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INTERNATIONAL LABOUR OFFICE
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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION

INDIA - JANUARY 1958

12. Activities of External Services.

Meetings

- (a) Shri V.K.R. Menon, Director, attended the annual conference of the Indian National Trade Union Congress held at Madurai from 1 and 2 January 1958.
- (b) Shri V.K.R. Menon participated in the inaugural meeting of the First All-India Labour Economics Conference held at Lucknow on 6 January 1958.
- (c) On 29 January 1958, Shri N.N. Kaul, Secretary, read a paper to the III Year students of the Business Management Course of the Delhi School of Economics. The subject of talk was labour relations.
- (d) Shri V.K.R. Menon participated at a meeting convened by the U.N.T.A.B. Resident Representative in India to enable U.N. experts in India to meet Mr. David Owen, Executive Chairman, U.N.T.A.B., at New Delhi on 24 January 1958.

Articles

An article entitled "4th ILO Asian Regional Conference. ILO Meets the Challenge in Asia" by the Director of this Office was published in the Indian Worker (INTUC Annual Session Special), Vol 6, Nos 12-14 dated 1 January 1958.

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Chapter 2. International and National Organisations

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

India - January 1958.

Sixtythird Session of Indian National Congress, Assam, 18-19 January 1958: Need for Greater Efforts to Reach Goal of Socialism Stressed.

The sixtythird session of the Indian National Congress was held at Pragjyotishpur (Assam) from 18 to 19 January 1958. Shri U.N. Dhebar, President of the Congress, presided. The meeting was attended by delegates from all over India including most of the Union and State Ministers.

The session, among others, adopted a resolution on the economic situation calling for greater efforts to achieve socialism. By another resolution the session demanded an early solution of the land problem. Other resolutions referred to foreign policy and the adoption, by gradual stages, of Hindi as the official language of the country.

Land reforms must revolutionise the mind of people: Shri Dhebar's address.- Delivering his presidential address, Shri U.N. Dhebar called upon the people to constantly guard against the tendencies that might violate the spirit of integration. Referring to the language controversy, which he hoped would be settled with the assistance and co-operation of all, Shri Dhebar categorically stressed that Hindi should become the official language of India. But care had to be taken to ensure that the changeover did not create an atmosphere of prejudice or avoidable hardship.

Administrative re-organisation.- Shri Dhebar drew attention to the problem of administrative re-organisation which, he said, was a matter of fundamental importance not only from the point of view of popular contentment but also from the point of view of securing the people's support in the new tasks Government had set themselves to achieve.

Land reforms.- As regards the question of land reforms, Shri Dhebar emphasised that the completion of the land reforms before the end of the Second Five-Year Plan would work a revolution in the minds of the people. But land reform was the first step from which the process of revival of the rural economy had to start. He pointed out that panchayats should be the real base of the administration of the district.

Democratic socialism.- In the course of his address Shri Dhebar discussed democratic socialism, the pattern of a new rural life, the food problem and the plan. He said that the need for saving and for making the plan a success were "severely practical". It was to indicate to the congressmen the colossal scale of the new responsibilities that independence and their pledges had imposed upon them. It was also to indicate the role the congress had to play as an organisation in discharging these responsibilities.

Resolutions: economic situation.- Moving the resolution on economic situation, Shri Khandubhai Desai said that the shifting of emphasis on to agricultural production for the next two years of the Second Plan was not due to any 'panicky situation' but the stress and strain encountered in the working of the Plan.

Shri Desai said that success of the First Plan which laid emphasis on agriculture in so far as achievement of objectives were concerned had emboldened us to embark on a mainly industrial plan in the Second Five Year period. But the flow of capital goods during the first two years of the Second Plan had brought about a rapid depletion of our sterling balances.

He said that the resolution broadly approved of the new taxation structure evolved during the last two years. Taxes on wealth, expenditure, dividends and the proposed gift tax, were all intended to 'bring about equality in the purchasing power of different sections of the society.'

He added that socialism must be based on prosperity and not on poverty and the stress was therefore on increased production and improvement of the standard of living of the rural population who formed 82 per cent of the total population. Hence, a short term scheme for a 30 per cent. increase in food production had been provided in the resolution. Experts had shown that they were capable of increasing the agricultural production by more than 300 per cent.

Shri Desai discounted the apprehension that if agricultural production increased, the price of food would fall bringing hardship to the peasants because sufficient steps were being taken to guarantee economic prices to agricultural produce.

The resolution supported the general approach of the budget proposals of 1957 and, in particular welcomed the new direction given to the tax structure with a view to giving the fullest incentive to work and earn for the sake of increased production and progressively removing inequalities and the ill effects of a large concentration of wealth among a few persons. It said that in a country like India agricultural production, more especially of food grains was of basic importance and industrial development could not take place unless

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agriculture produced an adequate surplus. It was, therefore, of vital importance to increase the production of foodgrains so that to put an end to all imports. Detailing various steps for bettering the old methods of agriculture, the resolution said that the Congress was convinced that it was impossible to increase food production very considerably and within a relatively short period of time unless the urgency of this problem realised and every effort made by all concerned, that is, Governments, organisations, individual cultivators and the public generally, to take part in this campaign. The target of nearly 30 per cent increase given in the Second Five-Year Plan could be greatly exceeded if this effort, made in an organised way. It was necessary to assure the cultivator that foodgrain prices should be maintained at levels as would provide reasonable and adequate incentives for increased production.

Regarding small-scale industries, the resolution said that while the various basic major industrial projects in the plan had to be proceeded with as future development depended upon them, special attention had to be given to small-scale and village industries. Such small industries do not require much capital or foreign exchange. The general effect of heavy expenditure on the plan was resulting in increasing incomes over a large sector and the first impact of this increased income was on foodgrains and consumer goods. This demand for consumer goods should be met by the development of small-scale and village industries which in addition, provided employment to many persons.

The resolution was adopted.

Land Reforms.- The resolution on land reforms emphasised that in an agricultural country like India, the structure of agricultural economy, agrarian relations and laws were a matter of vital concern. It said that the aim of the Congress policy had been that the actual tiller of the land should be brought into direct relationship with the State and the intermediary interests should be eliminated. Further, that there should be a maximum limit for the size of the holding under personal cultivation. In the period of transition, the tenant should have full security and should receive a fair deal. The goal of land reform, the resolution added should be a co-operative rural economy based on the village community and on voluntary association. The principles of co-operation should be applied to agriculture and village industries alike, and for this purpose, multi-purpose village co-operatives should be formed. These co-operatives should not only provide credit, but also supplies and market facilities and other needs of the villagers. The size of the co-operative should not be too large and should be such as to enable the members to participate in its work effectively. The co-operative should be essentially

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non-official and should aim at the development of self-reliance and self-dependence and the spirit of co-operative self-help. Where possible, joint co-operative farming should also be introduced with the consent of the cultivators concerned.

Moving the resolution, Shri Y.B. Chavan, Chief Minister, Bombay, appealed for more emphasis on co-operative movement for all round rural development. "By co-operative movement" he said he meant "the totality of human efforts that will re-organise rural life".

The resolution was carried unanimously.

Other resolutions.- Other resolutions adopted by the session related to educational reform, international affairs, Goa, and the adoption of Hindi as the official language of the country.

(Amrita Bazar Patrika,
19 & 20 January 1958.)

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The First All-India Labour Economic Conference, Lucknow,
6-8 January 1958: Permanent Society Set Up.

The first All-India Labour Economics Conference was held at Lucknow from 6 to 8 January 1958. Dr. Sampurnanand, Chief Minister of Uttar Pradesh inaugurated the session and Shri V.V. Giri, Governor of Uttar Pradesh presided.

The Conference was attended by Labour economists from all over the country. Shri V.K.R. Menon, Director of this Office, attended the Conference on behalf of the I.L.O. and was Chairman of the Sectional meeting on social security.

The Conference had four special subjects on its agenda, viz., industrial relations, social security, problems of agricultural labour and teaching and research in labour economic_s. Many papers on these as well as other subjects were read at the Conference.

Dr. Sampurnanand's inaugural address.- Inaugurating the conference, Shri Sampurnanand, Chief Minister, said that whatever the connotation of the term labour economics might be it was not something which could be studied in isolation from the economics of the nation.

Shri Sampurnanand said that the advocate of the claims of labour who in his enthusiasm ignored this simple fact and thought that the interests of labour must be considered paramount to those of society as a whole, courted disaster. "Nor is this all. It has to be remembered that there is such a thing as the general interest of humanity which must get precedence over the claims of particular nations. This has to be emphasised today because, while the slogan "workers of the world unite" is heard from a thousand platforms all over the world, no one is apparently interested in calling upon the people, not merely peoples of the world to unite against poverty starvation ignorance exploitation and that prostitution of science which threatens to destroy the very foundations of culture and civilization and jeopardises the very physical existencd of mankind".

Dr. Sampurnanand said: "The foundation of labour economics is the appreciation of certain fundamental rights which labour possesses inalienably. The labourer is a human being and as such he has a right to live and to work according to his abilities for the maintenance of himself and his family the term 'maintenance' covering not only a bare physical existence but such a mode of living as is conducive to the preservation of self-respect and the development of personality. These rights are not conferred by the state and the state cannot take them away. All that it can do is to recognise them.

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"Labour economics depends mainly upon the realtions between labour and its employer. It may be that the state owns most of the import and means of production and distribution. This may, in certain respects, be better than private ownership, but such nationalisation is not really socialism or an acceptable substitute for it. In fact in certain respects it may be worse. Labour may be able to put up a fight against private industrialists but it will find itself terribly handicapped in raising its head against the state. The general citizens as a consumer may also find state monopoly more irksome. The real solution lies in the acceptance and implementation of a broad socialist pattern of life. There may be room within such a pattern even for a private sector. Every thing depends upon the willing acceptance by the entrepreneur of the implications of the Socialist way of life. Even if he is not willing or effectively able to play the role of the nation's trustee, as Mahatma enjoined him to do, he should be prepared to act as society's representative in the business concern which he controls. He should be assured of the honour, prestige and power which such a position implies. The question of monetary emoluments will, under these conditions be a matter of secondary importance. I know this is an over-simplified statement, but there will be no difficulty in making detailed adjustments, once the principle is accepted. The man with business talents should have as much right to exercise them as a person who possesses special capacities in other directions. But the limiting factor must be present in all cases, and that limiting factor is the subordination of all personal and sectional interests to the general interest of the society and the utilization of genius to the extent that it furthers the welfare of the general body of citizens".

Mutual settlement of disputes preferable to compulsory adjudication: Shri Giri's address.- In the course of his presidential address, Shri V.V. Giri, called upon labour and capital to settle their differences by themselves. He added that any decision by a third party could not be as good as the one evolved from within and based on mutual trust and confidence. He regretted that in India emphasis was being laid on compulsory arbitration rather than on mutual negotiations or voluntary conciliation. He emphasised that so long as compulsory adjudication formed part of the statute book, the employers and workers would hesitate to put their cards on the table and they should give secondary importance to collective bargaining and voluntary conciliation.

It was, therefore, high time that a basic policy with reference to the settlement of disputes was evolved. The policy of internal settlement - with sufficient safeguards, restoring to the parties their self-confidence and inculcating in them a spirit of self-government - should be the basis. He suggested that the

workers and employers should have strong organisations which could effectively speak on their behalf and deliver goods to either side. He also wanted a joint standing machinery at all levels in individual factories and in respective industries which should from time to time discuss all matters relating to production and welfare.

The Governor said that a major prerequisite for industrial progress was the prevalence of industrial peace. "Industrial peace does not merely signify the absence of industrial unrest but the active presence of harmonious and good industrial relations generating amity and good-will between the partners in an industry", he said.

He also called for the strengthening of the tripartite and bipartite machinery of the Government, both at the Centre and in the states. They should not be merely ad hoc, but a permanent staff of experts, with a thorough knowledge of the technique of different industries, must be available to the parties for the settlement of an actual or apprehended dispute. An industrial court, on the lines of the British Industrial Courts Act of 1919, should also be constituted which would effectively advise parties if all other methods of settlement failed, he said.

Shri Giri pleaded for a comprehensive social insurance scheme. He said that the conference should study the various aspects of this problem and how best and early the scheme of social security could be implemented.

Referring to the trade union movement in the country, Shri Giri said that industrial democracy could not succeed unless all concerned - workers, employers, Government and the public - fully realized the importance of a strong trade union movement and its due place to safeguard the interests of labour and for realizing the targets of production.

All workers, in the field or factory, who believe in undiluted democratic and socialistic ideals in the running of the movement, he said, should join hands to form a single central organization to represent, in an authoritative manner all their reasonable demands.

Problem of industrial relations.- Addressing the Conference, Acharya Jugal Kishore, Minister for Labour, Uttar Pradesh, stated that in the context of the objective of socialistic pattern of society, industrial relations has to be conceived in rather a wide sense than of merely the achievement of industrial peace. In this connection, it was evident that India cannot copy or accept blind-fold the means and apparatus set up in other countries for the resolution of industrial unrest.

In many of these countries, means of production were completely socialised; in others the pride of place was still given to private enterprise subject to certain State regulations and the employment was very wide. "But, we in this country have a pattern which for some time to come has place both for private as well as the public sector in economic enterprises. Our concept and technique of industrial relations will thus necessarily have to be different from that adopted by countries with different economic ideologies and economic contents. We have, therefore, to evolve a pattern suited more to our economic conditions and to the broader objective of our industrial and economic policies. It is in this context that we must judge and evaluate the accepted policy of the present Government"

Referring to the question of compulsory arbitration, Shri Jugal Kishore said that it was "often held that compulsory arbitration has no place in a democratic system of government and that it, to some extent, partake of economic despotism. In an ideal State with full employment ensured nothing would perhaps be better than that the parties to the dispute settled it among themselves and associated on an independent basis. Conditions in this country, however, are far from being ideal to any extent. Our trade unions with some exceptions, have yet to attain that height of maturity, in which they can view the problems as a whole and it would still take time to organise workmen on a representative and sound basis. The employers have also in many cases not yet adopted the changed outlook necessary for amicable relations. The basic question that presents itself is whether we can afford the luxury of long work-stoppages and the resulting bitterness in the present set-up when we are determined to conserve our resources to one common goal, namely the uplift of the country as a whole. We are prone to accept "compulsory arbitration" in events of national emergency. But is it not a phase of national emergency that we are passing through in this country? We have always to keep in mind that the standards of a welfare state can be achieved and improved only by the exercise of hard work and fair dealings and that peace and goodwill can arise only out of plenty and prosperity. Would it then really be fair to allow a trial of strength between the better organised employer on the one hand and the less organised group of workmen in this country at the present moment?

"I have no doubt that if we view this problem in this light, we shall find adequate justification for the system of compulsory arbitration contemplated under the Industrial Disputes Act of the Union Government as well as the State Governments. The basis for compulsory arbitration, let it be remembered, is however, not coercion but consent. For the system to be successful, it is necessary that it should be supported by strong public opinion, including that of the organisation of

employers and workers. This is evident in the case of the awards. Where employers have not extended their full co-operation, implementation has been delayed through appeals or writs in the Courts. It is, therefore, the duty of all of us to create a climate of what I may call "reasonableness", i.e. readiness to accept the viewpoint of others and to see the other side of the picture. It will be however a bit too presumptuous to say that the adoption of compulsory arbitration involves a departure from democratic principles. Even the most democratic countries like Australia and New Zealand have compulsory arbitration since the early years of the present century, where the organisations of employers and workpeople are in better situation to pursue direct action freely. One advantage of compulsory arbitration is that it enables an impartial investigation to be made into the facts and circumstances of the dispute. And once the information is made public and an award or a recommendation for settlement made, the chances of its acceptance are great, for both sides are better informed about the matters in dispute including the difficulties of the other side and there is thus a greater willingness on the part of both the parties to support a new approach. It is likely that during the bitter stages of struggle, either party may have committed itself to certain final or irreconcilable demands which they may refuse in negotiation to moderate for fear of "loss of face" and yet both parties may willingly accept an award given by an impartial court. We have had ample evidence of this in the working of our Industrial Tribunals and Labour Courts consequent on the recent amendment of the Industrial Disputes Act. It has been found that quite a large percentage of the cases coming up before these courts and tribunals, have resulted in an agreement. In some cases the percentage has worked out to about 45. This is no mean achievement. It is, however, not merely the achievements that are important; the settlements arrived at have often been of a long term value. The terms of these awards and the principles on which they are based have become widely known throughout industry and labour and have built up a body of "case law". Both parties know that if they disagree on certain matters which have already been the subject of awards in some other industry or locality, they are likely to get a similar decision from them. There is thus a greater ~~an~~ inclination to agree to terms similar to those in which an award has already been made. This indirect influence is quite considerable and is likely to help in the effective ironing out of difference obtaining in the levels of wages or working conditions prevailing in various regions and various industries. It has rightly been stated that "arbitration in labour disputes differs in various ways from ordinary legal processes. The basis for reaching decisions is usually less clearly defined, and instead of applying laws or dealing with existing contracts the awards often define working conditions for the future and involve adaptation to changing conditions for which there may be no precedent. The attitude adopted resembles the flexibility

of courts of equity, while the gradual development of agreed principles is somewhat akin to the evolution of common law, being based upon those customs which become widely accepted as fair and reasonable."

Another engrossing problem, the State Minister said, was the question of Industrial Relations in the State undertakings. There was already a move to try the experiment of workers' participation in industry in the public sector also, and details thereof were being worked out by the Ministry of Labour, Government of India. The U.P. Government proposed to try a new experiment in this sphere in the State. With a view to provide the workmen in these undertakings to present their case, it had been decided to constitute a State Conciliation Board for the settlement of disputes relating to State-owned undertakings. This will be a two-tier system; at the plant level there will be a Committee of workers and the representatives of management. At the State level, there will be a State Conciliation Board, composed of the Secretaries of the departments concerned. This Board will start functioning shortly. Its results will be watched with interests.

Shri Menon's address.- Shri V.K.R. Menon, Director of this Office, conveyed to the Conference the greetings of the Director-General of the I.L.O. and welcomed the efforts of the Conference to bring together specialists in the field of labour economics. Shri Menon referred to the scarcity of information about many categories of workers, particularly about the non-industrial labour. He suggested research and evaluation in certain trends in the management of labour such as productivity, foremanship training or training within industry. Case studies of individual firms or groups of workers on the lines of labour research in the United States, he said, could be another fruitful avenue of research. These studies could also concern themselves with wider questions of impact of social progress and advancement of living standards on the life of workers and the effect of large-scale industries on the employment of surrounding areas also, apart from specific aspects like work-patterns and behaviour and labour-management relations.

Decisions.- On the last day, the Conference decided to set up an Indian Society of Labour Economics and adopted its constitution. Shri V.V. Giri, Governor of U.P. was elected president of the society and Dr. S.D. Punekar its general Secretary. The aim of the society is to promote study of labour economics and research and instruction in labour and allied problems. The society would publish journals, held conferences and seminars and disseminate information and knowledge on problems of labour economics. Its membership will be open to teachers, students, trade unions, employers'

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associations, research institutions and other persons interested in labour problems and labour economics.

(The reports of the four sections on specific subjects has not yet been received and will be included in a subsequent report).

(Documents of the Conference received in this Office.

National Herald, 7-9 January 1957.)

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25. Wage-Earners' Organisations.

India - January 1958.

Ninth Annual Session of Indian National Trade Union Congress, Madurai, 1-2 January 1958: Workers Urged to Implement Second Plan patriotically.

The ninth annual session of the Indian National Trade Union Congress was held at Madurai from 1 - 2 January 1958. Shri Gulzarilal Nanda, Union Labour Minister inaugurated the session which was attended, among others, by Labour Ministers of various States, Shri V.K.R. Menon, Director of this Office, represented the ILO. Others present included fraternal delegates representing the All-China Federation of Trade Unions, Peking; the Viet Nam General Confederation of Labour Union, Hanoi; the All-Union Central Council of Trade Unions, Moscow; Shri H.K. Choudhury of Malayan I.C.F.T.U.; Shri V.S. Mathur, Director, I.C.F.T.U., Asian Trade Union College; the Labour Attache, American Embassy; and the Labour Adviser, U.K. High Commissioner's Office.

Messages of good wishes were received, among others, from the Prime Minister, several Union Ministers, the Chief Ministers of Bombay, Orissa, Punjab and Uttar Pradesh, and Shri George Meany, President, AFL-CIO.

The Congress adopted resolutions relating to wage boards, workers participation in management, retrenchment compensation, extension of Employees Insurance Scheme, industrial discipline, etc. By a resolution the Congress called upon the workers in the country to play a patriotic role in the task of implementing the Second Five-Year Plan and in securing maximum production

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of foodstuffs, consumer goods and other necessities of life. It appealed to the workers to maintain industrial peace and to work enthusiastically.

Inaugural address: need for wider perspective for workers' role in nation's economy stressed.- Inaugurating the session, Shri Gulzarilal Nanda, Union Minister for Planning and Labour, appealed to the working class to bear in mind that in its struggle for a better life it should not be concerned solely with its immediate occupation and employer, but must extend its interests and attention to embrace the entire ensemble of social and economic factors, which together formed the picture of their national economy. Referring to the question of workers' participation in management, Shri Nanda said that it "is no experiment at all" but a "policy which must succeed."

Emphasising the importance of the workers developing a larger outlook, instead of confining themselves to their immediate problems, the Union Minister said, "it will be a far more pleasing picture, if the minds of the workers can be engaged in dealing with the requisites for putting the economy of the country on an even keel, and ensuring that it acquires a dynamic and progressive character. It should be their constant look-out that the direction which is being given to the social forces in the country and the mechanisms which are being developed subserve the higher purpose of a just society. It should be above all their constant anxiety that the nation grows in solidarity and cohesion and the fissiparous trends, which may undermine its strength are checked and removed."

Referring to the obstacles which the Second Five-Year Plan is encountering, Shri Nanda said that the nation's deepest concern was about its food supply. It could not be said that with the natural resources, man-power and techniques available, this country could not have attained the position of being able to feed its people without dependence on outside sources. It would be wrong to treat this experience in the matter of food as an isolated fact. It was just part of a prevailing phenomenon in the country - that of low productivity. Man-power, skills and other resources were not being put to the most effective use in many places. Therefore, there was a low rate of increase of production and productivity. On this background, one had to examine the current demands on the nation in terms of better amenities, enlarged social services and a higher return for the efforts, put forth by the people engaged in agriculture, industry and elsewhere.

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Continuing Shri Nanda said that while the workers might well be called upon to do more, the problem of higher productivity is bound up with the whole set-up of social and economic arrangements, the level of public and industrial administration, the facilities for general and technical training and the emotional satisfaction provided for the workers, and the kind of human and social relations, which one was able to create.

Shri Nanda emphasised that the workers, particularly those belonging to the INTUC, had a mission to fulfil. A mission to ensure that the direction which was being given to the social forces in the country and the mechanisms which were being developed subserved the higher purpose of a just society.

Concluding, the Union Minister expressed the hope that their deliberations would yield fruitful results.

Presidential address: gain in real wages only if prices reduced.- Shri S.R. Vasavada in his presidential address criticised the government for not giving adequate attention to the production of food which he said was really the basis on which the country's economy could thrive.

Shri Vasavada pointed out that inflation had already set in, and a race between 'wages' and 'prices' had already commenced. To whatever level the wages were raised, the real wages were bound to be low if rise in prices were not checked. The only remedy was to curb the rise in prices of foodgrains and other consumer goods without affecting the prosperity of the agriculturists and other industries. This could be done when there was more production.

Working conditions.- Shri Vasavada said that unsatisfactory working conditions in places of work were responsible for ill-health, disability and untimely old-age among workers. While the government had made some attempts to establish appropriate standards of working conditions through various enactments like the Factories and Mines Act, a great deal still remained to be done to create the requisite consciousness among the working classes so that they insisted upon having healthy conditions of work. Shri Vasavada wanted the enactment of a National Housing Act requiring all the States to establish Housing Boards or Housing Departments in their territories and enabling them to acquire land expeditiously at low cost. He also wanted the Sickness Insurance Corporation to undertake a scheme of imparting training to young mothers in the matter of rearing their children.

Provident Fund and Gratuity.- Shri Vasavada said that it was a matter of satisfaction that the scope of the Provident Fund Act ~~has~~ also extended to cover more and more industries. It ~~was~~ now ^{has} decided to extend the application of the Act to the Shop assistants also. Sometime back, they had suggested that the rate of contribution of the employees should be raised from 6 $\frac{1}{4}$ to 8.1/3 per cent. and the employer should also contribute the same percentage. The question had been brought up for discussion at various tripartite gatherings but the suggestion had not found favour with the employers. He still believed that the suggestion was a sound one and should be accepted by the Government.

Another proposal by the workers that they should be an enactment to secure gratuity for the retiring workers had remained unattended. They had now made a new suggestion that all the social security schemes incorporating Health and Life Insurance, Provident Fund, Gratuity and Old-age Pension should be incorporated in one comprehensive scheme and such a scheme should be prepared and put in force.

Industrial relations.- Speaking about industrial relations, Shri Vasavada said that the Industrial Disputes Act had been suitably amended, to enable the parties to enter into agreement and also to make voluntary arbitration available to them. He considered these two amendments of great significance. Recourse to Industrial Courts and Tribunals might terminate a dispute but did not establish or restore harmonious and amicable relations between the parties. Amicable relations were maintained only when parties tried to see each other's viewpoint and reach an agreement and voluntarily submit their differences to arbitration.

In conclusion, Shri Vasavada said: "A socialist society is our ultimate object. Let us not forget that socialism without adequate production is starvation. Let us insist that there is complete decentralisation of the industry giving productive employment to all able-bodied men in this country. If we want to live like a nation with self-respect, we will have to rely on our internal strength and our internal resources."

I.L.O.'s interest.- Extending greetings on behalf of the International Labour Organisation, Shri V.K.R. Menon said that deliberations at the conference would be of immense use in the work of the I.L.O. and in its efforts towards solution of those vital problems which were important in under-developed countries.

General Secretary's report.- Dr. G.S. Melkote, the General Secretary, in his annual report, which was adopted unanimously, said the policy of the Indian National Trade Union Congress has been mainly guided by the objective of the establishment of a socialist society which the country has placed before itself.

The report said that the INTUC has already benefited in getting its workers trained under the Colombo Plan and under various fellowships offered by international organisations such as the ILO and ICFTU.

On the question of workers' participation in industrial management, the report points out that the Government of India appointed a study team consisting of representatives of government, employers' and workers' to visit certain European countries to study the schemes in this regard, actually in operation. In the light of the report, the Indian Labour Conference compiled a list of major industries in the private and public sectors for introducing such schemes. This measure gives a constructive and progressive lead which paves the way towards the attainment of a co-operative Commonwealth.

The report says that maintenance of industrial discipline is a vital factor for the success of the Second Plan and the entire programme of industrial development. It deplors that of late there has been evident a general deterioration in discipline at all levels. While any tendency towards the adoption of violent methods by workers needs to be strongly deprecated, efforts must be made to eliminate the causes of provocation. A tripartite subcommittee was set up by the government to draft a code of discipline in industry. The sub-committee decided that for the effective implementation of the code it was necessary to set up suitable machinery immediately.

The report calls for the maintenance of industrial harmony and improvement in labour-management relations with a view to step up production. The responsibility for the achievement of this objective, it adds, must be placed on both the employers' and workers' organisations. The government cannot absolve themselves of this responsibility by the enactment of legislation but by effectively implementing such legislation.

The INTUC, says the report, has long been complaining about dilatory tactics by a section of employers in the matter of implementation of labour legislation and awards, with particular reference to the award of the wages concerning working journalist. As a result, the Government are setting up a new unit in the Labour Ministry to investigate into the obstacles in the way of their implementation.

The report observes that in the industrial field, the managements have earned increasing profits during the last several years. But, unfortunately, there has not been any sign of wage increase except in a very few cases, a fact which has led to a lowering of the morale of workers. The unanimous agreement in the Indian Labour Conference regarding the norms for the fixation of the minimum wage and the basis for determining a fair wage to form a guidance for wage boards and other wage-fixing authorities, is a unique achievement during

the period under report. It is heartening to note that the government have appointed or are going to appoint a number of wage boards for selected industries in recent years including the textile and sugar industries.

Membership.- According to the report, the INTUC membership stood at over 1.4 million with 1,170 affiliated unions at the Surat session but in November last, it declined to 13,38,000 against an all-India aggregate of nearly 2.2 million. The INTUC which is affiliated to the International Confederation of Free Trade Unions was effectively represented on all labour conferences and committees at all levels from local regional, national to international - as the spokesmen of the Indian working class. It took active part in the fifth ICFTU world Congress held at Tunis in July 1957 and the ICFTU conference in New Delhi in April 1957 and the fourth Asian Regional Conference of the ILO in New Delhi in November 1957.

Resolutions: Wage boards.- The Congress by a resolution urged that wage boards be set up as early as possible for cement, chemicals, engineering, plantation steel and other important industries to revise their wages having regard to the fact that industrial production has substantially increased during the first Five-Year Plan and wages were below the fair wage standard.

The resolution also urged that the pay scales of different categories of workers employed in the public sector should be decided in conformity with the report of the Fair wages Committee and the unanimous agreement regarding minimum wage standard reached at the 15th session of the Indian Labour Conference.

Participation in management.- The resolution on this subject points out that in the present socio-economic context of the country and in consistency with its declared political goal, it is imperative that the management of industry should undergo a fundamental change. The worker should be considered an integral part of the industry and his status should be recognised to enable him to take real interest in the production required for the country. It is therefore in the interest of the prosperity of the nation that the employers both in public and private sectors, make suitable change in their attitude towards the workers and create an atmosphere in which the worker may feel that his co-operation and participation in the working of the industry is not only desirable but is considered very essential to achieve maximum production. If this objective has to be attained, workers must have all necessary information and knowledge about the financial and economic condition of the industry and training in various processes of production beginning with the raw material up to the finished products. If the technicians and supervisors, who guide the workers are directed to give necessary training to the workers and if they do it with real interest and sympathy, the task would not be difficult. This session of the INTUC, the resolution said, welcomes government's schemes for education of

7. of workers and for workers' participation in management and urges upon the government to set up joint councils to implement these schemes.

Second Five-Year Plan.- The resolution on the Second Five-Year Plan called upon the workers of the country to play a patriotic role in the task of implementing the plan and in securing maximum production of foodstuffs, consumer goods and other necessities of life. It appealed to the workers to maintain industrial peace and to work enthusiastically.

Industrial relations.- By another resolution, the Congress welcomed the unanimous agreement reached at the Indian Labour Conference regarding the problem of indiscipline in industry and the formulation of a comprehensive code of behaviour by the workers and employers and regards it as a very important step towards an all-round improvement of industrial relation in the country. (vide pages 1-22 of the report of this Office for July 1957). The Congress endorsed the following set of obligations to be immediately incorporated in the code for implementation: (i) there should be no strike or lockout without notice, (ii) no unilateral action should be taken in connection with any industrial matter, (iii) there should be no recourse to go-slow tactics, (iv) no deliberate damage should be caused to plant or property, (v) acts of violence, intimidation, coercion or instigation should not be resorted to, (vi) the existing machinery for settlement of disputes should be utilised (vii) award and agreement should be speedily implemented, and (viii) any action which disturbs cordial industrial relations should be avoided.

Road transport industry.- By a resolution the Congress urged the government to enact suitable legislation to regulate working and service conditions in the road transport industry.

Other resolutions.- Other resolutions related to threatened unemployment due to closures, retrenchment compensation, extension of employees' insurance scheme to workers' families, consolidated social security scheme, industrial housing and the food situation.

Office bearers.- Shri G. Ramanujam was elected President and Shri S.R. Vasavada, General Secretary for the year.

(Text of speeches and resolutions received in this Office.

The Hindu, 2 and 3 January 1958).

Central Provinces and Berar Industrial Disputes Settlement (Amendment) Bill, 1957: Non-official Bill introduced in Bombay Legislative Assembly.

The Government of Bombay published on 9 January 1958 the text of a non-official Bill introduced in the Legislative Assembly of the State on 9 December 1957 by Shri A.B. Bardhan, M.L.A. The Bill seeks to amend the Central Provinces and Berar Industrial Disputes Settlement Act, 1947, to provide for election of one-union by all the employees in the industry in the local area if there are two or more unions in the field. (For more details please see pages 42-43 of this Report).

Bombay Industrial Relations (Amendment) Bill, 1957: Provision for Periodical Election of Representative Union Made in Non-Official Bill.

The Government of Bombay published on 9 January 1958 a non-official Bill introduced in the Legislative Assembly by Shri S.G. Patker, M.L.A. The Bill seeks to amend the Bombay Industrial Relations Act, 1948, for the purpose of making representatives of employees real representatives and for certain other purposes.

The statement of objects and reasons to the Bill declares that one of the objects of the Bombay Industrial Relations Act, 1946, was to give an impetus to the growth of a sound organisation of industrial and other workers and to the collective bargaining. Working of the Act in the State for the last about eleven years has, however, proved that the object for which the Act was enacted has not been achieved. On the contrary the Act has created an institution of Representative Union which, instead of working as an Agent of the employees, has become their master. There is no effective power reserved in the hands of the employees to call back the Representative Union. The employees are, therefore, never consulted or cared for by the Representative Union. The trade union democracy has, therefore, received a great set back and the principles of collective bargaining are at stake. It is, therefore, necessary that a Representative Union should be elected by all the employees in the industry and that the election should be held periodically - say every three years. The Bill seeks also to legalise certain strikes which are declared to be illegal by the Act so that the employer will be encouraged to settle disputes.

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Chapter 3. Economic Questions.

33. Full Employment Policy.

India - January 1958.

Recent Unemployment in the Textile Industry: Working Group of Officials Set up for Timely Action.

The Government of India has set up a "working group" of officials to deal with the problem of unemployment in the textile industry.

The working group consisting of representatives of the Planning Commission, the Union Ministries of Labour and Employment, Finance and Commerce and Industry and the Textile Commissioner's Office, will collect advance information about impending closures with a view to enabling timely action to prevent unemployment.

Meanwhile latest reports are said to indicate that the unemployment situation in the textile industry has somewhat eased, of late. With a gradual improvement in the movement of cloth stocks from mills increased employment is anticipated.

In fact, some of the textile units which had issued closure notices are said to be withdrawing them. The possibility of some more units which had closed down some shifts resuming full operation is also favoured strongly.

The Sholapur Mills, which had closed down for uneconomic working, is said to have resumed operation, following an agreement believed to have been entered into by the Bombay Government with the workers, under which workers have accepted to draw only a part of the salary till economic working is established.

The appointment of a "working group" for the textile industry has been prompted by the rather disturbing rate of closures last year. While 26 units affecting 29,000 workers were closed down during the past three years, the number of complete closures in 1957 was alone as many as 17 affecting 21,000 workers. Besides, there were 22 cases of partial closure during last year resulting in the unemployment of 8,550 persons. Four more units with a labour force of 6,900 which had also served notices of closures have since withdrawn them.

(The Hindustan Times, 1 February 1958).

34. Economic Planning, Control and Development.

India - January 1958.

Panel of Economists' Views on Second Five Year Plan: Im-
plementation Feasible.

The Panel of Economists of the Planning Commission, which ended its three-day meeting in New Delhi on 11 January 1958, expressed the view in a note that the foreign exchange gap of 7,000 million rupees in the second Five Year Plan was a large one "and it cannot be assumed that external assistance of this order will be forthcoming".

The Panel was at the same time of the view that on the whole a Plan of 48,000 million rupees at present prices would be feasible. Any rephasing of the Plan at this stage would have to proceed on the assumption that the foreign exchange gap would be met.

But, it cautioned, it was necessary at the same time "to be prepared to take whatever corrective measures are required against the contingency of external assistance falling short".

The Panel of Economists considered two main problems: (i) rephasing of the Plan, and (ii) food prices and food policy. The panel reviewed the salient developments in the economy since the commencement of the second Plan. It also took note of the progress of the Plan outlay in the public sector and investment in the private sector and of the statement furnished by the Planning Commission on the lines along which the Plan was being rephased.

The Chairman of the Panel (Finance Minister) indicated in his opening remarks some of the problems that had arisen in the course of the implementation of the Plan - the shortfall in resources as compared to the requirements of the Plan, the rise in prices of food, the foreign exchange difficulties, the large increase in external liabilities over the second Plan period, etc.

The panel has not had the time necessary for a close examination of the relevant material, especially material bearing on the progress of the Plan in various sectors and sub-sectors of the economy and the possible imbalances in the system which are emerging or which may emerge hereafter in the process of rephasing. On the basis, however, of the information supplied to the panel and in the light of the discussion that have taken place in the last two days among the members of the panel, it is felt that the following main points could usefully be brought to the notice of the authorities in connexion

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with two problems mentioned earlier.

Inflationary potential. - An examination of the trends of production, investment, balance of payments and prices shows that the implementation of the Plan has resulted, even in its early stages, in generating a large inflationary potential. The heavy deficits in the balance of payments have counteracted the inflationary pressure consequent on high levels of investment relatively to the savings available. While, therefore, the inflationary pressure manifest at the moment is relatively modest, the underlying strength of inflationary forces is appreciable. On the other hand, the panel is definitely of the view that the inflationary pressure has not been in the past nor is likely to be in the future such that it cannot be held in check by appropriate policy, including direct controls at particular points, as outlined in the 1955 memorandum of the Panel of Economists.

On the whole, the panel is of the view that a Plan of 48,000 million rupees at present prices should be feasible - on the basis that external assistance of 7,000 million rupees as envisaged is forthcoming - provided there is a considerable increase in the effort to mobilize domestic resources in all forms. The above also assumes that utmost care will be taken to see that all available resources are fully ~~utilized~~ utilized and that all the expenditure that is incurred comes to fruition without loss of time. The failure to utilize a significant part of the irrigation facilities that are already available and the lag in the provision of transmission facilities in certain power projects where the generation capacity has been built up illustrate the sort of shortcomings in organisation and co-ordination that can work to the serious detriment of the Plan.

The Panel has not had the opportunity of reviewing in detail the resources position and outlook for the future. It assumes, however, that every effort will be made to raise domestic resources required for implementing a Plan of 48,000 million rupees. An expenditure of this order means, of course, reduced performance in terms of physical targets incorporated in the original Plan. Nevertheless, even this financial target of 48,000 million rupees is not easy of achievement. Considering however, that the rate of domestic savings implied in an investment target of this order is by no means high, it should be possible to devise ways of raising the resources required without causing serious strains in the process.

The Panel has taken note of the assessment by the authorities of the additional foreign exchange resources required to meet existing commitments and to fulfil the core of the Plan. A sum of 7,000 million rupees is a large figure and it cannot be assumed that external assistance of this order will be forthcoming. While the rephasing of the Plan has, at this stage, to proceed on the assumption that the foreign exchange gap will be covered by additional resources from abroad, it is necessary at the same time to be prepared to take whatever

corrective measures are required against the contingency of external assistance falling short.

It is necessary in view of the shortage of both external and internal resources to secure the maximum economy in the outlay of resources for the end-results in view. All postponable expenditure should be abandoned and a strictly utilitarian approach adopted in the matter of all construction work and the provision of amenities.

Industrial Development.- An important feature of the industrial development of the last few years has been a large increase in assembling capacity in various lines, the manufacturing activity being confined perhaps to the final and pre-final stage. This has increased considerably the dependence of the economy on imports. ~~We understand that~~ Programmes of increased production in several lines which have been included in the Plan would involve considerable expenditure on imports of raw materials and components if the targets of increased output were to be realized only on present pattern of import-based production. The local manufacture of these components and intermediate products would require imports of certain types of machinery and plan, and the problem is to balance in each case the cost of importing such plan and equipment against the cost of continued imports of components and parts in a semi-finished state.

The Panel would like to suggest that a close examination be undertaken of all such cases and the targets of production and imports in each case revised suitably on a balance of considerations - short-term and long-term. The experience of the last two years indicates clearly that in executing programmes of industrial development care should be taken not to spread out efforts in too many directions at the same time, but to try to concentrate efforts on lines of production strategic to future development and to try to make them as early as possible more or less domestic-based rather than import-based.

Export Promotion.- The implementation of a Plan which aims at raising investment above the prevalent rate of saving presupposes restraint in consumption and a great deal of discipline in the matter of deployment of resources all along the line. The fact that ~~we have~~ in addition, the very serious problem of reducing the balance of payments gap, makes it particularly urgent to review the existing export policies with a view to setting apart a larger proportion of domestically produced goods for export. To this end, the Panel feels that besides fiscal measures to assist this redirection of resources there may be need for extension of State trading and, under certain circumstances, for more direct action by way of controls and allocation. The problem of increasing exports is important both in the short run and in the long run. Such increase pre-supposes the maintenance of

to face

over-all fiscal and monetary control throughout the rest of the Plan period. But there should be no reluctance to adopt supplementary measures to ensure that an increase in consumption does not reduce the investment potential of the economy either directly or by diminishing exports.

In regard to foreign exchange expenditure, it is arguable that further commitments can be taken on if deferred payment terms are available and no payments fall due within the next four or five years. It is important in this context to remember that the finding of complementary internal resources for these projects will impose an additional strain on the economy. There are dangers in permitting an un-coordinated increase in investments in the private sector merely on the ground that no immediate foreign exchange expenditure is involved. However, exceptions could be made in particular cases where there is substantial import-saving or export-earning accruing in a short time. It is, of course, assumed that similar discipline would be exercised in regard to extension of liabilities for the public sector.

Food Problem.- The Panel discussed the food problem in the context particularly of the recommendations of the Foodgrains Inquiry Committee. (vide section 34 pp 47-55 of the report of this Office for Oct.-Nov.1957). In the conditions of agriculture in India and even with the best effort in the direction of increasing agricultural output one cannot be sure about the actual increases that will materialise in the immediate future. The panel is, therefore, of the view that the country should be prepared to face fairly difficult conditions of supply. The trend of demand can, on the whole, be assumed to remain upward. Moreover, it is impossible to rely excessively on imports to make good the domestic deficiency. The Panel recognises that a certain minimum of imports of foodgrains is necessary and that some imports, especially from South-East Asian countries, are desirable from the point of view of long-term policy. It is, however, impracticable in view of the foreign exchange situation to consider expenditure of foreign exchange for this purpose over the basic minimum and additional imports may have to be confined to such supplies of foodgrains as are available ~~xxx~~ on a special basis without involving expenditure of foreign exchange.

Taking the position of domestic production, imports and demand, the Panel thinks that it is necessary to operate with at least a minimum structure of controls. For the time being the panel feels that the recommendations of the Foodgrains Inquiry Committee offer a satisfactory structure and that steps should be taken to implement these recommendations. The Panel recognises

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the administrative and other difficulties of a system of full-fledged controls. In spite of these considerations a system of more or less full-fledged control involving compulsory procurement on the one hand, and rationed distribution on the other, may become inevitable should conditions take a seriously adverse turn. Food prices being an important element in the maintenance of the relative structure of prices and in safeguarding minimum standards of consumption, it would be desirable to initiate action even at this stage in preparation for a fairly comprehensive system of controls in case of need.

Needless to say, an increase in production of food is at present a matter of first priority. It is also the opinion of the Panel that a more diversified pattern of food consumption is necessary in many parts of the country where there is heavy consumption of one cereal especially rice. To this end, the production of non-cereal foods whose supply can be increased easily should be encouraged.

The Panel is not certain that agricultural production programmes have been sufficiently intensified to ensure the fulfilment of Plan targets of agricultural production. The panel considers that the necessary organisational measures, such as rapid extension of co-operative credit and marketing and provision of supplies need urgent attention from the Central and State Governments.

The Panel would have liked to discuss the employment aspect of the progress of the Plan. Unfortunately within the time at its disposal, this has not been possible. Prof. Shenoy had important reservations on size of the Plan, deficit financing and inflation scarcity of rupee finance and foreign exchange, food policy and the implications of the 1955 memorandum of the Panel.

(The Statesman, 26 January 1958).

Dns:

Foreign Economic Aid to India: Assistance from U.S.A., France and Japan.

During the months of January and February 1958, India signed agreements with the U.S.A., France and Japan for economic aid.

U.S. Loan.- According to a communique issued by the Ministry of Finance, Government of India, on 16 January 1958, the U.S. Government had agreed to discuss a loan programme of approximately \$ 225 million from the currently available resources of the U.S. Export-Import Bank and the Development Loan Fund.

It added that the U.S. Government was considering on an urgent basis, further measures to assist India in meeting her present food grain shortage.

The significance of the loan offer was explained to newsmen by Mr. Ellsworth Bunker, U.S. Ambassador and Shri H.M. Patel, Principal Secretary, Union Finance Ministry, at separate press conferences.

Mr. Bunker said the figure of \$ 225 million had been arrived at as a result of a "general meeting of minds" between the Governments of the U.S.A. and India as to what was required immediately to meet the needs of the second Plan. India, he added, would, of course, be eligible for further assistance under the revolving system of credit offered by the Development Loan Fund.

The same aspect was also stressed by Shri Patel who attached particular importance to the large part which the U.S. Export-Import Bank would play in the proposed loan deal. Nearly 70 per cent. of this loan would come from the Export-Import Bank and the balance from the Development Loan Fund. Though under the terms of its charter the Bank lends to Governments or to private business, in practice its lendings on Government-to-Government transactions have hitherto been only exceptions.

Referring to this privilege of exception shown in the case of the proposed loan, Shri Patel said this was the first time that the U.S. Government was giving assistance to India through the Export-Import Bank. He felt "this particular form of assisting us is rather a significant departure from the policy hitherto followed by the U.S.A. in the matter of foreign aid. It certainly appears most promising for the future".

Shri Patel said the foreign exchange gap of the Plan between October last and the end of March 1961 would be around 7,000 million rupees and that, with the latest U.S. assistance, the Japanese yen credit (about 250 million rupees) an expected additional loan of about \$100 million from the World Bank and the extended credit for the Rourkela steel plant, India was making good progress towards filling this gap.

2. He said that the Indian official team headed by Shri B.K. Nehru would be in Washington by the end of ~~this~~ ^{January} month. It would discuss with representatives of the U.S. Government details of the loan, the rate of interest, period of repayment and the projects for which the loan assistance was to be utilised.

The Principal Finance Secretary said the Government of India had already submitted to the U.S. Government a list of 75 projects - both in the public and private sectors - costing about 17,000 million rupees, their foreign exchange content being of the order of 9,900 million rupees. These projects included the hard core of the Plan as well as some other projects. India had already entered into commitments in respect of some of these projects to the extent of 2,750 million rupees thus leaving a balance of 7,000 million rupees. The team would now discuss with the U.S. authorities to which projects in the list already submitted the loan assistance could be utilized.

French Assistance. - India and France signed an agreement on 23 January 1958 for closer economic and technical co-operation between the two countries. Under the agreement, which is the first of its kind between the two countries, the Government of France will finance the supply of capital goods to India by French suppliers up to 25 billion francs (about 280 million rupees) during the next 12 months for projects which form the hard core of the second Plan.

The French Government will also help in making available to India technical experts and provide scholarships for Indians for training and higher studies in France.

The approval of both Governments will be required for utilising the assistance. The terms of the credit for each project will have to be negotiated separately between the purchaser and the supplier. The limit of the loan does not constitute a line of credit between the two Governments.

Japanese Credit. - Under the terms of an agreement signed at Tokyo between India and Japan on 4 February 1958, Japan would make available to India 18 billion yen (240 million rupees) as a special measure with a period of three years to finance India's second Five-Year Plan. This amount will be made available as a special measure within a period of three years through the Export-Import Bank of Japan to enable the Indian Government or parties recommended by the Indian Government to make purchases from Japan.

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Loans given by the Bank against this line of credit will be used for the purchase of Japanese goods, including railway equipment, hydro and thermal power generation, transmission and dam construction equipment, coal mining and processing equipment, ore mining and processing equipment, ships, port equipment, industrial machinery (inclusive of equipment for rayon, pulp, fertilizer, caustic soda plants etc.) machine tools and such other items as may be agreed upon between the two Governments from time to time.

The loan given to Indian parties will be repaid within a period of ten years and interest rate will be decided on the basis of normal level of interest charged by the International Bank for Reconstruction and Development. Details of procedure to be followed by the Export-Import Bank of Japan in giving this line of loans to Indian parties recommended by the Indian Government have been discussed and agreed upon."

India and Japan also signed trade agreement under which both Governments agreed to accord each other most favoured nation treatment on a wide range of subjects.

The subjects include customs, tariffs, imports and exports and foreign exchange transactions; entry, stay, travel and residence of each others nationals; all kinds of business and professional activities; and shipping and navigation.

The agreement is valid for two years and will continue in force thereafter subject to three months' notice.

(The Hindustan Times, 17 and 24 January, and 5 February 1958.)

Dns:.

4.

Separate Railway Zone Created for the
North East Frontier Region.

The eighth railway zone christened North-East Frontier Railway was formally brought into being on 15 January 1958 by Union Railway Minister, Shri Jagjivan Ram, at Gauhati.

The new railway which meets long voiced demand of Assam covers track mileage of 1738 miles of predominantly metre gauge including about three miles broad gauge and fifty of narrow gauge railway spread over whole of Assam, North Bengal and part of Bihar up to Kathihar. Later when marshalling and interchange yards now under construction at Barauni are completed jurisdiction of New Zone will be extended westward to Barauni when routes mileage will come up to 2000 miles.

The eighth zone has been created by bifurcating North Eastern Railway in less than three years of bifurcating Eastern Railway.

The other seven railway zones in India are, the Southern Railway, Eastern Railway, Northern Railway, Western Railway, Central Railway, South-Eastern Railway and the North Eastern Railway.

(Amrita Bazar Patrika,
16 January 1958.)

Dns:

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Rapid Growth of Sugar Industry: Survey of 18-Year
Period.

In a comprehensive study of the financial working of the sugar industry in this country, covering a period of 18 years and based on the integrated balance-sheets of 110 public limited companies representing over 70 per cent. of the installed capacity of the industry, it is revealed that the gross assets of the companies increased during the period from 200 million rupees to 11.80 million rupees.

The study was undertaken by the Association of Indian Trade and Industry, Bombay, and is contained in a brochure entitled "Financial Trends in the Sugar Industry" published by the Association.

Internal resources were the major source of funds, accounting for 440 million rupees as against only 120 million rupees of fresh capital issued for cash. The industry's development has been more rapid during recent years, while production during 1955-56 exceeded the first Plan target by 20 per cent.

The rate of growth of the industry was more rapid in South India as in the North. The share of production of the southern factories improved within a period of 18 years from 17 per cent. to 30 per cent. The tropical climate of the South is better suited to cane cultivation. The index of returns on capital represented by the ratio of profits, after depreciation and tax, to net worth (paid-up capital plus free reserves) for the period as a whole is 11.4 per cent. for South India as against 7.6 per cent. for North India.

The financial results also confirm the view that the minimum economic unit is of the capacity of about 700 to 800 tons, the index of returns being 4.7 per cent. for mills below that capacity as against 8.9 per cent. for the industry as a whole. The optimum size is around 1,000 tons, the same index for mills in the 900-1,199 tons capacity group being the highest at 10.6 per cent. The limiting factor is not production technique, but the difficulty of finding adequate supplies of ripe and fresh cut cane, and of transporting it over longer distances to the detriment of its sucrose contents occurring through rapid drying, especially during the hot months.

The value of the industry's production has increased about eight times from 90 million rupees to 720 million rupees in the 18-year period. The cost of production has gone up, with raw materials and other manufacturing expenses and employees claiming on an average about 80 per cent. in the period 1952-54 as against 75 per cent. in 1937-39. The share of income-tax provision has risen from 1.7 per cent of production income to 2.9 per cent. Consequently, profits were squeezed, causing a decline in the share of managing agents from 1.7 to 1.2 per cent.

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of production income, in depreciation from 6.0 to 2.8 per cent. in dividends from 4.3 to 2.7 per cent. and in undistributed profits from 3.6 to 1.5 per cent. Dividends paid to equity shareholders during the period are on the average 4.5 per cent. on the equity capital plus free reserve. The decline in profits in the context of inflated capital costs led in the later years to greater reliance on borrowed capital for working as well as fixed capital requirements, which resulted in a fall in the ratio of shareholders' funds to borrowed resources from 2.3 in 1945-46 to 1.3 in 1954-55.

The figures of profit appropriations for the 18-year period show that corporate savings were nine to ten times as elastic to gross profits, after taxes, as dividends. On an average, for every one per cent. rise in gross profits after taxes, during the period, there was a 0.63 per cent rise in dividends, but a 5.68 per cent. rise in transfers to free reserves. Similarly for every one per cent. fall in gross profits after taxes, there was a 0.22 per cent. fall in dividend but a 2.27 per cent. fall in transfers to free reserves.

The financial working of the industry shows that any increase in profits due to higher prices or lower costs or tax reliefs is likely to go much more to strengthen the reserves of the industry than to increase the level of dividends, and any inroad into profits due to higher taxes or other causes would affect profit retention and corporate saving much more adversely than dividends.

(The Hindustan Times,
10 January 1958.)

Dns:

35. Productivity.

India - January 1958.

Autonomous National Productivity Council Set Up: Recommendations of Seminar Accepted by Government.

Recognising the important role that productivity drive can play in increasing the national wealth, per capita income, and production per unit of capital invested the Government of India has decided to set up an autonomous National Productivity Council for initiating this movement, says a Press Note issued by the Government of India on 10 January 1958.

The Council will launch the campaign for the increase of productivity initially in all spheres of industries, including large-scale, medium, small-scale and light industries. It will stimulate and facilitate the establishment of local regional and industry-wise productivity councils, through which productivity services will be made available.

The National Productivity Council (NPC) will have on it representatives of the national organisations and confederations of employers and labour, Government and other interests such as consumers, technicians, consultants small industries and scholars. The total membership of the Council will be about 60.

The Minister of Industry, ~~Shri~~ Manubhai Shah will be the President of the NPC. Some seats on the Council will be reserved for representatives of local, regional and industry-wise Productivity Councils.

Representatives of Government employers and labour on the NPC will be equal. The Council will elect a Governing Body, in which the interest represented on the Council will be represented in similar proportion. Dr. P.S. Lokanathan will be the Chairman of the Governing Body. The Executive Director of the NPC will be shortly nominated by the Government. The Governing Body will elect two Vice-Chairman, one from amongst employers and the other from labour representatives.

In announcing the establishment of NPC, the Government of India has accepted the recommendations of the Productivity Seminar held at New Delhi on 18-22 November 1957 regarding the general principles on which the productivity drive in the country should be based. (vide section 35, pp. 27-31 of the report of this Office for December 1957).

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The principles are: "For increasing the national wealth and per capita income, and for improving the standard of living, people must first be made aware of the significance of higher productivity as the means of achieving these objectives. It is, therefore, necessary to create among labour, management and the general public attitudes receptive to the idea of productivity, thus ensuring a favourable climate of opinion, which would facilitate the introduction and application of modern techniques - social and technical - for increasing productivity. In a campaign for productivity full co-operation of the employers, labour, Government and all other interests is indispensable. For ensuring this co-operation, it is considered necessary to enunciate the following principles upon which the productivity campaign should be based:

"(i) In the productivity drive the objective should be to increase production and improve quality by improved techniques, which aim at efficient and proper utilisation of the available resources of men, machines, materials, power and capital, raise the standard of living of the people, and improve the working conditions and welfare of labour, taking into account the social implications of these changes. The movement does not seek the intensification of labour's burden through increasing work-loads and speed-up.

"(ii) Increased productivity in a growing economy will ultimately help in increasing employment by stimulating development of industry. The Government, employers and the labour should take specific measures to obviate the possibility of any unemployment.

"(iii) Benefits of productivity increase should be equitably distributed among capital, labour and consumers, and these should lead to the renewal and expansion of plant, machinery and equipment.

"(iv) Productivity drive may eventually be launched in all the spheres of nation's economy. It is of importance to achieve integrated improvement in productivity in all activities of the nation. In the field of industries it would cover the large-scale industries as well as the medium, small-scale and light industries in the public and the private sectors.

"(v) Increase of productivity cannot be achieved without the fullest co-operation between management and labour. In order to carry through the productivity programme effectively it is necessary to create a climate for increased productivity through encouragement of joint consultations, participation of labour in management and promotion of mutual understanding between management and labour, in each industry and in each individual enterprise".

(The Hindu, 11 January 1958.).

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Mysore: Productivity Council for State Set Up.

At a meeting held in Bangalore on 22 January 1958 under the chairmanship of Shri K. Narayanaswamy, Secretary to the Government of Mysore, Department of Industries and Commerce, it was decided to set up a Mysore State Productivity Council and its memorandum of association and rules were adopted. Shri C.M. Poonacha, Minister for Industries and Home Affairs was elected as the President of the Council.

The meeting was attended by a large number of representatives of employers, employees and research, technical and educational institutions, including representatives of the Government of Mysore. The Government of India had deputed Shri H.D. Shourie, Director of Productivity, to attend the conference.

Shri S. Shourie congratulating the Mysore people on the initiative shown in forming the Productivity Council stated that the National Productivity Council would assist the local council by sending technical literature and publications on productivity, films and other means of assistance, including financial grants. The present proposals envisaged rupee to rupee grant, on the basis of subscriptions which the local council was able to raise. Training in productivity techniques and applications was also contemplated, from both Indian sources and foreign agencies like TCM. Inter-plant visits and despatch of productivity teams abroad were also contemplated.

(Deccan Herald, 23 January 1958.)

Dns:

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36. Wages.

India - January 1958.

Madras: Dispute Over Bonus for Plantation
Workers Settled.

A settlement of all outstanding disputes in respect of bonus for workers on plantations in the State up to the year 1956 has now been arrived at and the same has been signed by the parties concerned before the Commissioner of Labour.

According to the terms of the agreement, the management agree to pay workers employed on all coffee estates covered by the Industrial Dispute (Special 1 of 1954) an additional bonus in respect of each of the years 1952 to 1956 at the rate of 2½ per cent. calculated on the respective earnings of the year in question, regardless of profits or losses without prejudice to the rights and contentions of either party. The management further agree to pay workers employed on all tea estates covered by the dispute an additional bonus in respect of each of the years 1955 and 1956 at the rate of 4½ per cent. calculated on the respective earnings of the year in question regardless of profits or losses without prejudice to the rights and contentions of either party. The parties agree that by the above settlement all outstanding disputes in respect of bonus for labour up to and inclusive of the year 1956 are settled and that there are no other outstanding disputes whatsoever. Mixed estates having an acreage of 25 per cent. and over of tea will pay the additional bonus for the years in question as is applicable to all tea estates. The payment of the above bonus under this agreement will be made within a month from the date of the agreement.

The parties have placed on record their appreciation of the good offices of Shri R. Venkataraman, Minister for Industries and Labour in bringing about the settlement.

The parties to the agreement are: The Chairman, Association of Planters of the State of Madras; the Secretary, Association of Planters of the State of Madras and a member of the Executive Committee of the Association on behalf of the employers; President, The Nilgiri District Estate Workers' Union and representative of the Nilgiri District Estate Maistries' Union, the Neelamalai Plantation Workers' Union, the Salem District Estate Workers' Union; the Singampatti Group Congress Plantation Workers' Union; the Anamalais Plantation Workers' Union and the Plantation Workers' Union and the Plantation Labour Association, Nilgiris, the Madras Provincial Plantation Workers' Union; the Nilgiris Estate Workers' Progressive Union and the Madras Provincial Estates Maistries' Union.

(The Hindu, 16 January 1958.)

Dns:

37. Salaries.

India - January 1958.

60,000 Bank Employees to get more Dearness Allowance:
Increase due to Higher Prices.

About 60,000 bank employees in the country will be paid increased dearness allowance from 1 January 1958.

A spokesman of the Indian Banks Association explained that this increase would work out on an average from 4 rupees to a subordinate to 10 rupees for a clerk.

A press communique issued jointly by the Indian Banks Association and the Bombay and Calcutta Exchange Banks Association said they had recommended to their member-banks to announce this increase immediately to their employees "as a gesture of good-will".

The recommendation follows an estimate rise of more than 10 points in the all-India consumer price index number for the second half of 1957. Officially the index number will be known in March.

The clerical staff (about 50,000) will get the increase by one-seventh of their dearness allowance and the subordinate staff about one-tenth as provided in the Bank Award of 1955.

The available figures for July August and September 1957 indicate that the average of the all-India consumer price index number of July to December will be more than 10 points about 144.

In view of this increase, there would be an addition of 6.5 million rupees to the annual wage bill of the scheduled and exchange banks amounting to 217.1 million rupees per year - 172 million rupees of the scheduled banks and 45.1 million rupees of the exchange banks.

(The Hindustan Times, 16 January 1958).

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38. Housing.

India - January 1958.

Bombay: Sub-Committee set up to enquire into Housing Facilities for Employees.

A Sub-Committee, representative of the State Government, industrialists, millowners and labour was constituted at a conference convened by the State Housing Minister, Shri S.G. Kazi, in Bombay on 7 January 1958 to consider, among other things, the employers' obligation to provide housing facilities, to their employees.

The conference was attended by about 40 representatives of chambers of commerce and industries, millowners' association and labour organisations.

The Housing Minister is the Chairman of the Sub-Committee.

The Sub-Committee will go into the question of undertaking a survey of housing needs in the State such as the number of industrial and non-industrial workers, temporary and permanent workers and the extent of housing facilities provided by employers.

The sub-committee has also been entrusted with the work of reviewing the progress of the enforcement of conditions for housing under the Building Control Act.

Yet another suggestion which would engage the committee's attention is the imposition of a cess on employers for creating a housing fund.

Addressing the conference, Shri Kazi said that the time had come to take firm decision on matters which had been referred to the subcommittee. He said that in the Second Five-Year Plan, great emphasis had been laid on increased industrial production. The workers could work with greater efficiency if they were provided with a home.

The existing conditions of congestion in the residential quarters of workers could be said to be one of the factors leading to lower productivity. It was, therefore, essential that the subcommittee recognised the human element in the means of production and did something to remove the unsatisfactory living conditions of workers, he added.

The Minister said that the Bombay Government had been pursuing an active policy in the field of housing since 1946. The State Government had built for the largest number of tenements for industrial workers and low-income groups under the Government of India's Subsidised Industrial Housing Scheme.

He drew the attention of the conference to the recommendation of the Indian Labour Conference that employers should provide at least a reasonable number of houses to their workers.

"It is for us to decide as to what this reasonable number is and as to what steps are necessary to implement that recommendation", he said.

The Minister regretted that only six employers, out of 248 cases in which housing condition was imposed under the Building Control Act, had fulfilled the condition. That was not a happy development.

Shri Kazi said that the Government was quite aware of the difficulties in undertaking large housing schemes.

"But if we take a bold initiative and make a beginning, I am sure, we will overcome them and make considerable progress," he added.

(The Times of India, 9 January 1958).

Dns:

Chapter 4. Problems peculiar to certain branches of the national economy

41. Agriculture.

India - January 1958.

Madras: Dispute Over Bonus for Plantation Workers Settled.

A settlement of all outstanding disputes in respect of bonus for workers on plantations in the State up to the year 1956 has now been arrived at and the same has been signed by the parties concerned before the Commissioner of Labour.

(For details, please see p. 36 of this report).

Dns:

43. Handicrafts.

India - January 1958.

Development of Small Industries: Japan to Help in Setting Up New Institute.

Addressing a meeting of the Small Industries Board at Calcutta on 21 January 1958, Shri Manubhai Shah, Union Minister for Industry, stated that the Government of India proposed to set up a "full-fledged" small-scale industries development institute in Calcutta in co-operation with the Japanese Government. The Government took this decision following the visit of Mr. Kishi, Japanese Prime Minister, to India last year.

The Institute, which was expected to be the biggest of its kind in the country, would be of great assistance in the development and promotion of such industries through Japanese techniques, the Minister said.

The Minister said the Union Government had sanctioned more than 45 million rupees during the current financial year for the development of small-scale industries.

(The Hindustan Times 22 January 1958).

Dns:

Chapter 6. General Rights of Workers.

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67. Conciliation and Arbitration.

India - January 1958.

Central Provinces and Berar Industrial Disputes Settlement (Amendment) Bill, 1957: Non-official Bill Introduced in Bombay Legislative Assembly.

The Government of Bombay published on 9 January 1958 the text of a non-official Bill introduced in the Legislative Assembly of the State on 9 December 1957 by Shri A. B. Bardhan, M.L.A. The Bill seeks, to amend the Central Provinces and Berar Industrial Disputes Settlement Act, 1947, to provide for election of one union by all the employees in the industry in the local area if there are two or more unions in the field.

The Statement of objects and reasons of the Bill states that one of the objects of enacting the Central Provinces and Berar Industrial Disputes Settlement Act, 1947, was to encourage the growth of sound Trade Unions and to provide for recognition of such union which is the real representative of employees. It has, however, been found that because of the manner in which the Unions are registered as recognised unions, the said purpose is defeated. The main object of the Bill is, therefore, to provide for election of one union by all the employees in the industry in the local area if there are two or more unions in the field. Opportunity is also taken to amend certain other sections of the Act.

The following notes on clauses explain the important provisions of the Bill:-

Clause 2. This clause provides that when two or more unions fulfil the conditions necessary for registration specified in Section 4 the Registrar shall proceed to hold an election to decide which union obtains the largest number of votes from the employees in the industry and shall register that union alone.

Clause 3.- This clause makes provision for election of a union when one union desires to be registered in place of the union which is already registered.

Clause 4.- Under section 16 (3A) of the Act and the rules made thereunder the employee when reinstated is entitled to wages from the date of the order of the Labour Commissioner and not from the date of his dismissal, discharge, removal or suspension, as the case may be. It is, therefore, proposed to amend this sub-section so that the employee will be entitled to wages from the date of his dismissal, discharge, removal or suspension.

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The present sub-section (5) of Section 16 empowers the State Industrial Court to entertain only application for revision against the decision of the Labour Commissioner but no appeals against his order. Clause 4 seeks to empower the State Industrial Court to hear appeals against the decision of the Labour Commissioner.

Clause 5. Under section 36(2) of the Act, if a date from which the agreement should come into force is mentioned in the agreement it comes into force from that date which may be prior to the date on which the agreement is entered into. It is proposed to amend this sub-section so that retrospective effect cannot be given to any agreement.

Clause 6.- The existing Section 41 has been interpreted by certain Courts to empower the State Industrial Court or the District Industrial Court to make a declaration whether any strike or lock-out or any change of which notice has been given or which has taken place is illegal, but not to grant consequential reliefs. This clause seeks to remove this lacuna.

Clause 8. Sometimes employers do not pay dues to be paid to their employees under any agreement, settlement, award, etc., for a long time after they become due. It is, therefore, sought to give power to the Labour Commissioner to recover such dues as arrears of land revenue, and pay the same to the employees concerned.

(The Bombay Government Gazette,
Part V, 9 January 1958, pp.12-15.)

Dns:

81. Employment Situation.

India - January 1958.

Closure of Cotton Mills: Minister's Statement.

The Deputy Minister for Labour informed the Lok Sabha that fourteen Cotton Mills closed down during the last one year thereby rendering 15,539 workers unemployed. Most of these mills closed down either due to financial difficulties or uneconomic working. The general action taken by the Government in such cases is as follows:-

(1) For mills which require finance for rehabilitation in order to ensure future continued working on economic lines, loans are granted from the National Industries Development Corporation often conducting necessary investigation by the special team working under the Textile Commissioner. Vigorous steps are being taken by Government for expediting the grant of these loans.

(2) Wherever there are complaints about mismanagement of any mill, appropriate action is taken either under the relevant provisions of the Company Law or under the Industries (Development and Regulation) Act, 1951, for a thorough investigation into the affairs of the mill for taking remedial steps wherever possible.

(3) Workers are provided some relief by way of compensation for loss of employment under the provisions of the Industrial Disputes (Amendment) Act, 1957, which also acts as a factor discouraging the closers in general.

(Indian Labour Gazette, December 1957,
Vol. XV, No.6., Pp. 567.)

Dns:

Working of the Bombay Dock Labour Board During
the year ending March 1957.

In pursuance of the recommendations of the Vasist Committee on the dock workers' employment (vide section 81, pp 88-92 of the report of this Office for March 1956) the Government of India replaced the Bombay Dock Workers (Regulation of Employment) Scheme, 1951, by a new scheme in November 1956 (vide section 81 pp 92 of the report of this Office for July 1956). The new scheme seeks to overcome certain difficulties that were experienced under the old scheme and to effect further improvements. The administration of the scheme is the responsibility of the Bombay Dock Labour Board which is tripartite in character. In accordance with the new scheme, the Board was reconstituted in which barring the Regional Director of Resettlement and Employment who was replaced by the Deputy Chairman - a newly created post under the revised scheme, all the members of the old Board were retained as members. In November 1956, when the Committee of the Board were to be reconstituted, the members felt that better efficiency and co-ordination could be achieved by having only one committee instead of three as in the past. Accordingly only one Committee was constituted with Deputy Chairman as their head.

Employment situation.- According to the annual report on the working of the scheme for the year ending March 1957, there was some deterioration in the employment situation during the year. This was due to the closure of the Suez Canal for a long time, and also partly to the introduction of piece-rate system. The average monthly strength of gang workers, hatch-foreman, khalasis and winchmen was approximately 3,157,434 174 and 350 respectively. The total number of pool and monthly workers employed at the end of March 1957 was 3997 and 1297 respectively as compared to 4,190 and 1,322 as on 1 April 1956. A scheme to regulate the employment of chipping and painting workers, coal workers had come into force, at the time of the submission of this report. Steps were afoot to list the employers and workers of these categories and to implement the scheme as early as possible. There was no recruitment at all during the year. However, 218 workers went off the registers on various grounds.

To all India Port and Dock Workers' Federation and its local affiliated union i.e. Transport and Dock Workers' Union submitted a long charter of demands to the Board. Certain demands like the revision of pay scales, benefits of Provident Fund, Gratuity and Leave, etc., were referred to an Officer on Special Duty for enquiry, while certain other demands were conceded.

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Complaints.- Under the revised scheme disciplinary powers are vested in the Labour Officer, the Deputy Chairman and the Chairman. The powers to take disciplinary action against the employers are vested in the Personnel Officer and the Deputy Chairman. The report mentions that the Labour Officer and his inspectorate dealt with 487 complaints filed by stevedores and others, and 67 complaints filed by workers. Disciplinary action was taken against 66 per cent. of the workers in respect of whom inquiries were instituted. Action was not taken against 16 per cent. of the workers on account of non-prosecution or withdrawal of complaints and complaints against 18 per cent. of the workers were dismissed on merits. In June 1956, one more inspector was appointed, thus bringing the total number of inspectors to 4. By this addition, there is now one inspector for each shift and the fourth inspector relieves for weekly offs and casual absence of other inspectors. During the year 1956-57, the inspectors were called on ships 901 times, in order to settle complaints from foremen and labour relating to the work. The rate of levy remained unchanged at 30 per cent. on the pre-award wage. It was stepped up to 45 per cent. only from 1 February 1957. At the time of submission of the report, the levy stood at 75 per cent. of the daily wage. The report mentions that with the introduction of the new scheme, the financial liability of the Board had increased on account of the minimum guarantee, attendance allowance, holiday wages, etc.

Piece-rate system.- The year under report presents a full year's working of the piece-rate scheme which was introduced in the port on 3 March 1956, consequent upon the decision of the Labour Appellate Tribunal. The scheme has resulted in the quicker turn round of ships as anticipated by the Tribunal, the Government, the employers and Shipping Companies. The output on cargoes which were on piece-rate showed a marked increase and there was visible enthusiasm amongst the workers to make a success of it. Obviously, the scheme showed marked improvement in the earnings of workers also. The earnings of piece-rate workmen were higher by about 40 per cent. than the corresponding figures for the preceding year. During the year 1955-56, the average earnings of a worker were 114.25 rupees with an average employment for about 27 days. During the year under review, i.e. 1956-57, the average earnings were 152.25 rupees with 22 days of work.

Commenting on the working of the piece-rate system for a year, the report observed that it was possible to say with certain amount of confidence that the scheme had fully justified the claim made by the Appellate Tribunal that "we have so arranged the datum and the emoluments that willing workers will comfortably reach the datums which we have fixed and with little extra efforts will be able to secure these rewards which a piece-rate offers". The alleged defects in the piece-rate scheme were, however, referred to the Industrial Tribunal for adjudication.

3. The minimum guarantee clause of the revised scheme became operative from September 1956 for the first time. A sum of 3,34,894 rupees was paid as minimum guarantee to different categories of workmen during the year. The two months of December 1956 and February 1957 alone accounted for about 67 per cent. of the total amount disbursed. Taking category-wise, leave reserve workers only had to be paid minimum guarantee totalling about 45 per cent. of the gross disbursement. Similarly, a large amount was disbursed in these two months by way of attendance allowance and the leave reserve workers again got the lion's share the percentage being 36 of the total amount.

Provision of welfare facilities.- During the year under review, the Board made substantial progress in providing greater welfare amenities to workers. In November 1956, the Board undertook to construct the first housing colony comprising 571 tenements which is expected to be ready by early 1958. As regards medical care, a well equipped dispensary of the Board started functioning from July 1956. The dispensary provides upto date allopathic treatment to the workers free of cost. This benefit of the medical aid was extended to the families of the workmen also with effect from 1 November 1956. The Board has also made arrangements for indoor treatment. Ten beds have been reserved for T.B. patients at the Telegaon General Hospital and Convalescent Home. Besides these, a well furnished departmental canteen was opened in October, 1956. Workers were allowed credit facilities up to 30 rupees per month which was adjusted against their monthly earnings. The Board proposes to provide cooked meals to the workers. A welfare officer was appointed to enlarge the scope of welfare amenities for the workers. Consequently, indoor and outdoor games, cinema shows, reading rooms and other allied activities were initiated. The Board continued to give encouragement to the Territorial Army as usual.

(Indian Labour Gazette, Vol XV,
No.6, December 1957, pp. 548-550.)

Dns :

81.

Recent Unemployment in the Textile Industry: Working
Group of Officials Set up for Timely Action.

The Government of India has set up a "working group" of officials to deal with the problem of unemployment in the textile industry.

(For details, please see pp 21 of this report.).

83. Vocational Training.

India - January 1958.

Work and Orientation Centre for Educated Un- employed.

Under the Government of India's pilot project of Work-cum-Orientation Centres for the educated unemployed, a Work-cum-Orientation Centre was started in Delhi on 10 April 1957. The first course of six months' training ended on 10 October 1957.

Under the scheme technical training was to cover 343 hours of workshop practice in any of five trades, viz; light mechanics, wood-work, house-wiring, repairs of electrical appliances and building construction. The other part comprises lectures on commercial subjects designed to improve the knowledge of the trainees regarding trade and commerce and business management with a view to attract them more and more towards the idea of setting up their own business. There had been a feeling among the trainees in the very initial stages of the centre that the period of training was not long enough to give them an opportunity to acquire adequate skill in their selected trades to enable them to seek employment as artisans. It took a great deal of effort to bring it home to the trainees that it was not the aim of the scheme to train them as artisans but that what was intended was to make them familiar with the raw materials, sources of supply, markets and prices, tools and their manipulation etc., connected with the trade in which training was imparted. Since it was the very first course, it was felt that there might be some justifiable misunderstanding in the minds of the trainees that the training course was intended to train them as artisans. They were consequently allowed an opportunity to apply for admission to the regular courses of training under the craftsmen training scheme which started from 1 August 1957. Even though full freedom was given to the trainees in this respect, only 50 odd persons opted for regular training. The impression regarding the content and the scope of training, however, changed considerably with the passage of time and trainees showed greater and greater satisfaction in this respect. The extreme care which was taken in adhering to the schedule of training, contributed in no small measure towards instilling this sense of satisfaction among the trainees.

Orientation.- More than anything else, the object of the scheme was to convince the trainees of the futility of pursuing their aim of finding clerical jobs and to kindle in them a desire either to enter life as entrepreneurs or as employees in jobs other than white-collar jobs. The fact that during their interview with the

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Vocational Counsellor at the end of the course only 11 trainees expressed their desire to seek the assistance of the Employment Exchange in finding clerical jobs is itself an evidence of the extent to which the trainees had been weaned away from their quest for white-collar jobs. About 20% joined regular courses of technical training; over 50% have either already entered business in the form of cooperatives or intend to seek employment in the trade either as apprentices or as regular employees. The most exhilarating reaction came from 15 trainees who stated that they had their own arrangements for employment and starting their own business and did not need any official help after the training course. It will thus be seen that the degree to which orientation in the thinking of the trainees has been achieved is remarkable. Indeed, if official procedure could be simplified and facilities for loans etc., were made more readily available, a much larger percentage of the trainees would have settled as entrepreneurs. Lack of funds, however, and, to some extent, lack of confidence among the trainees in their ability to manage their own business affairs have prompted them to seek a further period of apprenticeship. It was observed that the older among them were more willing to start their own business. The five trainees who have already started their own business and those who have formed Co-operative Societies are on an average a year or two older than others.

Vocational Counselling helped the trainees to discover their potentialities, interests and personality traits. Information disseminated among trainees helped to cultivate in them a spontaneous desire to shed their craving for white-collar jobs and to use their hands at machines and tools rather than to wield pens. It was a hard job to shake off age-old prejudices of educated men against manual jobs - small in nature in the beginning. However, repeated counselling and the realisation of economic necessity seen in relation to the broad perspective of national economy and social conditions, as generated during the Second Plan, made the trainees adjust themselves to the new way of life.

A resume of the activities of the Work-cum-Orientation Centre would not be complete without special mention of the great success which has attended the experiment of associating non-official bodies with official work. The Bharat Sewak Samaj was actually associated with the work of this Centre from the very stage of preparation of the blue-prints. The management of the Camp, organisation of Shramdan and the cultural activities were left entirely to the Bharat Sewak Samaj which gave its unstinted cooperation. Help was given in all other big and small matters like the preparation of time schedules, prescribing menus for the meals and the organisation of co-operatives societies. Besides the day-to-day help which was received from the Bharat Sewak Samaj, and the value of which it would be difficult to estimate the climax was achieved

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when the Bharat Sewak Samaj solved one of the most difficult problems faced by the authorities and trainees by placing at the disposal of the trainees two premises in important parts of the town where they could set up their business to start with.

(An article in the "Emloyment News", published by the Directorate-General of Resettlement and Employment, Ministry of Labour and Employment, Government of India, January 1958 by Shri K.S. Sharma, Director of the Delhi State Vocational Employment Service.)

Dns:

Vocational Guidance Unit Set up at
Delhi Employment Exchange.

A vocational guidance unit has been opened at the Employment Exchange, Delhi, to guide young persons in the selection of jobs. This is part of the programme of the Directorate-General of Resettlement and Employment to introduce vocational guidance service in Employment Exchanges.

The unit at Delhi provides guidance service individually as well as in groups. Every morning, a preliminary talk explaining the importance of vocational planning before registration, and the guidance facilities available at the Exchange is given to the young persons who come to the exchange seeking employment. This is followed by a group talk in the afternoon in which the guidance officer gives an account of the employment opportunities open to the youth and the training facilities for entering into different types of employment. A clear picture of shortages and surpluses in the employment market is thus presented to them.

A vocational guidance unit is already functioning at the employment exchange at Lucknow, while another will be inaugurated at Hyderabad by the middle of this month. It has been planned to open such units at Bombay, Madras, Calcutta, Ambala and Patna during this year.

(The Hindustan Times,
13 January 1957.)

Dns :

CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

INDIA - JANUARY 1958.

112. Legislation, Regulations, Official Safety and Health Codes.

Andaman and Nicobar Islands Boiler Rules, 1957.

The Government of India published on 4 January 1957 the Andaman and Nicobar Islands Boiler Rules, 1957, made in exercise of the powers conferred under the Indian Boilers Act, 1923. The rules prescribe, inter alia, the fees for registration of boilers, the duties of chief inspector and inspectors, procedure for investigation of accidents to boilers, instructions for registration and inspection of boilers, and procedure for appeals.

(Notification SRO 17 dated 30 December 1957, the Gazette of India, Part II, Sec 3, 4 January 1958, pp. 7-15).

Dns:

115. Research, Investigation, Study.

India - January 1958.

Thermal Stress in Textile Industry: Results of Study.

The results of experimental studies of the effect of heat and humidity on workers in the textile industry at Ahmedabad have been published in a report brought about by the Chief Adviser of Factories, Ministry of Labour and Employment. The purpose of these investigations was to ascertain the magnitude of the heat-load problem in the textile industry and to determine the upper limits of tolerance of workers to heat and humidity.

The project was jointly sponsored by the Ministries of Labour and Health with the assistance of the Technical Co-operation Mission, the Ahmedabad Textile Industry's Research Association, the Indian Council of Medical Research, the Government of Bombay and various other associations and individuals.

Productivity.- The study in regard to productivity of textile workers, as influenced by climate, confirmed that productivity dropped down significantly above the wet bulb temperature of 84°F, irrespective of the dry bulb temperature.

The study conducted to ascertain the upper limits of thermal stress for man showed that the physiological responses of Indian workers exposed to high temperatures were in every respect similar to the responses of volunteers studied in other countries.

A study of the salt balance of Indian workers was also carried out. Observations were made on volunteers in the spinning and weaving departments of some mills with regard to sweat losses and renal excretion of salt, and, at the same time, thermal environmental conditions were recorded. The results indicated that there was no likelihood of salt exhaustion symptoms under conditions of temperature that obtained in the mills as the in-take of salt through the normal diet of the workers was sufficient. The study, however, pointed out the need for making up the sweat losses by periodic fluid consumption.

Thermal variations.- A study of thermal environmental conditions was carried out in 9 representative textile mills in Ahmedabad. Statistical examination of the data showed that thermal variations were the lowest in the weaving departments and the highest in the finishing departments, variations in other departments being somewhere between those in the weaving and the finishing departments. The frequency with which thermal environments in certain departments of the mills exceeded the safe upper limits were also determined. These indicated that some correction was necessary in almost all the departments of the mills and that this was particularly urgent in the finishing departments of all the mills, in the carding and spinning departments of the majority of the mills and in the weaving departments of some of the mills.

Engineering measures to control temperatures in the mill departments have been recommended in the report. For instance, specific measures have been suggested as to how internal and transmission heat can be reduced and ventilation increased.

The ultimate object of these studies on the problem of heat and humidity is to help to improve the working environment so as to secure the comfort and well-being of the employee and, at the same time, increase productivity.

(Indian Labour Gazette, December 1957.
Vol. XV, No.6, Pp. 568-569.)

Dns :

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CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS

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- * (b) "A Schedule of Job Analysis of Different Job Categories in Ahmedabad Mills". Issued by the Ahmedabad Millowners' Association, Ahmedabad. pp. 168. 1 copy price Rs.2.00.

CHAPTER 3. ECONOMIC QUESTIONS

- * (a) "Some Paper on Wage Policy". Issued by the Ministry of Labour and Employment, Government of India. pp.51.
- (b) "Some Economic Problems of Public Enterprises in India". By Parmanand Prasad. H.E. Stenfret Kroese N.V., Pieterskerkhof, Leiden (Holland).
- (c) "The Monetary and Fiscal Policy of India". By K.C. Chacko. Vora & Co. Publishers Ltd., 3 Round Building, Kalbadevi Road, Bombay 2. Rs.15.00.
- (d) "Foreign Exchange Crisis and the Plan". Issued by the National Council of Applied Economic Research, New Delhi. Distributed by the Asia Publishing House, Contractor Building, Nicol Road, Bombay-1. Rs.2.00.
- (e) "Our Economic Problems" By P.A. Wadia and K.T. Merchant. Vora & Co. Publishers Private Ltd., 3, Round Building, Kalbadevi Road, Bombay-2. Rs.9.00.
- (f) "Social Revolution and Philosophic Planning" By Swami Madhavtirth. Vedanta Ashram, P.O. Valad, Distt Ahmedabad. Rs.2.00.

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

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- * (b) "Administration Report for 1956-57" of the Madras Port Trust. pp. 56. (one copy sent to Geneva vide minute D.3/168/58 dated 22.1.58).
- * (c) "Final Report - International Course on Small-Scale Industries, Nov 5, 1956 - April 26, 1957". Issued by the Foundation Training Courses and Research, Delft, The Netherlands. pp. 25.

- (d) "Agricultural Marketing in India (Vol. II)" By K.R. Kulkarni. The Co-operators Book Depot, 9 Bakehouse Lane, Fort, Bombay. Rs.32.50.
- (e) "Planned Development and Social Justice: For Greater Food Production" By Radha Krishna Khanna. Deepak Publications. Hakim Bage Street, Delhi. Re.1.00.

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

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- * (b) "Labour Literature - A Bibliography, 1951-57". Issued by the Ministry of Labour and Employment, Government of India. pp. 327. (one copy sent to Geneva vide minute D.3/132/58 dated 17.1.58).
- * (c) "Report on the Progress of Education in Bihar for the year 1950-51" Issued by the Director of Public Instruction, Bihar. pp. 308.
- * (d) "Statistics of Factories 1954". Issued by the Labour Bureau, Ministry of Labour and Employment. (one copy sent to Geneva vide minute D.3/132/58 dated 17 January 1958).
- * (e) "Large Industrial Establishments in India 1953". Issued by the Labour Bureau, Ministry of Labour, Government of India. pp. 446. (2 copies sent to Geneva and one to Bangalore vide minute D.3/224/58 dated 31.1.58.)

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS

- * "Report of the Commissioner for Schedule Castes and Scheduled Tribes, 1956-57. Part I and Part II, pp. 140 and 213 respectively.

CHAPTER 8. MANPOWER PROBLEMS

- * "Trade-wise Analysis of Inplant Training Facilities Available in India - Statistical Summary". Issued by the Occupational Information Unit, D.G.R. E. Ministry of Labour and Employment, Government of India. pp.8.

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