

COPY NO. 2

INTERNATIONAL LABOUR OFFICE  
INDIA BRANCH

FSD  
6758 A

Industrial and Labour Developments in January 1962.

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

<u>Contents.</u>	<u>Pages.</u>
<u>CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.</u>	
11. <u>Political Situation and Administrative Action:</u>	
Central Institute for Labour Research to be set up.	1
<u>CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.</u>	
25. <u>Wage-Earners' Organisations:</u>	
Punjab: Annual Report on the Working of the Indian Trade Unions Act, 1926, in Punjab during the year 1960-1961.	2-3
<u>CHAPTER 3. ECONOMIC QUESTIONS.</u>	
33. <u>Full Employment Policy:</u>	
Punjab Survey of Rural Unemployment in Two Districts.	4-7
34. <u>Economic Planning, Control and Development:</u>	
(a) Survey of Urban Households: Research Council's Findings published.	8-11
(b) Inter-State Conference on Coal-Mining and Allied Problems: State Governments' Right to Open Coal Mines urged.	12
(c) Committee on Natural Resources Constituted.	13-14
35. <u>Productivity:</u>	
Incentive Schemes: Principles and Practice in India.	15-24
36. <u>Wages:</u>	
(a) Evolution of Wage Policy in India.	25-31
(b) Functions of Wage Board for Steel Industry announced.	32
(c) Central Wage Board for Tea Industry recommends Interim Wage Increase for Tea Workers.	33
(d) Movement of Minimum Wages in India during the Plan Periods.	34-40
(e) Andhra Pradesh: Minimum Wages Act, 1948, to be extended to Certain Employments.	41
(f) Orissa: Minimum Wages Act, 1948, extended to Certain Employments.	42

ILL. O. RECEIVED  
28 FEB 1962  
C33-2-254 A  
VINE  
OP:

<u>Contents.</u>	<u>Pages.</u>
<u>CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN BRANCHES OF THE NATIONAL ECONOMY.</u>	
<u>42. Co-operation:</u>	
(a) Working of Industrial Cooperatives in India.	43-46
(b) Seminar on Co-operative Marketing and Processing of Cotton, Ahmedabad, 21 January 1962.	47
(c) Rural Credit Follow-up Survey; Report published.	48
<u>44. Merchant Marine and Fisheries:</u>	
(a) Annual Report of the Bombay Dock Labour Board for the year 1961.	49-51
(b) Interim Agreement giving Wage Rise for Seamen Concluded.	52
(c) Merchant Shipping (Crew Accommodation) Rules, 1960.	53
<u>CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.</u>	
<u>50. General:</u>	
(a) Motor Transport Workers Act, 1961, Comes into force.	54
(b) Draft Maharashtra Motor Transport Workers Rules, 1962.	55
<u>56. Labour Administration:</u>	
(a) Inspection of Mines in India: Annual Report of the Chief Inspector of Mines in India for the Year ending 31 December 1959.	56-57
(b) Working of the Code of Discipline and Implementation Machinery till 1960.	68-69
<u>CHAPTER 6. GENERAL RIGHTS OF WORKERS.</u>	
<u>68. Labour Courts:</u>	
(a) Standing Orders regarding Workmen's Leave and Holidays: Jurisdiction of Certifying Officer upheld.	70-71
(b) Overtime Work beyond Permitted Period: Payment does not Nullify Offense.	72-73

<u>Contents.</u>	<u>Pages.</u>
<u>CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES OF WORKERS.</u>	
<u>71. Employees and Salaried Intellectual Workers:</u>	
(a) New Scheme of Educational Allowance for Children of Government Employees announced.	74
(b) Thirty-sixth All India Educational Conference: Pay Board for Teachers urged.	75
(c) Appointment of Second Wage Board for Journalists Demanded.	76
<u>CHAPTER 8. MANPOWER PROBLEMS.</u>	
<u>81. Employment Situation:</u>	
(a) Employment Exchanges: Working during September 1961.	77-78
(b) Employment Exchanges: Working during October 1961.	79-80
(c) Effect of Low Incomes on the Size of Labour Force and Unemployment in India.	81-83
(d) Educated Unemployed Recommended to seek jobs in Plastic Industry: Results of a Survey published.	84
<u>83. Vocational Training:</u>	
(a) Labour Ministry's Training Schemes: Working during September 1961.	85
(b) Labour Ministry's Training Schemes: Working during October 1961.	86
(c) Higher Training Institute for Women to be set up.	87
<u>CHAPTER 9. SOCIAL SECURITY.</u>	
<u>92. Legislation:</u>	
(a) Bombay: E.S.I. Scheme Extended to Workers' Families.	88
(b) Employees' State Insurance Scheme: Employers' Contribution to be Increased in Areas Where the Scheme is implemented.	89
(c) Madhya Pradesh Maternity Benefit Rules, 1961.	90
(d) Andhra Pradesh: Draft Amendment to Schedule III of Workmen's Compensation Act, 1923, published.	91
(e) Madras: Draft Amendment to Schedule III of Workmen's Compensation Act published.	92

<u>Contents.</u>	<u>Pages.</u>
<u>CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.</u>	
<u>111. General.</u>	
(a) Appointment of Standing Mine Safety Equipment Advisory Board suggested.	93
(b) Report of Health Survey and Planning Committee published: Population Control and Steps for Expansion of Medical Relief Recommended.	94-97
(c) All-India Medical Conference Stresses need for National Health Service.	98
<u>BIBLIOGRAPHY - INDIA - JANUARY 1962.</u>	99-102

\*\*\*\*\*



CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - JANUARY 1962.

11. Political Situation and Administrative Action.

Central Institute for Labour Research to be set up.

According to a Press Note issued by the Government of India, a tripartite Committee which held its meeting at New Delhi on 18 November 1961, under the chairmanship of Shri Gulzarilal Wanda, Union Minister of Labour and Employment and Planning, approved a scheme to set up a Central Institute for Labour Research.

According to the scheme the Institute will undertake and assist labour research particularly problems connected with development of harmonious relations between employers and employees, creation of atmosphere for improvements in productivity, promotion of better working and living conditions for labour and evaluation of rational wage and benefit policies.

The Institute would be an independent public body and would work in close collaboration with other institutions devoted to research in labour problems.

The Institute would be under the direction and control of a Board of Directors consisting of representatives of Central and State Governments, workers' and employers' organisations and educational and research institutions. No group, Government, labour, industry, etc., would have a majority representation on the Board, to ensure that the Institute enjoys the desired degree of independence and freedom from control by any single group or interest.

Chapter 2. International and National Organisations

24. Wage-Earners' Organisations.

India - January 1962.

Punjab: Annual Report on the Working of the Indian Trade Unions Act, 1926, in Punjab during the Year 1960-1961.

The Government of Punjab published on 26 January 1962 its review on the annual report on the working of the Indian Trade Unions Act, 1926, in Punjab during the year 1960-61. According to the review there were 556 registered Trade Unions at the beginning of the year. New unions numbering 129 were registered and the registration of 106 unions which were found non-existent was cancelled during the year. Thus at the end of the year under review, the number of registered Trade Unions stood at 579.

Out of 579 registered Trade Unions, only 70 unions submitted their annual returns under section 28 of the Act.

The Activities of the Trade Unions were mainly towards making demands for higher wages, increased dearness allowances, bonus, reinstatement of dismissed/retrenched workers, etc.

The total balance of the various unions which submitted their return, was 121,984.84 rupees at the beginning of the year under report. A total of 288,269.49 rupees were contributed by the unions in the form of donations and otherwise during the course of the year, raising the funds to 410,254.33 rupees. Out of this a sum of 255,892.50 rupees was spent on their various activities and functions leaving a balance of 154,361.83 rupees at the close of the year.

The industry-wise distribution of 579 registered Trade Unions during the year under review was as under:-

(i) Electricity, Water, Sanitation, Local and Government Employees Unions.....	164
(ii) Food and Flour Mills Workers Union.....	28
(iii) Machinery, Iron and Steel Workers Unions.....	68
(iv) Sugar Mills Workers Unions.....	12
(v) Textile Mills Workers Unions.....	56
(vi) Transport Workers Unions .....	61
(vii) Railway Workers Unions .....	7
(viii) Chemical Factories Workers Unions .....	10
(ix) Bank and Insurance Companies Workers Unions.....	17
(x) Cement Factories Workers Unions.....	3
(xi) Paper Printing and Publishing and Paper Mills Workers Unions.....	28

(xii) Wood and Cork Workers Unions .....	17
(xiii) Federations .....	7
(xiv) Others .....	101

The Civil G.T. Workers Union, Pathankot, filed an appeal against the orders of the Registrar, Trade Unions Punjab, under section 11 of the Indian Trade Unions Act, 1926, in the court of District and Sessions Judge, Gurdaspur, which was dismissed by the Court.

Party affiliation position of the various Trade Unions appeal against in the State during the year 1960-61, as reported by them in their returns, was as under:-

	Number of Unions.	Membership.
I.N.T.U.C. -----	103	28,461
A.I.T.U.C. -----	38	18,685
Hind Mazdoor Sabha -----	1	1,005
Unattached Unions-----	455	15,120
Total.	<u>579</u>	<u>63,271</u>

The increase in the number of Trade Unions and the membership thereof indicate growing consciousness among the workers of their rights and privileges. Also gradual increase in the number of Trade Unions which have ratified the Code of Discipline exhibits progressive movement towards healthy rivalry among these Trade Unions. However, inter-union rivalry to some extent is still a cause of industrial strife.

(Supplement II to the Punjab Government Gazette,  
26 January 1962, pp. 11-12 ).

'L'

## Chapter 3. Economic Questions.

### 33. Full Employment Policy.

India - January 1962.

#### Punjab Survey of Rural Unemployment in Two Districts\*.

The employment and unemployment survey in the rural areas of Jullundur and Karnal districts was conducted in October-December 1955. The main object of the survey was to assess the extent and form of unemployment and under-employment in the rural areas of the State. In all, a sample of 120 villages was selected on simple random sampling basis for survey. Ten households from each village were selected at random to study their employment and unemployment characteristics. The data contained in this report is based on the survey of 1,198 rural households.

All the persons covered in this survey were classified with regard to their activity status as gainfully employed, unemployed and not in the labour force. A person was considered unemployed if he/she was without a job for the whole of the month (reference period), seeking job and was in a position to accept a job if offered. To measure under-employment the population was divided into two categories, namely, agricultural classes and non-agricultural classes. To find out the intensity of employment for the former the employment particulars for the previous year one year were recorded and the intensity of employment was measured in months and in the case of the latter the employment particulars of the last one month were recorded and the intensity of employment was measured in days per week.

---

\* Board of Economic Enquiry, Punjab. Publication No.76. Report on the Survey of Rural Unemployment in the Punjab (Oct.-Dec. 1955).  
Economic and Statistical Organisation, Government of Punjab.  
pp. 64, Price Rs.3.55.

5

General Characteristics of the Households and Population Surveyed.- Of the total households surveyed about 65 per cent were dependent upon agriculture directly or indirectly and the remaining on non-agricultural pursuits. The 1,198 households surveyed comprised of 7,219 persons. The average size of a household worked out to 6 persons. The ratio of males to females came to 56:44. The persons in the working age-group (16 to 60 years) formed about 53 per cent of total population. The children (under 16 years constituted about 42 per cent) and old persons (above 60 years) formed 8.5 per cent of the total population. Of the total persons covered 48.7 per cent were single, 46.1 per cent married and 5.2 per cent widowed.

The distribution of the population surveyed by economic status revealed that about one-fourth of the total were earners, one out of ten were earning dependents, and two out of every three were non-earning dependents. Among males, earners formed as much as 44.57 per cent while among females they formed only 0.22 per cent.

Of the total population 35 per cent were in the labour force - 31.9 per cent males and 3.1 per cent females. Sixtyfive per cent of the total persons not counted in the labour force consisted of family members engaged in domestic work (21.15 per cent), children and students (38.22 per cent), old, sick and infirm (5.46 per cent) and rentiers and pensioners (0.17 per cent).

Labour Force and Employment.- Of those in the labour force, 73.52 per cent were earners and the remaining 26.48 per cent earning dependents. The labour force also contained 91 children (3.60 per cent of the total labour force), of the age 6 to 14 years revealing that the force of economic circumstances compelled them to take up some gainful work at an early age. The labour force comprised 91 percent males and 9 per cent females. Among the labour force 79 per cent were illiterates, about 15 per cent were below matric and only 5 per cent were matric and above.

About 95 per cent of persons in the labour force had only one occupation while the remaining had both principal and subsidiary occupations. Persons having subsidiary occupations formed only 0.55 per cent among cultivators cultivating their own land and 2.5 per cent among landless cultivators. Their proportion was comparatively high in other classes ranging from 6 to 18 per cent. Of the households surveyed about two-thirds had one earner each and another one-fifth two earners each. The households having three or more earners each formed about 15 per cent of the total.

The monthly earning capacity of the earners was found quite low. As many as 64 per cent earned up to Rs.40 p.m. only, another about 32 per cent between Rs.41 to Rs.100, and the remaining were earning above Rs.100 p.m.

6

Unemployed.- Among the labour force, 8.03 percent were unemployed. Male unemployed accounted for 3.68 per cent of the male labour force and the female unemployed formed 1.34 per cent of the female labour force. The unemployed, however, constituted 2.81 per cent of the total population surveyed. The unemployed were further divided into new entrants and others, the former being those who were searching for employment for the first time and the latter who entered the labour force in the past but were found unemployed at the time of the survey. Of the 203 unemployed, 28.5 per cent were new entrants and the remaining 71.5 per cent others.

The distribution of unemployed by age groups revealed that about 45 per cent of the total number of unemployed persons were children (11-20 years), about 50 per cent were in the age group of 21-50 years, and the remaining were above 50 years. Proportionately higher percentage of new entrants belonged to the lower age groups. The distribution of unemployed persons, according to literacy standard showed that the illiterates and persons with education up to primary standard together formed a little more than three-fourths of the total unemployed. The educated unemployed, who were matriculates and intermeditates constituted about 9 per cent of the total unemployed.

About one-third of the unemployed were single and the remaining were married. More than one-fourth of the unemployed persons were heads of their house-holds and more than a half were sons of the heads. The incidence of unemployment was lower on the house-holds having one earner each and it was higher in the case of the households having larger number of earners. About 65 per cent of the households depending upon agriculture directly or indirectly contained about 64 per cent of the unemployed persons revealing that the incidence of unemployment was almost proportionate both on agricultural and non-agricultural classes.

The study of unemployed persons by their willingness to migrate if a job was made available to them, revealed that more than 81 per cent of them were willing to leave their villages. Among those who were seeking employment for the first time (new entrants), the willingness to leave their village was greater compared to the persons not seeking employment for the first time (others). About 48 per cent of the unemployed preferred to work as cultivators or agricultural labourers, about 29 per cent as Government servants, 22 per cent as skilled and mechanical workers. Only about 2 per cent gave preference for business and commerce.

The views of the unemployed regarding the monthly expected earnings (if work is made available to them) were obtained. It was noted that 60 per cent of them were satisfied with monthly income of up to Rs.50. A monthly income of Rs.100 would meet the expectation of as many as 92 per cent of the unemployed.

Under-employed.- About three-fifths of the cultivators cultivating owned land and one-half of the landless cultivators generally remained busy in agricultural operations from 9 to 12 months in a year. These can fairly be treated as fully employed. More than two-fifths (both classes combined) of the cultivators were under-employed. The intensity of under-employment in the case of 27 per cent varied from 3 to 4 months and for the remaining 15 per cent from 5 to 9 months.

The employment particulars of a month preceding the day of survey recorded for the non-agriculturists revealed that about 64 per cent of the gainfully employed persons worked  $6\frac{1}{2}$ -7 days and about 5 per cent worked for  $5\frac{1}{2}$ - $6\frac{1}{2}$  days per week which could be treated fully employed. About 10 per cent worked for 1-3 days per week and were under-employed. The percentage of persons getting gainful work for  $3\frac{1}{2}$  to  $5\frac{1}{2}$  days in a week was also fairly high (20.84 per cent).

-----

34. Economic Planning, Control and Development.

India - January 1962.

Survey of Urban Households: Research Council's Findings published.

A survey of urban households conducted by the National Council of Applied Economic Research in 30 towns and cities of India has given the result that urban households save about 14 per cent of the household income. The data relate to the single year, 1960. Taken together with the contribution made by the private corporate sector and Governmental enterprises to urban savings, this result supports the view that, on the whole, Indian saving cannot be less than 10 per cent of income, says the Council. It has, therefore, reaffirmed its earlier conclusion that the average rate of saving, is now "well over 10 per cent".

*responsibility for maximising*

According to this survey the proportion of savings may go up with economic development. If the present propensity to save were sustained, the country would be saving about 18 to 20 per cent of its income by 1975. At this point it could be said to have reached the stage of self-sustaining growth. The savings of the nation rested with the Government. The total pool of resources had to be increased both by taxation and various forms of saving such as provident funds and insurance. In respect of the last two, the <sup>Surveyors of the Council</sup> ~~did not feel~~ that enough had not been done.

The survey has shown that the urban income in India in 1960 amounted to 27,480 million rupees or Rs.445 per capita. With deductions for income-tax it came to 26,400 million rupees or Rs.428 per capita.

Almost 50 per cent of the urban income was derived from wages and salaries (employee compensation); and about 36 per cent from self-employment in business (including farming), profession, services, etc., and 12 per cent from rent, interests and dividends. The balance represented transfer income such as pensions, contributions, etc.



Income Distribution Highly Uneven.- The income distribution of households as revealed by the survey was highly uneven, with 85 per cent of the households having an income of less than 3,000 rupees and owning 52 per cent of the aggregate net income, while the remaining 15 per cent of the households have an income of 3,000 rupees or more and own 48 per cent of the aggregate income.

The survey showed that income was fairly correlated with occupation, education, age of the head of the household and the number of earners per household. It was found that on an average, there were 1.5 earners per household, and that 40 per cent of the urban families lived in their own houses.

The aggregate gross saving was estimated at 4,530 million rupees or 17.2 per cent of the disposable income, while the net savings (after deducting depreciation) was 3,620 million rupees or 13.7 per cent of the income. The share of the financial assets in the aggregate savings (like insurance, provident fund, liquid assets, etc.) was almost equal to that of the physical assets (like house property, other property, durable goods, business assets, etc.). The net increase in liabilities during the reference period of the survey was found to be 1,770 million rupees.

As in the case of income and even more, savings were found to be unevenly distributed. Thus only the top 15 per cent of the households in the urban sector accounted for practically the entire amount of aggregate saving while the remaining 85 per cent of the households either did not save or dissaved. Among the occupational classes, those engaged in business, self-employed or in managerial, executive and administrative capacities and also those engaged in professional and technical work were the most important so far as savings was concerned.

Savings preferences were found to be in the following order: first investment in own business; next was housing, then Government securities and small savings, followed by contractual savings.

Productive investments such as in business, farm, life insurance, provident fund, liquid assets, shares and bonds accounted for nearly two-thirds of the total household investment, while the balance of the investments was either wholly unproductive or relatively less productive.

The average propensity to save (of the urban households) was 13.7 per cent of the disposable household income for the year 1960. The corresponding marginal propensity to save was found to be 34 per cent for all income classes and 24 per cent when the lowest and highest classes were left out. Also for these families with about the same income in 1962 as in 1959 (expecting no change in their income during 1961) and with the lowest and highest income classes left out, the marginal propensity to save was found to be 23 per cent.

The population covered formed 80 per cent of the total urban population of India in 1960. Income included current receipts (both cash and in kind) but excluded all irregular incomes such as gifts, windfalls and inheritances. Savings meant the investment out of the current income (excluding transfers and borrowings) in financial and physical assets.

A pilot study of rural saving in India was conducted by the ICAER in the last quarter of 1960 in 12 villages drawn selectively from eight States. This survey was basically intended to help devise appropriate methods and techniques for conducting a large-scale enquiry into the saving behaviour of households in rural India. Dr. Lokanathan cautioned that this being only a pilot study, too much significance should not be attached to it.

The study revealed a high degree of variability in the saving-income ratio as between villages, of the 12 villages surveyed 3 villages reported dissaving to the tune of 2 to 9 per cent of the gross income. The positive saving recorded in other villages ranged from 2 to 15 per cent with the exception of 2 villages which registered a saving-income ratio of nearly 40 per cent. It is not possible to hazard any guess as to the ratio of rural saving to rural income in India on the basis of the findings of such a small sample, but it appears that a crude estimate derived from the above data would point to an average net saving-income ratio of 5 to 6 per cent for rural India.

Non-Financial Assets. - A study of the pattern of saving held by rural households in India on the basis of the pilot survey findings suggests that non-financial assets account for a major portion (around 80 per cent) of their saving. These include such items as residential construction, agricultural implements, construction of wells, improvements to land, business assets such as plant and machinery and consumer durable. Acquisition of these physical assets - or what is called direct form of saving - was more prominent in the villages surveyed. Of the physical assets, housing construction was the most common item of direct saving (physical investment) by the households. Investment in business assets and farm investment were next in importance. Investment in household utility articles, which are also known as consumer durables, like sewing machines, etc., was of importance only in or two places.

Financial assets were not as important as their counterpart, namely, physical assets, as was to be expected in a rural economy with a large non-constituted sector. Of the financial forms of savings hoarding of gold and silver was prevalent in most of the rural households contacted. It is, however, worth noting that of the 12 villages surveyed two villages reported disinvestment in this form. The other types of financial assets held by rural households, as reported in the pilot study, included deposits with co-operatives, banks and post offices, purchase of small saving certificates or deposits, payment of industrial insurance premiums, etc.

Another significant finding of the pilot survey was a positive saving recorded by the business households in most of the villages though the actual proportion of their saving to income varied widely between 12 and 40 percent in the places selected. These business households in rural areas comprised mostly sole proprietors and partnership firms and the survey results reveal that the saving behaviour of these households is more akin to that of the corporate enterprises in the country whose retained earnings account for as much as 40 per cent of income after taxes. The study also revealed that the business households in all places recorded positive saving even in those villages which reported net dissaving.

The findings of the pilot study as also the experience gained have enabled the Council to help formulate suitable techniques for the proposed all-India survey of rural household saving. The WCAER has tentatively decided to cover a sample of about 8,000 rural households drawn from 250 villages. They will be spread all over India to represent the different regions, States and districts. The estimates of saving derived will relate to the entire rural sector of the economy.

The survey was conducted by leading Indian economists with the help of foreign consultants. It covered 30 cities and towns excluding Delhi. The cities and towns included Bombay, Calcutta, Madras, Hyderabad, Ahmedabad, Bangalore, Kanpur, Indore, Salem, Jodhpur, Gaya, Hubli, Masulipatam, Beroach, Puri, Dibrugarh and Baramullah.

(The Hindu, 22 January 1962 ).

12

Inter-State Conference on Coal-Mining and Allied Problems:  
State Governments' Right to Open Coal Mines urged.

The second inter-State Conference on coal mining and allied problems which met in Calcutta on 26 January 1962, expressed the unanimous view that State Governments also should be permitted to open coal mines either in collaboration with the National Coal Development Council or independently, if their resources and requirements justified it.

The Conference, recognized the Centre's overall responsibility for planning, production and distribution of coal. But it took this decision especially in view of the fact that "even industries in the private sector are being permitted to exploit new coal deposits, in apparent contravention of the decision incorporated in the 1956 Industrial Policy Resolution". The Conference made it clear that the "State Governments cannot accept a position inferior to private parties."

The Conference felt that the participating State Governments might consider the question of introducing a special legislation on the lines done by the Orissa Government for levying an additional cess for creating a special fund for financing such projects in notified areas. This was necessary because of the heavy financial outlay involved in properly developing communications, water supply, etc., in mineral-bearing areas.

(The Hindustan Times, 29 January 1962).

'L'

Committee on Natural Resources Constituted.

A Resolution dated 23 December 1961 of the Planning Commission published on 3 January 1962 states that the First and the Second Five Year Plans were formulated on the basis of available information concerning the land, water, mineral and the energy resources of the country. In recent years various organisations concerned with the survey and utilisation of natural resources have been expanded and have undertaken a series of new investigations. These investigations have led to greater knowledge of the nation's natural resources and have also brought to light gaps in information and deficiencies in relation to future requirements. As envisaged in the Third Five Year Plan and with a view to drawing up long-term plans of development, it is necessary to take a comprehensive view of the information available in respect of the country's main natural resources. The principal gaps which exist, the surveys required and the further measures needed in relation to specific long range objectives in the development of irrigation, ~~to specific long~~ ~~range~~ power, steel, coal, oil and minerals, and land and forest resources have to be identified. For achieving long-term goals, it is also necessary to assess the resources and requirements in relation to different regions. The Third Five Year Plan has stressed the need for a coordinated and continuing effort on the part of the Planning Commission, the various organisations of the Central and the State Governments, leading institutions engaged in scientific and economic research, and the Universities to ascertain the nature and extent of the country's natural resources and the requirements of development and to suggest appropriate measures. In pursuance of this recommendation, it has been decided to constitute a Committee on Natural Resources, the main functions of the Committee being: (i) to assess from time to time the available information regarding the natural resources of the country and to identify gaps in it in relation to programmes of planned development; (ii) to arrange for the formulation, in collaboration with the various organisations concerned, of coordinated programmes for surveys of natural resources in different parts of the country in relation to plans for long term economic development; (iii) to initiate studies on problems relating to natural resources; (iv) to make recommendations bearing on the conservation, utilisation and development of natural resources; and (v) to disseminate information concerning the country's natural resources through publications.

The Committee consists of 20 members including members of the Planning Commission with the Deputy Chairman of the Planning Commission as Chairman of the Committee. The Committee will be assisted by a Standing Committee and expert technical committees for various fields of studies.

(The Gazette of India, Part I, Sec.1,  
6 January 1962, page 5 ).

15

35. Productivity.

India - January 1962.

Incentive Schemes: Principles and Practice in India.

The Labour Bureau, Ministry of Labour and Employment, Government of India has published recently a study entitled "Incentive Schemes - Principles and Practice in India". A brief review of the study is given below.

Practice in India.- Piece-rate system, one of the commonest type of incentive scheme, has been in vogue in India for a fairly long time now. References to the existence of various other types of schemes also occur in the reports of the committees, commissions, etc., which examined the conditions of labour in the country as a whole or in any particular part of the country or industry from time to time. However, in the absence of any comparable data it is not possible to assess or indicate the trend. Such limited statistics concerning percentage of workers being paid on piece-rate in various industries as are available in the Labour Bureau are presented in the table below. These statistics are based on the information furnished by employers in response to questionnaires issued by the Bureau from time to time.

Industry	Year to which the data relate.	Number of Units responding.	Total Number of workers in responding units.	Number of workers employed on piece-rates.
Iron and Steel	-- 1952	6	53,634 (100.00)	1,128 (2.1)
Cotton	-- 1953	-	170,884 (100.00)	120,486 (70.5)
Silk	-- 1955	24	14,968 (100.00)	4,958 (32.1)
Woollen	-- 1953	24	11,590 (100.00)	3,971 (34.3)
Matches	-- 1955	25	10,803 (100.00)	7,052 (65.1)
Paper	-- 1955	20	22,278 (100.00)	851 (3.8)
Carpot Weaving	-- 1955	11	1,305 (100.00)	620 (47.5)
Coir Matting	-- 1954	29	5,557 (100.00)	4,868 (87.6)
Tanneries and Leather Goods Manufacture.	1953	38	3,733 (100.00)	1,583 (42.4)

Industry		Year to which the data relate.	Number of Units responding.	Total Number of workers in responding Units.	Number of workers employed on Piece-rates.
Potteries	--	1953	31	15,599 (100.00)	2,651 (16.9)
Printing Press	--	1954-1955	59	23,878 (100.00)	734 (16.9)
Chemicals	--	1953	44	5,498 (100.00)	153 (2.9)
Shellac	--	1957	103	5,560 (100.00)	2,801 (49.5)
Cigarette	--	1955	14	11,588 (100.00)	56 (.5)
Sugar	--	1955	50	44,080 (100.00)	1,104 (4.2)

Note:- Figures in brackets denote percentages.

With a view to obtaining more detailed information on types of incentive systems in force in various undertakings and the procedure, etc., adopted for their installation the Bureau decided to address all establishments in the country which were known to have introduced incentive payment systems. For this purpose a request was made to all employers' and workers' organisations to furnish the names of establishments in which they knew such systems were in force. A preliminary list had already been drawn on the basis of the information available in the Bureau and it was hoped that with the co-operation of employers' and workers' organisations it would be possible to make it fairly exhaustive. Unfortunately the response was rather poor and the list which was drawn contained only 111 names of establishments. In December 1956 and January 1957, a questionnaire was issued to all these units. Subsequently, it was learnt that another 32 units had incentive payment systems and therefore they were also addressed. Thus the questionnaire was sent to 143 units. Despite all persuasive efforts replies were received from only 75 establishments. An industry-wise distribution of these establishments is as follows:-

Industry	Number of Units
Engineering	22
Cement	10
Paper	4
Cigarette	8
Textiles	6
Chemicals and Chemical Products	8
Mining	4
Glass	5
Miscellaneous	8
Total.	<u>75</u>



According to information received from 68 units, in all of them except seven, the schemes were introduced either during or after 1946. In 28 of the undertakings (mostly match factories and printing presses) the schemes have not been revised since they were introduced. In the remaining 40 undertakings, there have been revisions, which were more frequent in engineering establishments, and match factories. Approximately 50 per cent of the total number of workers employed in the responding units are covered by incentive schemes. The percentage of covered workers in main industry groups is as follows: engineering and metals - 80.9; glass - 77.9; paper - 74.6; chemicals and chemical products - 69.7; mines - 39.6; cigarette - 27.9; textiles - 12.0; and cement - 5.8. The percentage of workers covered by incentive schemes in different units belonging to the same industry varies considerably. For example, in the engineering and metals group the percentage varies from 19.5 to 100, though in most of the concerns it is above 50. The percentage of workers covered in some of the important undertakings in the iron and steel industry ranges from 88.6 to 100. In three of the gold mines, the percentage of workers covered to total varies from 34.9 to 43.5. In cigarette factories the percentage varies from 16.4 to 82.9. Not only do such differences occur in the case of different industries, but also in undertakings of a similar character under the same management. For example, in five of the cigarette manufacturing factories controlled by a leading cigarette company in India the percentage of workers varies from 16.4 to 30.6. Similar situation exists in three match factories under the control of a large matches manufacturing company where the percentages are 100.0, 97.8 and 82.2 respectively. In a fourth factory under the same management there is no incentive scheme at all.

Procedure adopted for installation.- A total number of 57 units have stated that incentive schemes were fully discussed with workers or their representatives prior to introduction. In sixteen of these units (8 engineering, 5 chemicals and chemical products, and one unit each of cement, paper and rubber) schemes were formulated by collective bargaining between managements and workers' representatives. Some of the major units where collective bargaining formed the basis of incentive schemes are: the Belur, Chota Nuri and Alupuram works of the Indian Aluminium Co.Ltd., the Tata Locomotive and Engineering Co.Ltd., and the Tata Iron and Steel Co.Ltd. Works Committees constituted under the Industrial Disputes Act, 1947 and unit production committees served as a forum for discussion of schemes with workers in seven undertakings (three in engineering, one each in textiles, cigarette manufacturing, glass and leather). In some units, the schemes were introduced as a result of awards of industrial tribunals and conciliation proceedings.

18

Realising the vital importance of understanding of workers for the success of incentive schemes a number of establishments adopted special measures to educate their employees. In this connection measures adopted by a leading scap manufacturing concern deserve special mention. The collective agreement concluded in October 1956 between the management and workers of this undertaking provided for the organisation of an appreciation course in method study and incentives for four union representatives. This course, which lasted for about a month, covered methods review, work measurement, recording system, labour control and incentives.

Determination of standard.- An analysis of the replies received from 65 undertakings, which have furnished information on this subject, shows that the standards were determined in one of the following three ways: (i) Job analysis and/or time studies; (ii) Past experience; and (iii) Past experience combined with job analysis and/or time studies. In more than half of the undertakings (i.e., 36) the standards were fixed after job analysis and/or time studies; in 19 by past experience, and in ten both by job analysis and past experience. From an industry-wise analysis of the data, it would appear that the determination of standards by job analysis and/or time studies is fairly common in the engineering and metals, textile, cement and glass industries.

Very few units have given information regarding the allowances made by them in fixing standard time for various jobs or operations. In an iron and steel works standards were fixed after making an allowance of 15 per cent for relaxation and personal needs. Under the efficiency bonus scheme introduced in 1956 in an engineering concern in Bihar sufficient allowance has been made for relaxation, personal needs and contingencies. The standard laid down under an experimental productivity payment scheme, introduced in five cigarette factories in January 1957, is a 'reasonable output' fixed at 74 per cent of the installed capacity of the machine. The standard production targets in the hand-folding and plaiting sections of a cotton mill have been fixed after making a personal time allowance of 15 per cent. With a view to avoiding undue strain on workers and thus safeguarding their health the management of a cement factory have made an allowance for (i) compensatory relaxation; (ii) mid-shift made break; and (iii) personal needs, etc., while fixing standard work loads.

An attempt was made to find out the actual role played by workers or their unions in the fixation of the standards and in this connection a reference was made to 57 establishments which had stated that their schemes were formulated in consultation with and/or approval of the workers. Of these, only 40 have sent their replies. Seventeen of these have stated that no part was played by workers in the fixation of the standards. In one unit no positive role was played by workers as the scheme was introduced as a result of an award of the tribunal before whom the representatives of employees had expressed their views. The remaining units have not given any clear idea of the actual note and extent of participation of workers or their representatives in the fixation of standards. From the replies it appears that the standards were either fixed by the managements or IBCONS and then the proposals were placed before the unions, whose views were taken into consideration before the schemes were finalised.

19

Systems of Payment.- Group system of payment is the most common system in most of the units. This system is prevailing in 46 out of the 75 units which have sent their replies. Individual systems prevail only in 11 units and in the remaining 18 both group and individual schemes are in force. In a number of large undertakings, particularly in the iron and steel, aluminium, paper and match industries, incentive payments are linked to the total production of the plant or unit as a whole. In one of the iron and steel works production bonus is linked to the production of pig iron. The rate has been fixed for each slab of 25 tons produced in excess of 400 tons per shift. In another factory of the same industry group, a basic tonnage of production is fixed for each production department for calculation of overhead and depreciation charges. A portion of savings effected by increased production is given to labour, subject to minimum of 12 per cent and a maximum of 40 per cent. Under the annual productivity bonus scheme of a metal refining factory, bonus is payable at the rate of 8.33 per cent of the total earnings when the output is 6,000 tons. Thereafter it increases at the uniform rate of 2.78 per cent for every additional thousand tons of output and is payable at the rate of 16.67 per cent at output of 9,000 tons (including increase by 2.78 per cent). In another such works, under the same management, workers get an annual bonus when production exceeds 900,000 lbs. of aluminium paste. The rate at which bonus is paid varies from 8.33 per cent of the total earnings at a production level of 900,000 lbs. to 16.66 per cent if production level rises to 1,200,000 lbs. of standard grade paste of aluminium. In undertakings manufacturing paper and board, incentive bonus is paid to workers when the total production exceeds a predetermined target.

Incentive schemes relating to productivity of individual workers or groups of workers exist in many undertakings, specially in engineering and cigarette manufacturing. In a locomotive works the bonus paid to a worker corresponds to the total time saved by him. As far as possible, piece-work timings are issued to individual workers, but collective piece-work timings are issued when efforts of a number of workmen are required to complete a job and where it is not practicable to obtain the output of individuals. But in the interest of health and safety of workers the maximum bonus that can be earned is limited to 50 per cent of the standard basic wage. The monthly production bonus scheme in a metal refining factory is based on a month's "Over-all-Plant Efficiency and Recovery". In six cigarette factories production bonus schemes are linked with the installed capacity of the factory. The starting point is 74 per cent of the installed capacity. For production over and above this standard, bonuses are payable to workmen according to different scales in different sections or departments. Payment is made to each worker on the basis of the number of hours worked, excluding overtime hours. The incentive systems prevailing in gold mines, some cement and glass factories and printing presses may be termed as 'task systems'. Under this scheme system the work to be performed for a stipulated wage is pre-determined. For performance over and above the prescribed 'task' bonuses become payable. In three gold mines a threshold is set for each task and a bonus rate is fixed for each unit of work above the threshold. In cement factories the schemes generally apply only to those manual workers who are engaged in packing, loading or stacking cement bags. In the packing sections of three of the factories under the same management in Southern India the crew and their standard output have been fixed and bonuses are paid for packing over and above the standard. In some units in the glass industry, i.e., those manufacturing bottles, production norms have been fixed for a group of workmen. For production over and above the norm, a worker gets a bonus at flat rate. In some of the

20

the State Government printing presses incentive schemes, based on the task system, have been adopted. But the schemes apply only to limited categories of workers, viz., hand compositors, line-type and mono-type operators.

Scheme for Non-productive Workers.- In some of the undertakings a distinction has been made in the matter of payment of incentive bonuses between persons directly engaged in production processes and those not directly employed in such processes. The former are usually termed as 'productive workers' and the latter as 'non-productive' personnel. Though most of the schemes apply only to productive personnel, in some of the undertakings - specially in the 'engineering and metals' group, incentive payments are being made to non-productive personnel as well. Of the 22 units in this group, as many as 16 have one scheme or another for such persons. Generally, the rates of bonus payable to these workers is less than those of productive workers. The rates of bonus applicable to non-productive workers vary from about 25 per cent to 90 per cent of the bonus earned by productive personnel. Though bonus rates for non-productive workers are usually linked to those of productive workers, it is not always so. In a few units the rates are linked either to total production or to wages.

Effects of Incentive Schemes on Employment.- Fear of redundancy on the part of workers have been reported by some of the employers during the present enquiry. For instance, in a soap manufacturing concern an apprehension of redundancy was noticed amongst workers but it was subsequently overcome by an assurance from the employers that it would make every effort to find alternative work for any worker who may become surplus to requirements. In an oil mill, as a result of the introduction of the incentive scheme, in 1955-56 about 300 out of 1,100 workers in the undertaking were found surplus. Of these, only 200 could be provided alternative jobs and the remaining 100, who were temporary workers, were retrenched. Such instances only confirm the feeling that in countries with a surplus manpower, like India, the introduction of incentive systems should be considered with caution.

Effects on Earnings.- During the present enquiry employers were requested to furnish data regarding the earnings of workers covered by incentive schemes. Out of 75 responding undertakings 61 have furnished the information. The number of workers covered by incentive schemes in these 61 undertakings at the end of September 1956 was 79,758. The period to which the earnings figures relate, however, varies from unit to unit. While some have supplied information for a period prior to 1955, the data furnished by others relate either in respect of financial year 1955-56 or for the calendar year 1956. Nevertheless, the statistics are helpful in giving a fair idea of the proportion of workers' earnings accruing from incentives. The available information is summarised in the following table:-

Industry	Number of units supplying information.	Number of workers covered.	Percentage of workers earnings from incentive schemes to total earnings.	Percentage range.
Engineering and Metals	16	51,803	10.3	5.0 to 31.5
Cement	10	1,421	12.1	1.8 to 25.4
Paper	3	4,147	20.1	4.7 to 25.3
Cigarette	7	3,286	11.5	0.7 to 21.6
Textiles	6	1,983	7.7	1.3 to 29.8
Chemicals and Chemical Products	4	6,189	12.5	10.4 to 12.9
Mines	4	7,216	10.4	5.4 to 13.4
Glass	5	3,016	20.3	0.4 to 29.3
Miscellaneous	6	697	11.0	1.2 to 46.4
<b>TOTAL.</b>	<b>61</b>		<b>10.9</b>	

From the figures given above it will be seen that the incentive earnings formed 10.9 per cent of the total earnings of workers in all the 61 undertakings furnishing information. Since the figures given in the table cannot be taken to represent the condition in any industry even in a general way it is not possible to comment on position in different industry groups.

The following table shows the frequency distribution of units on the basis of the proportion of incentive earnings to the total earnings of employees. In 33 out of 61 undertakings the proportion was less than 10 per cent. In 17 units it ranged between 11 and 20 per cent and in the remaining eleven undertakings it was more than 21 per cent.

Industry	Percentage					Total
	Upto 10	11-20	21-30	31-40	41-50	
Engineering and Metals	7	6	2	1	-	16
Cement	4	4	2	-	-	10
Paper	1	1	1	-	-	3
Cigarette	6	-	1	-	-	7
Textiles	6	-	1	-	-	6
Chemicals and Chemical Products	-	4	-	-	-	4
Mines	3	1	-	-	-	4
Glass	2	1	2	-	-	5
Miscellaneous	5	-	-	-	1	6
<b>Total.</b>	<b>33</b>	<b>17</b>	<b>9</b>	<b>1</b>	<b>1</b>	<b>61</b>

Variations in the proportion of earnings from incentive schemes exist not only between units in different industries but also among units of the same or similar industry. For instance, in the units of the engineering and metals industry group the percentage of workers' earnings from incentive schemes varies from 5.0 to 51.5. The percentage of incentive earnings in some of the important units of the iron and steel industry group is as follows:

1. Unit A	---	7.6
2. Unit B	---	25.0
3. Unit D	---	8.7

In the two locomotive manufacturing units the percentages are 13.8 and 26.8. The percentage of incentive earnings differs quite often even in the undertakings under the same management and in the same industry. For example, in five cigarette factories under the same management the percentages are 5.2, 5.6, 8.9, 9.1 and 15.0.

The existence of such variations is fairly common even within the same undertaking, depending upon the section or shop where a worker happens to be. For example, in an iron and steel works, the percentages of earnings to total in 1956 in the different sections was as follows: Rolling mill - 28.2; Electrical steel Furnace - 28.2; Moulding - 20.9; Fetting - 23.7; Finishing - 29.6; Machine shop - 23.4; Inspection - 12.1; and Maintenance - 18.4. Similar is the case in cigarette factories. In 1956 the percentages in different sections of a cigarette factory were as follows: Hand-packing department - 3.2; Machine packing - 6.2; Wrapping section - 5.8; Soldering and labelling - 5.6; Box and tin-making - 2.7; and Cigarette making - 15.2. Such 'intra-plant' inequities in earnings seem to be a common problem causing a certain amount of dissatisfaction amongst workers. In this connection, the following extracts of opinions of the managements may be of interest:

"As a matter of expediency some of the existing schemes had been fixed on loose standards and low 'minimum' levels of production resulting in unequal bonus earnings in different shops. This has led to some heart-burning amongst the workmen".

"There is disparity in the bonus earnings of the workers for the same effort - in some shops of loco-division. This has caused some dissatisfaction amongst the workers".

A disparity of another kind that exists may be referred to here; that is the disparity in the earnings of workers doing the same kind of work and in the same industry. The following table shows the proportion of incentive earnings of workers in 1956 in two different cigarette factories for which data are available.

Section/Department		Unit 1	Unit 2
		%	%
Hand-packing	---	3.2	6.3
Machine-packing	---	6.2	7.4
			(Packing section)
Wrapping	---	5.6	6.1
Soldering	----	5.6	5.2
Labelling	----		3.9
Box and tin making	----	2.7	8.7
			(Case making)
Cigarette making	----	15.2	7.7

Very few units have supplied serial statistics and hence it is not possible to study the trend of incentive earnings. The data furnished by a few units belonging to engineering and metals group is presented in the following table.

Year	Percentage of earnings from Incentive Schemes to total Earnings			
	Unit A	Unit B	Unit C	Unit D*
1951	- 11.1	22.2	25.0	4.2
1952	- 31.7	21.1	14.6	6.0
1953	- 22.0	17.2	4.9	7.6
1954	- 21.4	16.2	30.7	8.2
1955	- 25.0	20.3	31.5	8.5
1956	- 28.2	19.9	37.4	6.7

\* The information relates to financial years.

Effects on Production.- Of the units which have given information on this subject four have stated that production went up after the introduction of incentive schemes. In one of these, which was an engineering concern, the output increased by 80 per cent within a year of the introduction of the scheme. The second unit, which is an iron and steel work, has stated that the index of productivity of the finishing shops rose from approximately 35 in 1954 (i.e., prior to the introduction of the scheme) to 124 in December 1956. The month-wise indices of production show that it varied from 42 to 86 in 1954, from 56 to 93 in the next year and from 96 to 124 in 1956. It may be pointed out here that the total man-days worked in the finishing shop also increased from 25,876 in 1954 to 40,652 in 1956. In the rolling mills section of the same undertaking (where the incentive scheme was introduced in 1950 and revised in November 1954) production increased from 16,238 tons in 1951 to 36,983 in 1956 (i.e., about 128 per cent), while the total man-days worked increased from 55,150 to 79,817 (i.e., approximately 45 per cent) in the same period. In the third unit (a soap factory) productivity in the printing, filling and packing sections increased by about 30 per cent between April-July 1955 (when the incentive schemes were introduced) and February 1957. In the other sections of the same undertaking productivity increased approximately by 50 per cent between October 1956 (i.e., when the scheme was introduced) and February 1957. Similar is the case in glass works where it is stated that there was a 30 per cent increase over the normal production after incentive schemes were introduced.

24

In contrast, some undertakings have reported that the introduction of incentive schemes did not materially affect production. Four of these are engaged in the manufacture of matches. In these factories it has been stated that productivity has not increased as the existing incentive schemes are group schemes, covering both essential and non-essential jobs.

Forty two establishments have given comments on the reactions of employees or their representatives in incentive schemes. Of these all but three have stated that the schemes have been liked by the workers. The predominant reason mentioned by a vast majority of them (i.e. 32) for this favourable reaction of workers is that these schemes have resulted in better emoluments. The other reasons given are that (a) the schemes are simple and easy to understand; (b) they were changed from time to time in the light of changing conditions; (c) they were approved by workers; or (d) that they were introduced after discussion with the representatives of workers' union. Two of the managements have informed that their employees or their unions have never expressed any opinion on the schemes. Only one cement factory has stated that the incentive scheme in force in the unit is not being favoured by the workers' union as there is a tendency on the part of workers to stick to the minimum workload as they fear that there may be retrenchment. \*

'L'

---

\* Labour Bureau Pamphlet Series-3 "Incentive Schemes Principles and Practice in India". Labour Bureau, Ministry of Labour and Employment, Government of India. 1961. Manager of Publications, Civil Lines, Delhi. pp. iii + 66.



25

36. Wages.

India - January 1962.

Evolution of Wage Policy in India.

An article on the Evolution of Wage Policy in India appeared in the Indian Labour Journal, December 1961. The following is a brief review of this article.

Introduction.- A well-conceived wage policy has been engaging the attention of the Government as well as employers' and workers' organisation in India with a view to improving the living conditions of workers, securing reasonable returns for the employers and achieving the economic and social objectives of the community. The question of fixing minimum wages was felt as early as the beginning of the twenties, but it was not practicable to take any step earlier in view of the unorganised labour and its cheap supply availability. The conditions of employment, wages, demand and supply of labour and working conditions were much divergent from region to region, industry to industry and occupation to occupation. The workmen gradually grew conscious of their low earnings and the demand for minimum wages started growing in the country. The Draft Convention on Minimum Wage Fixing Machinery adopted by the I.L.O. in 1928 had also infused some interest on this subject. The Convention provided for establishment of wage fixing machinery whereby minimum rates of wages could be fixed for workers employed in certain trades. The Royal Commission on Labour in 1931 pointed out low earnings of the workers but it did not favour the establishment of minimum wage fixing machinery in the organised industries and in others without undertaking certain preliminary enquiries to ascertain the desirability of this step but there was a prima facie case for holding enquiries in certain trades where condition of sweating and low wages prevailed. If the results of enquiries showed need for minimum wage fixing machinery, then the Commission recommended the necessary legislation for setting up such a machinery by the Government and ratifying the I.L.O. Convention. The Commission also considered the desirability of the institution of Statutory Wage Board for fixing wages in tea plantations in Assam.

26

The Payment of Wages Act, 1936 was the first statutory step taken by the Government to regulate wages in the country. Earlier, the Royal Commission on Indian Labour appointed in 1929 had pointed out various mal-practices such as irregular payment of wages, unfair deduction of wages, etc., of the industrial workers and recommended that legislation to check these abuses was necessary. The Commission made a number of recommendations which formed principal basis for the passage of the Payment of Wages Act, 1936 which came into force in March 1937. The main purpose of the Act was to ensure regular and prompt payment of wages and to safeguard the workers against exploitation and arbitrary discretion of the employers.

The Second World War broke out in 1939. The prices soared high and the cost of living went on increasing. During those years the Labour Investigation Committee appointed by the Government of India in 1944 collected, for the first time, valuable statistical data relating to wages and earnings of all industrial and allied categories of employment. The survey revealed low level of remuneration earned by labour in India in practically all industries except the cotton mill industry in Ahmedabad where wages were standardised. The Bihar Labour Enquiry Committee (1938-40), the Rau Court of Enquiry for Railwaymen (1940), the First Central Pay Commission (1946) and the U.P. Labour Enquiry Committee (1946-48) recommended the fixation of minimum wages.

The year 1947 witnessed industrial unrest on an unprecedented scale. Strikes and lockouts had increased and production had fallen down. The Bombay Government, in 1946, took the lead by putting the Industrial Relations Act on its Statute book and creating adjudication machinery. Following an amendment in the same Act in 1948, statutory wage boards were also established. The State of Uttar Pradesh also provided adequate machinery for the adjudication of industrial disputes. The Government of India passed Industrial Disputes Act, 1947 giving powers to all State Governments to establish Industrial Tribunals and to deal with all types of disputes including those of wages. A definite wage policy was also adopted with the recommendations of the Industrial Truce Resolution accepted by the Government in their statement of Industrial Policy issued on 6 April 1948. The need of paying fair wage to labour was emphasised and accepted in principle by the Government and a tripartite Committee on Fair Wages was appointed in 1948 consisting of representatives from the Government, employers' and workers' organisations. The Committee in its report considered the problems of the fixation of a fair wage for industrial labour and examined all the underlying principles in the fixation of a minimum wage. The Committee felt that even in the present economic condition of the country, the minimum wage must provide not merely for the bare sustenance of life but for the preservation of efficiency of the workers by providing for education, medical requirements and other amenities. This, according to the Committee, was the minimum which a worker must have irrespective of the capacity of the industry or his employer to pay. The theoretical upper limit to this was provided by the concept of the 'living wage'. The Committee developed the concept of fair wage applicable to India in the context of the existing economic conditions of the country. All the wage fixing authorities accepted the principles laid down by the Committee. The Government also appointed non-statutory Wage Boards for various industries on all India level to evolve fair wage structure for the working class.

27

The other major development in this field was the Minimum Wages Act, 1948, providing fixation of minimum wages in certain scheduled industries by the State Governments. The question of setting up of a statutory wage-fixing machinery was discussed at the third meeting of the Standing Labour Committee in May, 1943, in the Fifth Labour Conference in September 1943 and again at the fourth meeting of the Standing Labour Committee held in January 1944 and at the Sixth Labour Conference held in October 1944. It was suggested in these discussions that fixation of statutory minimum wages could not be undertaken unless reliable and extensive materials regarding wages and earnings in various industries were available. Setting up of Regional Wage Boards for fixing statutory minimum wages for industrial labour was also discussed and the general consensus of opinion was in its favour. The Government of India introduced the Minimum Wages Bill in the Indian Legislative Assembly on the 11 April 1946 for setting up machinery for fixing minimum wages by State Governments in respect of employments where sweated labour was prevalent or where the labourer was exploited. This legislation was the first of its kind to afford income security to industrial workers in India and empowered the Central or State Governments, as the case may be, to fix minimum rates of wages in respect of scheduled employments. The Act also provides for the setting up of machinery for the fixation, revision, and co-ordinating of the minimum wages. The Amendment Act of 1960 has extended the coverage of the Act to more and more employments in the Central and State spheres.

The Government of India ratified the I.L.O. Convention No. 26 concerning Minimum Wage fixing Machinery (Industry) 1928 in January 1955. Article 43 of the Indian Constitution also strengthened the case for a fair deal to labour and guaranteed a living wage to workers.

The Indian Labour Conference at its 15th Session in 1957 recommended certain norms for assigning the amount of minimum wages. The resolution adopted by the Conference was important as it embodied the acceptance by the employers, the workmen and the Government of the requirements that the minimum wage should be need based and a formula was adopted for the purpose of ascertaining the 'need based' wage. The Central Wage Board for Cement industry made its recommendations of minimum wages on the basis of these norms but the Second Pay Commission which recommended minimum wages to Central Government employees found certain practical difficulties in the use of these norms under the economic circumstances prevailing in the country. The Central Wage Board for the Cotton Textile Industry also found itself helpless to recommend minimum wages in accordance with the norms fixed by the Conference and observed that 'we have had no difficulty in working out such need based wage for the several centres of the industry in India, but having done that, it has become evident that the introduction of such need based wage would be a leap forward of a character that the industry would not be able to support'.

The Second Pay Commission (1957-59) discussed in its report the principle of pay and minimum remuneration of the Central Government employees. It stated that "the structure of emoluments and conditions of service should be so designed as to ensure recruitment at different levels of persons with requisite qualifications and abilities and to keep them efficient. The social principles and standards which Government have laid down or commended to employers generally should be taken into account in determining the emoluments and conditions of service of Central Government employees. The minimum wage or salary should not be determined merely on economic consideration, but should satisfy also a social test." The Commission, however, examined the financial implication of raising the minimum remuneration payable to a Central Government employee to 125 rupees per mensem, which was worked out according to the formula laid down by the Conference and concluded that the financial costs of implementing the recommendations were enormous and, therefore, gave up the idea.

Industrial Awards on Wages.- During the last few years minimum wages particularly for the lowest paid unskilled workers were fixed in several organised industries as a result of awards by Industrial Courts, Tribunals and Adjudicators set up under the Industrial Disputes Act, 1947. The factors that were generally considered by these Courts in determining the level of minimum wages were the minimum needs of workers' family, prevailing wage rates in comparable concerns, amenities and privileges like canteens, provident fund, gratuity and medical facilities, nature of the work done by different categories of workers, productivity of labour depending upon the type and state of machinery, the quality of raw material supplied and the level of managerial and technical efficiency and the size of the family.

Wage Policy Formulated in Five Year Plans.- The First Five Year Plan laid down that an abrupt increase in wages was detrimental to the economic stability of the country as it reflected in costs of production and consequently in the rise of the prices of the products. The Plan pointed out the following considerations to evolve a uniform and standard wage policy in the country, viz., (a) all wage adjustments should conform to the broad principles of social policy that disparities of income have to be reduced to the utmost extent. The worker must obtain his due share in the national income; (b) the claims of labour should be dealt with liberally in proportion to the distance which the wages of different categories of workers have to cover before attaining the living wage standard. This consideration will govern the assessment of fair return to capital and fair remuneration to management; (c) the process of standardisation of wages should be accelerated and extended to as large a field as possible.

The Second Five Year Plan outlined two aspects of wage policy. The first concerned the laying down of principles to bring wages in conformity with the expectations of the working class in the future pattern of society by appointing an expert Wage Commission which could examine the relevant material and lay down principles for defining the respective roles of wages, profits and prices in view of the declared social and economic objectives of the community. The second was the settlement of wage disputes by instituting tripartite Wage Boards for individual industries consisting of representatives of employers, workers and the Government. The Plan recommended that a wage census should be taken up to provide statistical data for the purpose and simultaneously to institute enquiries for the revision of the present series of cost of living indices at different centres as the question of merging dearness allowance with basic wage had come into prominence.

The Third Five Year Plan reiterates the declared objective of the Government to secure fair wages to every worker and also to eliminate the economic and social disparities prevalent in the country. Implementation of the earlier two Five Year Plans seems to show that disparities in the earnings of skilled and unskilled workers have gone down to a great extent. It is proposed under the Third Plan to undertake measures for a better wage policy by making special studies on (a) wage differentials; (b) the manner in which wages should be linked to productivity; (c) techniques of measuring productivity; and (d) the norms on the basis of which gains in productivity should be shared. The success of tripartite Wage Boards in framing a wage structure in cotton textiles, cement and sugar industries in active co-operation with employers and workers has justified the aspirations of the Government in evolving a fair wage structure in these industries. The encouraging results ushered in by the setting up of Wage Boards indicate for the emergence of a few more such Boards for additional industries.

Wage Boards.- In view of the recommendations of the First and Second Five Year Plans, the Wage Board for Working Journalists was first set up in India in May 1956 under the Working Journalists Act. For the purpose of fixing the rates of wages, the Board recommended that newspaper establishments should be classified into five categories on the basis of their gross revenue. The classification of weeklies and periodicals published by newspaper establishments which do not publish dailies was recommended on the basis of circulation in the following manner:-

<u>Class</u>	<u>Circulation</u>
A -----	Over 25,000
B -----	From 10,000 to 25,000
C -----	From 5,000 to 10,000
D -----	From 3,000 to 5,000
E -----	Below 3,000.

Minimum basic wages recommended for working journalists range from Rs.90 for a working journalists in Class 'E' newspaper establishment to Rs.1,000 for an Editor in a Class 'A' newspaper establishment.

The Wage Board for the Cement industry appointed in April 1958 submitted its report in October 1959. The Government of India accepted the main recommendations in March 1960. The Board among other things, recommended a total minimum wage of Rs.94 for an unskilled worker whose family was deemed to consist of three consumption units.

The Wage Board for the Cotton Textile Industry appointed in March 1957 submitted its report in November 1959. The Board after a careful study of the whole problem recommended that for a period of five years from 1 January 1960, no claim for further revision of minimum wages should be made by either the employers or the workmen.

The Central Wage Board for Sugar Industry constituted by the Government of India in December 1957 submitted its report in November 1960. For the purpose of wage fixation, the Board recommended that the country be divided into four regions - North, North, Central, Maharashtra and South. The Board recommended minimum wages for unskilled workers for each region separately as follows:-

Region	Total Wages (Rupees)
1. Central	65-1-71
2. North	76-1-81
3. Maharashtra	87-1-92
4. South	81-1-88

Wage Boards for the Jute, Tea, Coffee and Rubber plantations have also been set up. Recently, the Government of India have also appointed a Wage Board for the Iron and Steel Industry. The Wage Board for Jute Industry has given interim relief for all the workers employed in Jute mills in all parts of India (except the Katiyar Mill) wherein every worker whether permanent, temporary or badli was supposed to be paid interim relief at the rate of Rs.2.85 per month from 1 October 1960 to 31 December 1960 and at the rate of Rs.3.42 from 1 January 1961. The Katiyar Mill alone was required to pay an interim relief at the rate of Rs.3.42 with effect from 1 September 1961.

31

Conclusion.- It can be concluded that the wage policy in the country has been gradually evolving towards a progressive economy with the growth and development of planning. The need to fulfil a minimum living wage has been accepted and the workers' right to fair wages has also been recognised on principle, though keeping the country's present resources in view it will be difficult to achieve it for some time. The formation of wage boards will go a long way in formulating broad policies for the long-range determination of the wages for industrial workers in organised sectors. Workers in the unorganised and sweated industries have been granted statutory protection of their wages. In general, the workers efficiency coupled with higher production may also be helpful in raising the wages and levels of living. The rapid pace of industrialisation, opening of new vistas of employment and increasing production with better lay out of plants, improvement of working conditions and workers' education will largely determine the future of our wage policy whose basic objective would no doubt be to have a contented labour force and to garner industrial peace and prosperity.

(Indian Labour Journal, Vol.II, No.12,  
December 1961, pp. 1146-1163 ).

'L'

212

Functions of Wage Board for Steel Industry announced.

The main functions of the tripartite Wage Board for Steel Industry constituted recently (vide page 19 of the report of this Office for the month of November-December 1961), will be to determine a wage structure "on the principles of fair wages as set forth in the report of the Committee on Fair Wages". It is also to categorise the employees who should be brought within the scope of the proposed wage structure.

In evolving a wage structure, the Board has been asked to keep in mind the industry's needs and the necessity to give workers an incentive, particularly through the system of "payment-by-result". The fixing of a minimum fall-back wage has also been recommended.

The board's headquarters will be at Patna and its recommendations will affect both the private and the public sectors of the iron and steel industry.

(The Statesman, 6 January 1962).

'L'



Central Wage Board for Tea Industry recommends  
Interim Wage increase for Tea Workers.

The Central Wage Board for Tea Industry decided at Calcutta on 5 January 1962 for an interim wage increase for Assam and West Bengal tea estate workers. Except in Darjeeling Hills and Cachar the recommended increase in wage for daily rated labour have been 8 np., 7 np., and 4 np. respectively, for adult male, woman and child worker. The corresponding increases for Darjeeling Hills are 10 np., 8 np., and 5 np. respectively. For Cachar Gardens no increase has been recommended considering that the workers in the area received increment in June 1961. For monthly rated workers an increase of Rs.10 per month in respect of clerical, educational, medical and supervisory staff and artisans and Rs.6 in respect of others have been recommended.

In case the recommendations of the Wage Board are given effect to, the tea industry in Assam and West Bengal would have to face an additional monthly expenditure of about 3 million rupees.

The majority of members have also proposed that the interim wage increase should be given effect to from 1 December 1961, and be shown as a separate item till the final recommendations of the Wage Board are made.

(The Economic Times, 7 January 1962).

'L'

Movement of Minimum Wages in India during the Plan Periods.

An article on the Movement of Wages in India during the Plan Periods was published in the Indian Labour Journal, December 1961. The salient features of this article are summarised below.

Introduction.- The welfare of the labour class is directly related with the wages it receives. The rates of wages in various employments and industries not only indicate the state of economy but the degree of developments also. Leaving aside these aspects of the question for the time being, the object of the study of movement of wages during the two Plans in this article is mainly to find out how the workers in the organised and the unorganised sectors have fared in the employment market. The Government has acted indirectly and directly in effecting awards in certain industries in the organised sector and by way of the Minimum Wages Act in the unorganised field, in increasing the bargaining power of the worker. This article does not attempt to explore the content of the wage in various industries, in various areas, as also the job contents and workloads, etc. in them; although a variation in either, during a long period, may be a factor contributing to the movement in wages and earnings of employees. The movement in total wages as such is considered here.

Policy regarding wages during the two Plans.- It was observed by the planners of the First Five Year Plan that any upward movement of wages at this juncture will further jeopardise the economic stability of the country, if it is reflected in costs of production and consequently raises the price of the product. For workers too, such gains will prove illusory because they will soon be cancelled by a rise in the general price level and in the long run, the volume of employment may be adversely affected. Such an increase in wages should, therefore, be avoided. Any steps to restrict wage increases should, however, be preceded by similar restrictions on the distribution of profits. Subject to this, wage increases should be granted under the following circumstances:-

- (i) To remove anomalies or where the existing rates are abnormally low;
- (ii) To restore the pre-war real wage, as a first step towards the living wage, through increased productivity, resulting from rationalisation and the modernisation of plant.

The Second Plan stipulated that a wage policy aiming at a structure with rising real wages should be evolved. Workers' right to a fair wage had been recognised, but it was found difficult to put it in practice. It was felt by the Planners that improvement in wages can result mainly from increased productivity which can be ensured by taking steps like better layout of plants, improvement in working conditions, training of workers and introduction of payment by results. In regard to laying down of principles to bring wages in conformity with the expectations of the working class in the future pattern of society appointment of the a wage commission was suggested in the Second Plan. As recommended in the First Plan it was emphasised in the Second Plan also to constitute tripartite wage boards for individual industries in different areas.

In the light of these considerations, the movement of the minimum wages in various employments - organised and unorganised - needs to be studied.

In the three major industries, viz., cotton, textiles, jute textiles and sugar, the total emoluments of workers by way of the basic wage and dearness allowance increased in the maximum by 34 per cent in 1959 as compared to 1951 in Bombay in cotton textile, while they doubled for jute textile in Andhra Pradesh and increased by about a third for sugar in West Bengal during this period. The movement of the emoluments received by workers varied from region to region as well as from industry to industry. The movement was in both directions and of different magnitude in the textile industry while in jute and sugar it was smaller in magnitude but showed more or less a continuous upward trend except for the jute industry in Bihar where it remained stationary.

Cotton textile.- During the Plan periods (i.e. from 1951 onwards) in almost all the centres/areas, the wage rates fixed by the awards, havenot changed except in Indore and West Bengal where the basic wages were raised from Rs.26.00 per month to Rs.30.00 per month in 1954 and Rs.20.15 per month to Rs.28.17 per month in June 1958 respectively. The following table gives basic wage and dearness allowance in the cotton textile industry.

(In Rupees)

Area	1951		1956		1959	
	B.W.	D.A.	B.W.	D.A.	B.W.	D.A.
Bombay --	30.00	57.28	30.00	68.77	30.00	86.42
	(100)		(113)		(134)	
Ahmedabad --	28.00	71.05	28.00	63.94	28.00	89.03
	(100)		(93)		(118)	
Sholapur --	26.00	56.11	26.00	57.68	26.00	48.74
	(100)		(102)		(81)	
Baroda --	26.00	63.96	26.00	57.37	26.00	80.21
	(100)		(93)		(118)	
Indore --	26.00	49.56	30.00	48.00	30.00	60.61
	(100)		(103)		(120)	
Nagpur --	26.00	42.70	26.00	48.86	26.00	63.18
	(100)		(104)		(130)	
Madras --	26.00	43.77	26.00	47.75	26.00	61.41
	(100)		(106)		(125)	
Kanpur --	30.00	56.59	30.00	51.77	30.00	59.60
	(100)		(95)		(104)	
West Bengal--	20.15	30.00	20.15	30.00	28.17	32.50
	(100)		(100)		(121)	

N.B. Figures in brackets indicate the wage relatives for the basic wage and dearness allowance taken together over the year 1951 as base. B.W. Basic Wage. D.A. Dearness Allowance.

36

In 1959, the Central Wage Board recommended an increase at the flat rate of Rs.8 per month per worker in mills in Bombay City and Island (including Kurla), Ahmedabad, Paroda, Billimora, Navsari, Eadiad, Surat, Phogwara, Hissar, Delhi, Modinagar, Calcutta, the whole of Madras State and Bangalore and Rs.6.00 per month for workers in other centres from 1-1-1960 with the proviso that a further increase of Rs.2.00 per month per worker shall be given from 1-1-1962.

The Central Wage Board, 1959 recommended that in places where only a consolidated wage or a fixed Dearness Allowance is given, the Dearness Allowance in those places should also be linked with the cost of living index numbers. It was further recommended that in all the centres the Dearness Allowance should be merged with the basic wage at a level which would yield an amount equal to 3/4th of the average Dearness Allowance of the first six months of 1959, and the remaining 25 per cent of Dearness Allowance shall continue to be treated as Dearness Allowance and shall be linked to the cost of living index number. The difference between the point at which the current index is merged shall also be compensated according to existing methods and at the existing scales.

Jute textile.- The total emoluments of the unskilled workers in the industry increased to a considerable extent during the Plan periods everywhere except in Bihar where it remained stationary. The percentage increase in the total emoluments during the period 1951-59 was 6 in West Bengal, 24 in Madhya Pradesh and 100 in Andhra Pradesh. In 1959, the total emoluments in Andhra Pradesh were the highest and were considerably more than those in West Bengal although they were higher in West Bengal in the earlier years. The following table gives basic wage and dearness allowance in jute textile:-

(In Rupees and Naya Paisa)

Centro	1951		1956		1959	
	B.W.	D.A.	B.W.	D.A.	B.W.	D.A.
West Bengal	28.00	57.37	34.67	32.50	34.67	32.50
		(100)		(106)		(109)
Madhya Pradesh	17.75	32.50	25.00	32.50	30.00	32.50
		(100)		(116)		(124)
Bihar	22.48	28.12	22.48	28.12	22.48	28.12
		(100)		(100)		(100)
Andhra Pradesh	19.50	20.58	26.00	39.00	26.00	54.08
		(100)		(162)		(200)

N.B.- Figures in brackets indicates the wage relatives for the basic wage and the dearness allowance taken together over the year 1951 as base.

B.W. - Basic Wage.

D.A. - Dearness Allowance.

**Coal Mines.-** The wage structure of unskilled workers employed in coal mines is now governed by the All-India Industrial Tribunal (Colliery Disputes) given in 1956 as amended in 1957 by the decision of the Labour Appellate Tribunal. The All-India Industrial Tribunal fixed the minimum wage of a male worker in the collieries at Rs.2-10-6(Rs.2.66) per day (i.e. Rs.69.1.0(Rs.69.03) per month for 26 working days consisting of Re.0.15.0 (Rs.0.94) as basic wage, Rs.1-5-6(Rs.1.41) i.e. one and a half times of basic wage as dearness allowance and Re.0-5-0 (Re.0.31) as statutory bonus. On an appeal preferred by both the employers and workers against the Tribunal's award, the special Bench of the Appellate Tribunal gave its decision in January 1957. The Appellate Tribunal did not agree with the All-India Industrial Tribunal on the grant of Bonus in the form of one of the components of the minimum wage. As such it fixed the total minimum basic wage of the lowest paid workman at Rs.1-1-0 (Rs.1.06) per day and dearness allowance at Rs.1-9-6(Rs.1.59) i.e. one and a half times of basic wage, thereby arriving at the same rate of Rs.2-10-6 (Rs.2.66) per day. The basic wage of the lowest paid workers in coal mines, thus increased from Re. 0-8-0(Re.0.50) in 1947 to Rs.1-1-0(Rs.1.06) per day in 1957.

**Mineral Oil industry.-** The following table gives an idea of the trend in the minimum wage of the unskilled workers in the industry industry:-

Year	Basic Wage	Dearness Allowance
	Rs.A.P.	Rs.A.P.
April 1949 onwards ---	1 2 6 per day.	1 7 6 per day.
September 1952 onwards.	1 4 0 per day.	50 0 0 per month of 26 working days.
May 1954 onwards ---	1 7 0 per day.	50 0 0 per month of 26 working days.

**Gold Mining.-** In India gold is produced only in Kolar and Hatti Gold Fields. At the beginning of the first Five Year Plan, the basic wages of the surface and underground workers in Kolar Gold Fields stood at Re.0-13-0(Re.0.61) per day and Rs.1-1-0 (Rs.1.06) per day respectively as a result of an agreement between the employers and the labour Association. By an award of the Central Industrial Tribunal published in January 1955, the basic wages of workers engaged in this industry were fixed at Re.1-0-0 (Re.1.00) per day for surface workers and Rs.1-4-0(Rs.1.25) per day for underground workers. The award was implemented in March 1955.

In September 1958, by another award of Industrial Tribunal the wage rates of daily rated and monthly rated workers in the Kolar Gold Field was enhanced. These revised rates are given below:-

Category of worker	Basic Wage	Dearness allowance for Daily rated workers.	Dearness allowance for Monthly rated workers.
Surface ---	Rs.1.00-0.05-1.25 per day.	Re.0-2-3 per point of rise above 100 in the Kolar Gold Field Index Number.	20% of the basic pay for Index number of 279 plus or minus half per cent of basic pay for every 4 points change from 279, minimum being that payable to daily rated employees and maximum of Rs.100 per month.
Underground--	Rs.1.25-0.05-1.50 per day.		

In the Hatti Gold Field the basic wage of male workers was Re.0-15-9 (Re.0.99) per day for surface workers and Rs.1-1-2 (Rs.1.07) per day for under-ground worker in 1955. The dearness allowance was paid on a sliding scale as follows:-

Basic Wage	Dearness Allowance
	Rs.D.P.
Upto Rs.34-4-7 per month	--- 24 4 7
Rs.34-4-7 to Rs.96-0-0 per month	--- 24 0 0
Rs.96-0-0 to Rs.171-6-11	--- 25 per cent.

The minimum basic wage in Hatti Gold Field since 1955 was Re.1.00 per day for surface workmen and Rs.1.25 per day for underground workmen while dearness allowance for both categories of workers was Rs.80.00 per month.

Engineering industry.- The wages of unskilled workers during the Plan periods in West Bengal in the Engineering industry are given in the following table:-

Year	Basic Wages	Dearness Allowance	Total
	Rs.	Rs.	Rs.
1950 ---	30.00	31.00	61.00
1958 ---	35.00	36.00	71.00

Prior to 1950, the wages and dearness allowance in the industry were governed by the First Engineering Tribunal award which prescribed in 1948 a minimum wage of Rs.30.00 per month as basic wage and Rs.25.00 as dearness allowance. Two years later, i.e. in 1950, the Second Omnibus Engineering Tribunal enhanced the dearness allowance from Rs.25.00 to Rs.31.00 and left the basic wage unaltered.

Sugar industry.- Next to Cuba, India is the largest sugar producing country in the world; and among the organised industries of India the sugar industry takes the second place, next in importance only to the cotton textile industry. The following table indicates the wage trends during the Plan periods in this industry:-  
(In Rupees and Naya Paisa)

State	1951		1956		1959	
	B.W.	D.A.	B.W.	D.A.	B.W.	D.A.
1. Bihar	55.00	-	55.00	-	58.75	-
	(100)		(100)		(107)	
2. Uttar Pradesh	55.00	-	55.00	-	58.00	-
	(100)		(100)		(105)	
3. West Bengal *	42.00	-	53.80	-	55.80	-
	(100)		(128)		(133)	
4. Andhra Pradesh**	22.28	24.00	26.00	28.00	26.00	28.00
	(100)		(117)		(117)	

\* Based on study in the single unit in the State.

\*\* These figures relate to only one unit (Nizam Sugar Factory Ltd.) in the State.

N.B.- Figures in brackets indicate the wage relatives for the basic wage and the dearness allowance taken together over the year 1951 as base.

B.W. - Basic Wage.

D.A. - Dearness Allowance.

The data available for other States is very meagre and so it is not possible to give any wage trend during the Plan periods for all these States. However, the wage rates prevailing in various States during the years 1949-50 and 1952-53 are given below:-

State	1949-50			1952-53		
	Basic Wage	Dearness Allowance		Basic Wage	Dearness Allowance	
Orissa	Rs. 11 13 0	A. 0	P. 0	Rs. 17 0 0	A. 0	P. 0
					21 0 0	to 27 0 0
Kerala	16 4 0			Linked to C.P.I. 22 8 0		Same as in 1949-50.
				at the rate of 0-2-0 per point of rise over the basic index.		
Mysore	16 4 0	21 0 0		18 12 0	21 0 0	to 50 0 0
Madras	8 0 0	Linked to C.P.F.	25 4 0	30 4 0	to 43 0 0	
	to 32 8 0		(seasonal)	30 0 0		
			(Regular)			
Bombay	9 12 0	Linked to C.P.I.	15 0 0	16 4 0	to 35 0 0	
	to 27 0 0		to 30 0 0			

24

Unrecognised labour.- The Government of India in its attempts to protect the labourers in unrecognised sector enacted the Minimum Wages Act in 1948 to guarantee the payment of a fixed minimum wage to the workers. The minimum wages fixed in many major States like Uttar Pradesh, Bihar, Bombay as well as Orissa have not shown any upward trend during the two Plan periods while the minimum wages fixed in only one or two of the total employments, for which the minimum wage was fixed earlier in Andhra Pradesh, Assam, Punjab, Delhi and Tripura, registered an increase during the period under study. In Bombay and in one case each in Bihar and Madras the overall minimum underwent a downward movement due to the extension of the regional coverage of the Act for the employment. In other States the minimum wages fixed earlier increased later considerably due to the revision of wages fixed earlier. The increase was significant in only one employment in Andhra Pradesh; the rate rose from Rs.0.75 to Rs.1.75 for oil mills. The increase in other cases was generally marked in Madhya Pradesh, Kerala and Madras being over 40 per cent in many cases which might be due to initial fixation of wage rates at a lower level. It also appears that the revision has been made towards adjustment with the other wage rates prevailing in the area.

(The Indian Labour Journal, Vol. II, No. 12,  
December 1961, pp. 1172-1191).



41

Andhra Pradesh: Minimum Wages Act, 1948, to be extended  
to Certain Employments.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Andhra Pradesh has given notice of its intention to extend the provisions of the said Act in respect of employments in (1) ~~State~~ Slat Fans, (2) Printing Presses including Litho and Offset printing, (3) Metal foundries, and (4) Automobile engineering workshops. The proposal will be taken into consideration by the Government after 1 March 1962.

(GO No No.2285 Home (Labour-II) dated 16 November 1961,  
Andhra Pradesh Gazette, Part I, 7 December 1961,  
Page 4039 ).

'L'

Orissa: Minimum Wages Act, 1948, extended to Certain  
Employments.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Orissa has added the following employments to part I of the Schedule to the said Act.

In part I of the said schedule, the following employments shall be inserted, namely:-

- 12-A Employment in Salt Pans
- 12-B Employment in Printing Presses
- 12-C Employment in Tile and Brick Makings
- 12-D Employment in Private Road Transport
- 12-E Employment in Hotels, Eating Houses and Restaurants
- 12-F Employment in Distilleries
- 12-G Employment in Shops and Establishments
- 12-H Employment in Metal Industry (except the Cottage and Village Scale Units)
- 12-I Employment in Cinema Industry
- 12-J Employment in Saw Mills
- 12-K Employment in Timber Trading (excluding felling and sawing)
- 12-L Employment in Handloom and Hosiery.

(Notification No. 365-IV-40/60-Lab. dated  
8 January 1962, the Orissa Gazette, Part III,  
19 January 1962, page 40 ).

43

Chapter 4. Problems Peculiar to Certain Branches of  
the National Economy

42. Co-operation.

India - January 1962.

Working of Industrial Cooperatives in India

Introduction.- In India the principle of co-operation has been considered vital to the rapid social and economic development of the country. Cooperative organisations play a most useful role in providing finance for agriculture, in storing, processing and marketing of the produce and in supplying seed, fertilisers and other needs of the cultivators. The extension of the principle of cooperation to the running of industrial enterprises became part of the Industrial Policy of the Government who affirmed in their Industrial Policy Resolution in 1956, that in order to realise the objective of a socialist pattern of society, it would be essential to build up a large and growing cooperative sector. It was, therefore, decided that cottage and small scale industries would be organised more and more on cooperative lines so as to enable the small producer to secure the advantages of buying raw materials and selling his products on a large scale, of getting access to industrial credit and of utilising improved methods of techniques of production.

In India the cooperative movement started essentially as a credit movement. The first cooperative legislation was passed in 1904. Until the First World War, the main types of cooperatives developed were the cooperative consumer societies and the cooperative credit societies. The great depression of the thirties brought to the fore the problem of increasing agricultural indebtedness and the question of long-term financing of agricultural operations. With this end in view the Cooperative Land Mortgage Banks were started in the country. The Reserve Bank of India which came into existence in 1935, evinced great interest in the development of cooperatives in the country. A separate department in the Bank was instituted to look into the credit needs of the cooperative movement.

At present over 150 millions people are served by cooperative societies according to a report of the Reserve Bank of India. Information relating to the year ended June 1960, reveals that during the year the number of cooperative societies of all types functioning in the country rose from 293,971 to 313,499 and their owned funds increased from 2201.6 million rupees to 2673.2 million rupees while their working capital registered a rise from 8795.9 million rupees to 10834.7 million rupees. Agricultural credit societies constituted the most important sector of the cooperative movement in the country consisting of 203,172 societies with a membership of 14.425 millions.

The First Five Year Plan laid particular stress on the importance of setting up industrial cooperatives both as an agency for developing village industries and an essential channel for extending financial assistance to village artisans. Government interest in promoting industrial cooperatives led to the setting up of a Working Group to report on industrial cooperatives particularly the ways and means of extending governmental assistance to them. The Working Group, among other things, recommended the liberalisation of government assistance to industrial cooperatives, establishment of liaison between them and large scale industries, noting out preferential treatment to the cooperatives in the supply of raw materials and introduction of cooperative as a subject for instruction, advanced study and research in schools, colleges and Universities. The Group also envisaged the conversion of proprietary concerns into industrial cooperatives with the entrepreneur and the workers joining the society as members and the entrepreneur entitled to no special privileges but only to a reasonable remuneration and bonus for services rendered. In pursuance of the recommendations of the Working Group, the Government of India inter alia, formulated a scheme for providing specialised training in cooperation to officers dealing with the development of industrial cooperatives. The scheme envisaged training courses for a four month period including two months of practical training course at the Block Level Cooperative Officers Training Centres located in different parts of the country. The Central Committee on Cooperative Training of the Reserve Bank of India was entrusted with the work of organising the courses and it would be open to the Block Level Cooperative Officers, Inspectors and Auditors in Cooperative departments and managers and accountants of cooperative institutions. Forty trainees would be admitted for each course. The entire expenditure on the scheme would be met by the Central Government. The village and small scale industries have come to form an integral part of the country's economic structure. Properly developed, they would provide a large volume of employment, raise incomes and the standard of living and bring about a more balanced growth of the rural economy. The village and small scale industries have been visualised as eventually forming a progressive and efficient decentralised sector closely linked, on the one hand, with agriculture and on the other with large scale industry.

The Second Plan made a provision of 2000 million rupees for the development of handloom, small scale and village industries. The Plan has brought about a substantial degree of development for the cottage industries and thereby for cooperative societies organised for these industries. The Third Five Year Plan strongly advocates development of village and small industries. According to the Plan estimates, part-time or fuller employment would be provided for about 8 million people and whole time employment for about 900,000. A provision of 2640 million rupees has been made in the public sector for the village and small industries as against about 1750 million rupees spent in the Second Plan. It has also been proposed to offer government guarantees for bank loans to small industrialists. Three hundred industrial estates would be set up as against 60 in the Second Plan.

Cooperative organisation of weavers has been recognized as the most effective method for the rehabilitation of the handloom industry. Information regarding the number of weavers' societies, their membership, working capital, number of working looms, production and sales during 1959-60 is given below comparing with the 1958-59 figures:

	Number of Societies.	Member-ship.	Working capital (in thousand of rupees).	Number of looms.	Production (in thousand of rupees).	Sales (in thousand of rupees).
Total 1959-60 --	11,216	1,288,738	2,535,92	754,348	396,718	458,911
Total 1958-59 --	10,472	1,192,521	2,392,541	625,580	430,528	475,178

There were 17,896 other industrial societies whose membership stood at 1 millions and their working capital amounted to 133 million rupees as against 103.6 million rupees at the end of 1958-59. Their sales during the year amounted to 142.9 million rupees compared to 125.2 million rupees during 1958-59.

A three day Seminar on Industrial Cooperatives was held in New Delhi in April 1961. The Seminar was of the view that while there was a remarkable progress in the field of handloom weavers' cooperatives, progress was less striking in cooperatives of other industries like Khadi, sericulture, village handicrafts, etc. The Seminar recommended removal of this imbalance under industrial cooperative programmes in the Third Plan. The Seminar dealt with numerous problems confronting industrial cooperatives in India and made a number of recommendations. The recommendations were of a far-reaching nature particularly in regard to membership of special types of industrial cooperatives and inter-cooperative relationship. The Seminar recommended increasing organisation of the service type of industrial cooperatives in a variety of fields which are yet not covered by cooperatives. It was further of the view that wherever necessary, existing State cooperative laws should be amended to register all such societies and to throw open their membership to all small producers covered within the definition of small scale industries as adopted by the Government of India as well as to workers in the working of such societies. Regarding the inter-cooperative relationship, the Seminar recommended that where conditions were favourable, a beginning should immediately be made by appointing ad-hoc joint Committees on which two or more cooperatives appoint their nominees for consideration of matters of mutual interest or association of one or more members by one society with the board of management or managing Committees of the other and vice-versa or participation in the share capital of one society with limited liability by the other. Coordination or integration was also visualised between agricultural and other producer societies including their federations. Such inter-exchange of goods and material, it was hoped, would pave the way for the establishment of effective co-ordination of the activities of societies in different sectors of the cooperative movement ultimately leading to the fusion of interests and integrated development.

With regard to finance, the Seminar recommended the establishment of State Industrial Cooperative Banks for the provision of timely and adequate finance to industrial cooperatives. In order to make the best use of existing financing agencies, it was suggested that one district might be selected in each State for an intensive effort for financing industrial cooperatives. It was also suggested that the possibilities of setting up an All-India Marketing Federation for the products of the industrial cooperative societies should be examined particularly for promoting exports. It was further recommended that training facilities should be provided during the Third Plan period for 25,000 Junior Government Officers, Secretaries, and Managers of Societies, 1,200 officers of intermediate categories and 200 of minor category and the production and sales of the industrial cooperatives should be trebled over the number achieved at the end of 1960-61. A number of other recommendations were also made to ensure the steady development of industrial cooperatives and their efficient and successful working such as establishment of National Council of Industrial Cooperatives to ensure steady all-round development of industrial cooperatives on sound lines, creation of a managerial staff cadre, extension of technological progress to industrial cooperatives, training of officers, etc. It is expected that by the end of the Third Plan period the number of industrial cooperatives would rise to 40,000 with a membership of about 3 million and a share capital of 200 million rupees.

The article which appeared in the Indian Labour Journal, December 1961, inter alia, has described the working of industrial cooperatives in Burma, Peoples' Republic of China and Japan.

(Indian Labour Journal, Vol.II, No.12,  
December 1961, pp. 1131-1138 ).

47

Seminar on Co-operative Marketing and Processing of  
Cotton, Ahmedabad, 21 January 1962.

The Seminar on Cooperative Marketing and Processing of Cotton which was convened at Ahmedabad on 21 January 1962, by the Union Ministry of Community Development and Co-operation and attended by 60 delegates from different States, agreed that 78 new co-operative cotton processing units should be set up during the Third Plan. The Seminar approved the proposed target for raising the share of co-operatives from 11 per cent of the total cotton processed in the country to 28 per cent. The Seminar discussed in detail the pattern of organisation of co-operative processing units. It was generally felt that the model blue print prepared by the Maharashtra State for setting up new units were useful.

The Seminar recommended that farmers should be persuaded to follow improved marketing practices just as they were exhorted to adopt improved agricultural practices. It discussed at length the role of different financing agencies in the light of the difficulties experienced by co-operative societies in securing financial assistance. It expressed the view that the scope of the State Aid Act should be widened to cover agricultural produce processing and financing agencies should extend their scope so as to cover the co-operative sector to a greater extent and liberalise their terms and conditions of financial assistance.

(Economic Times, 25<sup>th</sup> January 1962).

Rural Credit Follow-up Survey: Report published.

According to a report of the Rural Credit Follow-up Survey published by the Reserve Bank of India, more and more cultivator-families are borrowing money from co-operatives rather than other agencies. The survey covered five districts - Jalpaiguri, Mirzapur, Hissar, Ahmedabad and Cuddapah. Between 1951-52, and 1958-59, the proportion of cultivating families borrowing from co-operatives increased from four per cent to 31 per cent in Ahmedabad from less than one per cent to 13 per cent in Hissar and from four per cent to 11 percent in Mirzapur.

The report has emphasized the need for vesting the powers of scrutiny of credit limits in the central financing agency, more efforts at introducing a crop loan system and a greater emphasis on making the primary credit society a 'viable unit' so that it is in a position to employ a full-time trained secretary. The report has also stressed the need for a more determined effort at implementing the policy regarding State participation in co-operatives and for promoting a more rapid growth of co-operative marketing.

(The ~~Hind~~ Times of India, 19 January, 1962).



44. Merchant Marine and Fisheries.

India - January 1962.

Annual Report of the Bombay Dock Labour Board for  
the year 1961.

A review on the Annual Report of the Bombay Dock Labour Board for the year ended March 1961 was published in the Indian Labour Journal, December 1961. Salient features of this article are reviewed below.

Introduction: With close of the year ended March 1961, the Board completed its first decade of work in the port. During those years, while on one side complete security of employment has been introduced for stevedore workers with substantial improvement in their wages and conditions of service there has simultaneously been a great improvement in efficiency on the part of stevedores particularly since the introduction of piece-rate scheme from 1956. There has not also been much of industrial unrest during this decade.

Employment.- The employment opportunities for workers showed upward trend during the year under review. The average employment went up from 13 days in 1959-60 to 15.9 days in 1960-61. The monthly average employment fluctuated from month to month, the highest being 23.8 in July 1960 and lowest 10.8 in November 1959.

Wages and Earnings, etc. The average monthly earnings of all categories of workers came to Rs. 197.73; the highest average earnings per worker was Rs. 213.59 in the category of H/Foremen and the lowest was Rs. 157.48 among L.R. workers.

The attendance allowance curve remained more or less uniform around Rs. 35,000/- per month, the figures of minimum guarantee showed a considerable fluctuation. Since monsoon and pre-monsoon months were months of active employment, there was lower disbursement by way of minimum guarantee during these months. It was as low as Rs. 574/- in the month of July 1960 and shot up to Rs. 141,549/- in November 1960.

Consequent upon amendment of the scheme, the Board presented a minimum levy of Rs.3,600/- to be paid by each stevedore employer in a year. There was no change in the minimum levy charged to listed employers, which stood at Rs.50/- per month.

Industrial Relations.- The industrial relations between the Board and its employees continued to be cordial during the year under review. A few demands were received from the workers following the release of the report of the Second Pay Commission, and these were being considered by the Board.

Welfare.- The Board continued to provide welfare amenities on a large scale to workers during the year under review. The canteen of the Board which registered a sale of Rs.165,094/- as against Rs.20,000/- during the previous year was quite popular with the employees. It was subsidised by the Board up to the extent of 50 per cent of administrative cost, free premises, electricity and water charges. The two dispensaries maintained by the Board continued to provide medical facilities to its employees. The total attendance at the main dispensary was 77,453 and the total attendance at the housing colony dispensary was 13,424. A good number of workers' families took advantage of these dispensaries. Three hundred and ten cases were referred to Masina Hospital, where the Board had reserved beds. Of these 310 cases, 210 were maternity cases. The Board also made arrangements with this hospital for giving P.P. to patients discharged from Telegaon T.B. Hospital, as the facilities provided at public hospitals were not quite satisfactory. Thirtysix fresh cases of T.B. were referred to Telegaon General Hospital, out of which 33 were discharged from the hospital after they were completely cured. For the welfare of workers' children, the Board started a milk centre in the Housing Colony to provide free milk to children between the ages of 3 and 12 years. On an average, about 150 children took advantage of this facility. The Board also decided to provide a Sliding Chute, swing and a bridge ladder. Outdoor games like Volley Ball, and cricket were also started in the colony. In the field of workers' education 31 workers were trained during the year under the Workers' Education Scheme of the Government of India and 5 workers joined the course of training started by the Government of Maharashtra for workers' education.

Enforcement.- There was an all round improvement in the matter of discipline among the workers. During the year under review the number of complaints received was 318 as against 325 during 1959-60. Two hundred and eleven appeals were filed with the Deputy Chairman against the orders of the Labour Officer and Authorised Agent of Chipping and Painting employers. Of these 197 were dismissed, 7 were allowed and in 7 cases the punishment was modified. In 16 cases the workers took recourse of filing an appeal to the Chairman. Of these 15 were dismissed and in one case punishment was reduced from dismissal to suspension for 5 months.

(Indian Labour Journal, Vol. II, No. 12,  
December 1961, pp. 1236-1237).

Interim Agreement giving Wage Rise for Seamen Concluded.

Consequent upon an agreement reached between the Jahagi Mazdoor Union and the Director-General of Shipping in Bombay on 31 December 1961, it has been decided to grant an interim increase of Rs.7.50 per head per month in the wages of all categories of ratings on home trade vessels; the final wage structure to be settled by 31 March by bipartite negotiations between the shipowners and seafarers. This averted a strike by 2,000 seamen on the western coast, working on 39 vessels, scheduled to start on 1 January 1962.

(The Hindustan Times, 1 January 1962).

'L'

53

Merchant Shipping (Crew Accommodation) Rules, 1960.

The Government of India published on 31 December 1961 the text of the Merchant Shipping (Crew Accommodation) Rules, 1960, made in exercise of the powers conferred under the Merchant Shipping Act, 1958. The Rules which came into force on 1 January 1961 deal inter alia with plans of crew accommodation, position and height of accommodation, construction of bulkheads and panelling, overhead decks and flooring, measures for protection from weather etc., lighting and ventilation, drainage, provision of sleeping rooms and beds for the crew, furniture and fittings in sleeping rooms, provision of men rooms with furniture and fittings, recreation spaces and studies, washing accommodation and supply of water to washing accommodation, supply of drinking water, laundry facilities, dry provision rooms, cold store room and refrigerating equipment, hospitals and medical cabinet and inspection.

(Notification GSR 1568 dated 30 December 1961,  
Sub-see- Gazette of India, Extraordinary, Part II,  
Sec. 3, sub-sec. (1), 31 December 1961, pp. 741-773).

CHAPTER 6. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - JANUARY 1962.

50. General.

Motor Transport Workers Act, 1961, Comes into force.

In exercise of the powers conferred under the Motor Transport Workers Act, 1961 (vide pp. 33-35 of the report of this Office for June 1961) the Central Government has appointed the date specified in the table below as the date on which the said Act shall come into force in the State or Union territory mentioned in the corresponding entry of the table.

*Madhya Pradesh	---	26 January 1962
**Andhra Pradesh, Assam*, Kerala, Mysore, Orissa, Punjab, Andaman and Nicobar Islands, Delhi and Himachal Pradesh	---	1 February 1962
*West Bengal	---	1 March 1962
Madras, Maharashtra and Uttar Pradesh*	---	31 March 1962

(\*Notification SO 296 dated 23 January 1962, \* Notification So 310 dated 30 January 1962, Gazette of India, Extraordinary, Part II, Sec.3, sub-sec.(ii), 24 January 1962, and 30 January 1962, pp. 167 and 169 ).

'L'

Draft Maharashtra Motor Transport Workers Rules, 1962.

In exercise of the powers conferred under the Motor Transport Workers Act, 1961 (vide pages 33-35 of the report of this Office for June 1961) the Government of Maharashtra has published the draft Maharashtra Motor Transport Workers Rules proposed to be made under the Act. The rules deal inter alia with registration of motor transport undertakings, qualifications of inspector and duties of certifying surgeons, provisions relating to welfare and health, hours and limitation of employment, wages, leave book, register of workers individual control book and forms. The rules will be taken into consideration by the Government after 1 March 1962.

(Maharashtra Government Gazette, Part I-L,  
18 January 1962, pp. 255-282 ).

•L•

56

56. Labour Administration.

India - January 1962.

Inspection of Mines in India: Annual Report of the  
Chief Inspector of Mines in India for the Year ending  
31 December 1959.\*

The following information relating to the working of the Mines Act, 1952, is taken from the annual report of the Chief Inspector of Mines for 1959.

Application.- Generally speaking mines of kankar, murrum, laterite, boulder, gravel, shingle, ordinary sand (not including moulding sand, glass sand and other minerals sands), ordinary clay (not including kaolin, china clay, white clay or fire clay), building stone, road metal, earth, fullers earth and limestone were exempted from all the provisions of the Act, excepting the provisions contained in Sections 44, 45 and 46, so long as the depth of open-cast-excavations measured from their highest to their lowest points did not exceed 20 feet, number of persons employed on any day did not exceed 50 and no explosives were used. A few specified stone and limestone mines, however, are under purview of the Act, and also those workings which extend belowground. Small prospecting excavations were also outside the purview of the Act, excepting Sections 44, 45 and 46 so long as they did not employ more than 20 persons, no part of the excavation extended belowground and the depth of excavation did not exceed fifty feet in the case of coal and 20 feet in the case of non-coal mines.

The number of mines coming within the purview of the Mines Act, reported to have been worked during the year under review was 3,305 comprising of 864 coal mines and 2,441 non-coal mines, as against 3,478 mines (864 coal and 2,610 non-coal mines) in 1958.

---

\* Annual Report of the Chief Inspector of Mines in India for the year ending 31st December 1959: Mines Act, 1952: The Manager of Publications, Civil Lines, Delhi, 1961. Price Rs. 25.00 or 38 sh. 6d. pp. v + 349.



Employment.- The average daily number of persons working in and about the mines regulated by the Mines Act, 1952 in the year under report was 618,017. The decline in employment observed in 1958 continued in the current year also, the drop in employment as compared to the preceding year being about 31,000. The table below shows the corresponding figures of employment for the last five years classified by sex and place of work:-

Year	Under-ground Men	Open-cast workings		Surface		Total	Index
		Men	Women	Men	Women		
1955 ..	221,956	120,922	85,284	131,222	51,392	590,776	107.6
1956 ..	229,049	138,241	74,456	135,522	51,333	629,581	114.5
1957 ..	244,235	146,828	76,521	138,668	49,020	655,372	119.4
1958 ..	252,415	139,124	72,044	139,981	45,796	649,360	118.3
1959 ..	251,513	123,699	59,489	139,645	43,671	618,017	112.6

As the table shows, though there has not been any significant change in the employment of men underground and on surface, that in respect of men in opencast workings and of women (both in opencast workings and on surface) has shown considerable decrease as compared to the preceding year, the magnitude of the decrease being of the order of 15,000 in respect of men in opencast working and 14,000 in respect of women (12,000 in opencast workings and 2,000 on surface). The proportion of women in the total labour force, which was 20 per cent in 1957 and 18 per cent in 1958 has come down to about 17 per cent in 1959.

Mineralwise, the fall in employment has been mainly in respect of manganese mines (about 27,000), followed by about 3,000 in limestone quarries, 1,700 in iron-ore quarries and 1,000 in mica mines.

The fall in employment was to some extent due to the decrease in the number of working mines (160 as compared to the previous year). The decrease in the number of reporting mines was only 98 (the other 62 being the decrease in the number of nonreporting mines). This decrease was mostly due to the decrease in the number of manganese mines which came down to 504 in 1959 from 619 in 1958. At present employment in manganese mines constitutes only about 10 per cent of the employment in all mines as against 13.5 per cent in 1958, 17 per cent in 1957 and 17.5 per cent in 1956. Further details of the employment are given below.

The number of coal mines submitting annual returns increased from 846 in 1958 to 854 in 1959, the number of defaulters being only 10. The average daily employment however, has remained more or less at the same level as that of last year, with minor variations in the individual categories.

The number of manganese mines submitting annual returns during the year under review slumped to 504 as against 619 last year, mainly due to the closure of a number of mines. (The number of non-reporting mines has remained more or less the same as compared to the previous year, though region-wise, there was some change). The decline in the demand for manganese from the country (presumably on account of the recession in the steel industry in U.S.A. and other consuming countries and competition from countries like Brazil and Russia) in turn, resulting in the accumulation of stocks was perhaps the main reason in the decline in the number of working mines. Even in the working mines, there was a general fall in employment in most of the mines in almost all the regions. The level of average daily employment came down to 60,000 in the current year, a drop of about 27,000 as compared to 1958.

Average daily employment in mica mines registered a fall of about 1,000 as compared to the year 1958, though the number of reporting mines remained the same in both years.

As regards iron ore mines the apparent decrease in employment of about 2,000 in the country as a whole was due to the decrease of the same magnitude in Mysore which in turn was caused not by a true fall in employment but due to the non-submission of annual return from a big mine, coupled with closure of a few major mines and fall in employment in others. Apart from this there was no major variation in employment.

The following table gives the distribution of coal and non-coal mines in India by size of average daily employment in 1959:-

Class of Mines	Upto 50	51-150	151-300	301-500	501-1000	Above 1000	Total
Coal ---	207	178	145	93	112	119	854
Non-Coal ---	1,418	564	137	49	31	39	2,228
All Minerals--	1,625	732	282	142	143	158	3,082

Labour situation.- The number of man-days lost by strikes during the year under review was 314,972 in coal fields and 284,001 in non-coal mines. Though compared to the preceding year the number of man-days lost in coal mines showed an increase of about 50 per cent, the position as compared to that in earlier years was not abnormal. The table below shows the distribution of man-days lost since 1957 fieldwise:-

Year	1957	1958	1959
Field -			
Assam	3,054	23,045	-
Raniganj	60,229	66,162	67,713
Jheria	129,995	42,982	91,182
Rest of Bihar	95,597	63,650	32,850
Orissa	124	-	-
Madhya Pradesh	725	7,134	90,305
Andhra Pradesh	755	1,585	22,222
Bombay	-	5,659	10,700
ALL-INDIA.	280,479	210,118	314,972

The percentage of absenteeism, (absenteeism being defined as to include absence due to sickness, accident, leave etc., and excludes, absence due to strikes, lock-outs or maternity leave) among colliery workers registered a further fall in the year 1959 for the country as a whole as also in Jharia and Raniganj coalfields. The table below gives the comparative figures in respect of major fields:-

Year	Andhra Pradesh	Assam	Bihar		Bombay	Madhya Pradesh	Orissa	Raniganj	All-India
			Jharia	Bokaro					
1956 -	14.73	21.07	13.07	15.55	-	13.18	14.42	12.79	13.83
1957 -	16.98	19.13	13.18	17.17	13.66	14.23	14.44	11.90	13.66
1958 -	16.55	17.93	12.84	14.85	13.63	12.69	13.23	12.18	13.21
1959 -	17.74	17.83	12.31	15.58	13.40	12.76	13.89	11.60	13.11

**Output.**- The aggregate pit-head value of coal raised in this country amounted to 915.15 million rupees as against 855.82 million rupees last year. According to the estimates of the Indian Bureau of Mines, the aggregate pit-head value of non-coal minerals stood at 394.88 million rupees as against 463.42 million rupees in 1958, showing a considerable decrease. The value of a few other non-coal minerals, not covered by the Indian Bureau of Mines was about 8.40 million rupees.

The output of coal continued its raising tempo and recorded a new peak during the current year. The increase over the preceding year was however only of the order of 1.68 million tons, which is slightly less than the 1.93 million tons increase in 1958 and considerably less than about 4 million tons increase in 1957.

Field-wise, the output of coal in Jharia was 14.95 million tons as against 14.97 million tons in 1958 and accounted for slightly less than one third of the total production in the country. Comparatively, the Raniganj field showed a slight increase, the production in 1959 being about 16.25 million tons as against 15.55 in 1958, and accounting for nearly 35 per cent of the country's output. Among the smaller fields Bokaro produced 2.90 million tons, Pench Valley 2.31 million tons, Koran 1.77 million tons and Andhra Pradesh 2.23 million tons. Despatches of coal, excluding coke, amounted to 41,712,314 tons as against 40,187,609 tons in the preceding year.

The amount of coal utilised for coke making at the collieries was 3,081,420 tons i.e. about 7 per cent of the total output, the corresponding figures for 1958 being 3,130,153 tons and 7 per cent respectively. In addition, about 2,143,931 tons of coal i.e., about 4.6 per cent of the total production, was consumed within the collieries for boilers, attached power houses, etc.

Collieries produced 357,196 tons of hard coke and 1,766,839 tons of soft coke during the year under review as compared to 355,093 tons of hard coke and 1,787,940 tons of soft coke in 1958. There was thus an overall decrease in coke production in collieries. Despatches of coke from the collieries consisted of 313,295 tons of hard coke and 1,769,142 tons of soft coke. Of the rest, 1,665 tons of hard coke and 3,317 tons of soft coke were reported to have been consumed within the collieries. The stocks at the end of the year consisted of 32,018 tons of hard coke and 82,858 tons of soft coke.

The aggregate pit-head value of coal produced during the year amounted to 915,450,579 rupees and that of hard coke and soft coke produced at the collieries was 13,428,847 rupees and 44,095,786 rupees respectively.

Output of coal per worker employed has increased further to 122 tons in 1959 from 118 tons in 1958, 112 tons in 1957 and 98 tons in 1951.

The output figures in respect of some of the major minerals are shown in the table below:-

**\*\*Output of Major Minerals**

Year	Coal (Tons)	Mica * (wts.)	Manganese (Tons)	Iron-Ore (Tons)	Copper Ore (Tons)	Gold (Fine ozs.)
1955 -	38,225,959	132,125	1,583,538	4,652,940	353,054	210,890
1956 -	39,280,148	142,580	1,780,837	4,750,456	388,987	209,247
1957 -	43,295,088	164,499	1,715,015	5,073,996	403,923	179,219
1958 -	45,225,767	126,180	1,233,491	6,032,657	404,970	186,634
1959 -	46,909,796	N.A.	1,168,676	7,809,536	397,334	181,449

N.A. Not Available.

\*\* Since 1958, the output and value figures of minerals other than coal, except where otherwise stated, are those obtained from the Indian Bureau of Mines. Earlier output figures of Iron Ore and Copper Ore in 1957 also are those of Indian Bureau of Mines. Earlier figures in respect of non-coal are compiled on the basis of returns submitted to this office, as is the case of coal all through.

\* Dressed.

Mining Conditions.- Of the total of 3,082 mines submitting returns for the year 1959, 1,072 or about 35 per cent were using mechanical or electrical power as against 979 (31 per cent of the total) mines in 1958. These include 648 (nearly 76 per cent of the total) coal mines, 325 (57 per cent of the total) mica mines, 28 (24 per cent of the total) limestone mines, 37 (7 per cent of the total) manganese mines and 12 (8 per cent of the total) iron-ore mines. All the gold and copper mines (4 each in number) reported to have been worked during the year, were mechanized.

The number of coal mines using electrical energy during the year under report was 617 as compared to 449 in 1958 and 419 in 1957. The aggregate horse-power of electrical plant used in the above mines increased from 294,475 in 1958 to 328,000 in 1959. The increase was due to the introduction of additional electrical plants in mines which had already been utilising electrical power and to the introduction of electrical power in some other mines during the year under review. During the year, electrical plants were installed and brought into use in 50 additional coal mines.

The amount of coal raised from all collieries during 1959 in the Indian Union was 46,909,796 tons. Out of this amount, coal mines numbering 517 using electrical power accounted for the production of 45,784,601 tons which is about 98 per cent of the total raisings.

The remaining coal mines numbering 337 which did not use electric power accounted for the production of 3,125,195 tons which is about 7 per cent of the total raisings.

According to the annual returns, the total amount of coal consumed in all the collieries during the year under review was 2,143,931 tons or about 4.6 per cent of the total raisings as compared to 2,163,342 tons or about 4.8 per cent of the total raising in 1958. Of this figure, the total amount of coal consumed by the collieries not using electricity was 359,996 tons which is about 17 per cent of the total coal consumed in all the collieries whereas the coal consumed by the collieries using electricity including the coal consumed at the power stations supplying electrical energy to these collieries was 1,783,935 tons of which, consumption for generation of electricity was about 157,125 tons.

It will thus be observed that in the mines using electrical power the total consumption of coal including the colliery consumption at colliery power houses was about 4 per cent of raisings, whereas in the remaining mines the colliery consumption was 12 per cent of raisings.

The year under report showed an increase in the quantity of coal consumed in the collieries not using electricity. Besides the above coal mines, electrical energy was used in 149 metalliferous mines, with an aggregate horse-power of 111,249 as compared to 127 mines with an aggregate horse-power of 103,638 in 1958.

52

These figures do not include mica mines using electricity. The number of mica mines using electricity during the year under review was 250 as compared to 217 in 1956.

The addition to the above 517 coal mines, 149 metalliferous mines and 250 mica mines, where electricity was used during the year, 10 mines used electricity during the year for lighting purposes only.

The total number of cutting machines worked by electricity was 620 as compared to 534 in 1956, and 573 in 1957.

There were 5 mechanical loaders in use in the coal mines in Andhra Pradesh (which were reported to be in use throughout the year) and 3 in Karanpura (of which one was in use right through the year, another in the latter half and the third at the end of the year). The total quantity of coal loaded by these loaders was about 438 ~~thous~~ thousand tons which was considerably higher than the last year's figures of 243 thousand tons.

The number of mechanical conveyors used during the year under review was 86 as compared to 95 in 1956 and 125 in 1957.

Actually, the number in use varied from month to month and on an average 73 were used in 1959 against 67 in 1958 and 92 in 1957. The highest aggregate length reported for any month during the year was 10,278 metres in December which was slightly more than the preceding year's figure of 9978 metres. The total quantity of coal conveyed was slightly less than that in the last year, the corresponding figures being 1.49 million tons in 1959, 1.57 million tons in 1958 and 1.74 million tons in 1957.

The number of coal mines using mechanical ventilators was 221 in 1959 as against 195 in 1958 and 131 in 1957. The number of mechanical ventilators in use was 356 during the year under report as compared to 323 during the preceding year. As usual the majority of mechanical ventilators were to be found in the States of Bihar and West Bengal where the number was 143 and 125 respectively.

The number of Safety lamps in use in the Coal Mines was 75,233 of which 48,032 were of the electrical type and the rest of flames type. The number of lamps locked by magnetic means was 25,413 and by lead rivets 10,574 while the rest had other arrangements for locking.

Explosives.- The figures of consumption of explosives and detonators in coal and non-coal mines for the year 1959 with comparative figures for the preceding two years are given in the table following table:-

(All figures in thousands)

Year	Coal.				Non-Coal.			
	High Explosives (lbs.)	Permitted Explosives (lbs.)	Gun Powder (lbs.)	Deto-nators (Nos.)	High Explosives (lbs.)	Gun-powder (lbs.)	Deto-nators (Nos.)	
1957 --	3,595	4,105	5,113	16,727	4,457	2,209	11,092	
1958 --	4,459	8,422	5,069	15,216	5,013	1,978	13,350 *	
1959 --	6,190	2,224	4,751	16,717	5,802	1,702	11,616	

\* Includes 645 saw dust cartridges soaked in liquid oxygen.

Accidents.

The number of fatal and serious accidents in the year 1959 were 249 and 3,978 respectively, as compared to 277 and 3,805 in 1958. The resulting casualties were 288 deaths and serious injuries to 4,084 persons, the corresponding figures in the preceding year being 504 and 3,925 respectively. There was thus a decrease in the number of fatal accidents and fatalities on one hand and an increase in the number of serious accidents and resultant casualties on the other.

Of the 288 persons killed, 221 (all men) were killed underground, 31 (25 men and 6 women) in opencast working and 36 (32 men and 4 women) on surface. Among the seriously injured, 2,900 men received serious injuries in underground, 320 (248 men and 72 women) in opencast workings and 864 (770 men and 94 women) on surface.

The following table shows the incidence of accidents in the various major mining industries in 1959:-

Minerals	Number of Accidents		Number of Persons	
	Fatal	Serious	Killed	Seriously injured
Coal	191	3,052	212	3,125
Gold	12	309	15	319
Manganese	9	95	12	97
Nickel	11	22	12	32
Iron Ore	4	92	4	95
Copper	4	171	5	173
Limestone	6	157	6	159
Stone	2	16	2	16
Others	10	65	20	68
TOTAL.	249	3,978	288	4,084

Coal mining, which accounted for about 60 per cent of the total labour force in all mining, gave rise to about 75 per cent of the fatal as also the serious accidents, the resultant casualties also being of the same proportion to the total. Among the rests gold, mica and manganese mining in respect of fatal accidents, and gold, copper and limestone mining in respect of serious accidents gave rise to considerable number of accidents.

Comparative figures of number of fatal accidents and resultant fatalities in coal mines can be seen from the figures below:-

	1955	1956	1957	1958	1959
No. of fatal Accidents. --	215	199	165	208	191
No. of persons killed. --	309	259	182	420	212

It can be seen from those that though the figures in 1959 as compared to the preceding year show a decrease, they are higher than the figures for the year 1957. The number of serious accidents however maintained the rising tempo, the actual figures being 3,052 in 1959 as against 2,797 in 1958 and 2,678 in 1957, the total number of seriously injured persons being 3,125 in 1959, 2,885 in 1958 and 2,762 in 1957.

Statewise the number of fatal accidents doubled in the State of Andhra Pradesh and Orissa while the serious accidents, in general showed an increase in almost all the States, that in the State of Assam being the highest.

In respect of gold mines, while the number of fatal accidents and the number of deaths resulting therefrom increased in the current year as compared to last year, the serious accidents and the total seriously injured persons on the other hand decreased considerably.

In manganese mines, the number of fatal accidents and the number of deaths resulting therefrom decreased ~~from~~ by about half of the corresponding number last year, while the serious accidents and the persons seriously injured were roughly of the same number.

Considerable decrease in the number of serious accidents and seriously injured persons can be noticed in copper mines and to a lesser extent in mica mines.

As usual all fatal accidents have been investigated by the officers of the Mines Department and the responsibility in each case has been adjudged. The following table classifies the fatal accidents in the current year by the responsibility as determined:-



Classifications		Number of fatal accidents	Percentage to total
Misadventure	---	132	53.0
Fault of Management	---	37	15.0
Fault of subordinate supervisory staff.		45	18.0
Fault of deceased	---	18	7.0
Fault of Co-Worker	---	14	5.0
Others	---	3	1.0
	TOTAL.	249	100.0

The table below gives the classification of fatal and serious accidents by causes:-

Sl. No.	Cause	Fatal Accidents			Serious Accidents		
		Number of accidents	Number of persons killed	Number of persons S/injured	Number of accidents	Number of persons injured	
1.	Fall of Roof	---	68	81	26	244	257
2.	Fall of Sides -						
	(a) Fall	---	37	47	9	135	137
	(b) Face	---	7	7	-	37	38
3.	Rock-Bursts	---	4	7	2	4	6
4.	Explosions, ignition, etc.	---	2	5	1	-	-
5.	Explosives	---	14	16	6	42	50
6.	Electricity	---	4	4	-	10	10
7.	Suffocation by Gases	---	3	3	2	-	-
8.	In-Shafts	---	16	16	2	52	59
9.	Haulage -						
	(a) Above-ground	---	8	10	2	76	76
	(b) Below-ground	---	30	31	2	283	286
10.	Machinery -						
	(a) Below-ground	---	7	7	-	68	68
	(b) Above-ground	---	5	5	-	56	56
11.	At Railway Siding Belonging to the Mine	---	4	4	-	53	54
12.	Outbreak of Fire	---	1	4	-	-	-
13.	Miscellaneous Underground	---	17	17	-	1,951	1,961
14.	Miscellaneous on surface	---	24	24	1	967	973
	TOTAL.		249	288	53	3,978	4,031

Welfare measures and Medical facilities.- The report gives an account of the welfare facilities connected with health, sanitation and medical relief, primarily in coal mines and mica mines. These activities have already been reviewed in monthly reports of this Office, reference to which are given below:-

Welfare activities in coal mines during 1958-59.	pp. 90-95 of the report of this Office for January 1960.
Welfare activities in coal mines during 1959-60.	pp. 32-39 of the report of this Office for July 1961.
Welfare activities in mica mines during 1958-59.	pp. 124-130 of the report of this Office for Nov.-Dec. 1959.
Welfare activities in mica mines during 1959-60.	pp. 38-40 of the report of this Office for October 1960.

Inspections.- During the year under review the total number of inspections made by the various inspecting officers was about 8,400 as against 8,000 in the preceding year. These include the inspections in respect of mining matters by Inspector of Mines, etc., inspections by Electrical Inspectorate and by the Medical and Labour Inspectors. Details of the inspections of working mines (excluding those of atomic minerals) coming under the purview of the Mines Act in respect of mining matters are given below:-

	Number of Mines Inspected.	Number of Inspections made.
Coal	840	3,943
Non-Coal	1,656	2,378
All Minerals.	2,496	6,321

In addition, 128 inspections of 123 closed mines and 32 inspections of 30 non-Ac. mines were also made. Three hundred and fortyfive coal and 35 non-coal mines were inspected by the Electrical Inspectorate, the number of inspections made being 924 and 41 respectively. The total number of mines inspected and the number of inspections made by the Inspector of Mines (Medical) and the 4 Junior Labour Inspectors of Mines were 1,177 and 1,276 respectively.

The causes and circumstances of almost all the fatal accidents which occurred during the year and of a few of the preceding year which remained to be investigated, were all investigated. Some of the serious accidents of importance were also enquired into. Inspections were made at the invitation of mines owners, superintendents and managers of mines desirous of obtaining advice on safety matters.

A part of the time of the Inspectors was spent in investigating causes of actual or threatened damages to roads and dwellings arising from under-ground fires in coal mines and in examining protective works against the risk of inundation.

Prosecutions.- During the year 283 prosecutions were instituted as compared with 779 prosecutions in 1958.

(The report of the Chief Inspector of Mines for 1958 was reviewed at pp. 48-60 of the report of this Office for May 1961).

-----

Working of the Code of Discipline and Implementation Machinery till 1960.

Introduction.- The Code of Discipline which came into operation from 1 June 1958, is applicable to all industrial undertakings - both in public and private sectors - in respect of which the Central Government is the appropriate Government under the Industrial Disputes Act, except banks, insurance companies, ports and railways. The Central Evaluation and Implementation Machinery in the Ministry of Labour and Employment is responsible for dealing with the cases of non-implementation of labour enactments awards, Code of Discipline, etc.

Code of Discipline.- From 1 June 1958, when the Code was enforced till the end of December 1960, the Central Evaluation and Implementation Division received 2,675 complaints. Of those, 1,521 (57 per cent) related to State sphere undertakings which were dealt with, wherever necessary through the concerned State Implementation Machinery and 1,154 related to the Central Sphere. Of the complaints received in the Central sphere, no action was required to be taken in 249 cases and in the remaining 905 cases, investigations were completed in 81 per cent and where the allegations were substantiated on enquiry (i.e., in 58 per cent cases), breaches were either set right or were successfully brought home to the erring parties. The fact that in a large number of cases voluntary approach has succeeded speaks much for the Code.

Employers were mostly found committing the breaches relating to non-implementation of awards, agreements, enactments, etc. Employers affiliated to Employers' Federation of India committed 40 such breaches, those affiliated to All India Organisation of Industrial Employers 29 breaches while other independent employers committed 81 breaches. Unfair labour practices ~~ex-~~ e.g., victimisation, harassments, etc., accounted for 31 breaches on the part of employers. Workers' Union resorted to strikes without notice in 120 cases whereas recourse to rowdyism and violence together accounted for 56 cases. During the period under review, the total number of ~~man~~ breaches committed by employers and workers was 198 and 226 respectively.

The Code of Discipline was able to reduce the number of man-days lost from 1.557 millions in 1958 to 0.556 millions (provisional) in 1960. In coal mines, it was reduced from 0.328 millions in 1959 to 0.127 millions in 1960.

Implementation Machinery.- The implementation machinery in the various States took steps to prevent strikes, lockouts and other major troubles. In Assam, four strikes were averted. In Bihar, wherever there was any apprehension of strike or lockout stops in any factory, the machinery analysed the causes of disputes and took steps to remove the genuine grievances of the party concerned. Thus, 7 strikes and 3 lockouts were averted. A strike by B.T.U. workers, was averted in Delhi while 5 strikes were averted in Gujarat. In Madhya Pradesh, close liaison was kept with the Industrial Relations Machinery and in cases where work stoppage was likely to occur, timely advice was rendered to the parties concerned. Eighty-five strikes in Madras, one in Maharashtra, 4 in Mysore, and 3 in Orissa were called off due to the efforts of the Machinery in these States. In Punjab, the field staff ~~was~~ was instructed to take adequate steps for the prevention and settlement of disputes instead of intervening at the time of their actual occurrence. In Uttar Pradesh, 22 strikes were called off. In West Bengal, 2 strikes in Jute and Cotton Mills and one general strike by the municipal employees, were averted.

Sixty-two complaints of non-recognition of unions by employers were received by the Machinery in Andhra, Assam, Bihar, Delhi, and West Bengal. Of these, 15 complaints were not substantiated on enquiry, in 3 recognition was granted to unions and the remaining were under investigation. Besides, recognition was granted to 3 unions in Punjab. Efforts for out-of-court settlement were made by the Implementation Machinery in Bihar, Kerala, Madras, Punjab, Rajasthan and Uttar Pradesh in 3, 2, 29, 2, 2 and 3 cases respectively. Out of these, one case in Bihar, 6 in Madras, one in Punjab, 2 in Rajasthan and 3 in Uttar Pradesh were settled out of court. The Government of Gujarat approached the High Court and Supreme Court for a list of pending cases so that necessary steps for out-of-court settlement could be taken by the Machinery.

To encourage voluntary arbitration, the Government of Madras and West Bengal have drawn up panels of arbitrators in consultation with the parties concerned. In Andhra, Bihar, Delhi, Kerala, Madras, Orissa and Uttar Pradesh, parties were requested in 1,805 cases, to accept voluntary arbitration, parties which was done in 22 cases. Voluntary arbitration was accepted by the parties in 1 case in Gujarat, 7 in Punjab, 55 in Uttar Pradesh and 3 in West Bengal. According to reports sent by the State Governments, voluntary arbitration was refused mostly by the employers, although there were a few instances where the workers also refused to settle their disputes on voluntary basis. Steps were taken by all States/Union Administration Implementation units to extend the Code to independent employers' and workers' organisations. From the available information it appeared that 18 independent employers' and 57 independent workers' unions accepted the Code during the period reviewed.

(The Indian Labour Journal, December 1961,  
Vol.II, No.12, pp. 1237-1240 ).

68. Labour Courts.

India - January 1962.

Standing Orders regarding Workmen's Leave and Holidays:  
Jurisdiction of Certifying Officer upheld.

(India, Supreme Court, 16 January 1962)

The jurisdiction of the Certifying Officer under the Industrial Employment (Standing Orders) Act, 1946, to specify the quantum and extent of leave and holidays which should be granted to workmen was upheld by the Supreme Court by a judgment delivered on 16 January 1962.

The appeal by the Bagalkot Cement Co. Ltd., against R.K. Pathan and others raised an important question of the scope and extent of the powers of the authorities appointed under the Industrial Employment (Standing Orders) Act to compel an employer to make provision for the quantum and extent of leave and holidays to be granted to the employees in the Standing Orders to be certified under the Act. Dismissing the appeal by the Company, the Court held that in insisting on such provision being made the Certifying Officer would be acting within the four corners of the Act.

The appellant by virtue of the number of workmen it employs falls within the scope of the Act. Under the mandatory provisions of the statute the company framed draft Standing Orders i.e. the conditions of service which were to govern its employees, and submitted them to the Certifying Officer. The officer after hearing the parties directed the appellant to include conditions laying down the quantum of casual leave, privilege leave and holidays with pay. The company preferred an appeal to the Chief Labour Commissioner, but he upheld the view taken by the Certifying Officer.

In the appeal before the Supreme Court, it was contended by the appellant that the additions to the Standing Orders made by the authorities were outside their jurisdiction. He argued that the jurisdiction to prescribe the conditions of service does not empower the Certifying Officer to deal with the substantive question of the extent and quantum of leave and holidays. According to him, the Standing Orders were to define only the conditions and procedure under which leave and holidays would be granted.

71

The Court observed that the Legislature passed the Act as it thought it "expedient to require employers to define in individual establishments to define with sufficient precision the conditions of employment under them and to make the said conditions known to the workmen employed therein". Furthermore, the amendment to the Act enabled the Certifying Officer to decide on the fairness and reasonableness of any condition prescribed by the employer. Finally the Schedule to the Act defined the matters which were to be covered by the Standing Orders.

In the present instance it was submitted by the workmen that the quantum of leave and holidays could be fixed by the Certifying Officer in exercise of his powers under Clause 5 of the Schedule enabling him to lay down conditions for the grant of leave and holidays. It was submitted that the word "conditions" should be given a broad interpretation and be deemed to include the power to make a provision for leave and holidays.

The Court examined the scheme and scope of the Act and observed that a broad construction should be placed on Clause 5. The Court held that it could not be said that the authorities below had placed an unreasonable construction on the clause in holding that they could make provision for the number of casual and other holidays and leave.

In conclusion the Court stated that "it would not be inconsistent with the scheme of the Schedule if we were to hold that the substantive provision for the granting of leave and holidays along with the conditions in respect of them have to be made by the Standing Orders, under Clause 5 of the Schedule."

(The Statesman, 23 January 1962).

72

Overtime Work beyond Permitted Period: Payment does not  
Nullify Offence.

In allowing a State appeal and convicting Mr. Rajnath, Manager of Shree Digvijay Woollen Mills Limited, Jamnagar, under Section 92 read with Section 63 of the Factories Act, 1948, for requiring overtime work from certain workers, Mr. Justice Hishoy and Mr. Justice Bhagwati at the Gujarat High Court observed that the Factories Act was a piece of social welfare legislation enacted for the purpose of improving the conditions of work and ameliorating the lot of workers in factories.

There were several provisions in the Act which were intended for the protection of the workers because the legislature had considered it essential that the workers should not be exploited by the management and should be protected even against their folly and ignorance.

The acts enjoined by the provisions of the Act were not criminal in any real sense but were acts which were prohibited in the interests of the workers. In their Lordships' opinion, therefore, there was no scope for the application of the doctrine of mens rea in cases of contravention of the Factories Act.

Hours Notified.- The facts showed that as required by Section 61 of the Act notice of the periods of work for adults was exhibited in the mills showing the working hours were from 7 a.m. to 31 a.m. and from 11.50 a.m. to 3.30 p.m.

It was admitted by the management that three workers were made to work overtime, for one hour and that they were paid extra as required by Section 59 of the Act. The respondent submitted that he had paid the workers extra as provided by Section 59 and he was under the bona fide impression that if extra wages were paid, no contravention of Section 63 was committed by him.

In convicting the respondent, their Lordships said that Section 59 which allowed extra to be paid for overtime, did not authorise the manager to require a worker to work for more than nine hours in any day or for more than 48 hours a week.

In their Lordships' opinion there was no inter-dependence between Section 63 and Section 59 and that, therefore, Section 59 could not control the interpretation of Section 63. Section 59 and Section 63 operated in different areas.



72

Obligation Absolute.— Section 63 required that the hours which the worker was required to work must correspond with the periods of work displayed on the notice board. In their Lordships' opinion, the obligation not to require extra work from a worker beyond the periods mentioned in the notice was in absolute and unqualified terms and this obligation must be obeyed on pain of penalty. It was not open to the respondent to say that he had acted bona fide.

In their Lordships' opinion the doctrine of means rea could not be brought in aid of the respondent. The proceeding might be criminal in form, but it was really only a summary mode of enforcing a civil right, and the act which was prohibited was in the public interest.

Their Lordships, therefore, held that in taking extra work from the workers for which even though extra wages were paid, the respondent was guilty of the offence under Section 92 read with Section 63 of the Factories Act and their Lordships fined him 10 rupees in each of the three appeals.

(The Times of India, (Bombay Edition),  
10 January 1962).

CHAPTER 7. PROBLEMS PECULIAR TO CERTAIN CATEGORIES  
OF WORKERS.

INDIA - JANUARY 1962.

71. Employees and Salaried Intellectual Workers.

New Scheme of Educational Allowance for Children of  
Government Employees announced.

The Government of India announced on 29 January 1962 a new scheme of educational allowance for children of Government employees in pursuance of a recommendation made by the Second Pay Commission.

Under the scheme an educational allowance will be admissible to any Government servant drawing Rs.349 or below per month if he has to send his children to school in places other than where he is employed. The scheme will mainly benefit the field staff of the Government, like the posts and Telegraphs Department, excise staff and others who work in places where suitable educational facilities may not exist. It will also help those who are transferred in the middle of the year. Besides permanent and quasi-permanent employees, temporary employees with not less than three years' service will also be entitled to the benefits of the scheme.

The allowance will be Rs.15 per child for secondary and high secondary classes and Rs.10 for primary classes, subject to a total of Rs.50 a month. According to official estimates, about 30,000 to 40,000 children will benefit by the scheme.

Children above the age of five and below 18 will be eligible for the allowance. The concession will be limited to education up to higher secondary classes.

The Scheme will come into force on 1 March 1962.

(The Statesman, 30 January 1962).

Thirty-sixth All India Educational Conference:  
Pay Board for Teachers urged.

The 36th All-India Educational Conference which concluded its four day session on 31 December 1961 at Trivandrum called upon the Government of India to appoint a Central Pay Commission for Teachers. A resolution adopted by the Conference said: "The Conference views with concern that despite efforts of the Centre to improve the pay scales of teachers, State Governments have been tardy both in the implementation of such measures and in the work appreciation of the work of the teacher, violating thereby the principle of equal pay for equal work." The Conference, also adopted a resolution welcoming the suggestion to the State Governments to introduce triple benefit scheme for teachers. It requested all State Governments and philanthropists to make liberal grants and donations to the National Foundation for Teachers.

Another resolution invited the attention of Governments, Central and State Governments to the teachers' charter adopted by the AIFEA. The charter contains a code of ethics for teachers and defines their rights and responsibilities. The Conference urged the Central and State Governments to approve the terms of the charter, call upon all teachers to abide by the terms of the charter. It also called for the observance of Teachers' Charter Day on 20 November.

The Conference noted with regret the action taken by certain State Governments to deny the rights of teachers to organise themselves into associations. Such action, it said, was contrary to the fundamental right to form associations and requested the Central Government to examine all such rules and regulations of the State Governments and to direct them to modify or withdraw them.

(The Hindustan Times, 2 January 1962).

7

Appointment of Second Wage Board for Journalists  
Demanded.

The Federal Executive Council of the Indian Federation of Working Journalists which met at Bangalore on 14 and 16 January 1962, demanded the appointment of a Second Wage Board for Journalists without delay. The Council drew the attention of the Government to the statutory provision for such an appointment and directed all State units of the IFWJ to observe 10 February 1962 as "Second Wage Board Day" to mobilize public opinion and bring pressure on the Government.

By another resolution, the Council expressed concern at the the "unhealthy competition among newspaper managements" in reducing the price of English dailies in the Delhi and Punjab regions and some other States and strongly urged the Government to take suitable steps to put a check to it.

The Council expressed grave concern at the sudden closure of the Indian News Service leading to loss of employment for a large number of journalists and other employees of this news agency and urged the Government to adopt prompt measures to ensure adequate relief to all the affected employees.

(The Statesman, 18 January 1962).

## CHAPTER 8. MANPOWER PROBLEMS.

INDIA - JANUARY 1962.

### 81. Employment Situation.

#### Employment Exchanges: Working during September 1961.

Employment Situation.- According to the Review of the activities of the Directorate-General of Employment and Training during the month of September 1961, the number of registrations effected during the month was 314,038 as against 307,249 in the month of August 1961 showing a rise of 6,789. The number of applicants on the Live Register stood at 1,907,579 during the month under review as against 1,880,746 showing an increase of 26,833. The number of employers using the services of employment exchanges was 11,086 in September 1961 as against 10,842 in the previous month showing a rise of 244. The number of vacancies notified to the employment exchanges was 58,392 during the month under review as against 56,786 during August 1961 showing a rise of 1,606. The number of placements secured during the month of September 1961, was 34,443 as against 38,200 during the previous month showing a decrease of 3,757.

Shortages and Surpluses.- Shortage was reported in respect of typists, stenographers, nurses, midwives, compounders, doctors, trained teachers, engineers, skilled turners, electricians, health visitors and physical training instructors while surpluses were in respect of clerks, untrained teachers, motor drivers, unskilled office workers and unskilled labourers.

Collection of Employment Market Information.- All India Quarterly report on employment in the Public Sector for the quarter ended 31 December 1960 was issued.

Thirtyeight Employment Market Reports relating to different areas in different States were issued during the month.

Vocational Guidance and Employment Counselling.- Clerical Aptitude Test (for validation purposes) continued to be administered to fresh applicants for clerical vacancies in employment exchange, New Delhi during the month. The 6th Training Course in Vocational Guidance which commenced in June 1961 ended on 2 September 1961.

Three Vocational Guidance Sections were opened in the Employment Exchanges at Trichur, Rourkela and Sambalpur during the month thus bringing the total number to 75.

Central Employment Exchange.- The Central Employment Exchange (Special Cell) rendered employment assistance to retrenched workers in various projects and establishments during the month as below:

	Number retrenched	Number placed	Number awaiting assistance
Damodar Valley Corporation	58	44	886
Bhakra Nangal Project	60	1	80
Bhilai Steel Project	-	139	3,832
Durgapur Steel Project	6	32	610
Special Cell of Ministry of Home Affairs.	35	33	Class I & II) 244 Class III 328 Class IV 40
			Total. 612

Employment Exchange Procedure.- The following instructions were issued to Employment Exchanges during the month of September 1961.

The Government of India in the Ministry of Home Affairs have decided that Tibetan refugees who have come to India may be allowed registration facilities in employment exchanges for employment under the Government of India.

Gorakhpur Labour Organisation.- The Gorakhpur Labour Organisation sent out 906 labourers to various work-sites during the month of September 1961.

A meeting of the Central Hostel Committee was held on the 26 September 1961 at Dhanbad.

Opening of additional Employment Exchanges.- Four additional employment exchanges were opened in the States of Assam and Punjab thus bringing the total number of employment exchanges to 321 in the country at the end of September 1961.

(Review of the Activities of Directorate General of Employment and Training during the month of September 1961: Ministry of Labour and Employment, Government of India, New Delhi ).

Employment Exchanges: Working during October 1961.

Employment Situation.- According to the Review on the activities of the Directorate General of Employment and Training for the month of October 1961, the number of registrations effected during the month by the employment exchanges was 241,638 as against 314,038 of September 1961 - showing a decrease of 72,350. In all 1,877,711 applicants were on the Live Register at the end of October 1961, as against 1,907,579 during the month of September 1961 - showing a decrease of 29,868. The number of employers who utilised the services of employment exchanges was 10,280 during the month under review as against 11,086 during the preceding month - showing a decrease of 806. A total of 52,952 vacancies were notified during the month of October 1961 as against 58,392 in the month of September 1961 showing a decrease of 5,440. The number of placements effected during October 1961 was 32,063 as against 34,443 in the month of September 1961 - showing a decrease of 2,380.

Shortages and Surpluses.- Shortage was experienced in respect of fast typists, stenographers, nurses, midwives, compounders, doctors, health visitors, trained teachers, engineers, skilled turners, electricians, laboratory technicians and physical training instructors, while surpluses were reported in respect of clerks, untrained teachers, motor drivers, unskilled officeworkers and unskilled labourers.

Collection of Employment Market Information.- Quarterly Employment Review for the quarter ended 31 December 1960 was issued. Twenty-four Employment Market Reports relating to different areas in different States were also issued during the month of October 1961.

Central Employment Exchange.- The Central Employment Exchange (Special Cell) rendered employment assistance to retrenched workers in various projects and establishments during the month as below:-

	Number retrenched	Number placed	Number awaiting assistance	
Damodar Valley Corporation	68	16	938	
Bhakra Nangal Project	20	12	45	
Bhilai Steel Project	-	135	3,348	
Durgapur Steel Project	59	11	506	
Special Cell of the Ministry of Home Affairs.	61	66		
			Class I & II	238
			Class III	522
			Class IV	41
			Total.	<u>601</u>

87

Gorakhpur Labour Organisation.- During the month of October 1961 the Gorakhpur Labour Organisation sent out 1,166 labourers to various work sites in different States.

Assistance to Physically Handicapped.- During the Quarter ended September 1961, 111 blind, deaf and other physically handicapped were registered, 5 placed, 368 were on the Live Register.

Opening of additional Employment Exchanges.- Five additional employment exchanges were opened in the States of Assam, Madras and Punjab thus bringing the total number of employment exchanges at the end of October 1961 to 326.

(Review on the activities of Directorate  
General of Employment and Training  
during the Month of October 1961:  
Ministry of Labour and Employment,  
Government of India, New Delhi ).

'L'



Effect of Low Incomes on the Size of Labour Force and Unemployment in India.

Introduction.- Despite the vigorous planning and heavy investment programmes launched and completed during the last decade, the problem of unemployment still continues to loom large in the country and plague its economy. Instead of having been eased, it has been rather growing ceaselessly in size and the Second Plan has carried forward a bigger backlog of unemployment than what it had started with. Against this alarming background, the present article, based on the study of certain characteristics of the Indian labour force, attempts to focus attention on an important fact which has considerable bearing on the problem. This fact, as would appear from the analysis that follows, is that the problem of unemployment in the country is largely accentuated by the presence in large numbers of those persons in the labour force who should normally keep out of it but have entered into it or are continuing in it mostly under certain pressures, the chief of them being the financial pressure created by the low levels of incomes of the people as a whole.

According to a National Sample Survey in the country, 0.05 per cent of the Indian rural labour force belongs to the age group 0-6 years, 11.10 per cent to the age group 7-15 years, and 3.97 per cent to the age group 16-17 years. The corresponding figures of the urban labour force are 0.01 per cent in the age group 0-6, 5.25 per cent in the age group 7-15 and 3.29 per cent in the age group 16-17. In other words, 15.12 per cent of the rural labour force and 8.55 per cent of the urban labour force are of the age 17 or below. According to the provisional results of the 1961 Census, the present population of the country is 436,424,429 (excluding the population of Manipur, Nagaland and NEFA) of which 358,584,529 or 82.16 percent live in the rural areas and 77,839,900 or 17.84 per cent in the urban areas. Further, according to another N.S.S. Survey, labour force forms 45.88 per cent of the population in rural areas and 36.20 per cent in urban areas. Applying these percentages to the above figures of rural and urban population, the number of persons in the rural labour force at present comes to nearly 164.4 millions and that of the urban labour force to nearly 28.2 millions. It has already been ~~of the urban labour~~ stated above that in the Indian labour force persons aged 17 and below account for 15.12 per cent in rural areas of the rural labour force and 8.55 per cent in urban areas of the urban labour force. On the basis of these percentages and the above estimates of present rural and urban labour force, the number of persons aged 17 and below in the labour force ~~worked~~ works out at about 24.9 millions in rural areas and about 2.3 millions in urban areas or at a total of more than 27 millions.

85

That more than 27 millions in the labour force are child labourers aged 17 years and less is a point of great significance in the context of the unemployment problem of the country since it is rather ironical that, on the one hand, children in such a large number should be employed or be seeking employment while, on the other, people in the actual working age groups should remain without it. In a civilised society, persons of up to this age limit are normally expected to be engaged in schools, colleges and technical institutions to acquire education and technical training in order to qualify themselves suitably for employment. Seventeen years is an age when a person can at the most acquire the minimum education and technical or professional training. If all the above 27 millions were to follow this course, they would release employment, after making necessary adjustments for differences in the working capacities of a child worker and an adult worker, for at least 15 million adult unemployed workers and, thereby, ease the problem of unemployment in the country to a very great extent.

Besides child workers, there are some other categories of workers who too form part of the Indian labour force mainly due to the financial pressure and, thus, add further to the excessive load already being carried by the employment market in the country. Most of the female labour force in the country belongs to the low-income occupational families such as peasants, cottage workers, and labourers who can hardly make both ends meet unless almost all male and female members of the family, who are sufficiently grown-up to take up employment, participate in the earning of their family income. A recent study in South India has revealed that such women workers have a strong tendency to withdraw from employment as incomes of the ~~strong~~ male earners in their families rise. Similar seems to be the case with most of those workers who are aged 65 and above but still continue to work for earning their livelihood.

In this connection, a reference to earning dependents, who are conspicuous by their presence in the Indian working force, may be of great interest. According to the 1951 Census Report, they are mainly 'women and grown-up children' and earn their livelihood only partly. These characteristics indicate that the earning dependents in this country also probably owe their existence in the labour force largely to the low levels of incomes as, they being mainly "women and grown-up children", appear to be none but mostly the same child workers aged 17 and below and women workers whom we have discussed in the preceding paragraphs. They also earn partly perhaps only because the principal earners of their families are not in a position to maintain the family without their earnings being augmented. The 1951 Census has placed their number at 38.4 millions in the total working force of 143.2 millions or, in terms of proportion, at nearly 27 per cent of the latter. On the basis of this proportion of earning dependents in the total working force and our estimates of the present size of the country's labour force made earlier in this article (i.e., nearly 164.4 millions in the rural areas and nearly 28.2 millions in the urban areas or a total of 192.6 millions), the number of present earning dependents might be of the order of about 50 millions if their proportion to the total working force is assumed to have remained unchanged since the 1951 Census. This huge number read with the large number of child workers estimated above at 27 millions, apart from the women workers, may show anything but also confirms the view held in this paper that the Indian labour force is over-ridden to a large extent by such persons who would not have been in the employment market but for the pressures caused by low levels of incomes.

Besides, some local surveys among employed and unemployed conducted by different agencies also throw light on this aspect. According to the Nagpur Survey, a majority of the employed matriculates covered by the survey came from the low-monthly-family-income group of Rs.150 and below and, barring 7 per cent of them, the rest belonged to families whose monthly incomes were not exceeding Rs.300. A survey of persons on the Live Register of the Delhi Employment Exchange revealed in 1953 that 55 per cent of the registrants were already employed but were looking for a better change. Similarly in Poona City, according to a survey, there, 54.4 per cent of the total registrants covered under the survey were employed. This feature of the registered unemployed indicates that all of them are not actually unemployed but have artificially inflated the numbers of the unemployed because they are dissatisfied with their present employment. Their dissatisfaction obviously stems from the low remunerations they receive from their present employment.

Conclusion.- The most effective remedy to the problem, obviously lies in the improvement of general levels of incomes which is the ultimate aim of our Five Year Plans. Special care will, however, have to be taken in these plans to guard against the indiscriminate promotion of such means of employment which might perpetuate low incomes in the country. For example, from the view point of this discussion, small scale and cottage industries, which are characteristically marked, under the present circumstances, with ~~the~~ the weakness of yielding low incomes, should have limited scope of development. Although such programmes might hold rich prospects of providing immediate employment to a large part of the surplus man-power, they are likely to have, or even strengthen, the same evil effect of low incomes, in the long-run, on the size of labour force as discussed above and, thus, ultimately maintain the vicious circles of low incomes and unemployment intact in the country.

Incidentally, it may be mentioned that, in India, there is a strong tendency among people who are employed, even at low incomes, to marry and multiply. As a result, employment provided to a large mass of persons in the low-paying occupations will further add to the growth of population and generate, thereby, additional quantum of the adverse effect on the low incomes on the size of labour force. Thus, low incomes, in the long run, also conceal the danger of a sort of multiplier adverse effect of the size of labour force. In the light of these observations, the scope of enhancing employment opportunities in the sphere of low-paying occupations should be considered in its right perspective, and sooner the vicious circle ~~as might reduce~~ of low incomes and unemployment is broken through such means as might reduce and control the extent of low incomes in the country easier it will be for the planners to overcome the problem of unemployment on a lasting basis.

(Indian Labour Journal, Vol.II, No.12,  
December 1961, pp. 1163-1172 ).

Educated Unemployed Recommended to seek jobs in Plastic Industry: Results of a Survey published.

A survey made by the Directorate of Employment Exchanges has recommended the plastic industry as one of the most suitable for absorbing the educated unemployed.

~~The survey - made by the Directorate of Employment Exchanges out of funds provided by the Ford Foundation. It has indicated that the industry can provide additional employment at a steady rate of 2,000 a year. The industry is officially estimated to employ about 5,000 workers, though according to some other estimates their total number is said to be about 25,000. During the third plan period, the number is likely to be doubled.~~

The study has revealed that by and large the industry employs about 30 types of production workers and machine operatives. It also shows that illiterate persons are not acceptable as operatives. Left to themselves, employers have shown a preference for matriculates or at least middle standard operatives.

Training suggested.- The survey has suggested that for operatives institutional training of about nine to 12 months should be made available, covering broadly not only the chemical and mechanical aspects of the plastics industry but some grounding in actual plastic technology and a knowledge of raw materials such as benzene, alcohol, phenol, urea, formative, acetic acid, glycerine and camphor. This training should be followed by a further in plant or apprenticeship training.

(The Hindustan Times, 22 January 1962).

83. Vocational Training.

India - January 1962.

Labour Ministry's Training Schemes Working during September 1961.

According to the Review of the activities of the Directorate General of Employment and Training during the month of September 1961, there were 156 institutes for the training of craftsmen, 15 work orientation centres for educated unemployed, 99 undertakings imparting apprenticeship training, and 15 centres holding evening classes for industrial workers. The total number of seats in all these centres and ~~last~~ undertakings was 51,605 and the total number of persons undergoing training stood at 43,087.

Craftsmen Training Schemes.- During the month of September 1961, 6,890 additional seats were sanctioned at Industrial Training Institutes in the States of Maharashtra, Madras, Uttar Pradesh, Jammu and Kashmir and Andhra Pradesh thus bringing the total number of additional seats sanctioned during the 3rd Five Year Plan to 18,360 in 56 new Industrial Training Institutes.

National Apprenticeship Scheme and Evening Classes for Industrial Workers.- Eighty six seats under the National Apprenticeship Scheme have were sanctioned in Mysore bringing the total number of additional seats sanctioned during the 3rd Five Year Plan to 2,086. No additional seats were sanctioned under the evening classes, scheme and the number remained at 200.

National Council for Training in Vocational Trades.- The Trade Test for Instructors was held during the month at Central Training Institutes Kanpur and Calcutta.

Stores and Equipment.- Under the United Nations Technical Assistance (I.L.O.) Aid Programme, Russian equipment and machinery, received upto the end of September 1961 remained to the value of 1.9072 million rupees.

(Review of the activities of Directorate-General of Employment and Training during the month of September 1961; Ministry of Labour and Employment, Government of India, New Delhi ).

Labour Ministry's Training Schemes Working during  
October 1961.

According to the Review of the activities of the Directorate General of Employment and Training during the month of October 1961, there were 166 institutes for the training of craftsmen, 15 work and orientation centres for educated unemployed, 100 undertakings imparting apprenticeship training and 17 centres holding evening classes for industrial workers. The total number of seats in all these centres and undertakings was 51,800 and the total number of persons undergoing training stood at 43,393.

Craftsmen Training.- A total of 4,120 additional seats were sanctioned at Industrial Training Institutes in the States of Punjab, Bihar, Uttar Pradesh, Delhi, Himachal Pradesh and Tripura during the month of October 1961, thus bringing the total number of additional seats sanctioned during the 3rd Five Year Plan to 22,480 and the number of additional Industrial Training Institutes to 64.

National Council for Training in Vocational Trades.- Final examination of Instructor/Supervisor trainees (5½ months course) was held during October 1961, at Central Training Institute for Instructors, Aundh Camp, Poona and Curzon Road, New Delhi under the aegis of the National Council for Training in Vocational Trades.

Stores and Equipment (Foreign Aid).- As against a total allotment of 2 million rupees upto the period ending 1958 equipment to the value of 1.907 million rupees was received by the end of October 1961. Equipment ~~to~~ to the value of 0.286 million rupees has been allotted in the 1960 programme and an order covering the entire amount has also been placed by the I.L.O., Geneva. Supplies against this allotment were stipulated to be completed by the end of December 1961.

Under the United Nations Special Project Fund, equipment to the value of 1.738 million rupees is to be provided for the Central Training Institute for Instructors, Calcutta. Out of this amount a large majority of the items were reported to have arrived at the port and equipment worth 1.224 million rupees was received at the Central Training Institute for Instructors, Calcutta.

In terms of an agreement signed between the Government of India and the International Cooperation Administration, equipment to the value of 0.330 million dollars (approximately 1.571 million rupees) is to be supplied to the Central Training Institute for Craftsmen and Instructors, Bombay. Three Project Implementation Orders covering the entire value of the aid was issued and the supplies are stipulated to be completed by 30 May, 1962.

(Review of the activities of the Directorate General of Employment and Training during the month of October 1961, Ministry of Labour and Employment, Government of India, New Delhi ).

Higher Training Institute for Women to be set up.

On the recommendation of a Committee set up by the National Council for Women's Education, it is proposed to set up a national institute in Delhi for higher training of women at a cost of 2 million rupees during the Third Plan Period. The institute will not merely train women to positions of high level leadership and responsibilities but will also serve as a centre of research in women's education.

An expert group has prepared an outline of the courses of study to be introduced. It has recommended that the institute should offer courses of special interest to women. It should build up their ability in management organisation and administration needed for carrying on business or professions competently.

The duration of courses will be two years of which three months would be devoted to practical training. The minimum qualification for admission will be a degree. The number of trainees for each course will be about 75.

(The Hindustan Times, 4 January 1962).

## Chapter 9. Social Security

### 92. Legislation.

India - January 1962.

#### Bombay: E.S.I. Scheme Extended to Workers' Families.

On 22 January 1962, the families of 3,000,000 workers in Greater Bombay and the neighbouring townships of Thana, Kalyan, Ambarnath, Bhiwandi and Bassein became entitled to medical benefits under the Employees State Insurance Scheme. Hitherto, only the insured workers were entitled to the benefits under the scheme, introduced in 1954.

Extension of the scheme to the families is expected to increase the cost of medical benefits from 8 million rupees a year to 25 million rupees, which would be shared by the E.S.I. Corporation and the State Government in the proportion of 7:1.

The insured workers themselves are not required to increase their premia for the benefits that will accrue to their families, nor will any of their existing benefits be curtailed.

Full Benefits.- For the present, members of the families of insured workers will get all medical benefits short of hospitalisation. Within a few months, specialised diagnostic treatment will also be extended to them.

(The Statesman, 24 January 1962 ).



Employees' State Insurance Scheme: Employers' Contribution to be Increased in Areas Where the Scheme is Implemented.

At a meeting of the Employees' State Insurance Corporation held in New Delhi on 17 January 1962, it has been decided that the rate of employers' special contribution towards Employees' State Insurance (ESI) programme would be raised in the areas where the scheme has been implemented from 1-1/4 per cent to 2-1/2 per cent from 1 April 1962. The employers' special contribution in the non-implemented areas would however, continue to be at the present level that is 3/4 per cent of the wage roll.

Another decision related to the transfer of administration of the medical benefits under the Employees' State Insurance Scheme in Delhi from the Delhi Administration to the ESI Corporation. This became necessary consequent upon the transfer of medical care of the general public from the Delhi Administration to the Municipal Corporation.

(The Hindustan Times, 18 January 1962).

Madhya Pradesh Maternity Benefit Rules, 1961.

The Government of Madhya Pradesh gazetted on 19 January 1962 the text of the Madhya Pradesh Maternity Benefit Rules, 1961, made in exercise of the powers conferred under the Madhya Pradesh Maternity Benefit Act, 1958 (No. 24 of 1958). The rules deal inter alia with the manner of certifying illness arising out of pregnancy or confinement, the preparation of muster roll and the particulars which the roll should contain, method of payment of maternity benefit, powers and duties of inspectors, form of annual return and records. The rules repeal the Central Provinces Maternity Benefit Rules, 1930, the Madhya Bharat Maternity Benefit Rules, 1952, and all other rules corresponding thereto in force in any region of the State.

(Notification No. 8326-3961-XVI dated  
1 December 1961, Madhya Pradesh Gazette,  
Part IV-B, 19 January 1962, pp. 82-89 ).

Andhra Pradesh: Draft Amendment to Schedule III of  
Workmen's Compensation Act, 1926, published.

The Government of Andhra Pradesh published on 2 November 1961, the following draft amendment to Schedule III of the Workmen's Compensation Act, 1926, which the Government proposes to make in exercise of the powers conferred under the said Act.

In part B of the said Schedule, the following shall be added at the end, namely:-

**Occupational Disease and Employment.**

"Poisoning by manganese or a compound of manganese, or its sequelae - Any process involving the use of or handling of, or exposure to the fumes, dust or vapour of manganese or a compound of manganese, or a substance containing manganese.

"Poisoning by Organic Phosphorous insecticides hexaethyl tetraphosphate (HETP), Tetraethyl Pyrophosphate (TEPP), and Diethyl O.P. Nitrophenyl thiophosphate (Parathion) - Any process involving the use or handling or exposure to the fumes, dust or vapour containing any of the organic phosphorous insecticides".

The proposal will be taken into consideration by the Government after 1 February 1962.

(G.O. Rt. No.2972 Home (Labour-III) dated  
11 October 1961, Andhra Pradesh Gazette,  
Part I, 2 November 1961, page 3484 ).

Madras: Draft Amendment to Schedule III of Workmen's Compensation Act published.

In exercise of the powers conferred under the Workmen's Compensation Act, 1923, the Government of Madras has given notice of its intention to add the following items in Part B of Schedule III of the said Act.

In Part B of the said Schedule III, after the item "Telegraphist's Cramp" and the entries relating there to, the following items and entries shall be added, namely:-

"Poisoning by -  
Manganese or a compound of  
manganese or its sequaise.

Any process involving the use of  
or handling of, or exposure to the  
fumes, dust or vapour of, manganese  
or a compound of manganese, or a  
substance containing manganese.

Organic phosphorous insecti-  
cides - hexasthyl tetraphos-  
phate (HETP), Tetraethyl Pyro-  
phosphate (TEPP), and co-diethyl  
of Nitrophenyl thiophosphate  
(Parathion).

Any process involving the use or  
handling or exposure to the fumes,  
dust or vapour containing any of  
the organic phosphorous insecti-  
cides."

The proposal will be taken into consideration by the Government after 1 March 1962.

(GO Ms. 6851 Industries, Labour and Cooperation  
(Labour) dated 3 November 1961, the Fort St. George  
Gazette, Part I, Sec.1, 29 November 1961, page 1798).

CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

INDIA - JANUARY 1962.

111. General.

Appointment of Standing Mine Safety Equipment Advisory Board suggested.

The Mine Safety Equipment Committee which submitted its report to the Government recently, has suggested, among other things, the appointment of a Standing Mine Safety Equipment Advisory Board to advise on the availability of mine safety equipment. The Chief Inspector of Mines was the president of this Committee constituted by the Union Government in early 1960. The terms of reference of the Committee, in general, were to determine the requirements of mines of safety material and equipment on short and long-term basis, to evaluate the production capacity of existing indigenous manufacturers and to assess the requirement of raw materials for indigenous production of safety material and equipment.

Lest the safety of the persons employed in mines be jeopardised due to the non-availability of proper equipments, the committee has recommended that the needs of mining industry for safety equipment and spare parts should be met in full and in time through imports. In order to obviate a shortage of spare parts established importers should be given facilities to import and maintain stocks for sale in open market, it recommended.

(Economic Times, 30 January 1962).

Report of Health Survey and Planning Committee published:  
Population Control and Steps for Expansion of Medical  
Relief Recommended.

The 16-member Health Survey and Planning Committee which released its 500-page report in New Delhi on 18 January 1962, has suggested, among other things, a substantial increase in the allocation for health in the Third Plan, the possibility of levy of health cess, appointment of a separate Minister at the Centre for population control, a 15,000 million rupees scheme for drainage and water supply and an increase in the pay-scales of doctors.

The report which will be considered by the Government is the result of more than two years' work by the Committee which was appointed by the Government of India in 1959 with Dr. A. Lakshmanaswami Mudaliar as its chairman. The terms of reference of the Committee included a review of the First and Second Plan health projects and formulation of recommendations for the further future plan of health development in the country. The Committee has reviewed the state of health service since the submission of the Bhore Committee report, and has recommended a number of steps to promote the health of the people.

One of its conclusions is that there is a maldistribution of trained personnel who congregate in the urban areas and that highly trained doctors are being utilised to carry out routine duties that can be done by lesser qualified people. It has, therefore, favoured the training of para-medical personnel, who can take a considerable load off the shoulders of trained doctors.

The Committee has given considerable attention to the question of rural medical relief and has felt that the desired objective cannot be realised by merely establishing Primary Health Centres without adequate staff or equipment. In its view, the programme of Primary Health Centres needs a radical revision, so that in future every centre should be able to serve a population of 40,000 and should have a full complement of staff, as recommended by the Bhore Committee.

The Health Survey and Planning Committee has recommended three ways of raising additional resources for expansion of medical facilities in the country and also called for radical revision of the Third Plan outlay on health.

First, the Committee has suggested the introduction of a system of graded charges in public hospitals for the services rendered to both in-patients and out-patients, except in the case of the truly indigent. Secondly, it says, the possibility of levy of a health cess, like the educational cess in some States, should be explored. Thirdly, the Committee has advocated a long-range health insurance policy for all citizens of India, with the rate of contribution depending upon the income of the persons concerned.

In making these recommendations, the Committee points out that the development of a medical care programme on the lines of a national health service, depending entirely upon State revenues, cannot be considered a practical proposition in the near future.

Mobile Teams of Specialists urged.- Dr. Mudaliar, who outlined the main recommendations at a Press conference this morning, said that the Committee felt that besides the upgrading of the Primary Health Centres, and the hospitals at the district and taluk levels, there should be mobile teams of specialists, which would cover all parts of the district. He said that rural health services should be given priority and all facilities should be given to those serving in the rural areas. In fact, he felt that doctors serving in rural parts deserved better conditions of service than those in the urban areas.

Another aspect of the problem on which the Committee had laid down emphasis related to the control of communicable diseases. Since many of these were water-borne diseases, Dr. Mudaliar said, the Committee stressed the need for particular attention to be paid to the provision of protected water supply to the people. Digging wells would offer no solution and the possibility of tapping river waters had been suggested. The need for promoting public health engineering education in all the States had also been stressed.

Medical Education.- On the question of medical education, the Committee felt that the emphasis should be more on quality than on quantity. No medical college should be started without proper personnel or equipment. Further, it was not necessary that medical colleges should be started only in towns and cities. They could very well be started in rural areas. There should be one post-graduate centre in each State and post-graduate medical education should be the responsibility of the Central Government. This, Dr. Mudaliar said, was analogous to the setting up of regional technological institutes under the All-India Council of Technical Education.

Dr. Mudaliar hoped that suitable machinery would be set up in the States and the Centre to draw up a programme for implementation of the main recommendations at least by the third year of the Third Plan period. He considered the steps recommended as practical and expressed the hope that paucity of funds would not stand in the way of their being put into effect. He expected that the implementation of all the recommendations would require 15,000 million rupees during the Third, Fourth and a part of the Fifth Plans. But the Committee had, after reviewing the implementation of the health programme in the First and Second Plans, felt that at least 10 per cent of the total Plan outlay should be set apart for the health programme. He admitted that to accommodate the schemes recommended by the Committee, the Plan already approved by the Planning Committee, might have to be revised. He also thought that the funds which lapsed might be diverted for these schemes.

The Mudaliar Committee Report, published to-day, does not call for any constitutional changes or major legislative changes measures, but underlines the need for greater co-operation and co-ordination between the Centre and the States in the effective implementation of health programmes. It has suggested the drawing up of master plans on the lines of the Committee's recommendations, so that these could be implemented as and when more funds were made available.

While legislative steps could be taken against adulteration of food or drugs, obnoxious trades or objectionable advertisements, it said, the public had to be educated to co-operate in the implementation of health programmes. It has urged measures to inculcate in the children proper health habits and for the maintenance of hygienic conditions in schools and colleges.

The setting up of an All-India Health Service, expansion of the functions of the University Grants Commission in the fields of medicine, engineering, agriculture and veterinary science, the institution of national programmes for eradication of malaria, small-pox, cholera, leprosy, tuberculosis, etc., and the strengthening of the role of the Central Health Council are among the Committee's recommendations.

The Committee referred to the health conditions prevailing at the time of Bhore Committee's report and the action taken to give effect to that Committee's suggestions and said that in the last decade there had been considerable improvement in institutional facilities for the treatment of the sick, substantial control of the ravages of malaria and the completion of ground work for launching mass campaigns against communicable diseases and for undertaking a national water supply and sanitation programme.



Attractive Terms for Medical Men urged.- The Committee has recommended a target of one bed per thousand population to be achieved during the Fourth or Fifth Plan period. Apart from recommendations to strengthen district and talug hospitals, the Committee has suggested a series of measures to improve medical service in rural areas, such as making it compulsory for every doctor wishing to enter Government service to work for two years in rural areas. It has called for attractive terms of service to medical men and said that they should be placed on par with Indian Administrative Service personnel. Permanent incumbents should not be allowed to have private practice.

Some other recommendations of the Committee deal with population problem, sterilisation, manufacture and control of drugs and indigenous systems of medicine.

Financial Aid.- The Committee adds that those who elect to become truly qualified in both systems, indigenous and modern, should be given financial encouragement.

~~Indian medical~~ plan medicinal plants and drugs have been receiving growing recognition in foreign countries and the rich medical heritage is an important reason to continue adequate efforts to incorporate in modern medicine all that is truly valuable in the indigenous systems.

On administrative side, the Committee has recommended among other things formation of well-equipped health education bureau in States, strengthening of the Directorates of Health Services and setting up of a separate cadre of medical jurists. A permanent organisation for morbidity survey in the country, and transfer of the posts of medical officers under Employees' State Insurance Scheme to the All India Health Cadre.

The Committee has urged that each State should have Public Health Act on the basis of the model Act framed by the Union Health Ministry. Legislative measures proposed include amending of the Drugs Act for making enforcement machinery more effective and a new legislation to cover persons suffering from mental diseases.

(The Hindu, 19 January 1962;  
The Statesman, 19 January 1962 ).

All-India Medical Conference stresses need for  
National Health Service.

The 37th All-India Medical Conference, which concluded at Rampur on 6 January 1962, urged the Union Government and the Planning Commission to set apart at least 15 per cent of the Third Plan outlay for health programmes. This, the Conference said in a resolution, was necessary to reduce the morbidity and mortality rates from preventable diseases and to reduce the birth rate.

The Conference felt that the progress, so far made in the field of health was unsatisfactory and urged that steps be taken to remedy the situation. It was of the view that little attempt had been made by the Central and State Governments so far to improve the health of schoolchildren and called for the immediate constitution of statutory school health boards. It suggested top priority for a comprehensive school health programme. There was also need for a comprehensive national health service scheme.

In another resolution the Conference felt that the health and life of the rural population were as important and sacred as those of the urban population and they were entitled to the same type of competent medical care in a Welfare State. The rural population was isolated even from modestly equipped medical centres and, therefore, needed competent doctors, who knew when to call in specialist agencies. Hence only doctors who had had adequate training under expert guidance for a minimum of three years after graduation should be employed in the rural areas.

It protested against the enhanced taxation on medical preparations and urged that all drugs and medical appliances be exempted from taxes. At the same time it urged manufacturers not to enhance prices of medicines on the ground of increased taxation.

(The Statesman, 8 January 1962).

BIBLIOGRAPHY

INDIA - JANUARY 1962.

CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

- \* "Madras State Administration Report for the Year 1960"; Government of Madras, 1961; Printed by the Controller of Stationery and Printing, Madras, on behalf of the Government of Madras, 1961. Price Rs.14-25np. pp. VIII + 392.

CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.

- \*(a) "Report(November 1960 to December 1961)at the Seventh Annual Conference - held at Birmitrapur, Orissa - Friday, 15 December 1961"; Indian National Mineworkers' Federation. pp.40.
- \*(b) "Presidential Address of Shri Michael John, M.P."; At the Seventh Annual Conference held at Birmitrapur, Orissa - Friday, 15th December 1961; Indian National Mineworkers' Federation. pp.8.
- \*(c) "Resolutions"; Adopted at the Seventh Annual Session held at Birmitrapur, Orissa - Friday, 15 December 1961; Indian National Mineworkers' Federation. pp.5.
- \*(d) "Speech of Shri G.V. Purank, Chairman of the Organisation, at the Third Quarterly Meeting of the Central Committee of the Organisation held at Ahmedabad on Saturday, 30 December 1961"; The All-India Manufacturers' Organisation, Bombay. pp.16.
- \*(e) "Resolutions passed at the Third Quarterly Meeting of the Central Committee held on the Twentieth December 1961"; At Ahmedabad; The All-India Manufacturers' Organisation, Bombay. (Revised).

---

\* Publications received in this Office.

100

CHAPTER 3. ECONOMIC QUESTIONS.

- \* (a) "Tables with Notes on Consumer Expenditure": The National Sample Survey; Tenth Round; December 1955-May 1956; Number 47; Issued by The Cabinet Secretariat; Government of India; Printed by the Eka Press, Calcutta in 1961 and published by the Manager of Publications, Civil Lines, Delhi-8. pp.165.
- \* (b) "Preliminary Estimates of Birth and Death Rates and of the Rate of Growth of Population": The National Sample Survey; Fourteenth Round; July 1958-July 1959; Number 48; Issued by the Cabinet Secretariat; Government of India; Printed by the Eka Press, Calcutta in 1961 and published by the Manager of Publications, Civil Lines, Delhi-8. pp.132.
- \* (c) "Report on Morbidity": The National Sample Survey; Number 49; Issued by the Cabinet Secretariat, Government of India; Printed by the Eka Press, Calcutta in 1961 and published by the Manager of Publications, Civil Lines, Delhi-8. pp.59.
- \* (d) "Technical Report to the Government of Madras on Surveys of the Operating Efficiency of: Electrical Goods Unit, Guindy, Footwear Production - Cum-Service Centre, Perambur, Lock Unit, Dindigul"; I.L.O. Management Development and Productivity Mission to India, November 1961. pp.108. (Revised).
- \* (e) "Conclusions and Recommendations of the Second Southern Regional Productivity Conference": Organised by Madras Productivity Council. pp.11. (Revised).
- \* (f) "Presidential Address of Dr.P.S. Loknathan at the Second Southern Regional Productivity Conference (31st December 1961 to 2nd January 1962)": Organised by Madras Productivity Council. pp.8.
- \* (g) "Industrial Maintenance": Paper presented by S. Ramalingam, Regional Director at the Second Southern Regional Productivity Conference; Organised by Madras Productivity Council. pp.8.
- \* (h) "Second Southern Regional Productivity Conference - 31 December 1961 to 2 January 1962": Organised by Madras Productivity Council.
- (i) "Tension of Economic Development in South-East Asia": Edited by J.C. Daruvala (Allied Publishers Private Ltd., 15, Graham Road, Ballard Estate, Bombay-1, Price Rs.12).
- (j) "The Problem of Fatigue in Relations to the Programme of Basic Education in India": by G. Radjasekharan (Appelbergs Boktryckeri AB, Uppasala, Paris. Kr.25).

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

- \* (a) "Report on Indian Villages (A Study of Some Social and Economic Aspects)": The National Sample Survey; Tenth to Twelfth Round December 1955-August 1957; Number 45; Issued by the Cabinet Secretariat; Government of India; Printed by the Eka Press, Calcutta in 1961 and published by the Manager of Publications, Civil Lines, Delhi-8. pp.45.
- \* (b) "Tables with Notes on Consumer Expenditure of Agricultural Labour Households in Rural Areas": The National Sample Survey; Eleventh and Twelfth Rounds - August 1956-August 1957; Number 46; Issued by the Cabinet Secretariat, Government of India; Printed by the Eka Press, Calcutta in 1961 and Published by the Manager of Publications Civil Lines, Delhi-8. pp.353.

CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN BRANCHES OF THE NATIONAL ECONOMY (CONTINUED):

- \*(c) "Administration Report of 1960-61"; Bombay Port Trust. pp. XXXVII + 27.
- \*(d) "Administration Report for 1960-61"; Madras Port Trust. pp.74.
- \*(e) "Annual Administration Report of State Department of Agriculture for 1954-55(Ending June 30,1955)"; Allahabad: Superintendent Printing and Stationery, Uttar Pradesh, India.1961. Price Rs 5/- pp.127.
- \*(f) "Guido to the Research Station, Experimental Plots and the Estate"; Compiled by the Staff of the Research Department Coffee Board, Coffee Research Station, P.O. Chickmagalur District.

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

- \*(a) "Annual Report for the Year 1960-61"; Government of India; Ministry of Labour and Employment; Coal Mines Reserve Stations Committee; Dhanbad. 1961. pp.12.
- \*(b) "Labour and Labour Welfare Schemes in the Third Five Year Plan"; Government of India; Planning Commission; Labour and Employment Division; August 1961. pp. 68 + X34. (Revised).

CHAPTER 6. MANPOWER PROBLEMS.

- \*(a) "Annual Administration Report on the Employment Exchanges in Maharashtra State 1 May 1960 to 31 December 1960"; Government of Maharashtra; Bombay; Printed at the Government Central Press, 1961. Price Re.0.18 or 4d. pp.8.
- \*(b) "Review of Employment Situation in the Public Sector in Madhya Pradesh (for the Quarter ended 30 June 1961)"; Government of M.P., Labour Department, National Employment Service; Directorate of Employment and Training, M.P. Jabalpur. pp. 18 (Revised).
- \*(c) "A Handbook on Training Facilities in India in-Plant Training - Part I"; Issued by the Occupational Information Unit; Directorate General of Employment and Training, Ministry of Labour and Employment, Government of India. May 1961. pp.77.
- \*(d) "A Handbook on Training Facilities in India - Institutional Training Part I"; Issued by the Occupational Information Unit; Directorate General of Employment and Training, Ministry of Labour and Employment, Government of India. December 1960. pp.120.
- \*(e) "Educational and Technical Training Requirements of Production Process Works in the Sport Goods Industry"; Prepared by National Employment Service, Ministry of Labour and Employment(D.G.E.& T.), New Delhi. March 1961. pp.35.
- \*(f) "Educational and Technical Training Requirements of Production Process Works in the Plastic Industry"; Government of India, Ministry of Labour and Employment, 1961. Prepared by National Employment Service (D.G.E.& T.), New Delhi, July 1961. pp.31.

\* Publications received in this Office.

102

CHAPTER 8. MANPOWER PROBLEMS (CONTINUED):

- (g) "Chingleput Employment Market Report for the Quarter Ended 31 December 1960"; National Employment Service; Government of Madras, 1961; Directorate of Employment (State Employment Market Information Unit) Madras. pp.17.
- (h) "Review of Employment Situation in the Public Sector - Maharashtra State for the Quarter Ended 30 June 1961"; Government of Maharashtra; Industries and Labour Department (Directorate of Employment) Bombay; 31 October December 1961. pp.17. (Revised).

CHAPTER 9. SOCIAL SECURITY.

- "Report on the Working of the Workmen's Compensation Act in the State of Madras for the Year 1960"; Government of Madras, 1961; Printed by the Controller of Stationery and Printing, Madras, on behalf of the Government of Madras, 1961. Price 45 nP. pp.9.

CHAPTER 11. OCCUPATIONAL SAFETY AND HEALTH.

- "Seminar on Safety in Rubber Industry and Safety in Metal Containers Manufacturing Industry"; Conducted during the Fourteenth Conference of State Chief Inspectors of Factories held at Poona in December 1960; Office of the Chief Advisor Factories, Ministry of Labour and Employment, New Delhi, 1961. pp. 49. (Revised).

\*\*\*\*\*

'L'

---

• Publications received in this Office.