply its present difficulties, and the Kanungo Committee itself seemed to visualise a gradual withering away rather than an expansion of the handloom industry.

"We feel that it would be a more prudent policy in this formative stage of the country's economy to invest with a long-term view, so that in the future, we should not have an occasion to regret having invested the country's valuable assets in a sinking ship. We consider that it would be advantageous to allow the expansion of production capacity to take place in the mill

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mill sector, and there too, in acquiring the latest type of high productive and economic machinery".

(The Hindustan Times, 30 August 1955).

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Chapter 3. Economic Questions.

34. Economic Planning, Control and Development.

India - September 1955.

Nationalisation of Coal Mines under consideration:  
Production Minister's Statement in Parliament.

Answering a question in the Lok Sabha on 23 August 1955, Mr. K.C. Reddy, Minister for Production stated that the Government of India was considering the nationalisation of coal mines. He added that Government had decided to set up a committee to go into the question of "uneconomic" small collieries in Bihar.

He said it was not possible for the Government to take any direct steps to improve the output per man shift in the existing mines excepting the State collieries. Before according permission for opening new mines, the Government, however, ensured that the lay-out plan and the extent of mechanisation were conducive to more production.

(The Hindustan Times, 24 August 1955).

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Growth of Joint Stock Companies in India:  
Progress during the last 25 years reviewed.

"During the last three-quarters of the century, the total number of joint-stock companies has risen by 59 times, whereas the growth in paid-up capital amounted to 63 times the capital invested in joint-stock companies in 1882", states a report released by the Department of Company Law Administration, Central Ministry of Finance.

The report traces the growth of joint-stock companies in India since 1850. It says while joint-stock companies were confined to a limited number of industrial groups, like banking and loan; cotton and jute mills; tea and coal, during the period 1882-1900, in the subsequent period these brought within their fold all types of industries, heavy and light. With the advent of industrialisation in India, the base of industrial activities of joint-stock companies widened considerably.

During 1939-45, the number of companies at work had increased by 3,745 and their paid-up capital by 1,100 million rupees. The development was accompanied by many undesirable practices in trade and industry, which came to light only after the war. These malpractices in company formation and management could not be arrested by the Companies Act, 1913 (as amended in 1936), due to the legal and administrative shortcomings therein.

The continuance of disreputable business practices called for a thorough overhaul of company law so that law and order in the corporate sector could be effectively enforced and company practice could develop on sound and healthy lines. The Government, therefore, had to pass the Company Law (Amendment) Bill recently, which sought to lay down a comprehensive code of conduct for the promoters and management of companies in the general context of the current economic policy of the country.

Early growth of companies.- At the turn of the present century, there were 1,340 companies at work in India with a total paid-up capital of 347 million rupees as compared with 505 companies with a total paid-up capital of 157 million rupees and 950 companies with a total paid-up capital of 266 million rupees in 1882 and 1892 respectively. Between 1882-1900 the number of companies as well as their paid-up capital had more than doubled. The growth had been particularly significant in the case of "Mills and Presses" and "Trading companies".

On an average, during the nineties of the last century, 150 companies were floated every year. About 61 went into liquidation. These were primarily concentrated in Bengal, Bombay and Madras. Their total paid-up capital during 1882-1900 came to 43.2 per cent, 42.3 per cent and 7.4 per cent respectively.

17

Uttar Pradesh had 71 companies with a paid-up capital aggregating to 15 million rupees. Of the 552 companies then working in Bombay, 221 companies with a paid-up capital of 132 million rupees were cotton and other mills and presses. In Bengal, companies at work were overwhelmingly tea, jute and mining and quarrying concerns.

During the next ten years ending 1909-10, the number of companies had increased to 2,216 with a total paid-up capital of 610 million rupees. During the first 15 years of the present century, the number of companies as well as their capital had risen by more than 100 percent.

Swadeshi Movement.— One of the important factors favouring the growth of joint-stock companies was the swadeshi movement of 1907-8, which fostered new demands for various goods of Indian origin. Meanwhile, the Government too had changed its policy with regard to purchase of stores and materials for State purposes. While these domestic factors were making themselves felt in the industrial field, the war of 1914-18 also helped in the development of corporate activity in the country.

After war, there was intense industrial activity with the easing of supply position from foreign countries. The number of companies rose to 5,189 in 1922 as against 2,666 in 1918. The total paid-up capital of these companies in 1922 was 2,310 million rupees as against 990 million rupees in the year ending March 1918.

The next 10 years, however, did not witness any spectacular rise in the number and paid-up capital of joint-stock companies. As against a three-fold increase in paid-up capital during 1913-22, 720 million rupees to 2,310 million rupees — the rise during the following decade ending March 1932, was only to the extent of 450 million rupees — from 2,310 million rupees in 1922 to 2,860 million rupees in 1932.

Phenomenal growth.— During World War II — 1939-45 — the number of companies rose to 14,859 with a total paid-up capital of 3,890 million rupees — ie. nearly 1,000 million rupees more than that at the beginning of the World War II. There was an unprecedented growth in the number of companies during 1945-46 and 1946-47 accompanied by a sizeable increase in the capital resources of the companies at work.

The annual increase came to 2,484 and 4,510 companies in 1946 and 1947, respectively, with a corresponding rise of 350 million rupees and 560 million rupees in paid-up capital.

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Partition and after.- Later, the partition of the country led to a reduction of number of companies by a little over 2,000 companies with a total paid-up capital of approximately 180 million rupees. But despite this decrease, the number of companies in the first post-partition year ending March 1948, increased further to 22,675 with a total-paid-up capital of 5,700 million rupees. In the post partition period, after the attainment of Independence in 1947, the growth of joint-stock companies continued to show pronounced trends both in number as well as in capital investment.

Both the general confidence in national prosperity and the improved business outlook created by the outbreak and continuance of Korean War acted as a spur to corporate activity. More than 7,000 companies were added during the last 7 years ending March 1955, over the figure of 22,675 companies in 1948.

Progress by industrial groups.- During the last 50 years, the base of industrial activities of joint-stock companies had considerably widened. There was a complete change in the economic structure of the country. Before World War I, India very largely depended for her textile and other consumer goods on imports from other countries. Subsequently, she met her domestic needs mostly from indigenous production. Domestic production of certain consumer goods, like cotton and sugar and other basic and heavy industries, like iron and steel, expanded under the shelter of protection. As a result, India began to consume a greater proportion of the raw materials which she used to export to other countries.

The greatest of all factors, which helped the growth of trade and industry in the country, was the increase in the purchasing power of the people. Moreover, the capital in India also turned less shy and a sound banking system developed, more particularly after the birth of the Reserve Bank in 1936.

World War II also afforded greater scope for industrial expansion in India. During this period, such industries as manufacture of hydrogenated oil, transport and electrical equipments, machine tools, basic chemicals, power alcohol, synthetic resins and plastic etc., which until then had been almost non-existent in the country, were started.

A study of the trends of growth of joint-stock companies in the major industrial groups showed that there had been a general increase in the number of joint-stock banks and insurance companies up to World War II. The number of joint-stock banks had risen to 2,045 in 1939 from 407 in 1900 and the number of insurance companies increased from 43 to 688 during the same period. Since 1939, the number of companies in these two groups showed a marked fall.

19

During recent years, between 1948 and 1955, the number of banks declined by 300, whereas that of insurance companies by 25. Between 1939 and 1948, the paid-up capital in both these groups had become three times the pre-war level. Among other groups, cotton, jute, woollen and silk, tea, coffee, breweries and sugar in particular witnessed an increase both in number and paid-up capital.

Groups, such as printing, publishing, stationery, chemicals, engineering, glass, agencies (including managing agency) showed considerable rise both in the number and total paid-up capital during the last 35 years.

Recent trends.- From the frequent distribution of newly-registered companies during 1952-55, it was seen that no less than 30 companies with an authorised capital of 10 million rupees and above had been floated. Over 60 per cent of the total number of companies registered during the period were floated with a capital between 100,000 rupees and 750,000 rupees.

Prominent among the 'giant floatations' having an authorised capital of 10 million rupees or above, are the Sindri Fertilisers and Chemicals, Hindusthan Shipyards, Burmah-shell Refineries, Hindusthan Machine Tools, Hindusthan Steel, Durgapur Iron and Steel Works and Bharat Electronics, which have an authorised capital of 100 million rupees or more. Excepting Burmah-Shell Refineries and Durgapur Iron and Steels Works, others are Government companies.

A study of the age pattern of the companies liquidated, dissolved or struck off the registers during the 4 years - 1952-55 - reveals that over 700 companies floated during the war period have become extinct.

Index of activity.- During the period of depression, the combined index fell nearly by 70 per cent from the 1928 level. Later, the index improved and in 1938 stood nearly 30 per cent below the 1928 base. The war-time peak in the combined index stood about 145 per cent above the pre-war level. The index however, fell during 1943-47 due to progressive diminution in "war orders".

The combined index recovered again in 1948, consequent on the introduction of decontrol in December 1947, but it fell once more in 1949. The years 1950 and 1951 were, however, prosperous years as a result of the Korean war boom, the combined index rising to 217 and 311, respectively. Later, it went down by 50 per cent in the low level of 191 in 1952, but it moved up by nearly 70 points to 261 in 1953.

All group indices, except for sugar, were severely affected by the depression of 1929-32. Heavy falls were recorded in tea and jute profits. The effect on the coal and cotton profits was less severe. The index for paper went down by 15 per cent during 1929-33.



20

The iron and steel index suffered an early set-back in 1929 and improved in the subsequent years. In 1938, it stood roughly 217 per cent above the 1928 level. During the post-war years, the highest peaks in the cotton, jute, sugar, paper and cement profits were reached in 1943 and 1944.

The years 1946 and 1947, generally speaking, were rather lean for most of the industrial groups such as cotton, coal, paper, cement and iron and steel. Jute profits in 1946 were somewhat better, but they fell in the next two years due to partition and its aftermath. There was a spurt in the jute profits in 1950 as the Indo-Pakistan relations showed signs of easing.

The tea industry maintained a high level of profits in the first two post-war years, with the index standing very near to the war-time peak. These profits, however, fell in 1948 and 1949, but improved during 1950 surpassing even the war-time peak. They fell again in 1951 and were turned into a loss in 1952 when the index stood at - 99 as compared with the base of 1939. The year 1952, however, proved to be a prosperous year for this industry.

Following the decision of the Government to decontrol sugar, profits of the sugar industry in 1948 rose by a big margin, but after a brief interlude of high profits they declined again on the reimposition of control during 1949 and 1950.

Profits in the paper industry registered steady improvement during the whole of post-Independence period, 1948-53. Cement profits continued upward right up to 1951. The year 1949 was the best for coal. For iron and steel, the period 1945-48 was one of low profits, whereas 1949-51 was prosperous. There were marked fluctuation in cotton profits during the post-war period; the two years 1948 and 1951 were particularly good.

Foreign companies.- At the end of 1913, there were 579 companies incorporated elsewhere but having business in India with a total paid-up capital and debentures amounting to 3,890 million rupees. In 1921, the number of such companies increased to 678 with a total paid-up capital and debentures to the tune of 9,070 million rupees. At the outbreak of World War II, in 1939, the total number of such companies was 870 with a total paid-up capital (including debentures) of 11,380 million rupees. Since then, the number of these companies had shown a distinct tendency to decline. By March 1954, the number of these companies had declined to 822 with a total paid-up capital and debentures of 12,550 million rupees.

21

Of the 822 companies, 577 had their registration in the United Kingdom, 29 in Pakistan, nine in Hong Kong, eight in Australia and seven in New Zealand; Canada, Ceylon and Singapore had four companies each.

Countries other than those included in the Commonwealth had 174 companies of which 77 had their registered offices in the U.S.A., 18 in Japan, 14 in Netherlands, 12 in France, 11 in Switzerland and nine in Burma.

(The Hindustan Times, 19 September 1955).

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Special Provision for the Educated Unemployed in the  
Second Five Year Plan: National Development Council's  
Decision.

Financial resources for the second Five-Year Plan, progress in the examination of the Plans of States and Central Ministries, employment aspect of the second Five-Year Plan and the programme of National Extension Service and community projects were among the important questions discussed by the National Development Council, at its meeting held at New Delhi on 5 September 1955.

Chief Ministers of States, Ministers of Government of India and Members of the Planning Commission attended. The meeting which had been convened, was of the Standing Committee of the National Development Council, but as almost all the Chief Ministers were present, it was agreed to regard it as the meeting of the National Development Council.

Prime Minister's address: Main approach to the Five Year Plan.— Opening the proceedings, the Prime Minister, who was in the chair, recalled the main approach in the draft Plan-frame which had been accepted in May last by the National Development Council.

The essential aspects of this approach were:—

- (1) Planning should be undertaken with reference to the physical needs and possibilities subject to financial considerations and especially foreign exchange requirements;
- (2) Emphasis should be placed on heavy industries, especially on the development of machine-building capacity;
- (3) Development of village and small-scale industries.

The development of village and small industries was important from several points of view, notably, supply of consumer goods, employment, decentralisation of industry, avoidance of social problems such as slums, lower capital costs and smaller expenditure on overheads.

Referring to the programme for National Extension Service and community projects, the Prime Minister said community projects were a vitalizing influence in the rural areas and they had to be continued. Two questions had, however, arisen. The first question was whether, having regard to the financial commitments involved, they could undertake community projects and National Extension Banks in the ratio of one to two as had been contemplated.

23

Secondly, whether from the point of view of personnel and other resources, the full programme for covering the country with National Extension Service blocks during the period of the second Plan and having community projects over half the rural areas during the same period could be implemented. Community projects provided a certain incentive due to their more intensive development, which they undertook.

Concluding, the Prime Minister suggested that in the nature of things a plan for a period of five years had to be a skeleton plan and programmes for the first year would be worked out carefully in detail, account being also taken of the major projects which were to be undertaken.

Regarding the approach towards heavy industries during the second Five-Year Plan, the Chief Minister of West Bengal, Dr. B.C. Roy, suggested, that heavy industries were essential, but, as far as possible, they should be integrated with factories. He also urged that the Plan should provide not only for the production of basic requirements such as steel or power but also for their utilisation in villages and towns.

He felt that until cottage and small-scale industries had been adequately organised it would not be possible for them to supply the consumer goods anticipated in the draft Plan-frame.

Financial resources.- On the subject of financial resources for the second Five-Year Plan, it was pointed out that in the draft Plan-frame the outlay in the public sector had been divided broadly into two parts, namely, 9,000 million rupees on revenue account and 34,000 million rupees on capital account. It had been estimated that the balance from revenue and additional taxation could be brought up to a total of 7,000 million rupees.

There was a gap in the share of the States in this amount, which had to be made good. There was also a further gap to be met if the resources on revenue account were to be raised from 7,000 million rupees to 9,000 million rupees. It was also stated that the target of public loans and small savings over the next five years had been placed at 9,000 million rupees, i.e., an annual amount of 1,800 million rupees per year. As there would be a gap of 8,000 million rupees for a plan of 43,000 million rupees in the public sector, additional steps needed to be taken to raise the amount to be obtained from public loans and small savings.

The Finance Minister, Mr. Deshmukh, said it was necessary for each State to maintain a balance on revenue account. While transferring items of expenditure which resulted in the creation of productive assets to the capital account, the rest of the expenditure under the Plan had to be met from current revenues.

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Referring to the problem of foreign exchange, the Finance Minister said that on the basis of programmes shown in the Plan-frame, a shortage of about 4,000 million rupees was anticipated.

The question of increasing the revenue resources of the States was discussed and it was agreed that States would make a concerted effort to meet the gap on the revenue account.

States' Plans.- The meeting then reviewed the progress of the States' plans and Central Ministries. Out of the total outlay of 43,000 million rupees in the public sector, 22,500 million rupees had been tentatively allocated for States' plans and 20,500 million rupees for the schemes of the Union Government, the bulk of which was represented by industries, transport and communications.

The draft plans of all the States taken together added up to about 54,000 million rupees and of the Union Ministries to about 35,000 million rupees, making a total of about 89,000 million rupees. So far the Planning Commission had completed discussions with 14 States which together represented a population of 71 per cent and whose draft plans amounted to 37,090 million rupees.

The provisional allocation made after discussions with them, amounted to about 15,000 million rupees. About 35 per cent of the expenditure in these States had been allocated to irrigation and power, 23 per cent to agriculture and community development, 13 per cent to industry and transport and the rest mainly to social services.

In considering the size of individual State plans, the Planning Commission had taken into account a number of factors such as population commitments carried over from the first to the second Plan, the level of development reached at the end of the first Plan, the revenue position of the State and its ability to finance its plan on revenue account and the programme of irrigation and power which was determined largely on the examination carried out by the Technical Committee for Irrigation and Power.

In the course of the discussion that ensued, stress was laid on the development of scheduled tribes and the less developed parts of the country and on the need to provide resources for slum clearance.

Employment aspect.- Another item, which came up before the Council, related to the employment aspects of the second Five-Year Plan. It was pointed out that 10 million jobs were needed for new entrants to the labour force and there was also a considerable back-log to be made up.

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From such estimates as had been made it appeared that if the physical targets envisaged in the draft Plan-frame were achieved, in the non-agricultural sector employment opportunities to the extent of about eight to eight and a half million jobs might be realised. The need to devote special attention to the problem of educated unemployed was emphasised.

It was agreed that special programmes should be worked out for providing opportunities to educated unemployed persons through work and training camps, and other measures. The aim should be to equip 100,000 educated youth in the first year of the Plan for productive work either in specific jobs in fields in which large-scale development was being undertaken and by way of self-employment. Similar programmes should be undertaken in the succeeding years.

The National Development Council decided that programmes with this objective should be worked out in detail and integrated with other programmes in the Plan. In this connection the Prime Minister also referred to the need to organise labour service for students and youth.

Community Projects.- The National Development Council also considered the programme for the National Extension Service and community projects prepared by the Community Projects Administration. According to this programme, over the next five years, 3,800 National Extension Service blocks and 1,400 community projects blocks would be undertaken at a total cost of about 2,840 million rupees.

The Chief Ministers of States were generally in favour of the National Extension Service programme being carried out fully so as to extend it to the entire country during the period of the second Plan. They also emphasised the role of community projects in creating popular enthusiasm and in providing a powerful incentive to people in the National Extension Service areas.

Subject to resources being available, they were, therefore, in favour of maintaining broadly the ratio 2 to 1 between National Extension Service centres and community project blocks. If resources did not permit the States to undertake both the programmes fully, they felt that for various reasons, preference had to be given to the programme for the National Extension Service, but there should be a fair proportion of community project blocks. It was also felt that resources from heads of development such as agriculture, health and education would be made available for expenditure in National Extension Service and community project areas.

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In the course of discussion, the value of local development works was also stressed. As the Chief Minister of Bihar emphasised, local development works helped to make people development-minded. They represented the first stage of active development work in villages.

The National Development Council agreed that during the second Five-Year Plan the entire country should be covered with the National Extension Service and that at least 40 per cent of National Extension Service blocks should be converted into community project blocks. The question of converting a higher percentage of National Extension Service blocks into community project blocks would depend upon the resources available in individual States.

(The Hindustan Times, 6 September 1955).

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Provision of Employment to 11 to 12 Million Persons and  
Emphasis on Village Industries; A.I.C.C. formulates  
Views on Second Five Year Plan.

An informal meeting of the All India Congress Committee was held at New Delhi on 3 and 4 September 1955 to discuss the second Five Year Plan; Mr. U.N. Dhebar, the President of the Indian National Congress, was in the chair. The meeting was attended among others by Mr. Jawaharlal Nehru, Prime Minister, Mr. G.L. Nanda, Minister for Planning, Mr. Khandubhai K. Desai, Labour Minister, Mr. C.D. Deshmukh, Finance Minister and several other Ministers from the Centre and the States.

For details please see pp. 8 - 11 of this report.

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36. Wages.

India - September 1955.

Assam: Minimum Wages Act to be applied to  
Printing Presses.

The Government of Assam has notified its intention to include "Printing Presses" in the State of Assam as an additional item in Part I of the Schedule of the Minimum Wages Act, 1948, for the purpose of fixation of minimum rates of wages. The proposal will be taken into consideration by the Government before 24 September 1955.

(Notification No. GLR 190/54/16 dated  
24 August 1955; Assam Gazette, Part IIA,  
31 August 1955, page 1519 ).

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Payment of Bonus to Workers in Electricity Undertakings:  
Labour Appellate Tribunal Formula to be applied .

The Full Bench of the Labour Appellate Tribunal of India, at Bombay, ruled on 31 August 1955 that the payment of bonus to workmen in electricity undertakings should be governed by the principles (with certain modifications), applicable to the textile industry in Bombay, enunciated in the Tribunal's formula of 1950.

The full Bench was giving its decision on basic principles to govern the award of bonus to workmen of electricity undertakings in the various States of the Indian Union.

The Full Bench was constituted by the Chairman of the Tribunal following a reference made by a bench of the Tribunal at Lucknow in regard to payment of bonus to workmen of electricity undertakings in Uttar Pradesh.

The Tribunal held that bonus payable by electricity concerns governed by the Electricity Supply Act of 1948 must proceed on the principles of the "Full Bench Formula" as a whole, of 1950, laid down by the Tribunal in regard to Bombay's textile industry, subject to certain modifications.

The "Full Bench Formula" laid down the manner of calculating prior charges on gross profits to be set aside for dividend, depreciation and rehabilitation and determining the amount available for payment of bonus to workmen.

The Tribunal also ruled that the decision did not prevent a concern from voluntarily giving additional bonus to workmen and treating it as a legitimate item of expenditure. "We have no doubt that notwithstanding that no bonus might be forthcoming by the application of our formula in any particular case, the concerns which had a surplus of 'clear profits' over 'reasonable return' would be willing to pay bonus on the same basis as in the past in order to maintain harmonious (industrial) relations".

Several cases relating <sup>to</sup> bonus disputes affecting about 25 undertakings in various States, including Uttar Pradesh, Bihar, West Bengal and Madras, would now go back to the appropriate benches of industrial courts for decisions in the light of the basic principles laid down, by the Tribunal to govern the award of bonus to workmen of electricity concerns in the country.

(The Times of India, 2 September 1955).

West Bengal: Higher Minimum Rates of Wages for  
Tea Garden Workers announced.

The Government of West Bengal announced on 31 August 1955, revised higher minimum rates of wages of 1 rupee 6 annas and 1 rupee 5 annas for male and female tea garden workers per day in the hill areas of Darjeeling district with retrospective effect from 15 June 1955.

In the case of all adult and adolescent workers, both male and female, the wages have been revised by increasing the same by 3 annas 6 pies per day per worker including the rise of 1 anna 6 pies already allowed voluntarily since 1 April 1955, bringing the total cash wages of garden workers to 1 rupee 6 annas per day for male and 1 rupee 5 annas per day for female workers and that of factory workers to 1 rupee 7 annas per day for male workers and 1 rupee 6 annas per day for female workers.

In the case of child workers the wages have been revised by increasing the same by 5 annas 9 pies per day per worker including the rise of 9 pies already allowed voluntarily since 1 April 1955, bringing the total cash wages to 12 annas per day for garden workers and 13 annas per day for factory workers.

It has also been provided that the salary of the selected employees be proportionately increased.

(The Hindustan Times, 2 September 1955).

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38. Housing.

India - September 1955.

Bombay: Rules framed for Grant of Loans for Low Income Group Housing.

The Government of Bombay has prepared rules for the grant of loans to individuals for building houses under the Low-Income Group Housing Scheme.

Initially, these rules will apply to municipal areas in the State and will be extended to other areas when Government finds it necessary.

Under the rules, a loan may be granted up to 70 per cent of the estimated cost of construction of a tenement or, if the land upon which the tenement is to be constructed has been obtained by outright purchase, up to 70 per cent of both the estimated cost of construction of the tenement and the actual purchase price paid for the land, subject in either case to any of the following maximum limits as may be applicable to the income-group to which the applicant belongs namely:

Income group up to 2,400 rupees per annum (5,000 rupees);  
income group 2,401 rupees to 3,600 rupees (6,000 rupees);  
income group 3,601 rupees to 4,800 rupees (7,000 rupees);  
and income group 4,801 rupees to 6,000 rupees (8,000 rupees).  
No loans will be granted to an individual whose annual income is more than 6,000 rupees.

Loan Repayment.- The loan is repayable in full, together with interest, by annual equated instalments within a period of 10, 20 or 30 years at the option of the loanee. The rates of interest will be 5 per cent per annum, on loans payable within 10 years; 5 1/4 per cent per annum on loans payable within 20 years; and 5 1/2 per cent per annum on loans payable within 30 years.

The loan will be disbursed in three stages, namely, 20 per cent after possession of the land is taken, 50 per cent after the construction reaches plinth level and the remaining 30 per cent after the construction reaches roof level.

(The Times of India, 29 August 1955).

32

Panel on Housing set up.

The Planning Commission has, by a resolution dated 10 August 1955, set up a Panel on Housing with the object of reviewing the progress made in the implementation of the housing schemes included in the first Five Year Plan and of considering further steps in connection with the Second Five Year Plan. The Panel consists of 28 members including Mr. Gulzarilal Nanda, Union Minister for Planning as chairman.

The Panel at its first meeting held in Delhi on 19 September 1955 discussed housing policy under the Second Five-Year Plan with particular references to rural and urban housing, industrial housing, slum-clearance, economic rent and resources available.

Specialists on housing, representatives of social organisations, economists, architects, engineers and representatives of the Central Ministries concerned were present. Mr. V.T. Krishnamachari, Deputy Chairman of the Planning Commission, Mr. Swaran Singh, Union Minister for Works, Housing and Supply, Dr. Ghosh, member of the Planning Commission, and Mr. Khandubhai Desai, Union Labour Minister, also attended.

Mr. Nanda, in his inaugural address, pointed out the importance of the housing problem from the point of view of the individual, the community, the industry and from the point of view of production. He said that in the case of housing, instead of advancing, they had lost ground. The ratio of houses available to their demand had been adversely affected. Their quality too had not gone up. Slums were on the increase.

Referring to rural housing, he said the conditions there were exceedingly unsatisfactory to start with. A few better houses, however, had not improved the situation.

Deploring the absence of any housing targets commensurate with the people's needs, the Minister pointed out that considering various factors connected with the urban housing problem, 10 million new houses were needed. The provision that had been made in both the public and private sectors did not meet the requirements.

Regional development.— On the question of regional development, Mr. Nanda emphasised the need to prepare master-plans for the whole area concerned before undertaking any construction. Regional plans were essential for co-ordinated development of the area for the purpose of utilisation of resources and environmental improvement.

Regarding the private sector in housing, he said:  
"We must provide facilities to the private sector in respect of procurement of land, development of sites, provision of building material, etc."

After a general discussion, the panel appointed three sub-committees to go into various subjects, such as regional planning, town and country planning, housing legislation, industrial housing, low-income housing, slum clearance, rural housing, organisation of the building industry, housing costs, etc.

(The Gazette of India, Part II, Section 1,  
20 August 1955, pp. 218-219;  
The Hindustan Times, 21 September 1955 ).

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Housing for Middle Income Groups: Details of Central Government's Scheme.

A maximum of 25,000 rupees per house will be advanced to an individual under the middle income group housing scheme, according to the broad principles on which the Government of India proposed to operate this scheme in co-operation with insurance companies.

This scheme was disclosed in the Lok Sabha on 1 September 1955, by Sardar Swaran Singh, Minister for Works, Housing and Supply, in reply to a question.

The Minister said that a large number of insurance companies had been addressed on the subject and the replies received from them were now under examination with a view to formulating detailed working rules of the scheme.

Other broad principles of the scheme are:-

- (1) No loan will ordinarily be granted to a person who already owns a house, nor can the purchase of a house, already constructed, be financed under this scheme.
- (2) Every loan jointly approved by the insurance company and Government will be shared by them in the ratio of 75 to 25. The amount of loan will not, in any case, exceed 80 per cent of the cost of a house, including the cost of land.
- (3) Every loan will be repayable in annual equated instalments spread over 15, 20 or 25 years.
- (4) The loan will be disbursed to the borrower in suitable instalments, based on the actual progress of construction. But to enable the borrower to start construction, a sufficient percentage of the loan will be disbursed after approval of the loan and acceptance of the terms and conditions of the loan by the borrower, but before construction is actually started.
- (5) The first annual instalment of repayment will fall due 18 months later than the date on which the first instalment of the loan was disbursed to the borrower.
- (6) The interest on the loan will be five and a half per cent per annum. But the Government's share of loan will be advanced to the insurance company at four-and-a-half per cent per annum. The difference between the interest (five-and-a-half per cent) actually paid by the borrower and the Government share of the loan and interest credited to Government (four-and-a-half per cent) will be built up into a separate fund, separately for each insurance company, to be known as the Pool Guarantee Fund. This fund is to recoup any losses incurred either by the Government or the insurance company under this scheme.
- (7) The house constructed with the assistance of the loan will be mortgaged as security.
- (8) Life insurance will not be linked up with any loans under the scheme, but may be taken at the option of the borrower.

35

39. International Economic Relations.

India - September 1955.

Lok Sabha approves G.A.T.T.

The Lok Sabha approved on 20 September 1955 the revised General Agreement on Tariffs and Trade. Replying to the debate in the House, Mr. T.T. Krishnamachari, Union Minister for Commerce and Industry, gave the assurance that G.A.T.T. would not come in the way of import quota restrictions to protect Indian industry.

Special provisions for under-developed countries.-

Inaugurating the debate on 19 September 1955, Mr. Krishnamachari, said that though the revised G.A.T.T. was not by any means a perfect instrument, it was better than the previous one. The Government, therefore, proposed to accept the amendments which had been formulated.

Dealing with the exceptions made in the agreement, Mr. Krishnamachari said that the exceptions which had been made in favour of the underdeveloped countries were really intended to remove the special handicaps from which these countries suffered. "After all international trade which G.A.T.T. seeks to promote is not an end in itself but a means to greater prosperity. Therefore, when restrictions are necessary in the interests of economic development and raising the standard of living, the mere fact that they would, for the time being restrict the volume of international trade is not much of an argument against them. If the standard of living of countries like India is raised, we shall be importing very much more than we would today, even under conditions of free trade".

(The Statesman, 20 and 21 September 1955).



36

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

INDIA - SEPTEMBER 1955.

41. Agriculture.

Uttar Pradesh Urban Areas Zamindari Abolition and  
Land Reforms Bill, 1955.

The Government of Uttar Pradesh published on 6 August 1955 the text of the Uttar Pradesh Urban Areas Zamindari Abolition and Land Reforms Bill, 1955, proposed to be introduced in the Legislative Assembly of the State. The Bill seeks to provide for the abolition of zamindari system in agricultural areas situated in urban areas in the State and for the acquisition of the rights, title and interest of the intermediaries between the tiller of the soil and the State in such areas.

This Bill provides for the acquisition of the rights of intermediaries in lands situate within urban limits and held either by tenants, rent-free grantees, grantees at favourable rates of rent and grove-holders or by intermediaries as sir, khudkasht or groves and also for the introduction of land reforms similar to those that have been brought into force in the rural areas. The Bill does not seek to interfere with the possession and rights in the built-up or uncultivated areas. In order to obviate hardship to lessees who have taken leases of land for building purposes after a particular date, but have let it out temporarily for cultivation, it has been provided in the Bill that such lessees will be able to eject their sub-tenants and utilise the land for building purposes.

(Government Gazette of the Uttar Pradesh,  
Extraordinary, 6 August 1955, pp. 1-27 )

37

Seventh Session of Industrial Committee on Plantations;  
Implementation of Plantations Labour Act and Extension  
of Employees' Provident Fund Scheme Agreed to.

The seventh session of the Industrial Committee on Plantations was held at New Delhi on 31 August and 1 September 1955. Mr. Khandubhai Desai, Union Minister for Labour, presided. The meeting was attended by representatives of the Union Ministries of Labour and Commerce and Industry, the Planning Commission, the Governments of Assam, West Bengal, Madras, Mysore and Travancore-Cochin, employers' and plantation labour. Mr. N.K.R. Bhatnagar, Director of this Office also attended the meeting.

Agenda.- The agenda of the meeting was as follows:-

- (1). Action taken on the decisions of the sixth session of the Industrial Committee on Plantations held at Ootacamund in July 1954;
- (2). Bonus for plantation labour;
- (3). Progress of implementation of the Plantations Labour Act, 1951;
- (4). Extension of the Employees Provident Fund Act to Plantations industry;
- (5) Subjects coming up for consideration at the 3rd session of the I.L.O. Committee on Work on Plantations (Geneva, October, 1955);
- (6) Grant of leave with wages to women workers attending sick children;
- (7) Upgrading of workers;
- (8) Refixation of wages; and
- (9) Introduction of standing orders under the Industrial Standing Orders Act, 1948.

Chairman's address: better deal for workers urged.-

Mr. Desai in his address to the Committee called upon employers to "forget the old traditions of dealing with labour" and to open a new chapter by allowing the workers to share in the prosperity of the industry. Stressing the need for the implementation of the Act which was put on statute in 1950, Mr. Desai said: "I believe you all, whether representing employers or the Governments or the workers will share with me our own regret that even in 1955 we have not been able to implement fully the Act. Not only this generation but the future generations will blame us if we delay the implementation of the law any further".

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Item I - Action taken on the decisions reached at the 6th session.- The memorandum on this subject submitted to the Committee points out that at the last session the Government gave an assurance that suggestions made by the delegates would be carefully considered and the Model Rules issued at an early date. The Model Rules were subsequently finalised in the light of the discussions held at the Conference and forwarded to the State Governments concerned for adoption on the 16 September 1954. Most of the State Governments have published the draft rules for criticism and they are expected to be finalised shortly.

Item II - Bonus for labour.- This item was included in the agenda at the instance of the Indian National Trade Union Congress. A memorandum prepared by the Congress reviews the condition of the tea industry in Assam. The memorandum points out that labour in the Assam plantations is not only not adequately paid, poorly housed and made to do strenuous work, but is called upon to bear the risk of the industry in the shape of wage cut and unemployment whenever there was a slight fall in the price of tea. The memorandum claims that the industry is financially sound to meet the workers' demand for bonus equivalent to three and six months' wages respectively for 1953 and 1954. The memorandum, the I.N.T.U.C. said, also applied to plantation workers in West Bengal.

The Committee set up a tripartite committee consisting of three representatives each of employers and workers to settle the question of payment of bonus as speedily as possible. It was agreed that the good offices of the chairman of the Plantations Inquiry Commission should be available to this Committee.

Item III - Progress of implementation of Plantations Labour Act.- The memorandum on this subject says that the Plantations Labour Act 1951, was brought into force from 1 April 1954. Model Rules were finalised in September 1954. The Rules provide for phased implementation of the provisions relating to housing and medical facilities for workers. In regard to certain other facilities, viz., canteens, creches, schools, recreation centres, latrines and urinals, it was left to State Governments to fix the date or dates from which they should be provided. Section 43 of the Plantations Labour Act requires State Governments to publish the rules for criticism before they are issued. Eight State Governments, viz., Madras, Mysore, Travancore-Cochin, Coorg, Uttar Pradesh, Bihar, Himachal Pradesh and Tripura have already published the draft rules and are taking action to finalise them. The Government of West Bengal were to publish the draft rules by 31 July 1955 while the Governments of Assam and Punjab are taking steps to publish them.

39

The position thus is that although the Plantations Labour Act, was brought into force on the 1 April 1954 and the Model Rules were forwarded to the State Governments for adoption in September 1954, no State Government has so far issued the final rules. Important provisions of the Act can come into force only after the rules are issued. Implementation of these provisions has thus been held up.

The memorandum goes on to add that employers have time and again asked for financial assistance, from Government for construction of houses for workers. The demand was renewed at the 6th session of the Industrial Committee on Plantations when the workers' delegates also desired that Government should consider the grant of interest bearing loans to planters for this purpose. The matter has been carefully considered by Government and a scheme to provide for grant of loans to small employers has been prepared with a view to enabling them to construct houses for workers as required under the Plantations Labour Act.

Under the proposed scheme, the Government of India will advance to State Governments funds for grant of loans to employers at the usual rate of interest recoverable in 30 equated annual instalments. The loan assistance to planters will not exceed 80 per cent of the actual cost of construction of a house subject to a maximum of 2,000 rupees per house in the case of plantations in North India and 1,600 rupees per house in the case of those in South India. The actual scale of accommodation along with relevant plans, layouts and specifications will be prepared by State Governments in consultation with Tripartite Boards to be set up by them. The Scheme is expected to come into force from the 1 April 1955.

The Committee reviewed the progress of implementation of the Act and agreed that it should be implemented speedily.

Item IV - Extension of Employees' Provident Fund Act. - The memorandum on this item says that the Employees' Provident Funds Scheme, 1952 framed under the Employees' Provident Funds Act was enforced from the 1 November 1952. It applies at present to factories employing 50 or more persons and engaged in six industries viz., cement, cigarettes, electrical, mechanical or general engineering products, iron or steel, paper and textiles.

The Planning Commission in its report on the first Five Year Plan had recommended that after the Scheme had been placed on a sound basis, progress should be drawn up for extending the Act to more industries. The Central Board of Trustees - Employees' Provident Fund has also recommended that the Act should be extended to plantations. Further the Indian Labour Conference held at Bombay in May 1955, also considered the proposal and suggested that the Act should be extended to all industries with an employment strength of 10,000 persons in factories each employing 50 or more persons. The Scheme has completed more than 2 1/2 years since its inception and is now well stabilised.

A survey of additional industries and of plantations was started by the Central Provident Fund Commissioner in March 1955 in all States. The survey of plantations was restricted to those employing 50 or more persons. According to the survey report there are 1449 plantation estates relating to tea, coffee, rubber, cardamom and pepper. On the extension of the Act to plantation estates about 0.68 million of employees or 72 per cent of the total number of employees in the 1449 estates would be entitled to provident fund benefits. In 286 estates provident fund scales for 0.128 million of employees have already been functioning. On the extension of the Act to plantations 65 per cent of the plantation estates employing 0.76 million of workers are likely to be exempted under section 17 of the Employees' Provident Funds Act so as to enable them to run their own provident fund schemes and 37 per cent of the estates with an employment force of 0.17 million will have to comply with the provisions of the Employees' Provident Fund Scheme. As the workers of plantations and the connected factories are interchangeable it is necessary to extend the Act to plantation factories as well.

The memorandum adds that while the Central Government is contemplating to amend the Employees' Provident Funds Act so to cover plantations and an amending Bill is likely to be introduced in Parliament during its November-December session, the Government of Assam has already instituted legislation for setting up provident funds for the workers in the plantations and in attached factories in that State.

The Committee agreed to the proposal to extend the Act to plantations and factories associated with them.

Item V - Subjects coming up for consideration at the 3rd session of the I.L.O. Committee on Work on Plantations (Geneva, October 1955). - The Committee reviewed the various reports prepared by the I.L.O. for the third session of the I.L.O. Committee on Work on Plantations.

Item VI - Grant of leave with Wages to women workers attending sick children. - The memorandum on this item says that the Indian Tea Association in 1947 had recommended to gardens in its membership that "mothers attending their children in hospital, in common with all workers attending the sick, should receive their full day's pay". This recommendation is still in force. The South Indian Plantation Workers' Union, Valparai, has represented that planters in South India do not grant leave with wages to workers attending sick children/dependants and has urged that the matter be discussed by the Plantations Committee.

The Committee agreed that mothers attending on sick children, whether in hospital or at home, should be allowed leave with full pay if the attending doctor certified that their presence was necessary.

41

Item VII - Upgrading of Workers.- The Committee considered the question of upgrading of workers included in the agenda at the instance of the Hind Mazdoor Sabha. The employers' representatives on the Committee agreed in principle to the filling up vacancies in higher grades in the industry by promotions from the lower ranks.

Item VIII - Refixation of Wages.- This question was included in the agenda also at the instance of the Hind Mazdoor Sabha. The note submitted by the Sabha says that so far only minimum wages have been fixed by the State Governments issuing notification on the basis of recommendations of the Minimum Wages Advisory Committees. Even the recommendation of the Advisory Committees for enhancement of wages has been disregarded unless it had the support of the employing groups. Actually, therefore, the current wages and salary scales are even lower than the minimum. On the other hand, the Industry has been stabilised, and although sometimes cries are raised about 'crisis' and of falling markets, the industry has been enjoying progressive prosperity which is reflected both in the quantum of dividend and capitalisation.

The Committee considered the note submitted by the Sabha and decided that this question should be brought to the notice of the State Governments.

Item IX - Introduction of Standing Orders under the Industrial Employment Standing Orders.- A note by the Hind Mazdoor Sabha on this point says that "a fresh set of Standing Orders framed strictly in conformity with the Industrial Employment (Standing Orders) Act, 1946, and on the basis of the Model Standing Orders framed by the Central Government will have to be introduced scrapping the so-called Standing Orders framed and said to have been certified without reference to the work-people." The note adds: "it is claimed by the I.T.A. that they had framed a set of Standing Orders - nobody knows when - and it is claimed that these are in operation. But owing to the very objectionable nature of these orders giving arbitrary authorities to the employers for termination of service in particular, to the great detriment of the work-people, the trade union organisations had urged its replacement, but without any success so far".

The Committee decided that workers' representatives should make suggestions in the employers and the State Governments concerned who would take urgent action in the matter.

(The Statesman, 2 September 1955;  
The Hindustan Times, 2 September 1955;  
Agenda and Memorandum received from the  
Ministry of Labour, Government of India ).

112

Travancore-Cochin: Plantations Labour Act to be  
extended to Cardamom Plantations.

In exercise of the powers conferred under the Plantations Labour Act, 1951, the Government of Travancore-Cochin has notified its intention to extend the provisions of the Act to the cardamom plantations in the State. The draft notification will be considered by the Government after 20 October 1955.

(Travancore-Cochin Gazette, Part I, 20 September, 1955,  
page 1057).

Bombay Tenancy and Agricultural Lands (Amendment) Bill, 1955;  
Absentee Landlordism to be ended.

Mr. B.S. Hiray, Revenue Minister, Bombay State, introduced on 22 August 1955 in the Legislative Assembly of the State a Bill to further amend the Bombay Tenancy and Agricultural Lands Act, 1948. The Revenue Minister, said that the measure when passed, would "quicken the pace of socialism" and give agricultural tenants a dignity and status they never possessed. The Bill fixes a ceiling of 48 acres of "jariyat" land or 24 acres of seasonally irrigated land or paddy or rice land or 12 acres of perennially irrigated land per tenant. For the purposes of this legislation, an economic holding shall be 16 acres of "jariyat" land or eight acres of seasonally irrigated land or paddy or rice land or four acres of perennially irrigated land.

On the controversial question of purchase price, the Minister stated that, as provided in the Bill, "a tribunal shall fix the purchase price of land which a tenant shall be deemed to have purchased after giving notice to the landlords and to all interested persons and after making a suitable inquiry.

"The purchase price shall be determined at between 30 to 100 times the assessment in the case of permanent tenants and 50 to 200 times the assessment in the case of others."

The Minister told the House that this was the first time, he said, that legislation was being proposed which would define the status of millions of cultivators and would set the pattern for several years to come of similar undertakings not only in this State, but also elsewhere.

43

Referring to the question of a ceiling on land holdings, Mr. Hiray said three objectives had to be kept in view. The Government had to make provision for a fair amount of means of subsistence and secondly, to arrive at the economic unit of cultivation. Lastly, the Government had to ensure that those who could afford to cultivate a reasonably large area personally, and thereby give more per unit, of production than some of the smaller holders might be enabled to possess those lands to an extent that would not make impossible inroads into the policy of distribution of land.

As regards the quantum which should constitute ceiling or economic holdings, "we are making very little departure from the provisions of the existing act", Mr. Hiray said.

Rent in cash.- Dealing with the provisions relating to reasonable rent embodied in the Bill, he said that so far the maximum rent had to be fixed in terms of the crop share because system of payment in cash and kind had been in force. Now that provision was being made for compulsory payment of rent in cash, the Government had to devise standards which would not increase the quantum of rent available at present.

Mr. Hiray drew the attention of the House to the enlarged protection given to minors, widows and military personnel.

He said the Bill had further considerably amplified the existing provisions as regards the sale of agricultural land. The relevant provisions ensured that the sale was transacted only at a reasonable price and due attention was paid to the needs of agriculturists, agricultural labourers and artisans.

The Bill also enlarged the scope of taking over all uncultivated lands by providing that lands could be resumed by the Government of full and efficient use of the land had not been made.

Provision had been made for exemption on lands granted to or for the benefit of any industrial or commercial undertaking or for cultivation of sugarcane.

(The text of the Bill has not been received in this Office and a detailed summary of the provisions of the Bill will be included in a subsequent monthly report).

(The Times of India, 24 August 1955).



44

Mysore (Religious and Charitable) Inams Abolition Act, 1955  
(No. 18 of 1955).

The Government of Mysore gazetted on 1 September 1955 the text of the Mysore (Religious and Charitable) Inams Abolition Act, 1955, as passed by the Mysore Legislature and which received the assent of the President on 19 August 1955. The Act provides for the abolition of religious and charitable inams in the State of Mysore except Bellary district. The term 'religious inam' or 'charitable inam' has been defined to mean a grant of a village, portion of a village or land entered as 'devadaya inam' or 'dharmadaya inam' as the case may be, in the alienation register kept under the Land Revenue Code. The provisions of the Act deal, inter alia, with vesting of inam in State and its consequences, determination and payment of compensation, and provisions applicable to tenants under Government.

(The Mysore Gazette, Part IV, Section 2B,  
1 September 1955, pp. 110-125).

Hyderabad Abolition of Inams Act, 1954 (No. VIII of 1955).

The Hyderabad Abolition of Inams Bill, 1954 (vide page 38 of the report of this Office for March 1954) as passed by the Hyderabad Legislative Assembly, received the assent of the President on 16 July 1955 and has been gazetted as Act No. VIII of 1955.

The Act provides for the abolition of all inams other than inams held by or for the benefit of charitable and religious institutions and inams held for rendering village service useful to the Government or to the village community. Other provisions of the Act deal inter alia with vesting of inams in the State and its consequences, retention by inamdars as well as his tenants of lands under their personal cultivation subject to certain limits, determination, apportionment and payment of compensation, and constitution of special tribunals and their powers.

With effect on and from the date of vesting the Hyderabad Enfranchised Inams Act, 1952, shall be deemed to have been repealed.

(Hyderabad Government Gazette, Extraordinary, No. 90,  
20 July 1955, pp. 445-458).

45

42. Co-operation.

India - September 1955.

Bombay: Working of Industrial Co-operatives during  
1953-1954.

For an account of the progress of the industrial co-operative societies and village industries in Bombay State during 1953-1954, please see pp. 46-49 of this report.

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46

### 43. Handicrafts.

India - September 1955.

Bombay: Working of the Industrial Co-operative Societies and Village Industries for the Year ending 30 June 1954.

According to the annual report on the working of industrial co-operatives and village industries in Bombay State during 1953-54\*, there has been a general progress in the working of industrial co-operatives. The number of societies has increased by about 5 per cent and the membership by about 10 per cent. The share capital, reserve and other funds have increased from 6.595 million rupees and 6.477 million rupees to 6.622 million rupees and 6.612 million rupees respectively. The working capital of the societies has risen from 23.8 million rupees to 24.4 million rupees showing an increase of about 2.5 per cent unlike that of the last year, when the working capital has actually dwindled down from that of the previous year. Though the turnover has decreased, the profits of the societies have shown substantial increase, the increase being more than double from 0.855 million rupees to 1.983 million rupees and the losses incurred by these societies have also been reduced by about 20 per cent from 2.033 million rupees to 1.608 million rupees. Of these losses, the weavers' societies claimed 25 per cent, the forest labourers' societies, 46 per cent and the district industrial associations 12.5 per cent.

The handloom industry.- The handloom industry is the most important cottage industry in Bombay State. The bulk of the industrial societies are, therefore, the weavers' societies. Their number however decreased from 487 to 482; their membership however showed an increase from 63,095 to 65,250. Their share capital, reserve and other funds and working capital showed a downward trend from 2.814 million rupees, 3.129 million rupees and 8.430 million rupees to 2.649 million rupees, 3.048 million rupees and 8.117 million rupees respectively. The total value of the finished products sold by these societies, however, showed an increase from 2.282 million rupees to 2.359 million rupees. During the last three or four years and particularly during 1952-53, owing to scarcity and famine conditions, which prevailed in large parts of Karnatak and Maharashtra, and because of sudden decontrol of yarn, the handloom weavers' societies in particular

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\* Annual Report on Industrial Co-operative Societies and Village Industries in the State of Bombay for the year ending 30 June 1954. Bombay, 1955. Obtainable from the Government Book Depot, Charni Road Garden, Bombay-4. Price 1 rupee 9 annas or 2s.9d.; pp. 149.

47

and the handloom industry in general passed through a period of depression. It may be hoped that the steps taken by the Bombay Government and the Government of India would go to rehabilitate the industry and stabilise the movement in this sector.

Forest Labourers' societies.- With regard to forest labourers' societies, a policy of consolidation rather than expansion was followed. Only five societies were registered during the year bringing the total number to 124. Though the number of coupons allotted increased by nearly 58 per cent over the last year, the liabilities of the societies to Central Financing Agencies, and other creditors showed only a slight increase, while the position of stocks on hand showed a decline of 12 per cent. While these were satisfactory features, the losses incurred by societies have increased by about 20 per cent which was due to the fact that the forest labourers' societies in Dangs alone accounted for about 70 per cent of the total losses.

Labour contract societies.- The labour contract societies on which the Planning Commission has laid great emphasis numbered 67 with a membership of 4,053 as against 48 of such societies with a membership 3,122 at the close of the previous year. There has been an all-round improvement in the working of these societies, which is shown by the fact that their paid up share capital increased by 33 per cent from 49,057 rupees to 67,972 rupees, their reserve and other funds by 45 per cent from 61,218 rupees to 87,384 rupees and their working capital by more than three times from 0.211 million rupees to 0.649 million rupees. The profits earned by these societies have also increased by more than 50 per cent from 54,212 rupees to 83,706 rupees. The main reasons for the success of these societies is the preferential policy adopted by Government by which Government works, and works undertaken by local bodies as agents of Government costing up to 20,000 rupees are entrusted to these societies, without calling for tenders and so also in respect of works costing over 20,000 rupees, a preference of 5 per cent over the lowest rates is allowed to the societies. Experience has shown that on the whole an allotment of works to these societies by Government has resulted in savings to Government.

Tanning societies.- The position of tanners' and leather workers' societies on the whole has showed improvement. Their membership has increased by 10 per cent, their paid up share capital by 2.5 per cent and their reserve and other funds by 10 per cent. The profits of these societies have more than doubled and their losses have decreased by 50 per cent.

District Industrial Associations.- The general financial position of the district industrial associations continued to give anxiety though they were able to reduce the losses to a little more than half of the previous year from 0.559 million rupees to 0.201 million rupees. With the liquidation of the North Kanara District Industrial Association, the number of these Associations stood at 17. The membership increased from 11,474 to 11,731 whereas the share capital, reserve and other funds and working capital showed decrease from 0.408 million rupees to 1.086 million rupees, 3.178 million rupees to 0.395 million rupees, 0.953 million rupees and 2.783 million rupees respectively. The total value of finished products sold, however, increased from 0.319 million rupees to 0.346 million rupees. The losses previously incurred by these associations and the legacies of bad and doubtful debts, which they have still to wipe off, were mainly responsible for their inability to conduct their activities, so as to put them on a sound footing. With their meagre resources and weak financial position, the associations were not of very great assistance to their affiliated societies and artisans for the supply of raw materials and the sale of their finished products.

The State Industrial Co-operative Association.- While the membership, share capital and working capital of the State Industrial Co-operative Association have recorded an increase from 700, 0.252 million rupees and 0.771 million rupees, to 740, 0.262 million rupees, and 0.957 million rupees respectively, the reserve and other funds showed a slight decrease from 0.454 million rupees to 0.450 million rupees respectively. The Association incurred a loss of 50,603 rupees on the years working. The main reasons for the losses were the inability of the Association to tap business on a large scale. Secondly, the expectation in income from the manufacture and sale of textiles and cottage industries products were not realised, and thirdly the heavy cost of management and the substantial provision made for bad and doubtful debts were also responsible for the losses. During the year the Association received orders from the Central Purchasing Officer for the supply of goods valued at 538,704 rupees 12 annas and 6 pies. These orders were passed on to the societies, which executed orders to the extent of 230,622 rupees 12 annas and 9 pies, before the close of the year. The total value of goods supplied by cottage industries to Government to meet the requirements of its various departments amounted to about 439,700 rupees 11 annas and 9 pies. The State Industrial Co-operative Association and the Village Industries Committee, which were recognised as approved agencies through which quotations from Industrial Co-operatives were to be received, supplied goods of the value of 230,622 rupees 12 annas and 9 pies and 209,077 rupees 15 annas respectively.

49

Financing Co-operative Societies.- The Bombay State Financial Corporation which was constituted by Government, during the year continued to provide finance for medium and small industries. It considered 55 applications for loans to the extent of 9.412 million rupees and five concerns were sanctioned loans to the extent of 0.745 million rupees. After the close of the year, Government allowed the Corporation to sanction loans for working capital to industrial co-operatives subject to certain safeguards. The working of the Corporation will, it is hoped, go a long way in the consolidation and the development of medium and small scale industries.

The four regional and district industrial co-operative banks have been showing steady progress in membership, owned funds and working capital. All these banks worked at profit during the year. The volume of finance given to industrial co-operatives and artisans by these four banks have risen from 4,200,000 rupees to 5,900,000 rupees or by about 40 per cent.

Technical training.- As for technical training, 94 training institutions out of a sanctioned strength of 116 actually functioned for a part of the year or whole of the year. The total number of persons trained in the 94 training institutions was 806; 131 persons were trained in 15 schools solely meant for Backward Class persons, 947 persons were under training at these institutions at the close of the year.

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Credit Facilities for Small Industries: Small-scale Industries Board sets up Committee to Consider Problems.

Questions relating to the integration of large-scale and small-scale production ways and means of providing finance and the position of power supply to small-scale industries were considered by the Small-Scale Industries Board at its meeting held at Bangalore on 30 and 31 August 1955.

Mr. T.T. Krishnamachari, Union Minister for Commerce and Industry, addressing the Board, stated that he was thinking in terms of constituting a high-power directorate to work on a war footing to train technicians required in various industrial undertakings, particularly in the proposed steel plants. The dearth of technicians was one of the main reasons for the country's inability to make spectacular headway in industrialisation, particularly in the field of small-scale industries. The state-owned steel plants would require about 5,000 engineers and 10,000 skilled personnel.

Mr. Krishnamachari asked State Governments to concentrate on small industries in two or three districts to solve to some extent the problem of technicians. State Governments should also start workshops in urban areas to meet local requirements. He suggested that institutions like the Reserve Bank should find out some method to finance small-scale industries. At the same time, he emphasised the need for giving greater encouragement to co-operative institutions in the industrial field as was being done in the handloom industry which, he said, was now gathering momentum.

Mr. Jang Bir Singh, Development Commissioner and Chairman of the Board said, State Governments had accepted the basic ideas of the Board's plan for development of small-scale industries for 1955-56. Schemes totalling an expenditure of 60 million rupees have been submitted by the State Governments.

Mr. Singh said that three major issues would confront the Board during the implementation of the second Five Year Plan - cost, power supply and training of technical personnel.

To create employment for over one million persons, an investment of 2,500 million rupees was needed. It worked out to an average of 2,500 rupees per person.

Regarding power supply, Mr. Singh said for every one million to be employed in small industries, provision of one million horse power or three-quarter million K.W. was necessary. Out of half a million villages in India not even one per cent had power supply at present. The Board had recommended a minimum target of 50,000 villages for power supply during the second Plan period.

Mr. Singh said that at the rate of one technician to teach 100 workers, the country needed 10,000 technicians for every one million additionally employed in small industries.

That in itself did not look a large figure, but it should not be overlooked that tens of thousands of technicians would also be needed by heavy industries and river valley projects.

Decisions.— The Board considered lists of items that were being manufactured both in the large as well as small sectors. It was finally decided that these lists should be settled in consultation with State Governments and the Ministry of Commerce and Industry should be requested to examine on the merits of each case as to how far the manufacture of these could be encouraged in the small sector. One important factor would be the capacity of the small-scale sector to produce goods of the required quantity and quality.

A connected topic was the manufacture of ancillaries and components in small units for the large-scale sector. The Directors of Industries of different States reported that in certain industries in their States, like textile machinery, automobiles, cycles, manufacture of oil expellers, etc., they had made a beginning already and large industries had been induced to get components manufactured in the small sector.

The Board decided that small committees of State department officers and technicians be set up at Bombay, Calcutta and Madras where these programmes should be further developed immediately in certain specific industries. The necessary technical and other assistance to small units would be provided by the Small Industries Corporation.

Regarding finance, the Board noted the Central Government's decision to provide finance from Government resources on very liberal terms. The question of increasing credit facilities from normal institutional channels like the Reserve Bank, State Bank, State Industrial Finance Corporations and co-operative banks had, however, to be examined in more detail. Hence a committee was appointed by the Board to go into this question and make suitable recommendations after consulting the institutions concerned.

On the question of supply of power to small industrial units the Board was of the opinion that the Government should, wherever, necessary, subsidise rural electrification schemes in order to make available such power at a reasonable cost to the industrialists. The Board also considered the prevailing tariff structure for electricity and how it should be modified in order to provide power to the small units of the same rates as levied on larger units.

(The Hindustan Times, 31 August 1955).



Hyderabad Khadi and Village Industries Board Ordinance,  
1955 (No.II of 1955).

The Rajpramukh of Hyderabad promulgated on 18 July 1955 an Ordinance to provide for the incorporation and establishment of a Board for encouraging and organising Khadi and Village industries in Hyderabad.

The Board shall perform all or any of the functions in respect of the following matters, namely:- (1) to start, encourage, assist and run khadi and village industries; (2) to help members of the public by providing them with work in their homes and to give them monetary accommodation, if necessary; (3) to organise co-operative societies for khadi and village industries; (4) to conduct training centres and to train people at these centres or at other centres outside the State of Hyderabad in khadi and village industries; (5) to arrange for the supply of raw materials, tools and implements for khadi and village industries and for sale of the finished products; (6) to arrange for publicity and popularising of khadi and goods manufactured in village industries by opening stores, shops, exhibitions and the like; (7) to endeavour to educate public opinion and cultivate in the public a liking for khadi and village industries and for the utilisation of products of such industries; (8) to seek and obtain advice and guidance in the subjects mentioned above by inviting experts; (9) to undertake and encourage research village industries; (10) to carry on such activities as are incidental and conducive to the objects of this Ordinance; and (11) such other functions as may be prescribed.

Other provisions of the Ordinance deal inter alia, with term of office of members of the Board, renewal and suspension of members, powers of the Board, annual programme and establishment schedule of the Board, accounts and audit.

A Bill to replace the Ordinance was published on 30 August 1955.

(Hyderabad Government Gazette, Extraordinary, No.89,  
18 July 1955, pp. 435-444;  
Hyderabad Government Gazette, Extraordinary No.104,  
30 August 1955, pp. 823-832 ).



44. Merchant Marine and Fisheries.

India - September 1955.

Expansion of India's Shipping capacity: Resolution adopted by the Lok Sabha.

The Lok Sabha adopted on 23 September 1955, a motion moved by a member, expressing appreciation of the steps so far taken by the Government of India for the development of Indian shipping and suggesting that "all further suitable measures be taken to expand rapidly coastal and overseas tonnage".

Speaking during the debate Mr. Satish Chandra, Deputy Minister for Production, indicated that the Second Five Year Plan would provide for a second shipyard.

The Deputy Transport Minister, Mr. O.V. Alagasan, said the Government had set apart 250 million rupees for loans to shipping companies. This target had been reached and might be exceeded by 40 million rupees.

Mr. Alagasan further said cent per cent reservation of coastal trade for Indian shipping had already been achieved to the satisfaction of all concerned.

In the matter of trade with neighbouring countries, like Burma and Ceylon, at present Indian ships carried about 40 per cent of the trade. These countries had their own aspirations of raising their national merchant navies. "We should surely welcome their venture and we would see that their national/merchant navies also grow up, so that they would be a source of strength to us".

Dealing with the criticism that much was not done by the Government to increase the percentage of overseas trade carried by Indian ships, the Minister said it was no use comparing the position in this country with that obtaining in countries like Germany, Italy and Japan, because so far as India was concerned, there were certain inherent limitations which could be overcome only gradually. Some members had demanded that the percentage of overseas trade should be increased from 5 now to 50, without knowing that this demand could be fulfilled only if 180 ships were acquired here now. Even if a capital of 2,250 million rupees required for the purpose was found, he did not think foreign companies would be in a position to supply the vessels in the near future.

The Government had already decided to place orders for three tankers, he said.

Deputy  
The Minister also stated that the surcharge problem which came to the fore some time ago was very effectively tackled.

(The Hindustan Times, 24 September 1955).

12.17 DECEMBER 1955

55

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - SEPTEMBER 1955.

50. General.

Motor Transport Labour Bill, 1955.

Mr. A.K. Gopalan (Communist), introduced in Lok Sabha on 2 September 1955 a Bill seeking to improve the working conditions of road transport workers.

Mr. Gopalan said in spite of the fact that motor road transport occupied a very important place in the economy of the country, there was at present, no comprehensive legislation regarding conditions of labour in this business.

The Bill seeks to regulate on an all-India basis and provides among other things, for medical facilities, canteens, rest-houses, reading-rooms, weekly holiday or compensatory day of rest, overtime wages and wages for night-work for road transport workers.

It also lays down that an employer should pay wages to an employee during the period or periods of injury caused by an accident. Provision has also been made for payment of provident fund and gratuity to the workers.

(The Gazette of India, Extraordinary,  
Part II, Section 2, 2 September 1955,  
pp. 337-342;  
The Hindustan Times, 3 September 1955 )

Bank Award Commission's Recommendations:  
Tribunal's Decision to be restored .

The report of the Bank Award Commission was placed before both Houses of Parliament on 22 August 1955. Mr. Khandubhai K. Dosai, Union Minister for Labour, in a statement in the Lok Sabha, announced that the Government had decided to accept in full all recommendations of the Gajendragadkar Commission on the substantive terms of the Bank Award.

It may be recalled that the Central Government instituted in September 1954 (vide pages 29-31 of the report of this Office for September 1954) an inquiry by the late Mr. Justice G.S. Rajadhyaksha into the modifications made by the Government on the decision of the Labour Appellate Tribunal. Mr. Justice Gajendragadkar was appointed to conduct the inquiry on the death of Mr. Rajadhyaksha.

The main recommendation of the Commission, as reported already, is that the Appellate Tribunal's decision should be restored in the case of all Class A banks (Indian and foreign), all Class B banks except the Bank of Bikaner and the United Bank of India, and certain Class C banks. This recommendation is to have retrospective effect from 1 April 1954.

The Minister said certain other recommendations of the Commission were under the examination of the Government and appropriate action would be taken in respect of them. These refer to the cost structure of the banking system, such as a possible upward adjustment in the rates charged on loans and advances, concerted action by banks to enforce floor rates on some categories of advances as well as ceilings on deposit rates and control over emoluments of higher executives.

Other recommendations of the Commission are:-

(1) The provision for the creation of an additional area (Area IV) as per Government's modified decision together with the wage structure and dearness allowance increased for this new area, should be confirmed.

(ii) The total exemption from the application of the Award to areas with 30,000 or less population in Part B and Part C States (other than Delhi, Ajmer and Coorg) allowed in the Government's modified decision has been altered and the exemption will be limited to such areas in Travancore-Cochin only and for two years.

(iii) The scales of dearness allowance prescribed by the Appellate Tribunal for the clerical and subordinate staff should be restored for Areas I, II and III in respect of all Class A banks, Class B Banks (except the United Bank of India and the Bank of Bikaner) and certain Class C banks.

In respect of the branches of the above banks in Area IV, the rates according to Government's modified decision will continue to apply.

incorporated  
in Travancore-  
Cochin

(iv) In regard to Class C and Class B banks other than those mentioned in para (iii) above and a few which have entered ~~into~~ <sup>into</sup> agreements with their employees displaced banks and banks (except the Travancore Bank) the rates prescribed by the Government will continue.

(v) In the case of Class B banks, <sup>including</sup> those in Travancore-Cochin and displaced banks the provision that from 1 April 1959, they should automatically step into Class C should be set aside. The position of these banks at the end of March 1959, should be examined afresh for determining whether they should be promoted to Class C.

(vi) Banks incorporated in Travancore-Cochin (excluding the Travancore Bank) should implement the Government's modified decision subject to certain modification.

In view of the special problems of banking in Travancore-Cochin a commission may be appointed to review the entire banking situation in that State. If no commission is appointed the position of Class D banks in the State should be reviewed as at the end of March 1959, with other Class D banks.

(vii) The United Bank of India which has been exempted under the Government's modification order, should implement the Sastry Award as a Class B bank with effect from 1 August 1955, subject to certain conditions. Its financial position should be reviewed by a tribunal not later than three years.

(viii) Agreements entered into between the bank managements and the employees in the case of seven banks should be ratified by the Government and enforced.

A Bill to implement this award was passed by the Lok Sabha on 24 September 1955 (vide pp. 64-65 of this Report).

(The Statesman, 23 August 1955 )

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Labour Conditions in the Woollen Textile Industry  
in India.

A review of the conditions of labour in the woollen industry in India during 1953 is given at pp. 85-91 of this report.

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55. Protection of Minors.India - September 1955.Part-time Employment for Women; Central Social Welfare Board to extend Scheme.

Under a scheme drawn up by the Central Social Welfare Board, in consultation with the Ministry of Commerce and Industry, industrial co-operatives on a cottage industry basis at least in some parts of their organisation are to be launched all over the country to provide part-time employment and supplementary income for women belonging to the lower middle class at their homes.

The scheme has been drawn up after studying the working of a pilot project which had been started by the Central Social Welfare Board in Delhi some time ago (vide page 61 of the report of this Office for November 1953). Under this pilot scheme a match factory is being run at Karol Bagh, Delhi, on a co-operative basis. The process of making matches has been divided into several stages and those that lend themselves to handling on a cottage industry basis are being provided to women workers at their homes.

Nearly 450 women from middleclass families are working in the factory for more than six months now. Their average emoluments per day range between 14 annas to 1 rupee for the work in the factory and between 1 rupee to 1 rupee 12 annas when they work at home. The higher earnings at home are accounted for by the larger spare time that a housewife can devote to extra work if she is permitted to do so at home than when she has to leave the house and go to work in the factory premises. The marketing arrangements are looked after by a managing committee appointed by the Central Social Welfare Board consisting of nominees of the Board and officials of the Central and State Governments.

The all-India scheme now drawn up aims to extend industrial co-operatives on the pattern of the Delhi Match Factory to other parts of the country and include within their ambit not only the match industry but also tailoring, embroidery, making of garments, baskets, notebooks and pencils, cups and saucers, preservation of food stuffs and toy-making.

Co-operative match factories are proposed to be started in Poona, Hyderabad, Vijayawada and Chandigarh. The factory at Hyderabad has already been started.

Under the scheme these co-operatives will receive assistance by way of grants and loans from the Central Government. The Central loans will bear an interest of 2 1/2 per cent. The rest of the funds required for the industrial co-operatives will be contributed by the State Governments or by the parties concerned.

(The Hindustan Times, 20 September 1955).



12.17 DECEMBER 1955

60

Chapter 6. General Rights of Workers

66. Strike and Lockout Rights.

India - September 1955.

Madras: Sugar Industry declared a Public Utility Service.

In exercise of the powers conferred under the Industrial Disputes Act, 1947, the Government of Madras has declared the sugar industry in the State to be a public utility service for the purposes of the Act for a period of six months from 5 September 1955.

(G.O.Ms No. 2989 Industries, Labour and Co-operation dated 25 August 1955; Fort St. George Gazette, Part I, dated 31 August 1955, page 1286 ).

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West Bengal: Tramway Services and Cotton Textile  
Industries declared Public Utility Services.

In exercise of the powers conferred under the Industrial Disputes Act, 1947, the Government of West Bengal has declared the tramway services in Calcutta and Howrah and the cotton textile industries in West Bengal to be public utility services for the purposes of the Act for a period of six months from 19 September 1955.

(Calcutta Gazette, Part I, 22 September 1955,  
page 3717 ).

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62

67. Conciliation and Arbitration.India - September 1955.Industrial Disputes (Amendment and Miscellaneous Provisions) Bill, 1955: Provision for Abolition of Labour Appellate Tribunal and setting up Original Tribunals.

Mr. Khandubhai K. Desai, Union Labour Minister, introduced in the Lok Sabha on 21 September 1955 a Bill further to amend the Industrial Disputes Act, 1947, and the Industrial Employment (Standing Orders) Act, 1946, and to repeal the Industrial Disputes (Appellate Tribunal) Act, 1950.

According to the statement of objects and reasons, the Industrial Disputes (Amendment and Miscellaneous Provisions) Bill, 1955, seeks to make certain long needed changes in the Industrial Disputes Act, 1947, and the Industrial Employment (Standing Orders) Act, 1946, and to repeal the Industrial Disputes (Appellate Tribunal) Act, 1950.

The present definition of 'workman' in section 2(s) of the Industrial Disputes Act has led to uncertainty, particularly in the case of technical and supervisory personnel. It is, therefore, proposed to enlarge the definition to cover supervisory personnel, whose emoluments do not exceed 500 rupees per mensem, and also the technical personnel.

There has been a persistent demand that notice should be given whenever it is proposed to make any change in the conditions of service of workmen. Therefore, a new Chapter, namely, Chapter IIA is proposed to be inserted to provide that the employer shall not introduce any change in respect of certain specified matters without giving to the workmen concerned 21 days' notice of his intention to do so.

The existing provisions of section 53 of the Act prohibit during the pendency of any conciliation proceeding or proceeding before a Tribunal any change being made in the conditions of service of, or any action being taken against, the workmen concerned in the dispute except with the express written permission of the authority concerned. The number of applications for such permission is frequently large and their disposal takes time. Employers have complained that they are therefore prevented from taking action even in obvious cases of misconduct and indiscipline unconnected with the dispute till long after the offence has been committed. It is proposed to alter the existing provisions so as to provide that, where, during the pendency of proceedings an employer finds it necessary to proceed against any workman in regard to any matter unconnected with the dispute, he may do so in accordance with the Standing Orders applicable to the workman, but where the action taken involves discharge or dismissal, he will have to pay the workman one month's wages and simultaneously file an application before the authority, before which the proceeding is pending, for its approval of the action taken. Protection on the lines of the existing provisions will continue to be available to all workmen in regard to any matter or misconduct connected with the dispute. A limited number of representatives of the workers will, however, be given protection in all matters whether connected with the dispute or otherwise.

There is a large volume of criticism that appeals filed before the Appellate Tribunal take a long time for disposal and involves a great deal of expenditure which the workers cannot afford. It is proposed to repeal the Industrial Disputes (Appellate Tribunal) Act, 1950, and at the same time, to substitute the present system of tribunals by a three-tier system of original tribunals - Labour Courts, Industrial Tribunals and National Tribunals - manned by personnel of appropriate qualifications. References to the National Tribunals will be made by the Central Government and they will cover disputes which involve questions of national importance or which are of such a nature that establishments situated in more than one State are likely to be interested in, or affected by, the disputes.

Provision is also made for voluntary reference of disputes to arbitration by the parties themselves by written agreement and for the enforcement of agreements between employers and workmen reached otherwise than in the course of Conciliation.

Opportunity has been taken to carry out certain essential amendments to the Industrial Employment (Standing Orders) Act, 1946. It is proposed to empower both the Certifying Officer and the Appellate Authority to take into account the fairness or reasonableness of the standing orders before they are certified. Under the present law, only the employer can take steps to modify the existing standing orders. A similar right is being provided in the Bill for workmen. Provision has also been made for the resolution of differences that may arise between the parties as to the application and interpretation of standing orders. In case of any such difference, the parties can approach a Labour Court without the intervention of the appropriate Government.

Other amendments proposed are: the existing first schedule listing five industries (viz., transport, coal, cotton, textiles, foodstuffs and iron and steel) which may be declared to be public utility services under the Act is to be replaced by another schedule listing eight industries viz., transport (other than railways) for the carriage of passengers or goods by land, water or air, coal, cotton textiles, foodstuffs, iron and steel, defence establishments, service in hospitals and dispensaries and fire brigade service; addition of second and third schedules to the Act listing the matters of jurisdiction of labour courts and industrial tribunals; and the addition of fourth schedule listing the matters for which notice of change is necessary under the amended section 9A of the Bill.

(The Gazette of India, Extraordinary, Part II,  
Section 2, 21 September 1955, pp. 411-434).

12.17.55

64

Industrial Disputes (Banking Companies) Decision Bill, 1955:  
Measure to give Effect to Recommendations of the Bank  
Award Commission.

Mr. Khandubhai K. Desai, Union Labour Minister, introduced in the Lok Sabha on 21 September 1955 a Bill to give effect to the recommendations of the Bank Award Commission.

The Award as now modified (vide pages 56-57 of this report) will remain in force for at least five years - till 31 March 1959 - instead of the normal one year period provided for in the Industrial Disputes Act. This is considered desirable "considering that the dispute has been pending since 1949 and that it has taken so long to finalise the terms and conditions of service of the employees in question".

The Bill also provides a machinery to resolve points of difference or doubt between the parties as regards the interpretation or application of the terms of the Award. "If any difficulty or doubt arises as to the interpretation of any provision of the Award as now modified...." says the Bill, "the Central Government shall refer for decision the matter in respect of which such difficulty or doubt has arisen to the Labour Appellate Tribunal constituted under the Industrial Disputes (Appellate Tribunal) Act, 1950, or to such industrial tribunal constituted under the Industrial Disputes Act, 1947, as it may, by notification in the official Gazette, specify in this behalf. The Tribunal to which such matter is referred shall, after giving the parties a reasonable opportunity of being heard, decide such matter and its decision shall be final and binding on all such parties".

The statement of objects <sup>and reasons</sup> gives the background to the Award and subsequent developments. "In June 1949, the Central Government referred for adjudication a number of disputes between the banking companies in the country and their employees to an all-India industrial tribunal known as the Sen Tribunal. The tribunal gave its award in July 1950, but it was set aside by the Supreme Court in April 1951.

"The matter was subsequently referred to another all-India Industrial Tribunal known as the Sastry Tribunal in January 1952. That tribunal gave its award in April 1953.

"On appeal, the Labour Appellate Tribunal made certain alterations in the Award". The decision of the Labour Appellate Tribunal was modified by the Government in certain respects in August 1954. In making the modifications, the Government was necessarily guided by the material available at the time.

12.17 DECEMBER 1955

65

"It was considered desirable to collect more complete data and to have the matter investigated further in the light of those data. The Government, therefore, appointed a single-member commission of the inquiry, known as the Bank Award Commission, consisting of a judge of the Bombay High Court. The Commission was requested to conduct a fact-finding inquiry and make recommendations as regards the further modifications, if any, necessary in the decision of the Labour Appellate Tribunal as adapted by the Government's modification order.

"The Commission submitted its recommendations towards the end of July 1955. The Government has accepted in full the recommendations of the Commission on the substantive terms of the Award. This Bill is designed to give effect to the recommendations of the Commission".

The Bill was passed by the Lok Sabha on 24 September 1955.

(The Gazette of India, Extraordinary, Part II, Section 2,  
21 September 1955, pp. 446-449;  
The Hindustan Times, 25 September 1955).

68. Labour Courts.

India - September 1955.

Industrial Disputes (Appellate Tribunal) Amendment Act, 1955.

The Industrial Disputes (Appellate Tribunal) Amendment Bill (vide page 57 of the report of this Office for August 1955) as passed by Parliament received the assent of the President on 12 September 1955 and has been gazetted as Act No.29 of the 1955. The Amendment Act adds certain special provision (Section 23A) to the Act for the disposal of certain proceedings by the chairman or a member of an industrial tribunal.

(Gazette of India, Extraordinary, Part II, Section 1, 13 September 1955, pp. 421-422 )

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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 - September 1955.

Hyderabad: Staff Committee to increase Efficiency in Public Service appointed.

The Government of Hyderabad has by a notification dated 16 August 1955 set up a Staff Committee in order to secure the greatest measure of co-operation between the Government and its employees and increased efficiency in the public service combined with the welfare of Government employees. The Committee is to consist of 30 members, half of them representing the Government and the other half representing the Government employees. The Chief Secretary to the Government shall be the ex-officio chairman of the Committee.

The objects of the Staff Committee shall be:-

- (i) to consider suggestions for improving the standards of work;
- (ii) to provide to the members of the Staff a machinery for making their points of view known to Government on matters affecting their conditions of work and of service; and
- (iii) to provide means of personal contacts between officers and staff with a view to develop cordial relations between them and to encourage them to take keener interest in their work.

The Committee may, with the permission of the Chairman, discuss all or any of the following matters: (i) the conditions under which the members of Staff are required to work; (ii) general principles regulating conditions of service; (iii) the welfare of the members of Staff; and (iv) improvement of efficiency and standards of work.

Questions relating to conditions of service shall be discussed only with reference to general principles underlying them. The Committee shall not discuss any individual case.





12.17.55

69

CHAPTER 8. MANPOWER PROBLEMS.

INDIA - SEPTEMBER 1955.

81. Employment Situation.

Employment Exchanges: Work during July 1955.

General Employment situation.- According to the review of the work of the Directorate-General of Resettlement and Employment during July 1955, fresh registrations at exchanges during the month increased over the figure for June by more than 12,000. Unfortunately, this increase of fresh registrations occurred simultaneously with a fall in the number of vacancies notified to the exchanges and a fall in the number of placements effected. The overall result was that the cumulative register of the unemployed shot up by over 42,000 and stood at 666,000 at the end of the month. This was the highest figure ever recorded. One of the contributory factors was the seasonal influx into the register of students who had received their examination results. Study of the numbers of registered educated unemployed revealed an increase of nearly 22,000 such persons on the register at the end of June as against the number at the end of March. The number of employers who notified vacancies to exchanges in both the public and private sectors also declined during July and the vacancies notified by Central, State Government and private employers all fell below the June figure.

Widespread shortage continued in respect of stenographers, trained teachers, experienced draughtsmen, overseers, surveyors, compounders, midwives and nurses. Shortage was also experienced in regard to health visitors, qualified doctors, and skilled technicians such as welders, moulders, turners and boiler makers. A number of exchanges reported dearth of suitable applicants against vacancies of road roller drivers, auditors and accountants, instrument mechanics, tracers and qualified agriculturists.

Surpluses in respect of clerks, untrained teachers, freshers from schools and colleges, unskilled office workers, motor drivers and carpenters continued to be widespread. Semi-skilled fitters, turners, motor mechanics and wiremen were also surplus to requirements. Inadequate employment opportunities were reported for oil engine drivers by some exchanges.

Registrations and placings.- The following table shows registrations for employment and placings for July 1955 and June 1955:-

		July 1955	June 1955
Registrations	-----	157,446	145,424
Placings	-----	11,904	17,668

Registrations marked an increase of 12,022 over the preceding month. The increase in registrations was considerable in Uttar Pradesh (9,257), Bihar (2,459), Delhi (1,150), Andhra (1,094) and West Bengal (958). There was a fall in registrations, on the other hand, in the States of Bombay (1,867), Madras (1,437), Ajmer (968) and Punjab (568).

A total of 69,017 applicants were submitted to employers for selection during July, 1955 as against 78,497 during the previous month. There was a fall of 5,764 in placements over the figures for June 1955. A comparatively large decrease in placements was recorded in the States of Punjab (2,311), Bombay (1,321), West Bengal (1,055) and Uttar Pradesh (529). Of the total number of placements effected, 5,010 were in Central Government departments, 4,570 in State Government departments, and 2,304 with private employers.

Placings by wage groups.- The table below shows placings during the month classified according to wage groups:-

<u>Wage groups</u>		<u>Number placed</u>
101 rupees and above	-----	1,701
61 rupees to 100 rupees	-----	5,546
30 rupees to 60 rupees	-----	4,283
Below 30 rupees	-----	374

Vacancies notified.- The number of employers who used the exchanges during the month was 5,034 as against 5,248 during the previous month. A total of 20,136 vacancies were notified by them as compared to 23,795 during June 1955, thus recording a fall of 3,659. The fall in the number of vacancies notified was rather marked in the States of Punjab (2,056), West Bengal (915), Bombay (826), Delhi (768) and Uttar Pradesh (619). Vacancies notified showed an appreciable increase in the States of Bhopal (920), Bihar (463) and Travancore-Cochin (379). Of the vacancies notified 15,881 were by Central and State Government establishments and 4,255 were by private establishments. There was a decline of 1,577 in the public sector and 2,082 in the private sector.

71

Register of unemployed.- The number of persons seeking employment assistance through the exchanges as on the last day of month was 666,145, which was 42,071 more than the figure as at the end of the preceding month. Of those on the live registers, 4,020 were known to be employed persons who desired further employment assistance. The live register figure was the highest so far recorded. The composition of the live register occupation-wise is shown below:-

<u>Occupation</u>	<u>No. on Live register as on 31 July 1955</u>
1. Industrial supervisory	5,466
2. Skilled and semi-skilled	53,745
3. Clerical	200,894
4. Educational	29,648
5. Domestic service	21,189
6. Unskilled	318,408
7. Others	36,795
Total	<u>666,145</u>

Employment position of special types of applicants.- The employment position regarding special types of applicants during July 1955 is shown in the following table:-

<u>Category</u>	<u>Registrations</u>	<u>Placings</u>	<u>No. on the Live Register</u>
1. Displaced persons.	8,408	1,115	52,182
2. Ex-servicemen.	8,016	1,203	31,434
3. Scheduled Caste applicants.	17,391	1,848	65,628
4. Scheduled tribe applicants.	1,510	310	5,094
5. Surplus and discharged Central and State Govern- ment employees.	1,541	712	8,158
6. Highly qualified applicants.	1,329	134	5,441

Educated applicants.- During the quarter April-June 1955, 109,887 registrations and 12,093 placements were effected by the employment exchanges in respect of persons who had passed the matriculation or higher examination as against 83,588 and 12,428 respectively, during the preceding quarter. Of the total number of registrants 97,414 were matriculates (including 14,527 registrants who had passed the intermediate examination) and 12,473 were graduates. Amongst the graduates 567 were engineers, 111 were doctors and 11,795 had degrees in various other subjects. Employment exchanges placed in employment 10,223 matriculates (including 1,432 intermediates) and 1,870 graduates of whom 75 were engineers and 5 were doctors.

12.17.1955

72

At the end of June 1955 there were 206,783 educated persons on the 'Live Registers' of exchanges seeking employment assistance as against 184,934 at the end of the previous quarter and 180,033 at the end of June 1954. Of those on the Live Register 183,400 were matriculates (including 25,068 registrants who had passed the intermediate examination) and 23,383 were graduates. Of the graduates 772 were engineers, 216 doctors and 22,395 had obtained degrees in various other subjects. A comparatively large number of educated registrants remained on the live registers of exchanges in the States of Uttar Pradesh (32,836), Madras (29,464), Bombay (29,113) and West Bengal (27,789). Of the total number of matriculates and graduates on the live register 11,029 were women of whom 9,739 were matriculates (including 784 intermediates) and 1,290 were graduates.

Anglo-Indian applicants.- During the quarter April-June, 1955, the number of registrations and placements effected was 339 and 30 respectively as against 302 and 34 during the previous quarter. Of the placements effected, 21 were in Central Government departments, 2 under State Government departments and 7 in private establishments. Again, of those placed, 8 were women. At the end of June, 1955, 562 applicants of whom, 126 were women, remained on the live registers of exchanges. Nine Central Government vacancies reserved for Anglo-Indian applicants were notified to exchanges and all were filled during the quarter.

Women.- During July 1955, 6,414 registrations and 772 placings were effected in regard to women applicants as against 6,670 and 787 during June 1955. The number of women applicants on the live registers of exchanges was 27,170 at end of the month under report.

Special Investigation : Re-employment of surplus and retrenched employees of the Civil Supply departments of the State Governments.- Exchanges statistics in respect of ex-employees of the Civil Supply Department of the State Governments reveal that 15,131 registrations and 6,051 placements were effected during the period January 1954 to June 1955. Of the registrants placed, 1,339 (or 22.1 per cent) were found employment in Central Government establishments, 4,559 (or 75.3 per cent) in State Governments and 153 (or 2.6 per cent) in private establishments.

Engineering graduates and diploma holders.- Employment exchanges statistics pertaining to engineering and medical graduates and diploma holders show that as against 582 engineering graduates and 528 engineering diploma holders who were seeking employment assistance at the end of March 1955, 772 such graduates and 640 diploma holders were on the live registers of employment exchanges awaiting placement at the end of June. Of the 772 engineering graduates, 460 or 60 per cent were in the States of Bombay (203), Delhi (108), Mysore (128) and West Bengal (121). Among the graduates, 21 were electrical-cum-mechanical engineers, 264 were mechanical engineers, 159 were electrical and 234 civil engineers; the corresponding figures at the end of the last quarter being 45,224, 159 and 99, respectively.

1217

93

and  
Six hundred, fortyeight or 84 per cent of them were fresh from colleges with no experience to their credit as against a corresponding figure of 76 per cent at the end of the quarter ending 31 March 1955. Seven hundred twentyone or 93 per cent were below 30 years of age.

Among diploma holders 560 or 88 per cent were distributed in the States of Bombay (142), Delhi (112), Madras (104), Mysore (77), Travancore-Cochin (26) and West Bengal (99). Four hundred forty or 69 per cent of these were freshers with no experience to their credit. Five hundred sixty or 88 per cent of the diploma holders were below 30 years of age. Three hundred twentyone or 42 per cent of the engineering graduates and 593 or 93 per cent of the diploma holders are stated to be ready to accept posts carrying a salary of less than 200 rupees per month.

Medical graduates and licentiates.- As against 207 medical graduates seeking employment assistance at the end of March 1955, 216 were on the live registers at the end of June 1955. Of those 157 or 73 per cent were in West Bengal alone. One hundred nineteen were fresh from colleges with no experience, while 45 had experience of less than two years. Seventeen such graduates were over 45 years of age.

As against 259 medical licentiates on the live registers of the employment exchanges as on 31 March 1955, 234 such licentiates were seeking employment assistance at the end of June. Of them 178 or 76 per cent were concentrated in the State of West Bengal alone. One hundred and seven of the total number were freshers, while 49 had experience of less than two years. Fiftyseven licentiates were over 45 years of age. Seventytwo or 33 per cent of the medical graduates and 199 or 85 per cent of medical licentiates are reported to be ready to accept jobs carrying a pay of less than 200 rupees per month.

Discharged Central and State Government employees.- Exchange statistics reveal that during the period 1950-54, 172,278 registrations and 54,754 placements were effected in respect of discharged Central and State Government employees. Of the placements secured 34,869 were in regard to discharged Central Government employees and 19,885 in regard to discharged State Government employees.

(Review of the Work done by the Directorate-General of Resettlement and Employment during the month of July 1955; issued by the Ministry of Labour, Government of India.)

74

83. Vocational Training.

India - September 1955.

Labour Ministry's Training Schemes: Progress during  
July 1955.

Training of craftsmen.- According to the review of the working of the Directorate General of Resettlement and Employment for the month of July 1955, the number of trainees on the roll of various training institutes and centres on 31 July 1955 was 7,655. There were 7,626 (including 14 women, 13 in draughtsmen mechanic and 1 in turner trades at the industrial training centre Maharaja's Technical institute, Trichur) trainees in the technical trades and the remaining in vocational trades. The trade tests in vocational were held during the last week of July 1955 and all the trainees in vocational trades were discharged thereafter.

During the month under review, sanction was accorded to the establishment of an industrial training centre with a seating capacity of 56 seats in technical trades, only, at the Bhagalpur engineering and technical school, Bhagalpur. Besides, with the closure of industrial training centre, central polytechnic, Madras, the entire seating capacity of 64 seats in technical trades, along with the trainees, was transferred to the industrial training institute, T. Nagar, Madras. Thus, the total number of training institutes and centres imparting technical and vocational training, under the scheme, remained the same.

Sanction was also accorded to the starting of a short term course with a seating capacity of 96 'Sheet Metal Work' at the industrial training institute, Bangalore, with effect from 1 September 1955. The duration of the course would be nine months and a scholarship of 25 rupees per month per trainee would also be admissible to 33 1/3 per cent of trainees.

Training of displaced persons.- Trainees undergoing training in vocational trades were also trade tested under the displaced-persons' Training scheme and were discharged during the month under report. The total number of displaced persons undergoing training as at the end of July 1955, was 1,781 in technical trades only.

Apprenticeship training for displaced persons.- A total of 432 displaced persons were undergoing training as apprentices in industrial undertakings and establishments in Uttar Pradesh and West Bengal against 1,400 seats sanctioned for the purpose. They were recruited and posted direct to the undertakings and establishments concerned.

1211

75

Results of apprentice-trainees who completed their training under the said Scheme, were received from the regional directors of resettlement and employment, Uttar Pradesh and West Bengal. A total of 916, 227 in Uttar Pradesh and 689 in West Bengal, completed their apprenticeship training during the period from August 1955-July 1954. This raised the total number of displaced persons who completed training since the inception of the apprenticeship training scheme for displaced persons to 2,292.

Training of women.- All the women were also trade tested and discharged at the end of the month under report.

Training of supervisors and instructors.- In the 15th regular session which commenced from 16 May 1955, 103 supervisors and instructors were receiving training at the central training institute for instructors, Koni-Bilaspur, at the end of the month. This includes two supervisors and instructors who were undergoing training in the short term session which commenced from 1 July 1955.

Training of women craft-instructors.- Under the scheme for the training of women craft instructors introduced at the industrial training institute for women, New Delhi, with effect from 1 May 1955, twenty-one women instructor-trainees were receiving training against a sanctioned capacity of 20 at the end of July 1955.

Training of school going children in hobby centre, Allahabad.- A total of 120 trainees were undergoing training at the end of the month under report at the hobby centre, attached to the industrial training institutes, Allahabad, as against 104 last month. These boys were taking keen interest in their training.

(Review of the Work done by the Directorate-General of Resettlement and Employment during the Month of July 1955; issued by the Ministry of Labour, Government of India ).



76

Expansion of Secondary Education: All-India Council  
set up.

The Government of India has set up an All-India Council for Secondary Education, on the lines of the All-India Council of Technical Education to serve as an expert body, advising the Government on improvement and expansion of secondary education. Prof. Humayun Kabir, Secretary of the Union Ministry of Education, is the chairman of the Council which has two more representatives of the Union Education Ministry, three representatives of the Central Advisory Board of Education, six members from the Education Departments of States, six nominated educationists and one representative of principals of training colleges, a representative of the All-India Council of Technical Education, a representative of the Inter-University Board and a representative of the Community Projects Administration.

The need for the setting up of a small body of experts to advise on secondary education, it is learnt, has been felt by the Government of India as progress is being made in the implementation of the Union Education Ministry's programme of reforming secondary education, following its acceptance of the recommendations of the Secondary Education Commission appointed in October 1952, under the chairmanship of Dr. A. Lakshmanaswami Mudaliar.

Besides acting as an advisory and reviewing body, the Council will also examine and appraise proposals in the field of secondary education referred to it by the Government of India and the State Governments and assist in the implementation of approved programmes.

The Council will also initiate proposals for the improvement of secondary education in the light of the experience gained by it and within the ambit of decisions taken by the Government of India from time to time. It may also encourage research in problems relating to secondary education in all its aspects.

(The Hindustan Times, 8 September 1955).

Chapter 9. Social Security

77

93. Application.

India - September 1955.

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

Bombay: Working of the Workmen's Compensation Act, 1923 during the Year 1954.

Number of cases and compensation paid.- According to the annual report on the working of the Workmen's Compensation Act, 1923, in Bombay\*, during the year 1954, the year opened with 528 cases (both applications and agreements) pending from last year and 2,746 were received during the year. Out of these 3,274 cases, 2,766 were disposed of during the year under report and 508 were pending at the end of the year as against 2,586 and 526 respectively last year. Of the 2,766 cases disposed of during the year, 345 related to fatal accidents, 2,385 to non-fatal accidents of which 2,186 resulted in permanent disablement and 199 in temporary disablement and the remaining 36 were miscellaneous. The total compensation paid in respect of all the cases was 1,848,256 rupees as against 1,741,680 rupees last year. This amount is however, exclusive of the compensation paid by employers who are covered by the notification issued under section 16 of the Act which is estimated at 420,423 rupees. Thus the total of all kinds of compensation paid (except for temporary disablement by non-reporting employers) comes to 2,268,679 rupees.

The following table indicates the number of cases of injuries in respect of which final compensation has been paid during the year and the amount of compensation paid:-

---

\* Annual Report on the Working of the Workmen's Compensation Act, 1923, for the Year 1954 in Bombay State. Obtainable from the Government Book Depot, Charni Road Gardens, Bombay-4. Price Annas 2 and pies 9; pp.19. 1955.

28

	Average number employed per day	Accidents					
		Number of cases of injuries in respect of which final compensation has been paid during the year			Amount of compensation paid		
		Death	Perma- nent Disable- ment.	Temporary Disable- ment.	Death	Permanent Disable- ment.	Temporary Disable- ment.
				Rs.	Rs. A.	Rs. A.	
Municipalities and District-Local Boards -							
Adults ---	34,483	- 3	- 4	- 37	6,450	796 0	1275 1
Minors ----	278	-	-	-	-	-	-
MISCELLANEOUS							
Fire Brigade -							
Adults ---	879	-	- 1	- 2	-	630 0	1 10
Minors ----	-	-	-	-	-	-	-
Factories Manufactur- ing Explosive -							
Adults ---	358	- 21	- 1	-	22,370	680 6	-
Minors ----	16	-	-	-	-	-	-
Electric Supply Cos.-							
Adults ---	8,606	- 3	- 11	- 151	9,400	11358 0	5052 3
Minors ----	-	-	-	-	-	-	-
Cinema Film Manu- facturing Cos. -							
Adults ---	1,615	-	- 1	-	-	1278 0	-
Minors ----	-	-	-	-	-	-	-
Light Houses -							
Adults ---	140	-	-	-	-	-	-
Minors ----	-	-	-	-	-	-	-
Railway Servants -							
Adults ---	91,310	- 42	- 50	- 2,781	108,750	56011 8	89179 9
Minors ----	-	-	-	-	-	-	-
Post and Telegraph Department -							
Adults ---	18,540	- 5	- 1	-	7,900	1260 0	-
Minors ----	15	-	-	-	-	-	-
Total Adults ---	912,186	156	1,566	13,591	390,440	751944 0	420422 10
Total Minors ---	2,237	-	1	-	-	441 0	-

The total compensation reported by the employers in respect of all accidents amounted to 1,563,248 rupees as against 1,546,869 rupees last year.

79

During the year under report 226 reports were received, 119 from employers under section 10-B and 107 from other sources. Of the total number of 360 reports it was found that 27 were not covered by the Act. In 56 cases deposits were received voluntarily and in 86 after issue of notices under section 10-A.

The following table shows the deposits received both voluntarily under section 8(1) and 8(2) and under awards in contested cases and amounts disbursed during the year:-

	Rs.	A.	P.	Rs.	A.	P.
Opening Balance -						
Fatal Accidents	--	306,261	3 10			
Non-Fatal accidents	--	38,998	11 4	345,256	15 2	
Receipts -						
Fatal Accidents	--	842,823	0 3			
Non-Fatal accidents	--	345,693	9 3	1,188,516	9 6	
Payments -						
Fatal accidents	--	781,732	6 0			
Non-fatal accidents	--	349,205	14 3	1,130,938	4 3	
Closing Balance -						
Fatal accidents	--	367,351	14 1			
Non-fatal accidents	--	35,483	6 4	402,835	4 5	

The Commissioner is empowered to invest the compensation amount in Government securities or National Savings Certificates or deposit it in a post office savings bank. The total amount so invested was 148,650 rupees.

The total number of cases dealt with during the year, including those pending from last year, was 3,274 as against 3,112 for the last year. The number of cases disposed of during the year was 2,766 as against 2,586 last year. The number of post office savings bank accounts open at the end of the year and the amounts held in deposits were 1,852 and 1,464,700 rupees as against 2,134 and about 1,629,070 rupees last year.

**General remarks.-** The employer of a fire works factory in Bombay voluntarily deposited 21,080 rupees for compensation admissible under the Act for those who were injured or for the survivors of the deceased on account of a serious explosion in the factory.

The Textile Labour Association of Ahmedabad was responsible for handling 716 claims. The total amount of compensation secured in all the claims was 170,844 rupees. The Rashtriya Mill Mazdoor Sangh of Bombay, was responsible for handling 202 claims including 51 pending from the previous year. The compensation secured in all these claims amounted to 76,572 rupees.

121

30

Punjab: Annual Report on the Working of the Workmen's  
Compensation Act, 1923, during the Year 1953.

The Government of Punjab published on 30 September 1955 its review of the annual report on the working of the Workmen's Compensation Act, 1923, in the State of Punjab during the year 1953. According to the review during the year the Senior Sub-Judges of the districts and Sub-Divisional Officer, Kulu, continued to function as Commissioners for Workmen's Compensation under section 20 of the Act. The Land Acquisition Officer, Bhakra-Nangal Project, Ambala City, was appointed Commissioner under the Act in respect of cases of compensation occurring within the local area of Bhakra-Nangal Project.

There were 28 cases pending from the last year and 312 fresh cases were received during the year making a total of 340 cases as summarised below:-

---

(i) Fatal	--	102	Including 13 cases transferred by
(ii) Permanent Disablement--	--	104	some commissioners for disposal
(iii) Temporary disablement--	--	134	to others.
Total.		<u>340</u>	

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Of these 340 cases, 258 were disposed of, leaving a balance of 82 cases as pending at the close of the year.

There were 31 cases relating to proceedings other than award of compensation and deposits, including 11 cases relating to disablement of women and persons under legal disability. Of these 24 cases were disposed of leaving a balance of 7 as pending by the end of the year.

There were 271 cases of agreement including 14 pending from the last year. Of these, 205 were disposed of leaving 66 cases, 20 relating to payment of compensation for permanent disablement, 12 temporary disablement and 34 to compensation of half-monthly payments as pending at the close of the year.

The number of workmen to whom compensation was awarded during the year was 121 as against 139 during the preceding year; these cases are split up as under:-

---

(1) Fatal	--	50
(2) Permanent disablement	--	45
(3) Temporary disablement	--	26
Total	--	<u>121</u>

---

No prosecution was launched by the Commissioners for Workmen's Compensation, during the year.

statement

The consolidated/submitted by various factories coming under the coverage of the Act, indicates that there were 2,228 accidents during the year under report of which 188 related to deaths, 233, to permanent disablement, 1,806 related to temporary disablements and one related to death from occupational disease. Total amount of compensation paid in respect of these accidents amounted to 400,776 rupees 12 annas and 6 pies as against 244,994 rupees and 3 pies during the preceding year. The amount of compensation paid for different categories of accidents was as under:-

		Rs.	A.	P.
(1) Fatal	--	229,485	4	0
(2) Permanent Disablement	--	99,851	10	0
(3) Temporary Disablement	--	67,939	14	6
(4) Occupational Diseases	--	3,500	0	0
Total	--	400,776	12	6

There was one case of death due to occupational disease during the year under report.

(Supplement to Punjab Government Gazette,  
30 September 1955, pp. 129-130 )

82 ✓

94. International Agreements.

India - September 1955.

Burma: Report on the Working of the Workmen's Compensation Act for the Year 1953\*.

Legal changes.- During the year under report there were no legal changes either in the Workmen's Compensation Act, 1923, or in the Rules made thereunder.

Cases dealt with by Commissioners.- The following comparative statement shows the number of Workmen's Compensation cases dealt with by the Commissioners and the amount of compensation paid by employers during the previous two years and the year under report:-

	1951	1952	1953
(a) Application under section 10 of the Act dealt with by Commissioners. -----	60 (19)	68 (35)	61 (32)
(b) Deposits under section 8 of the Act dealt with by the Commissioners. -----	41 (16)	43 (5)	27 (17)
(c) Application for Registration of Agreements dealt with by the Commissioners. -----	47 (38)	41 (40)	57 (46)
(d) Number of accidents reported by the employers. -----	1,148 (255) <u>K</u>	1,268 (795) <u>K</u>	980 (340) <u>K</u>
(e) Amount of compensation paid by the employers. -----	114,955.10 (111,132.8)	201,325.20 (184,363.79)	217,569.89 (98,145.43)

Figures shown in brackets relates to the Rangoon Town District.

It may be observed that there was a decrease in the number of accident cases during the year under report with a consequential

\* Ministry of Public Works and Labour; Directorate of Labour, Burma: Report on the Working of the Workmen's Compensation Act, 1923, as amended by the Workmen's Compensation (Amendment) Act, 1951 in Burma, for the Year 1955. Rangoon. Superintendent, Union Government Printing and Stationery, Burma, 1955. Price 70 Pyas; pp.9.

83

decline in the total amount of compensation paid by the employers. The decrease was mainly attributable to the fact that workmen are becoming more and more conscious of safety devices. Moreover the effective control by the Inspectorate of Factories in the rigid enforcement of the provisions of the Factories Act and the setting up by the employers of more safety measures in various factories to avoid accident is also accountable for the decline in the number of accident cases during the year under report.

Number of accidents and compensation paid.- The following table shows the number of accident reported and compensation paid as reported by the employers:-

Industry	Establishment.	Workmen employed	Killed		Permanently disabled		Temporarily disabled	
			Persons	Amount paid	Persons	Amount paid	Persons	Amount paid
			K.		K.			
All Industries	761	77,988	31	99,588.55	98	81,596.89	956	36,384.45
Railways	8	19,256	7	29,933.97	5	3,956.54	41	3,638.31
Factories	581	26,773	13	33,810.25	73	60,336.99	68	4,625.40
Mines	114	12,873	2	19,720.00	3	6,985.58	252	6,953.27
Port Trust	4	6,146	5	15,722.85	5	2,364.74	143	7,362.86
Oil Winning	5	2,031	1	3,921.48	2	589.82	181	4,727.16
Inland Water Transport.	3	7,721	-	-	7	4,043.47	119	2,582.06
Cinema Exhibition	19	503	1	2,160.00	-	-	-	-
Miscellaneous	27	2,685	2	4,320.00	3	3,319.75	152	6,495.39

Minors (in factories) included 257; Minors (in Mines) included 106; Minor (in Oil Winning) included; Minors (in Inland Water Transport) included; Minors (in Cinema Exhibition) included; Minors (in Miscellaneous) included.

General.- The report states that workers and employers are getting more conversant with the principles of the Act. Trade union leaders are also rendering more personal assistance to the dependants of workmen in prosecuting claims under the Act.



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84

CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

INDIA - SEPTEMBER 1955.

111. General.

Newton-Chickoli Coal Mine Disaster: Court of Inquiry  
holds Manager responsible.

The Court of Inquiry which investigated the causes of the Newton Chickoli Colliery disaster (vide pp.98-99 of the report of this Office for December 1954) has held the manager of the colliery, Mr. K.S. Mathur, responsible for the incident.

Sixty-three persons were killed in the accident which occurred at Chhindwara in Madhya Pradesh on 10 December 1954.

The court, which consisted of Mr. Justice V.R. Sen, a judge of the Nagpur High Court, and two assessors, has expressed the view that the accident was caused by the inrush of a huge quantity of water which had accumulated in the adjoining abandoned mine for many years.

There were 112 persons inside the mine at the time of the accident, out of whom 49 managed to come up to the surface. The remaining 63 were entrapped and drowned.

The eruption of water estimated to be several million gallons, was according to the court, due to the non-observance of certain precautions embodied in the mining regulations and the negligence of the manager was the sole cause of the accident.

The Labour Minister, Mr. Khandubhai Desai, who placed the report on the table of the Lok Sabha in reply to a question on 3 September 1955, said it was now under the Government's consideration.

The court has made a number of recommendations aimed at preventing the recurrence of the disaster, one of which is the appointment of a high-level commission (like the Royal Commission on safety in coal mines appointed in 1935).

The court has also held that there was considerable laxity of supervision, "which appears to be due to inadequate supervisory staff or negligence". For this again, in its views, the manager has to bear responsibility.

Recommending a substantial increase in the number of mines inspectors, the court says: "Increased depth, modernisation of mines and ageing of mines have brought in their trail attendant difficulties and unsafe conditions requiring constant and intelligent supervision. In our opinion, coal mines should be inspected four times a year".

(The Statesman, 4 September 1955).

12. I. Sec. 111

85

CHAPTER 12. INDUSTRIAL COMMITTEES.

INDIA - SEPTEMBER 1955.

121. Special Information.

Labour Conditions in the Woollen Textile Industry  
in India.

A review of the conditions of labour in the woollen textile industry in India was reviewed at pages 71-76 of the report of this Office for August 1951. The information related to 1950. With a view to bringing it up-to-date, the Labour Bureau issued a questionnaire early in 1953 to 43 units in the industry, excluding the woollen carpets manufacturing units. Of these only 24 units supplied the requisite data and an article based on the replies received has been published in the 'Indian Labour Gazette', Vol. XIII, No. 1, July 1955. The following is a summary of the article.

Employment.— The 24 units which replied to the questionnaire employed 11,607 workers in March 1953. Of the 24 units, six units employing 500 or more workers, accounted for 81 per cent of the employment. The following table shows the employment data by men and women:—

States	No. of Units in 1953	No. of workers employed in March 1953				Percentage of Column 4 to Column 2
		Total	Men	Women	Children	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Units employing less than 500 workers.</b>						
<b>Group A—</b>						
Bombay	3	799	715	84	—	10.5
Madras	4	236	154	82	—	34.7
Punjab	8	466	384	72	10	15.5
Mysore	1	71	71	—	—	—
Jammu and Kashmir.	1	380	380	—	—	—
Uttar Pradesh—	1	268	267	1	—	—
Total.	18	2,220	1,971	239	10	10.8
<b>Units employing 500 or more workers.</b>						
<b>Group B—</b>						
Bombay	2	3,648	3,236	412	—	11.3
Punjab	2	2,165	2,121	42	2	1.9
Mysore	1	688	596	92	—	13.4
Uttar Pradesh—	1	2,886	2,848	38	—	1.3
Total	6	9,387	8,801	584	2	6.2
Grand Total	24	11,607	10,772	823	12	7.1

86

Permanent and temporary workers.- Among the workers, 83.5 per cent were permanent. This proportion was 70.8 for the smaller units, and 86.8 for the bigger units. There were no temporary workers in five units - two big and three small. In eight small units all the workers were temporary. Proportionately, more women were temporary.

Length of service.- The number of workers having less than one year's service was very small. There was a progressively higher proportion of permanent workers in the three length of service categories. Nearly 40 per cent of the workers had more than 10 years of service, which seems to suggest that stability of service in the industry was fairly satisfactory. The percentage in the various length of service categories are largely dominated by the position in the bigger units. The position in the smaller units seems to have been different. Nearly 70 per cent of the workers had length of service between one to 5 years and 22 per cent between 5 to 10 years. Thus, bigger units had a greater stability.

Time-rated and piece-rated workers.- Time-rated workers formed 65.7 per cent of the total number. The proportion of piece-rated workers was higher in those units employing less than 500 workers as compared to those units where 500 or more workers were employed. Four units in Madras and one in the Punjab employed only piece-rated workers. Proportionately more women were on time-rates.

Labour turn-over.- Data regarding labour turn-over were available for 18 units. In these units, the proportion of workers who were discharged, left, retired or died during the preceding 12 months to the total number in March 1953, was 20.5 per cent. The details are shown in the table below:-

Units Employing	No. of Units	No. of workers who were			Total Exits	No. of workers at the end of the year
		Discharged	Left of their own accord	Retired		
(i) Less than 500 workers - Group A.	12	232	560	7	799	1,960
(ii) 500 workers and above - Group B.	6	1,189	278	64	1,531	9,384
Total.	18	1,421	838	71	2,330	11,344

Absenteeism.- The over-all rate of absenteeism was 6.3 per cent. It was 5.5 for Group A (less than 500 workers) and 6.3 for Group B (500 or more workers).

87

Accidents.- Of the 24 units, 13 reported that there were, in all, 274 accidents during the 12 months ending March 1953, giving an accident rate of 2.4 per one thousand workers. Of these 237 were minor, 36 serious and one fatal.

Recruitment and training.- Only two units, one each in Uttar Pradesh and Punjab utilised the services of employment exchanges for recruiting workers. In others workers were recruited directly by the manager usually. Facilities for training workers were in existence in four (two big and two small) units, but none of these paid any allowances during the training period. In one big unit in the Punjab workers required for the worsted spinning department were given training for 15 days. The second big unit in Uttar Pradesh provided facilities for training, but there was no regular system for it.

Wages and earnings.- Information relating to wages, dearness allowance, etc. of the least skilled labour was available for 22 units, and of these 4 units in Madras employed only piece-rated workers. The piece-rates in Madras units were thirteen annas per square yard for weavers and one anna per lb. of yarn for spinners. Of the remaining 18 units, 8 gave consolidated wages. The consolidated wages of the least skilled workers in these eight units were as follows:-

State	No. of units	Consolidated monthly wages
		Rs. A.
Punjab	6	41 0 (Average)
Mysore	1	19 8
Jammu and Kashmir	1	39 0

In the Punjab units the actual monthly wages were 25 rupees in one, 30 rupees in two, 45 rupees in two and 52 rupees in the sixth unit.

The average basic wage and dearness allowance paid to the least skilled workers in the remaining ten units are given below:-

State	No. of Units	Basic Wage	Dearness Allowance (March 1953)	Total
		Rs. A.	Rs. A.	Rs. A.
Bombay	5	30 2	63 5	93 7
Uttar Pradesh	2	9 0	35 5	44 5
		and	and	and
		30 0	57 11	87 11
Punjab	2	14 10	34 0	48 10
		and	and	and
		35 0	15 0	50 0
Mysore	1	26 0	38 2	64 2

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88

In six out of ten units, dearness allowance was linked to cost of living index numbers and in the remaining four it was fixed at a flat rate. Dearness allowance in five units in Bombay was regulated by the Bombay textile rate but in the sixth unit in Mysore, it was fixed at 2 annas 6 pies per point rise over 100 in the cost of living index number.

Apart from dearness allowance, no other allowance was paid in any of the units excepting three. Of these, one smaller unit in Uttar Pradesh gave an extra allowance of 5 rupees 6 annas per month. This included 10 per cent of the basic wage for regular attendance; in a second unit in the same State on the basis of a Government order 900 out of 2,886 workers were given a personal wage, which amounted to about 5 rupees 3 annas per worker in March 1953. In the third unit in Mysore permanent workers who did not absent themselves for six months continuously were given an attendance allowance of 2 rupees ~~1~~ 1/2 annas and 6 pies at the end of the period. Eleven units stated that they were giving bonus of one kind or another to their workers. Of these two gave both profit bonus and production bonus and seven gave only profit bonus. In the remaining two, only production bonus was given. Details of the scale of bonus etc. paid to the workers are not available.

Data regarding earnings of workers show that the earnings of workers in bigger factories were generally higher than those in smaller factories. From the data received under the Payment of Wages Act, which applies to workers drawing less than 200 rupees per month, it is seen that the annual average earnings in 1953 in some of the States were: Bombay - 1,350.4 rupees; Uttar Pradesh - 1,269.7 rupees; West Bengal - 790.9 rupees; Punjab - 640.6 rupees and Madras - 106.6 rupees. This shows a wide range of variation and confirms the existence of great diversity in the wage rates.

Hours of work, shift, etc.- The weekly hours of work were generally 48 but they were 45 or 46 in exceptional cases. The period of daily rest interval varied from half an hour to one hour in most of the units. Of the 24 units, 9 (all smaller units) worked one shift each, 9 worked 2 shifts each, 5 units had 3 shifts and the remaining unit had 4 shifts. In 15 of the units, having more than one shift, the period of change-over of shift was monthly in all the five Bombay units, fortnightly in four units and weekly in one unit. In two units the period of change over was either weekly or fortnightly varying with the departments. In the Jammu and Kashmir unit, shifts were not changed. Similar details regarding the period of change over of shifts in the case of two units are not available. Special allowances and facilities to night shift workers were given in five units. Of these, in one big and one small unit in Bombay and in one big unit in Uttar Pradesh night shift workers were given an extra allowance of one anna per head per shift. In a fourth big unit in Bangalore, workers employed in a shift extending beyond midnight were paid at rate of one anna per night upto 3 a.m. and two annas thereafter. In this unit, in addition all the night shift workers were given coffee free of cost. The watchmen got free tea early in the morning.

89

In the Jammu and Kashmir State unit, the wage rates of night shift workers were higher than those of day-workers by 6 1/4 per cent.

Holidays and leave.- <sup>Apart</sup> Report from the four units in Madras where workers were paid on piece-rates when work was available, information relating to holidays and leave was supplied by all the units, except one. The provision for annual leave was in accordance with that in the Factories Act, namely, one days' leave for every 20 days worked. However in the big Bangalore unit the provision was different. There the workers were given 10 days' leave per year, after one year's service, this was raised to 15 days' leave for workers with more than 5 years' service. In Jammu and Kashmir unit workers were given the option of taking their earned leave or wages in lieu thereof. Festival holidays were given only in nine units, the number of such holidays was between 2 and 5 in seven units, seven days in the eighth and ten in the ninth unit. In the last unit, workers were given only full dearness allowance, for festival holidays. Casual leave and sick leave facilities were given only in one big unit in Bangalore. Workers were given casual leave but they got only the dearness allowance and not pay. The workers were given sick leave upto 3 months when they received half pay and half dearness allowance.

Industrial disputes.- Details regarding the number of strikes, man-days lost etc. obtained from the returns received in Labour Bureau are given below:-

Year	Number of		
	Disputes	Workers involved	Man-days lost
1951	3	93	554
1952	13	5,912	20,646
1953	8	779	6,526

The figures for 1952 were unusually high. This was so primarily due to major strikes in two units in Bombay State, both together accounting for 15,717 man-days involving 2,521 workers. Similarly in 1953 there was a loss of 4,795 man-days involving 2,004 workers, due to disputes in two units one each in the Punjab and Bombay. The disputes in these units carried on for a long time. The duration of the dispute was 67 days in the case of one and 68 days in that of the other. Except for these there was no dispute lasting for more than 11 days in the period 1951 to 1953.

Trade unions.- Trade unions of workers existed only in 13 units; there were no unions in the four Madras units and in five units in the Punjab. Information regarding trade unions was not available in respect of two units in the Punjab. Leaving apart four unions, of Mumbai Woollen Kamgar Union, Bombay, the Woollen Mill Kamgar Union, Thana, Dhariwal Mill Mazdoor Union and Mill Workers' Union at Dhariwal, which were confined to woollen industry only, the rest of the unions were generally mixed textile unions, i.e., their membership extended to woollen and cotton textiles both. The Mumbai Woollen Kamgar Union is a representative union for the local area of Bombay under the Bombay Industrial Relations Act, 1946.

90

Of the remaining unions, four out of seven for which data are available, were registered under the Indian Trade Unions Act and were recognised by the employers.

Standing Orders.- Certified standing orders existed only in six units - 3 big and 3 small ones. In five other units, two big and 3 small, the orders were either being finalised or had been submitted to the appropriate authorities for certification. One big unit in the Punjab reported that it followed the Model Standing Orders, though it did not have certified standing orders. Works Committees or their equivalents having workers representatives existed in six units. The formation of a works committee in another unit was reported to be under contemplation. All the committees were stated to be functioning satisfactorily. All the six big units and one small unit had labour and welfare officers, to look after the problems of welfare and recruitment.

Housing and medical facilities.- Eleven units, five big and six small, employing in all, 7,592 workers provided housing accommodation to their workers. Of these eleven units, seven were in Punjab, two in Mysore and one each in Bombay and Uttar Pradesh. The percentage of workers so housed to the total number of workers in ten of the units was 29. This percentage for the various States was, Punjab - 40, Mysore - 18, Bombay - 12 and Uttar Pradesh - 37. In the remaining units, housing accommodation was not provided. Of the eleven units, five provided rent-free accommodation and five units charged different rents. It was 2 rupees per month in the first, 1 rupee 8 annas to 3 rupees in the second, 1 rupee in the third, 5 rupees 8 annas to 8 rupees in the fourth, and from 1 rupee 4 annas to 15 rupees in the fifth. The details regarding rent are not available for the eleventh unit.

Apart from the first-aid facilities required to be provided under the law, 12 units including all the six big ones, provided medical facilities to their workers. The standard of such facilities, however, varied considerably. Five units had dispensaries with part-time or full-time staff and the managements in other 5 units had made other arrangements with the local dispensaries, hospitals, etc., for treatment of their workers. In the remaining two big units medical facilities were of a higher standard. In one unit at Bangalore, the facilities included (i) free treatment at the dispensary, with facilities of treatment in hospital, where necessary (ii) periodic prophylactic inoculations and vaccinations (iii) eye-examination of workers with defective vision; workers not getting more than 40 rupees per month, if recommended to wear spectacles, are paid half the cost of the spectacle upto a maximum of 7 rupees 8 annas (iv) periodic examination of all workers for detecting early signs of T.B. and (v) a maternity and child welfare centre in the workers' colony. The other unit in Uttar Pradesh maintained two dispensaries one at the factory and another in the workers' colony with a staff of two qualified doctors and five compounders.

91

In addition to these two dispensaries, there were also one nurse and one mid-wife to look after the maternity cases free of charge. Under-nourished children of workers were, on medical advice, given free 1/4 seer of milk.

Other welfare facilities.- Two out of three bigger units employing more than 50 women workers had creches and in the third one proposals for starting a creche were under examination. In one of the creches at Bangalore, the children were given daily baths, a well-balanced diet which included milk, cod-liver oil and fruit juice and linen garments. Women workers were given facilities to feed their babies twice a day during working hours. Although 11 units employed more than 250 workers each, canteens for workers were in existence only in seven units. Generally, the canteens were run by the employers, except in one unit in the Punjab, where it was managed by a workers' committee. Rest shelters were provided by 9 units. Often the canteens and the rest shelters were combined into one. Six units had grain shops for their employees. In one of the units the management of the grain shop was in the hands of a committee of workers and the management. In another unit, it was run by the workers' co-operative society. In seven units, co-operative societies existed. Recreational and educational facilities were provided in seven units. However, only in two of them the activities were organised on a proper scale.

Provision for the future.- Workers in the woollen textile industry are covered by the Employees' Provident Funds Act, 1952. In addition two of the bigger units had gratuity schemes also. In one unit in Bombay, gratuity was payable to workers at the time of their retirement after a minimum of 10 years' service. Details of the gratuity scheme in the other unit in Uttar Pradesh was not available.

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92 ✓

LIST OF PRINCIPAL LAWS PROMULGATED DURING THE  
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INDIA - SEPTEMBER 1955.

Chapter 4. Problems Peculiar to Certain Branches  
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- (2) Hyderabad Abolition of Inams Act, 1954 (VIII of 1955). (Hyderabad Government Gazette, Extraordinary, No. 90, 20 July 1955, pp. 445-458).
- (3) Hyderabad Khadi and Village Industries Board Ordinance, 1955 (II of 1955). (Hyderabad Government Gazette, Extraordinary, No. 89, 18 July 1955, pp. 435-444).

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