

Ajoy Das Gupta

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18/24, Fern Road,
CALCUTTA-19
December 21, '57.

Comrade S.A.Dange,
Camp : ERNAKULAM.

Dear Comrade,

I heard incidentally a day or two ago that the AITUC session would discuss the position and problems of the office employees' movement and organisation, including their relation with the AITUC. I am sending herewith a copy of report on the activities of the ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION for the period October, 1955 to November, 1957. This might be of some use if such a discussion takes place. The report has been accepted with very minor variations & additions. The corrected version is being printed and will be published in INSURANCE WORKER, the journal of the AIIEA and will be sent to the AITUC office in due course. Some of the resolutions passed at the session at Madras are also sent herewith with an advance copy of AIIEA's letter in response to AITUC's invitation.

With Greetings,

Ajoy Das Gupta

The Insurance Corporation Employees' Union

(MADRAS DIVISION) MADRAS.

(REGD. NO. 2202)

(AFFILIATED TO THE S. Z. I. E. F.)

OFFICE:- 107, Armenian St.,
MADRAS-1.

Date... 6th January 1958

Ref:-

296

Shri. S. A. Dange, M.P.,
General Secretary,
All India Trade Union Congress,
BOMBAY.

Recd
3.1.58

Dear Comrade,

The All India Insurance Employees' Association which held their Third Annual Conference at Madras on the 27th Nov. 57 to 2nd December 57 have given a call to observe the 18th January 58 as the " ALL INDIA DEMANDS' DAY to voice forth our demand for Bonus which the Insurance Employees were hitherto receiving every year during the pre-Nationalisation days. Even during the Bi-partite talks held in May 57 last, no agreement was reached although a solution was reached in respect of pay-scales and Dearness allowance of employees. Many of our other demands, although agreed to by the Corporation authorities, remain unfulfilled. It is therefore to reiterate all those demands- which remain yet unfulfilled - we are observing this DEMANDS DAY.

It is our unanimous desire that you should be invited to participate in the Rally on the 18th. As we understand that you are likely to be at Trichy on the 15th, kindly let us know whether it will be convenient for you to participate in our Rally on the 18th Jan. 58 The Insurance Employees are very eager to hear you as one who would always stand by their cause either in Parliament or outside. Please let us have a line in reply.

With fraternal Greetings,

Comradely yours,

P. Subramaniam
SECRETARY.

Recd.
Am: Dange
at present
will be in Trichy
on 15th
1st day
Remind for later
1958

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION

9A, HARALAL DAS STREET, CALCUTTA-14

President : Rajni Patel, M.A. (Cantab), Bar-at-Law

General Secretary : Chandrasekhar Bose

JANUARY 17, 1958.

The General Secretary,
All India Trade Union Congress,
NEW DELHI.

20/1/58

Dear Sir,

We have on 12.1.58 sent you under Book Post cover a copy of "Insurance Worker" - the journal of the All India Insurance Employees' Association. The issue contains the Report of the Working Committee and copies of the Resolutions as adopted unanimously in the third Annual General Conference of the Association held at Madras from 29th November to 1st December, 1957.

The Report seeks to make a clear and objective assessment of the situation in the industry, achievements and failures of the Insurance employees' movement and to lay down the tasks before the organisation in the background of Govt. economic and labour policies and the general trend of trade union movement, for marching ahead for securing better conditions of live and living. The Resolutions would, we feel, show that the Conference has been keen and conscious about the various problems confronting the insurance employees.

We would request you to kindly give your views and comments on the Report and the Resolutions.

Thanking you,

Yours faithfully,

CBose

GENERAL SECRETARY.

Pl. forward to
AITUC

RESOLUTION ON TRADE UNION UNITY

In their struggles for improving the standards of living and conditions of work, employment and wages, the workers and employees are confronted with the united power of Capital backed by the forces of the state. In these struggles the individual worker is ineffective unless he, too, faces capital in a united manner.

It is a matter of great misfortune and regret that in India the working class is divided to-day. The division manifests itself in the existence of and differences among the four All India Trade Union Centres. These differences and divisions are utilised by the employers and the Government, locally and nationally, in order to defeat the struggle of the working class and its demands. At the same time experience has shown that where the workers struggle in a united manner, irrespective of their differences in political and ideological outlook and organisational affiliations, they generate such a power that the opposing forces, in most cases, yield to their demands.

This experience has created a profound and strong urge for unity among the working masses of the country which manifested itself in the recent past in the United Struggle of the Insurance employees in of India, the Central Govt., employees etc. to name only a few. This is further manifested in the formation and growth of such united Trade Union Federations as in Post and Telegraph, Defence Establishment, Railways, Petroleum, Banks and Insurance, uniting within their fold workers and employees of all shades of opinion and not affiliated to any of the Central Trade Unions. But the existence of the four different Trade Union Centres is hampering the process of unification and in some cases, creating disruption in the united organisations as is borne out by the experience of the Insurance employees themselves.

This third Annual General Conference of the All India Insurance Employees' Association held at Madras from 29th November to 1st December, 1957, however, notes with satisfaction that the urge for unity at the base, the existence of united trade federations and their influence have to a large extent re-oriented the attitude of the leaders of the Trade Union Centres towards Unity.

All the Trade Union Centres have expressed the desire for trade Union Unity. The three centres viz., UTUC, HMS and AIFUC had come out with open declaration that they were willing to form one single Trade Union Centre in India. This General Conference whole-heartedly welcomes and supports this move. This Conference further welcomes the existence of the Trade-Union Co-ordination Committees in different centres consisting of the three Trade Union Centres and the Co-ordination Committees of Employees' Federations embracing our organisation, to fight against the rise in prices and for wage increase and the Trade Union rights, as a preliminary concrete step towards achieving complete unity of the working masses, which has become the crying need of the day.

contd....

(2)

This Conference, therefore, urges upon the four central Trade Unions and autonomous trade federations and unions to immediately sit round the table to evolve the basis of formation of a single Trade Union Centre in India on the principle of fidelity to the interests of the working people and full trade union democracy.

The Conference pledges its whole hearted co-operation and active support and assures the participation of the Insurance Employees in all efforts for building up united activities of the working people and in the formation of one single united Central Trade Union organisation in India.

PROPOSED BY : Sri S. M. Mungalam

SECONDED BY : Sri T. P. Kolathu

Certified to be true copy

C. Bose
GENERAL SECRETARY



ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION

9A, Haralal Das Street,
Calcutta - 14.

REPORT OF THE WORKING COMMITTEE
TO THE THIRD GENERAL CONFERENCE
OF THE ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
HELD AT MADRAS ON
29TH & 30TH NOVEMBER AND 1st DECEMBER, 1957.

Respected President and Fellow Delegates,

With the permission of the Chair we present before the House the report of the Working Committee on the activities of the Association for the period of September, 1955 to November, 1957.

At the very outset we welcome all the delegates who have assembled here. We congratulate the South Zone Insurance Employees' Federation for playing host to this Conference and thereby enabling us to assemble in this great city of the South.

During the period under report which covers more than two years, epoch making events of paramount importance and unprecedented magnitude have taken place. After the 2nd General Conference of the Association held at Calcutta in August, 1955, when the entire organisation was trying to consolidate the ranks by carrying the decisions of the Conference to the masses of insurance employees and leading them through fire of struggle to achieve their objectives, the nationalisation of life sector of the industry took place. It effected far-reaching changes, both quantitative and qualitative, in the insurance scene, brought about new tasks, responsibilities and obligations and altered the correlation of forces all at once and had its all pervading influences felt by everybody as several administrative, executive and legislative measures were being taken at different levels. The work done by the Association through all its units and organs is of huge dimensions and it will take volumes if details are given. This is clearly not possible nor necessary for this report and we shall only narrate the main facts and essential features of the developments and activities of this period and shall try to indicate in broad lines the tasks the organisation will have to undertake in the future.

CONDITION OF THE INDUSTRY.

Before we go into the chronicle of our activities we should have a look at the condition of the insurance industry in the background of the general economic situation prevailing in the country. That will help us to understand the general situation in which we had to formulate policies and pursue our activities.

With attainment of independence in 1947 the urge of the people to achieve a better living began to be manifested with

great vigour. It was realised soon that without industrialisation as the basis for growth of national economy and fairer distribution of national income, the peoples' lot could not be appreciably improved. This urge found reflection in the formulation and execution of Five Year Plans, the second of which is now in progress. There has been some increase in industrial and commercial activities and employment in the country. This naturally opens up scope for expansion of insurance business - both life and general. For a whole decade insurance business has been making steady progress in our country and in 1955 when we met last, there was a sudden spurt in procurement of new business in Life Insurance. From Rs.108.9 crores worth new business in 1944 it rose to Rs.169.68 crores in 1953. Then in 1954, it shot upto Rs.253.99 crores and rose steadily to Rs.258.63 crores in 1955. Growth in general insurance business will be evident from the chart given below :-

(In thousands of Rupees)

Year	Total gross premium written direct in India by Indian and non-Indian Insurers			Total net premium income inside & outside India of Indian Insurers		
	Fire	Marine	Misc.	Fire	Marine	Misc.
1953	9,82,71	4,90,04	6,10,61	7,91,40	2,79,65	4,58,72
1954	10,07,47	5,21,28	6,06,66	8,17,75	3,20,72	4,80,55
1955	10,27,44	5,95,46	6,50,32	8,48,49	3,31,76	5,17,54

A feature of this growth of insurance business was the growth of increasingly monopoly trends. The first 10 companies in life sector had 75.3% of new business, 73.8% of total business in force, 71.6% of life fund and 69.2% of total assets. In General Insurance sector 11 leading Insurance Companies out of 102 companies in 1953 earned a net premium income of Rs.8,67,05,000/- as against Rs.6,39,02,000/- income by all other (91) Indian Companies. Foreign companies also played significant part in the insurance industry, particularly in general branch, where in the same year their net premium income in India was Rs.6,28,60,000/- as against Rs.6,76,84,000/- which was all Indian Companies' income inside India.

This trend led to widening of diversities in pay-scales and amenities given to employees. Closure of offices or amalgamations were also features which threw out many employees out of employment. To secure monopoly large scale malpractices were undertaken. Insurance industry became a hot bed of corruption. That led us to reiterate our resolution on nationalisation of the insurance industry in 1955. The resolution said "This Conference is convinced that despite several amendments to the Insurance Act to ensure strict Govt. control, the evils of malpractices and extravagance are rampant in the Industry. The employers are swindling the insuring public and utilising large funds for their own selfish ends. This Conference believes that nationalisation is essential for the purpose of putting an end to these malpractices. This Conference also believes that nationalisation would put at the disposal of the country huge funds which can be invested in the projects of the national developments.

"This Conference holds that the cut-throat competition of the big insurers is driving small and medium insurance companies to reorganise and in this process they are retrenching the

employees. This Conference has, therefore, no hesitation in accepting the principle of nationalisation since it is in the interests of the policy-holders, the employees and the country as a whole".

The other main resolutions adopted in the last Conference were on appointment of an All India Tribunal for standardisation of Pay-scales and on introduction of uniform service conditions including working hours, leave, retiring benefits, etc. Resolutions were also adopted against retrenchment, deploring Govt.'s anti-employee labour policy and on trade union unity.

The Head Quarters of the Association was shifted to Calcutta after the last Annual Conference. Preliminary work over, the Association just settled down to work when in January 1956 came nationalisation of Life sector of the industry vindicating, though partially, our major demand in the last Conference. From then on the major, almost the entire energy of the All India Association was directed towards coping with the situation and problems arising out of Nationalisation of life insurance business.

MOVEMENT IN THE LIFE SECTOR.

With the Conference resolution as the guide, the General Secretary of the AIIEA greeted the nationalisation warmly and was perhaps the first person to do it. At the same time while he demanded that there should be no retrenchment and that immediate increment of salary to low paid employees and standardised and progressive pay-scales and conditions of service should be introduced for all employees, he also demanded nationalisation of General sector.

The Impact of Nationalisation on Employees

The nationalisation of the life insurance industry stirred everybody connected with it. Everybody expected some thing new to happen to him. But different section expected different things. A general apprehension was there about retrenchment. Regarding pay-scale and other emoluments and benefits, the employees of the biggest companies apprehended attack on their existing pay-scales, rights and privileges due to coming of employees with lesser pay and benefits within the fold of a single institution. So, their main angle of vision was to forestall any attack on their existing rights and privileges. The employees of the Companies of the next Group also apprehended freezing of wages at a lower level than those achieved in the few biggest companies. These employees, who, at the time of nationalisation were fighting for upward revision of their emoluments apprehended that once the pay-scale was fixed by the nationalised institution at the level of their drawings or less, then for a long time there would be no improvement for them, which otherwise they would have been able to achieve. So, their angle of vision was to standardise on a higher level than theirs. The employees of the smaller units, who were suffering most, being unable to secure a fair wage and service conditions, from their employers due to lack of organisation or weak organisation, naturally expected an end of injustice to them and improvement of status and income under the nationalised set up. They felt the strength of number and organisation, being employees of a single institution along with employees of the bigger companies. Their angle of vision was to secure a higher level of wage structure and benefit of their past service in the new scales, that is, proper adjustment in the new scales. Grant of some interim relief pending final settlement was also one of their pressing and urgent demands.

There was a tremendous growth of organisation. Throughout India hitherto unorganised employees formed new unions or joined the existing ones. The whole South was organised in the course of two months or so. Employees became very active. Meetings and demonstrations were being held almost spontaneously, which voiced the demands. Everybody looked at the AIIEA for lead and guidance. The AIIEA gained a new significance and status. Its prestige and authority grew tremendously. Along with these grew its duties, responsibilities and obligations.

Taking all these objective conditions and subjective factors in view, the AIIEA had to evolve its policies, slogans and plan of actions. The extended Working Committee meeting held at Bombay on 11th, 12th & 13th of February, 1956, only three weeks after promulgation of the Ordinance vesting management of Life Insurance business with the Govt. of India, put forward the following demands :-

- (i) that the General Insurance Business should be Nationalised immediately.
- (ii) that there should be no retrenchment in the Nationalised sector as also the private sector of the Industry.
- (iii) that the existing anarchy in respect of salary and conditions of service of the employees must be done away with and standardised and progressive conditions of service should be introduced on the basis of Charter of Demands submitted by the All India Insurance Employees' Association without curtailing the existing emoluments, rights, privileges and amenities.
- (iv) that during the transitional period implementation of Agreements or Awards where in force should be guaranteed and Agreements arrived at between the employees and the managements should be honoured without putting forward the plea of so called legal and technical difficulties.
- (v) that in the transitional period the Government should give increments to the employees of those concerns where there are no fixed scales of salary and service conditions obtained in comparable concerns.
- (vi) that the existing system of payment of annual or valuation bonuses to the employees should be continued.
- (vii) that the employees should not be transferred from one place to another without their consent and without being given additional increase in emoluments.
- (viii) that the age of retirement should not be fixed below sixty years.
- (ix) that when manning the personnel of the Nationalised Industry the existing employees should be given preference.
- (x) that in the matter of recruitment of staff in the Insurance Industry including the proposed Re-Insurance Corporation preference should be given to employees retrenched or victimised during the past five years.
- (xi) that sufficient number of hands should be recruited immediately to normalise the exceedingly heavy work load caused by all round progress of Life Insurance during the past few years.

- (xii) that all the staff working under Chief Agencies should be absorbed by the Government with all the benefits of the past services rendered by them.
- (xiii) that the staff employed by the private Actuaries should be absorbed by the Government.
- (xiv) that the Industrial Disputes pending at different levels should be expeditiously settled.
- (xv) that the employees should have opportunity to play their legitimate role in the operation and control of the Nationalised business at all levels so as to ensure efficiency and expansion.
- (xvi) that the All India Insurance Employees' Association, its State Units and the Unions should be recognised and the employees should enjoy full trade union rights, leave facilities for attending trade union conferences and other tours required for promotion of trade unions of Insurance Employees.
- (xvii) that the Government of India should call a bipartite conference of representatives of the Government of India and the All India Insurance Employees' Association to decide all issues by mutual discussion.
- (xviii) that the interests of the bonafide field-workers should be protected carefully.

Evolution Of The Central Slogan

Naturally such a long list of demands could not act as the focal point and galvanising slogan. In order to be understood by all and to be capable of quick perception and assimilation they have got to be short and clear. The Life Insurance Corporation Bill was introduced in the Lok Sabha on 17th February and on March 20 it was referred to a Select Committee. The extended General Council of the Association met at New Delhi and discussed the Bill in all possible details along with other major issues before the organisation. The AIIEA was called upon to submit a Memorandum on the Bill and tender evidence before the Select Committee. In the Memorandum to the Select Committee the AIIEA submitted a detailed plan for successful running of the nationalised industry and also to safeguard the interests of the employees and to ensure their participation in management, which is clearly an essential ingredient of success of the institution itself. Though we could not persuade the Select Committee to accept all the major amendments we suggested, yet everything was not lost. The following points of ours were accepted and necessary amendments were incorporated in the Select Committee Majority Report. The points are: (i) accepting Chief Agency Staff as employees of insurers under certain circumstances, (ii) extending the period from 2 years to 5 years past for the purposes of investigating malpractices, (iii) provision to lay the annual audited accounts, reports and valuation reports on the table of the Parliament, and (iv) partial recognition of our claim of association in management, in providing for Agents' And Employees' Relations Committees. That Memorandum drew praise and admiration from all quarters. But there, too, demands were put in comprehensive manner. During all this time discussions were taking place among the insurance employees at all levels - as to what should be the central slogan of movement and the method to achieve it.

Through these discussions were evolved the slogans - standardisation at a higher level on the basis of the 1953 Charter of Demands through a Bi-partite Conference, embodying both the demands to be achieved and the method to achieve them. Once this was evolved the slogan gripped the mass of the employees and became a driving force. The slogan was clear to outsiders even and our outlook of settling the disputes through negotiation won for us friends from all quarters. Before we proceed to outline the facts of the main struggle, brief reference should be made to some other points of importance which arose during the period.

Retrenchment And Transfer

We have already referred to the demand of no retrenchment immediately after the nationalisation. It may be recalled that before nationalisation retrenchment was going on in many smaller and medium sized companies and we had to protest against that in the last Conference and to wage constant struggle. Along with retrenchment, fresh recruitment was practically stopped, not even in the posts of retired persons. We had been clearly stating that in order to reap a bigger amount of profit the employers are retrenching people and getting more work from each employee increasing his work-load to breaking point. After nationalisation high Govt. officials began to express views that there were surplus hands in the industry. Even the then Finance Minister expressed the same view. We on our part asserted that not only not was the industry over-staffed, it was really very much under-staffed. And we had to launch our first agitation on this point. Our irrefutable facts and the wave of protest had its effects. Our demand received full support of large number of public leaders and Parliamentarians. The then Finance Minister Sri C.D. Deshmukh had to declare in the floor of the Lok Sabha on 18.5.56 "I am aware how anxious members are that nationalisation should not result in unemployment and it was for this reason that I had given a categorical assurance that there would be no retrenchment". Thereby we won a significant victory. Subsequent events - large scale recruitment by all Zones of the Life Insurance Corporation of India, immediately after its formation, proved to the hilt our contention that the Corporation was under-staffed.

With the formation of the L.I.C.I. and resulting changed pattern of organisational set-up some amount of transfer of staff became necessary and inevitable. At the same time a good number of employees also wanted to be transferred to their home province or district. So the matter would have been settled peacefully and amicably if the authorities cared to take the employees and their organisation into confidence. But arbitrary and forcible actions of the authorities drew sharp protest from the employees and AIIEA gave a call to resist forcible transfer. The call was successfully implemented, particularly in Eastern Zone. We thus not only defeated an arbitrary move of the authorities and saved employees from a lot of troubles, but also saved a lot of money for the Corporation and helped recruitment in under-developed areas. This is another significant victory of our movement.

Battle For Standardisation

It has already been stated that we put the demand for Standardisation in the basis of Charter of Demands in our Memorandum to the Finance Minister in February, 1956. We submitted the Charter officially and formally in May 53 and again on September 14, 1956, after the announcement of Pay-Scale and Conditions of Service by the authorities on 10th Sep., 56. In our endeavour to settle the matter amicably we met the

we met the Finance Minister, Finance Secretary, Joint Secretary and other officials of the Finance Ministry even before the Corporation announced its pay-scales. We tried to impress upon them that in the best interests of all concerned the matter should be settled through negotiation - a Bi-partite Conference.

On August 24, '56, a deputation of AIIWA led by our President met the Chairman-Designate of the Life Insurance Corporation at the invitation of the Corporation. He placed before us a scheme of Pay-scales, D.A. and other emoluments for our consideration. The Pay-scales and allowances made invidious difference between sub-branch and branch office employees on the one hand and Divisional, Zonal and Central Office employees on the other, and fell far short of our demand. Acceptance of that scheme would have meant cut in pay-scale and emoluments of 80% of the employees of the Life Sector, having an adverse effect on the employees of the General sector, 80% of whom also were on pay-scales and emoluments better than the proposed for the Corporation. We rejected that totally and it was buried, never to be announced by the Corporation.

1st September, 1956, the appointed day on which the L.I.C. was to have come into being was drawing near with no settlement of the burning problems facing the employees. Our repeated requests for a bi-partite conference to settle all issues in dispute found no echo in the recesses of New Delhi. The Govt. of India was not prepared to accept the method of Negotiation and collective bargaining. The employees were restive. The Working Committee was also convened to meet at Bombay on September 7, 8 and 9, '56 to chalk out a plan and programme of activities to achieve our demand. The DEMAND DAY was successfully and enthusiastically observed throughout the country indicating the future shape of things to come. While going to the Working Committee meeting we still hoped that the Central Govt. and the Corporation authorities would see reason and would settle the dispute amicably. But that was not to be. On 8th September, 1956, the Chairman of the Corporation asked our President and the General Secretary to come over to Delhi to receive and to discuss the pay-scales and condition of service fixed for the Life Insurance Corporation employees by the Government, which was to be declared on 10th September, '56. The General Secretary went to Delhi and received the same on 10-9-56. The reaction of all the employees was pithily and truly expressed by him in two words- "RUDE SHOCK". He flew back to Bombay and placed the same before the Working Committee. The proposed pay-scales were:-

Superintendents: Rs.200-20-500

(2) Section Heads and Head Clerks.

Same as Assistants with an additional special pay on the following scale:

Rs.25/- p.m. during first five years of service as Section Head or Head Clerk.

Rs.30/- p.m. during the next five years of such service.

Rs.35/- p.m. thereafter.

(3) Stenographers:

Same as Assistants with an additional special pay on the following scale for persons selected for work with Senior Officers.

Chairman Rs.50/- p.m.

Directors Rs.40/- p.m.

Zonal Manager, Dy. Zonal Manager & Senior Officers at Central Office Rs. 30/- p.m.

Stenographers should have a Minimum speed of 120 words per minute in shorthand.

- 4) Assistants: Rs.90-10-210-EB-15-300
- 5) Clerks: Rs.55- 5- 80-104-EB-7-160-EB-10-220.

Typists and Steno-typists would be in this grade but steno-typists having a speed of not less than 80 words per minute in shorthand would get an additional pay of Rs.25/- per month.

- 6) Drivers: Rs.60-3-90
- 7) Daftrios: Rs.40-3-70
- 8) Head Poons & Liftman: Same as sopoys, Chaprasis and Hamals with an additional special pay of Rs.5/- p.m.
- 9) Sopoys, Chaprasis and Hamals: Rs.30-2-60
- 10) Sweepers: Rs.26-2-60

Pay-Scales Rejected:

The scales provided a lower starting for most and much lower maximum for many and lesser increments in intermediary stages for all. It discriminated between employees stationed at different places, barred non-matrices at Rs.160/-, prescribed stiff tests at efficiency bars. The service conditions increased Working Hours for many and reduced over-time payment, leave facilities, curtailed other facilities and denied bonus altogether. The Working Committee after prolonged deliberations rejected the pay-scales and service conditions as totally unacceptable and gave a call to all employees of the Life Insurance Corporation to prepare for a one day token strike some day in the first week of November. It also declared that if the authorities did not see reason, and withdraw the Pay-scales and Service conditions proposed and settle the matter on the basis of the Charter of Demands through a Bi-partite Conference with the AIIEA, the AIIEA might have to call upon the employees to go on a sustained strike. The resolution was forwarded to the Chairman on September 14, 1956 expressing in the covering note the hope that a negotiated settlement would still be possible. The Working Committee chalked out detailed programme of activities to raise the entire movement to a higher plane; to heighten the consciousness of the employees and to raise their tempo; to strengthen and to consolidate organisation and to forge link with other trade unions and public in general. A Negotiating Committee consisting of Sarbashri Rajni Patol, GS.Bose and M.R.Paranjpe was formed with full powers, including the power to suspend the decisions of the Token Strike, in case Working Committee meeting was not possible. A Committee consisting of the President, the General Secretary and Sarbashri Ajit Chakraverty, M.R.Paranjpe, S.K.Verma, Madan Mohan and K.G.Ramanathan representing East, West, Central North & South Zones respectively was formed to represent the AIIEA in case a bi-partite Conference was called. It was also decided to convene a meeting of the General Council in October at Calcutta to take final decision on token strike and to fix the date.

The decision to reject the proposed pay-scales and service conditions was wholeheartedly endorsed by all employees all over India through innumerable meetings and demonstrations. In fact before any ~~organisation~~ call came from the AIIEA, employees spontaneously went into some actions at different places. In Delhi there was a spontaneous pendown strike. The call to action enthused them and galvanised the entire rank into a solid phalanx.

In that background the historic Calcutta session of the General Council met. Just on the day the General Council was to begin its deliberations the Chairman of the Corporation issued

issued a press statement meant to clarify Corporation Order on Pay-scales and Service Conditions. A Highly ambiguous document, it tried to mitigate the perniciousness of the pay-scales announced earlier. The General Council considering the entire situation resolved:

" This meeting of the General Council of the All India Insurance Employees' Association, held in Calcutta from 26th to 29th October, 56, having considered the entire situation is firmly of the opinion that the pay-scales and service conditions announced by the Chairman of the Life Insurance Corporation of India on 10-9-56 even after his clarification statement dated 25-10-56 constitute an attack on the existing standard of pay-scales of the employees, their rights and privileges and on their Bonus. This meeting is further of the opinion that the proposed pay-scales and service conditions do not improve the position of the employees who were drawing wages even below starvation level to any appreciable extent, neither they ensure standardisation of service conditions including the wage structure.

" Under the circumstances, the General Council ratifies the decision of the Working Committee and calls upon all the employees of the Life Insurance Corporation of India to go on a token strike on December 5, 1956 in protest against imposition of the proposed pay-scales and service conditions and for a standardisation of the same with an upward revision on the basis of the Charter of Demands of the AIIEA.

" By deferring the date of the token strike from that decided earlier, the General Council is again giving the authorities of the Corporation further time and opportunity to come to an amicable settlement of the issues involved through a bipartite Conference with the representatives of the AIIEA, so that the general public may not be put to inconvenience.

" In case the demands are not conceded even after the token strike, this meeting authorises the Working Committee to issue directives for any action, including the continued strike for the fulfilment of the above demands.

" This meeting appeals to the members of the Parliament, Leaders of Trade Unions and political parties and public organisations to persuade the Corporation Authorities to come to a peaceful and amicable settlement immediately with the AIIEA "

The Token Strike:

It will be clear from the resolution that the AIIEA while deciding on the path of struggle kept the doors of negotiation open. Or it may be put in the way that we decided to strike at the closed door of Govt.'s attitude of no talks in order to open the way to negotiation. At the same time the AIIEA rightly gauged that to force a shift in the Govt.'s attitude the employees must build a mighty movement and enlist sympathy and support of other sections of employees and workers and public in general. So the General Council adopted a programme of activities to be followed by all units. The programme laid down stage by stage joint meetings with other trade unions, contacting M.L.As., M.Ps., and other peoples' representatives, Press Conference, leafletting, postering, mass rallies and demonstrations. Call for a struggle fund was also given.

The period from the General Council meeting to the Token Strike day has been one of the most hectic activities and glorious mobilisation for the insurance employees, including the General Insurance employees who gave all support to the struggle

to the struggle of the Life employees. It set up a high water mark of trade union activities in our country. Insurance Employees' struggle became a much talked topic in every town and city. The Press also reflected this tempo and gave good publicity. Large number of M.L.As and M.Ps supported our case and a large number of M.Ps tried to raise a discussion in the Parliament, which the Govt. declined. The Finance Minister said that he would discuss the matter only after December. 5. Perhaps he wished and expected that the strike call would be a flop and he would not have to talk at all, or talk as a victor. But that was not to be. With the refusal of the Govt. to settle, the strike preparation went ahead with vigour and enthusiasm, with workers virtually working round the clock. The zero hour approached steadily and unavoidably and for the first time in the history of India Life Insurance Industry every thing came to a dead stop for a full day.

The Token Strike on 5th December, 56, was a thundering success. It was also a success in those centres where there was no organisation. The Token Strike signified the depth of discontent of the employees, correctness of our contentions, strength of our organisation, futility of threats of punitive measures and above all, need for a negotiated peaceful settlement. Demand for a discussion on the Insurance employees' pay-scales, ruled out previously had now to be conceded to and on the 17th December two-and-a-half hours were devoted to a discussion in the Lok Sabha. The Finance Minister admitted on the floor of the Lok Sabha " what had been done was not best that could be done " and that he was prepared to meet the employees' representatives. It was evident that the demands of the employees, after the grand success of the strike, received very wide support from the Parliamentarians of all shades. The Press also gave us support. It is needless to mention that the overwhelming majority of the working people and their organisations, including three Central Trade Unions gave us tremendous support. Special mention must be made of the help, assistance and guidance received from the All India Bank Employees' Assn. It is this wide support outside and solidarity within which prevented the Corporation from taking any disciplinary action. Strike with impunity was a new and novel experience with the insurance workers and gave them faith and confidence in their own strength and organisation and almost none fell to the lure of applying for casual leave for which the authorities tried their best and to use it as a sign of weakness of the organisation and failure of the strike.

Breaking The Ice.

After the Strike the AIEEA true to its principle continued unceasingly to try to open up the negotiation. During an interview with the Chairman in Calcutta in the later part of January ~~56~~ 1957, it was indicated that the Corporation was prepared to discuss on some concrete proposals. A MEETING OF THE Working Committee was called at Bombay ~~and~~ on February 9, 10 and 11, 1957. A formal discussion with the Corporation was arranged on 17th of February, 1957, where it was evident there was scope for pursuing the same further. Taking note of the change in the objective situation the Working Committee, to facilitate the negotiation and arriving at a settlement, formulated a fresh Memorandum containing its tentative proposals for an interim settlement. The preamble attached to the Memorandum summarised the attitude of the AIEEA. It ultimately resulted in the conclusion of the interim settlement.

In the meantime an event took place which had its own impact on the matter. Earlier some employees filed a case in the Bombay High Court challenging Govt.'s right to order change in emoluments of employees who had any agreement with their employers. The case dragged on till April and it caused delay

caused delay in bringing about final conclusion of the negotiation, as was made amply clear by Finance Minister in his speech in the Lok Sabha. The judgement of the Bombay High Court while holding that the Govt. had the right to change pay-scales for the purpose of standardisation by mutual settlement and/or adjudication, or even by an order, opined that the present Govt. order was bad in law as it changed the Service conditions also, which it could not do and as the change in both pay-scales and service conditions were in the same order. The Govt. lost no time to plug the loopholes in law by promulgating an Ordinance. The case therefore stood in the way of a speedy settlement as has also been admitted by the Finance Minister in the Parliament. Of course the Ordinance and the subsequent Amendment to the ACT were objected to by us as it gave unlimited power to the Govt. to change the employees' Pay-scales and Service Conditions. Our protests coupled with stout advocacy by many M.Ps brought in a change that only for once the change would be affected for standardisation.

During the period between the token strike and when the negotiation were concluded Corporation authorities took some actions attacking the employees. A large number of Drivers were retrenched all over the country in contravention of an earlier assurance of no retrenchment given by the Finance Minister. 5th December salary was cut. Authorities tried to implement the 10th September pay-scales and the overtime rate proscribed to the Corporation. Through these attacks the authorities tried to confuse and demoralise the employees and to undermine the prestige of AIIEA and its units. They tried to create a situation in which they would be able to dictate terms at the negotiating table, at which, they realised they would have to sit. It has to be admitted that the authorities did succeed to some extent in this effort. Another factor was also playing. The employees of the smaller companies and in many areas stood to gain even by the 10th September, order. With the rising tempo of the movement and the prospect of a higher Pay-scales and better service conditions, they were ready to forego the immediate gains. As they were new to trade unionism they were not accustomed to sustained movement and the intervening period created a sense in them that nothing might be done to change the authorities. But confidence in the organisation and sense of unity prevailed and the movement to force negotiated settlement began again to assert itself overcoming temporary confusion and demoralisation. And it hastened the day of negotiation no doubt.

The Interim Settlement.

The Working Committee meeting of February appointed a Negotiating Committee consisting of the President, the General Secretary and Sarbashri Pradip Ranjan Paul, Ajit Chakravorty, S.N. Bhowmick, (Eastern Zone), S.K. Verma (Central Zone), M.S. Murthy (Southern Zone), P.T. Dondo, P.P. Patil, M.R. Paranjpe (Western Zone) and Madan Mohan (Northern Zone)

The negotiation started on 3rd May, 57. The other organisation - The All India Life Insurance Employees' Association - was also called. On their insistence talks with the Corporation were held separately.

The talks continued for about two weeks and an interim settlement was arrived at between the Negotiating Committee and the authorities of the Corporation and in the last stage with the participation of the Finance Minister.

The major terms of settlement relates to Pay-scales, D.A. and other allowances, fitting-in formula for existing employees, and some items of conditions of service. Summary of the talks and the terms of settlement and major points of differences and points still unsettled had been circulated by the A.I.E.A., during the negotiations itself and afterwards. Finally came the Govt.'s Standardisation Order and the Central Office Instruction on the settlement.

Pay Scales.

1. Superintendents. Rs.200-20-500
2. Higher Grade Assistants. Rs.140-10-210-EB-12-270-15-390-20-410.
3. Stenographers:
 - (i) Employees confirmed before 31-8-56 Rs.90-10-210-EB-15-300
 - (ii) Employees confirmed after 31-8-56 Rs.90-10-210-EB-15-270

Note: Stenographers selected for work with Senior Officers will receive Special Pay on the following scale:

- | | |
|---|--------------|
| Chairman | Rs.50/- p.m. |
| Directors | Rs.40/- p.m. |
| Zonal Manager Dy.Zonal Manager & Sr.Officers. | Rs.30/- p.m. |

4. Assistants:

- i) Employees confirmed before 31-8-56 Rs.75-5-90-6-120-8-136-EB-8-160-10-220-EB-10-240-15-300
- ii) Employees confirmed after 31-8-56. Rs.75-5-90-6-120-8-136-EB-8-160-10-220-EB-10-240-15-270
- iii) Section Heads will be in this scale and receive a Special Pay of:
Rs.30/- in the first five years of service as such
Rs.35/- in the next five years of service as such
Rs.40/- in the next five years of service as such

5. Receiving & Paying Cashiers
 6. Typists
 7. Telephone Operators
 8. Addressing Machine & Punched Card Operators.
 9. Comptomotor Operators
- Same as Assistants with an allowance of Rs.10/- per month.

Note: Graduates appointed to categories 4 to 9 will receive two increments on confirmation.

10. Record Clkrs, Banda & Duplicating Machine Operators. Rs.55-4-75-5-110-EB-5-130-6-172-8-180
11. Sweepers & Cleaners Rs. 30-2-42-3-81-4-85-5-90
12. Sapoys, Chaprasis, Hamals, Etc.
13. Head Peons, Liftman & Watchman Rs.35/2/47/3/86/4/90/5/95
14. Daftrios.
15. Drivers Rs.70-3-85-4-105-5-115

Note: i) Head Peons, Liftman & Watchman will have a special Pay of Rs.5/- p.m.

- (ii) On promotion as Daftry the employee will receive 3 increments in the grade. Minimum pay for a Daftry will be Rs.45/-.

An Assessment of the Interim Settlement

When the Standardisation Order and the Central Office instruction were published we found that many assurances given during the talks did not appear there. There was deviation and deflections from the commitments interpolation of some extraneous provisions and omission of some clauses, all adversely affecting the employees. They may be summarised as follows:-

- (i) Absence of promotion clause;
- (ii) Absence of clause relating to staff of Category V to be promoted from their ranks to that of Record Clerk;
- (iii) Retention of extra allowances on the basis of their work;
- (iv) Interpolation of the term "requisition qualifications" in the case of categorising the Stenographers;
- (v) Change of "terminal pay" to "average pay" in the matter of gratuity;
- (vi) No recovery of extra allowances which might have been drawn by the employees in the different companies by virtue of their special type of work;
- (vii) Sympathetic consideration of the question of merging the other allowances either with D.A. or with basic pay;
- (viii) Recognition of service rendered to the Insurers through Chief Agencies.

And in the matter of Bonus the AIIBA did not accept the position of the authorities and it was to be settled after further talks, but the Order explicitly declared no bonus. And now when the various provisions in the Settlement are being put into actual practice, anomalies inherent in the Settlement itself or arising out of improper, inflexible and unsympathetic implementation are being noticed and are taking concrete shape, in some cases capable of being treated as general issues. The case of "Hindusthan" and "Industrial Prudential" employees' 47 and 57 and '57 adjustments respectively are concrete examples of such situations. Selection of Section Heads and Superintendents are not always in the proper spirit or according to the criterion suggested by us and generally accepted.

But apart from these deviations, anomalies, malimplementation and non-implementation, not all the issues which needed to be settled, viz: Overtime work and payment, attendance mark, etc. could be settled in details. To this we shall revert when dealing with our tasks. They may be listed as follows:-

- (i) Staff Regulation with many abnoxious and anti-democratic provisions are there and need of change and finalisation;
- (ii) Provident Fund Rules need improvements;
- (iii) The Free Insurance Policy Scheme should be suitably amended and introduced immediately;
- (iv) The Scheme of amenities has not been finalised;

- (v) Conditions of service;
- (vi) No settlement on Building & Maintenance Staff.
- (vii) Consideration of granting more weightage for past services to such employees who have not been benefited to any appreciable extent by the present scheme.

On some of the points the Terms of Settlement are not surely/^{to} the best of our liking and we do not feel happy over them. These points may be summarised as follows:-

- (i) The present limit of the Record Clerks' Grade
- (ii) The scale of D.4. which is lower than those obtaining in many companies and concerns of comparable status.
- (iii) A lower starting and also lower maximum than what was obtaining in some of the bigger companies.
- (iv) A lower ratio of special allowances than what was prevalent in the industry.
- (v) Retention of E.B. at such a low stage of Rs.136/-.
- (vi) Lower maximum for new entrants.

The shortcomings, defects and weaknesses of the Settlement have been narrated above. But what led the Negotiating Committee then to accept these terms and the Extended General Council to ratify them? Because they considered then and the Working Committee still considers the interim settlement to be a big step of advancement from the situation then obtaining and a significant victory both in principle and on material value. In fact, the Chairman has in his Interim Report stated: "The implementation of the Order is expected to increase the wage bill of the Corporation in respect of these employees by about Rs.60 lakhs per annum." Materially the gains can be listed as under. The settlement has achieved standardisation which has been our main demand, to a great extent, and is undoubtedly a major step towards fuller and more comprehensive standardisation on a higher level.

- (i) The Assistants' scale is better than those obtaining for most of the employees and is common for all clerical employees throughout the institution and having a much higher starting and maximum salary than those prescribed by the Corporation earlier.
- (ii) The Sub-Staff scale is a considerable improvement on the previous scale and is better than those obtaining to all employees of the category except those of "Hindusthan".
- (iii) General minimum increment of Rs.10/- and Rs.5/- for Clerical and Sub-Staff respectively.
- (iv) Change in fitting-in-formula where basic pay has been taken as the basis of fitting-in and fully protected.
- (v) Recognition of past services by granting one increment for every two years of completed service.
- (vi) Retention of D.4. falling in excess of the rate of Corporation D.4.
- (vii) Full freedom to opt for the existing grade, D.4. and allowances where found beneficial to the employees.

On the matter of principle, the victory is even greater and of wider significance.

- (i) The AIIEA's basic stand on method of settlement of disputes - negotiated settlement through bi-partite talks - was

accepted, though the authorities resisted it stoutly.

(ii) That the L.I.C.I. employees are employees of an autonomous and statutory commercial enterprise and not Govt. employees and hence cannot be and are not to be treated on the same footing as Govt. employees in the matter of payscales, allowances, service conditions and staff regulations, has been accepted.

(iii) The principle of equal pay for equal work has been accepted to a great measure. It is necessary to state here that such a great measure of standardisation has not been achieved in any institution, industry or any department of Govt., not to speak of Govt. services as a whole. There are 16 scales for clerical workers in Banks, 4 alone in State Bank according to place of work. In Indian Air Lines Corporation there are 13 scales for the clerical staff alone. Govt. have different scales for clerks in Routine, Lower and Upper Divisions along with Secretariat, Subordinate and attached offices. Then there are place allowances of various amounts, making differences more wide and acute. In Railways there are no end of scales and grades. With the achievement of a single clerical grade we have laid the basis for common interest and complete unity among the entire staff of the L.I.C.I. It is not without reason that the Govt. employees and employees in many industries and institutions place the pay-scale of L.I.C. employees as an example. The extent of this advance and victory must be realised, grasped, appreciated and seized and consolidated for our further advance.

(iv) Equal pay for all centres and uniform minimum grade of Rs.75-300 and Rs.35-95.

SETTLEMENT AND AFTER

The main points of the deviations, anomalies and interpolations of the Standardisation Order have already been referred to above. Soon after the publication of the said Order, the AIEA prepared a detailed Memorandum and submitted it to the Chairman of the Corporation. Our President and General Secretary met him. Deputations of different Zonal organisations also met him and submitted memoranda. One or two points of anomalies have been removed or rectified by these actions, such as, for Gratuity "terminal pay" has been restored in place of "average pay" and the "Stenographers' Categorisation Rules" liberalised. But most of the other points remain unsolved as yet.

About the issues unsolved in the interim settlement, some progress has been made. Provident Fund Rules have been amended to some extent. Our nominee Shri K.S. Agasho has been taken in the Board of Trustees of the Provident Fund No.1 of the Corporation. Free Insurance Scheme is being finalised with some liberalisation of terms. The Chairman has assured a deputation of the AIEA at Calcutta on 16-11-57 that those who have died till then without taking the free policy would also be given the benefits under the Scheme. About the Building Staff, AIEA has been requested to submit a Scheme. Retrenched drivers not absorbed as such would be taken back in Subordinate Staff/Record Clerk Grades according to qualifications.

About the anomalies in the Hindustan and Industrial Prudential, no satisfactory settlement has yet been possible. The date line for giving option and recovery of excess money paid according to present computation have been deferred till a settlement is arrived at. Some solution of the problem of

Norwich Union employees has been found and now awaits implementation. Fitting-in of B.I.G. employees at Calcutta has not yet been made.

THE PRESENT POSITION IN THE LIFE SECTOR.

We have already dealt with the post-interim-settlement situation to some extent. To recapitulate, the settlement left many urgent problems unsolved. The Govt. Standardisation Order and the Central Office instructions contain deviations and departures from some points of agreement, mal-implementation of the terms of settlement and inflexible outlook of the authorities have created many complications. We are to analyse and categorise these issues so that we may move for their solution and realisation. The issues at present confronting us may be summarised as follows:-

- (1) To secure correction of the deviations and interpolations in and proper and full implementation of the Standardisation Order and also fulfilment of the assurances given by the authorities from time to time.
- (2) Expeditious finalisation of the scheme of amenities including Free Insurance Scheme. Immediate release of the Amenities Fund for the year 1957.
- (3) Amendment to and finalisation of Staff Regulations based on democratic principles and trade union rights. To stop giving effect to the clauses of Staff Regulations objected to by AIEA.
- (4) Realisation of Bonus in cash.
- (5) Democratising the basis and widening the functions of Agents' and Employees' Relations Committees. To extend it to central as well as Divisional and Branch level.
- (6) Formulation and finalisation of the pay-scales, allowances and conditions of service of the Building Staff.
- (7) To settle the cases of Hindusthan, Industrial & Prudential and such other outstanding issues.
- (8) To help the Field workers in building up their organisation and in their struggle to achieve security of service, living wages and decent conditions of service.
- (9) To create a condition in which full standardisation on a higher level and a comprehensive settlement in the Industry.
- (10) Participation in the management - inclusion of AIEA's representatives in Central Board as well as Zonal and Divisional Advisory Committees.

To settle the above issues to our advantage and to achieve the above objectives, we shall have to chalk out a comprehensive and concrete plan and programme of action. Before we do so, we must take stock of the situation obtaining in the industry and in our organisation. We must also take a careful view of the Govt.'s policies regarding wages, labour disputes and labour welfare and its economic policy in general and also the

condition of trade union movement in the country. No section of people can wage their struggles in isolation of and in disregard to the above features.

The Life Insurance Corporation, as appears from the Interim Report placed to the Finance Ministry, and subsequent statements in the Press show, is now on the way to progress, overcoming initial confusion and set-back. Recruitment of staff has expedited and facilitated service to policy-holders and this will further improve as the new entrants learn the tricks of the trade. The insuring public have regained confidence in it. The amount of New Business secured till October 1957 amounts to ~~Rs.~~ ~~(proposed)~~ Rs. 180 crores (completion) which is more than that of 1956. If the field staff including Agents are given a fair deal and the dispute with them settled through a Bi-partite Conference, as suggested by their National Federation, the position will improve rapidly.

But there seems to be a lot of confusion at the top administrative level. Often contradictory instructions are sent to lower organisations from different departments or by different officials in the Central Office. There has been some amount of loss in the flexibility due to too much centralisation and over-concentration of power, to the minutest detail, in the Central Office; red-tapism is apparent. Extravagance and unnecessary expenses in many directions are evident.

There has been a stiffening of attitude of the authorities towards the employees. Many representations are not even acknowledged. Repeated solicitations and interviews on even minor points fail to bring result. And the Bi-partite meeting agreed at the time of negotiations, to settle Staff Regulations and other points in dispute has not yet been arranged despite repeated requests.

GENERAL INSURANCE SECTOR.

Immediately after the Nationalisation of only the life sector of the Insurance industry, the AIIEA pointed out the repercussions likely to be felt in the General sector of the industry. Due to the fact that as already monopolistic trends were evident among Indian Companies, as big Foreign Companies booked as much as nearly 50% of the General insurance in our country and as most of the Companies doing lesser amount of general insurance business were composite companies whose mainstay was the life business, this partial nationalisation would force many companies out of business. That would lead to retrenchment and other attacks on the employees. The AIIEA regretted this omission of the Govt. and pointed out that the reasons held out for nationalisation of life insurance - mal-practice, fraud and misuse of public money and finding resources for national development - applied equally, if not with greater force, in the case of General Insurance business.

The apprehensions expressed by the AIIEA soon became stark realities. Sentinel Assurance, Jaybharat, Cornhill, Coylon Co-operative and some other companies have transferred their business to New India. Motor Union, Eastern Federal Union, Guardian, Pearl, United India General Assurance Trust, Great Pyramid, Jubilee, Royal Exchange and many others have closed their offices and retrenched the entire staff. Viswabharati, Neptune, Warden and some others have resorted to large-scale retrenchment and are contemplating closing down of their establishments. Some of the foreign companies such as Hanover, General Accident, New Zealand, Queensland, etc. have closed some or all of their offices in India. As already

pointed out some are genuine cases - what may be termed as "bonafide closures" for business reasons. But in other cases, taking advantage of a general feeling of disturbance and insecurity the managements have taken recourse to retrenchment and are making the remaining staff work more. In case of amalgamations or transfer of business, generally the staffs are left out of agreement and retrenched.

Side by side with this picture we observe that bigger companies like New India, B.I.G., Jaybharat, Hercules, New Great, etc. are having more business and are making higher profits. In totality General Insurance business has advanced and in view of the development of the industries, mechanized transport - road and rail, merchant marine and organised produce markets, there is no danger of general crisis in the industry. What is needed is to put the industry on the road of prosperity and give employees security of service and better conditions is to put it on a sound footing to nationalise it.

But it has to be admitted with regret that the AIIEA as such did practically nothing in developing such a movement of the General Insurance employees. Of course AIIEA's units, particularly the Bombay Insurance Employees' Federation, mainly through the General Insurance Employees' Union, Bombay, has during this period conducted a well organised movement among Bombay's General Insurance employees. Mention must be made of new improved pay-scales achieved for employees of B.I.G., Jaybharat, Indian Trade & General, New Great, etc. through united movement of Bombay employees. The Bombay employees are conducting a movement for the general improvement of pay-scales and wage rise and have submitted a Charter of Demands to many managements. Bombay employees with the help of AIIEA also fought against the attempt at arbitrary transfer of Union leaders Sri K.S.P. Pillai and succeeded in preventing it. In Calcutta cases of individual employees and unions were conducted by the Eastern Zone Association. But no co-ordinated movement developed there. In Delhi too some amount of work has been done.

Another feature which has come to the fore in the matter of General Insurance Employees' struggles is the anti-employee attitude and dilatory methods of the Govt. Labour machinery. Cases referred to them remain/attended to or are dragged on for months even running to years. Employers flout agreements and tribunal awards with impunity. The Labour Officers often give suggestions to employers as to how to take actions against employees by circumventing provisions of law. Tribunals are not given when asked for. But when the employees are in a position to win their demands through struggles, tribunals are imposed. These and other actions considerably help and encourage the management to harass, victimise and generally to act against the interests of the employees.

Some of the companies tried to take advantage of the reduced numerical strength of the employees after nationalisation of the life sector and emboldened by Govt. Labour Dept's tacit support. As for example, in National Insurance an agreement is in force by which employees are to get bonus at the rate of two months' basic salary. This year the management refused to pay any bonus. Such has been the case in some other companies.

The situation in the subsidiary companies of the L.I.C. is peculiar. The Corporation and the Govt. have appointed a fresh Board of Directors. They are ready to extend the Corporation Pay-scales and Service Conditions to the employees of these subsidiary companies. But the employees of these companies are

are not agreeable to accept that in toto. As has already been referred, some of the companies have concluded agreements giving better emoluments -both pay scales and D.A. and employees of these companies demand at least that standard and that there is force in that demand. It should be noted here that the employees of these subsidiaries have been able to get bonus this year, which has been denied to employees of L.I.C.

Nationalisation Demand Reiterated.

Taking everything together the situation in the General Insurance remains complex, and hence demands our serious attention. ~~Nationalisation of this sector has~~. Moreover our main slogan for nationalisation of this sector has lost one of its force, rather the period after the nationalisation of life sector has been one of great hardship, if not calamity for a section of the employees has lent urgency to this demand. Of course we do not hold that nationalisation will mean an end of all troubles nor is it a panacea for all evils in the General Sector. But undoubtedly it will create a stable institution and will give security of service to the employees. It will create an objective situation in which employees will be in a better position to strengthen the organisation and fight for the betterment of the condition of all employees. The steady improvement in the condition of Jupiter General under Govt. Control knock the bottom out of such argument that General Insurance business cannot operate successfully in the public sector. And also from the stand point of national interest our demand has gained urgency in view of the shortage of resources for implementation of 2nd Five Year Plan. The accumulated assets of this sector of the industry come to nearly Rs.65 crores and annual additions amounts to 3 to 4 crores of rupees. Moreover a huge amount is drained out of the country by the foreign companies every year. Not only an amount of nearly 750 lakhs of nett premium income is earned by them, moreover these Insurance Companies utilise their position to bolster up the foreign shipping firms as against Indian ships, thereby causing further drain in National wealth.

While pressing for this demand of Nationalisation we should suggest some immediate and concrete steps to safeguard the interest of the employees. They may be as follows:-

(1) An Enquiry Committee to be set up to go into the entire situation in the industry. Employees' representatives must be taken in the Committee.

(2) No closure and no retrenchment pending the publication of the report of the Committee. In case of amalgamation or take over of control of all staff to be absorbed in the services of the amalgamated or the controlling Company.

(3) All persons retrenched from or rendered unemployed due to closure or otherwise of General Insurance Companies from 1953 should be found employment by the Govt. in the services of the Life Insurance Corporation, Re-insurance Corporation, Export Insurance Corporation or the subsidiary General Insurance companies without reduction in their emoluments and with credit of their past services.

(4) Immediate setting up of a Wage Board for the Industry.

(5) Reversal of the attitude of the Govt.'s labour machinery and quick and sympathetic disposal of conciliation proceedings.

Struggles against any attack in any Company and the efforts by the Unions to improve pay and service conditions must be simultaneously conducted with vigour and consistency.

To achieve these demands a co-ordinated all-India movement will be necessary. The AIIEA, particularly its Working Committee, Secretariat and the Central Office must pay much more attention to this branch of the industry, its problem and movement of the employees, than hitherto done. We should suggest setting up of a Sub-Committee, under the overall guidance and direction of the Working Committee to deal with the problems of General sector and also to help in initiating developing and co-ordinating the movement. But the setting up of the Sub-Committee will be of no avail and will not improve the matter unless the Zonal Organisations and the Divisional Units of Life sector, particularly in the big cities pay close attention to and wholeheartedly help the General insurance employees in this matter. We would request the house to deliberate on this issue very seriously so that concrete and effective steps could be devised to ameliorate the conditions of the General Insurance employees.

THE ORGANISATION.

The organisational position at the time of the last Conference was in a nutshell, as follows :-

- (a) No. of affiliated State Organisations:- 8 State Federations, 2 City Employees' Unions and 2 Company-wise Unions.
- (b) No. of associated all-India Company-wise Federation :- Nine.

The pattern of organisation was Company-wise unions in cities affiliated to State Federations or Regional Committees, which in turn were affiliated to the AIIEA.

Nationalisation of Life insurance and setting up of the monolithic Life Insurance Corporation necessitated changes in the organisational structure of the AIIEA and its lower units. A controversy arose as to whether employees of both private and public sectors could and/or should remain in a single organisation. This matter was discussed at length at the General Council (Extended) meeting held in Delhi on 24th March 1956. The meeting decided to keep the employees of both the sectors under the banner of the same organisation considering both the tradition and need of the situation. In the Calcutta General Council meeting held in October 1956, a Resolution was adopted by which affiliation was given to the Zonal organisations as its constituent units. The Northern Zonal organisation is a unitary one, while East, South and Central are Federative and Western, more or less, a Confederative, comprising of Divisional Units of Life Insurance employees and Company-wise or single union of General Insurance employees.

The primary membership of the AIIEA is as follows.

Western	...	6,600
Eastern	...	5,406
Northern	...	2,500
South	...	2,200
Central	...	1,268

Total		17,974

It is evident that the AIIEA represent the overwhelming majority of the insurance employees in India whose total number is approximately 25,000. Of the Corporation 21,000 employees we represent practically all. This shows that our effort to recruit general insurance employees must be stepped up.

About the life employees, what is needed is functioning of the organisation at different levels and evolving pattern of functioning and work by which masses of the membership can be drawn into activities.

The organisational side has not received the attention it deserves. We discussed this question in Delhi Extended General Council meeting. Thereafter, we did not give much attention to it and did not review how our proposed pattern of organisation work in the new set-up. We have not yet formulated organisational work to consolidate it. There is no system of sending regular and periodical reports from lower to higher levels, containing news of activities, organisational position, membership, difficulties and problems, etc. Neither there is the habit of sending consolidated reports from above, and periodic visit of representatives of higher bodies to lower bodies to report back total picture and to check up activities of the lower units. This Conference must discuss the matter and take concrete decisions. We must not be complacent, nor become smug for our membership strength. Our organisation is not much old. Much of its growth is of recent origin. Level of organisational solidarity, consciousness and experience of trade union activities vary greatly from place to place as well as from section to section at the same place. As a large section of our membership are of recent origin and have grown up in the wake of the general rising tempo of the post-nationalisation period, they have not the experience of ups and downs of the movements, tactics of advance and retreat in conduction of day-to-day struggles on their own, and participation in diverse forms of activities. Lack of experience is also responsible in some places and among some sections of members for sudden panic in face of attack from the authorities. Trade unions in our country even to-day function to a great extent as strike committees, i.e. they function only when there is some attack on the existing wages or a threat of loss of job. Victory or defeat, they again lapse into inactivity. Of course, in recent times there have been some healthy departures and trade unions are taking up other forms of activities, such as sports, cultural activities, canteen, co-operative credit and trading societies, etc., along with struggle for economic demands and service conditions, and are helping to make the trade union serve all sides of a man and make it as an indivisible part of his being.

Some of the units of AIIEA have been organising some of these activities. These things should be undertaken by all units everywhere. This will give some relief to the members, which they need and will surely welcome. This will go a long way in consolidating and strengthening the organisation.

Another main problem of organisation is proper delimitation of work among different levels of organisations and proper allocation of jobs to all Committee members and co-ordinated functioning. Lower units will have to take more and more initiative to take up local problems with the local authorities and try to solve them there. Every higher level of authority should be approached by corresponding higher level of our organisation, if lower level fails to achieve result. This will mean activation of lower units and also give opportunity and time to higher level of organisation to deal with matters of policy or devote more attention and energy to wider and general problems. They will be able to devote more time to planning such activities as noted above and also in educating the members. The educational activities of the Association should be multipronged. They should help the members to gain knowledge in Insurance science, so that they can advance their careers, General education to sub-staff and lesser qualified

clerks will be also necessary. Along with it there should be a serious attempt to impart trade union education. This might include Labour legislations, History of Trade Union movement - national and international. Art of office keeping including accounts, and drafting petitions and memorials and how to conduct trade disputes and Tribunals, etc.

The present working of the Head Quarters, it has to be admitted, has failed to give full satisfaction to the units. Not only routine correspondence, but urgent matters at times are not properly dealt with. This matter was discussed previously and some improvements were achieved. Some workers were available to do these extra work. But it is not the question of hands - mere office assistants and typists, though they are important, but that of leadership. The matters must be attended by the leaders and only they are in a position to formulate policies and proper answers. But the leadership available at H.Q. are also busy with various types of local work - deputations, attending aggrieved employees, addressing meetings, etc. On the top of this, now writing for, editing and publishing the "INSURANCE WORKER". This takes a lot of their time. As a result, combining all types of work and doing justice to all of them have been rendered impossible. But then with the work of publishing the 'Insurance Worker' in the H.Q. the attention to the letters and correspondence and attending to cases and matters referred to it by the units suffered badly. It has also to be discussed and how the matters can be improved, wherever the H.Q. might be.

Nevertheless, we can feel proud of the advance in organisation we have made and at the same time we must not rest on our oars and must recognise our shortcomings and try wholeheartedly to rectify them. If all of us seriously apply our mind and body to this task, we have no doubt that we shall succeed in making our organisation a model one.

FUNDS

The financial position of the AIIEA will be clear from the Report and Statement of Accounts submitted separately. Howevermuch we may feel proud for what we have done in the recent past and however-much the organisation may have developed in recent years, it remains a fact - grave and granite - that the financial position of the AIIEA continues to be unhappy. The funds collected at different times have been fully consumed by the huge demands of organisation and movement. It is time now that we give more attention to this urgent problem. Without stable and proper funds, the AIIEA cannot be expected to fulfil its role. Without funds no planning is possible, no programme can be chalked out and no propaganda carried out. The Bank balance as shown in the Statement of Accounts presents a dismal picture. We request all the Units to avail the opportunity created by the recent settlement and to remit to the AIIEA the collection of Re.1/- for each member and also to collect funds for themselves.

INSURANCE WORKER.

The publication of the 'Insurance Worker' can be termed as one of the biggest organisational and movemental achievements of the AIIEA. With it a long-cherished desire of the employees has come to life. Though we are new to this job, we can report with pride and satisfaction that the Journal has drawn admiration from all quarters. Its broad outlook and sober and reasonable approach to problems and issues have created a good impression on the authorities and many discriminating readers.

We have already on our list nearly 900 subscribers, which is a good number for the beginning. Our print order for the 2nd issue was 7,000 which is also a very enviable figure. But this can and must be increased if we want to sustain it.

We have received some criticism from our members - sharp but constructive. These will be of great help. We want more of such criticisms. At the same time we want more concrete help also. So far write-ups and articles from outside Calcutta have been few. The writings are done mostly by the staff at H.Q. This should change. Short articles, sketches, reports and comments (ready made), even short stories and poems, travel notes, etc. should be sent. Letters to the Editor containing relevant topics, criticism of and suggestion for improvement in Corporation work, exposure of inefficiency, redtapism in management, etc. should be a regular feature. Photographs are also wanted.

Another help is also needed - securing advertisements. This will help stabilise the finances of the Journal and shall enable us to increase the number of pages of reading matter.

In a word, Insurance Worker is your child - child of every Insurance employee and you all must take up the responsibility of making it a healthy and useful ally.

ECONOMIC SITUATION & THE GOVT. POLICIES.

As we have already stated that after achievement of political freedom, the urge of the people for economic independence and prosperity manifested itself and was able to imprint it on the Govt.'s policy to some extent. The Five Year Plans of national development have been undertaken. Some advance has been made in industrialisation, communication etc. Govt. has come forward to build up a public sector in our national economy. There has been growth of national income and national wealth. But the distribution of these are continuing to the detriment of the common man. The differentiation of wealth is getting wider. During the First Plan period the distribution of the wealth produced by factory industries underwent a change. The Capitalists' portion in the wealth rose from 58% to 67%, while that of the workers fell from 42% to 33%. In 1953-54, profits, interests and rent took 28.9% of entire national income. It means that a handful of rich grabbed a far larger share than the millions received in wages and salaries. This is brought out most vividly by results of National Sample Survey, 1953 whose report says "Among gainfully occupiers persons (in towns) 60.02% have an income less than Rs.50/- p.m. and 86.33% have less than Rs.100/- p.m. Persons whose income exceeds Rs.300/- p.m. are only a little over 1%" (Employment News, Govt. of India, 1956). The Shroff Committee (consisting of top most capitalists of our country) Report clearly stated that the big capitalists of our country would not come forward to invest their money in development of the country unless this process of ~~pauperisation~~ pauperisation is further accentuated. They recommended that the flow of national income to those with more propensity to consume (i.e. lower and middle income groups whose income does not suffice to meet their daily necessities and increase in their incomes is spent to satisfy their needs for food, shelter, clothing and education and culture) must be stopped and diverted to the classes who can afford to accumulate (i.e. the super rich who squander money in luxury, extravagance and speculation and yet do not know how to spend their hoards). And the Govt. accepted in toto the recommendations of the Shroff Committee which also suggested curtailment of trade union rights of the employees and Govt.'s power to regulate the private capital. We see the effects of the acceptance of the

policy when the universal demand for 25% wage increase for all working people is being denied by the Government, in the Govt's refusal to grant increase in D.A. payable to the employees according to 1st Pay Commissions Recommendations and very recently Govt's intervention against settlement of the West Bengal Bank Employees' Compensatory Allowance dispute, even when bankers were agreeable to settle by conceding a lumpsum grant. The Govt. has been proceeding on the basis of the theory, which is now obsolete, that any increase in wages would lead to further inflation. All this has led to a policy of wage freeze, rather indirect wage cut due to constant rise in cost of living.

Govt.'s labour policy, as already stated earlier, is also not conducive to growth of healthy trade union and negotiated settlement. Discrimination is made, docile and splinter unions are fostered and finally employers are helped openly. There has been a repetition of this even in the Insurance Industry.

The Trade Union movement and organisation in our country is unfortunately divided. But we are now witnessing that in the issue of general wage increase, all trade unions are of the same view. Every body in trade union movement and noted economists are agreed on the point that the real wages of worker and employees are falling while their productivity have arisen along with profits of employers. Hence the demand of 25% wage increase and a minimum National wage of Rs.100/- are gaining ground among all section of the employees and workers. Some sections of the workers and employees have already embarked on the path of struggle for wage increase with various results. Coal workers, have gained wage increase whereas West Bengal Bank Employees have not been able to secure it outright though achieving some glorious gain in principle for entire Trade Union movement. The Central Govt.employees' case has been referred to a Pay Commission. The findings of the Pay Commission will be of tremendous significance to the entire working people of our country. Govt.of India is the biggest employer in the country. The Pay-scales and other amenities of its employees set a pattern for the entire working population of the country. Till its recommendations are out any decisive struggle by the trade union movement is unlikely, though movement is going on for establishing a case for vastly improved upward revision of the entire wage structure in the country and favourable recommendations by the Pay Commission. After the Commission's Award will be out naturally a big wave of Trade Union activities is surely to develop, if it is favourable for the implementation of the Award for Govt.employees and its application to others with suitable modifications and if is adverse, for its reversal.

PERSPECTIVE AND WAY FORWARD

We have already given picture of the situation in the industry as a whole and the general background of the national economic situation, and Govt's labour and wage policies and the general trend of trade union movement. We have also detailed the major issues facing us and the problems to be tackled. The organisational position has also been given in brief. Attempts have been made throughout this report to formulate tasks arising out of various problems. Now we are to sum up and indicate the way forward.

There are many issues and problems. In what direction should we concentrate our efforts and what will be our methods of achieving our aims, we need to understand that there are many demands which are just and legitimate and winning of

of which will be of great benefit to the employees. But all those are not realisable at a specific time. So there are issues on which we are to conduct propaganda campaign, educate and awaken the employees about them, create public sympathy and support on those issues, through press, platform, etc. Certain other issues become more pressing and urgent, on which agitation is needed to achieve early results and if agitation does not produce effect and the employees in general understand the issue, consider that to be realisable and are ready to act more vigorously than it becomes a issue of action. We are to classify our issues and problems in this fashion and fix up the issues on which immediate movement are to be started and also the issues on which long-term planning is to be undertaken.

We consider, the consolidation of the gains of the interim settlement, doing away with its deviations and interpolations and its proper and expeditious implementation with humanistic approach and realisation of Bonus should be our immediate major slogan of movement. This will necessarily include such cases of Building Staff, Hindusthan, Industrial & Prudential, Pension Scheme of Oriental and others etc., amenities and Group Insurance Scheme and the like. Along with it will come finalisation of Service Conditions and Staff Regulations and allied subjects. This struggle for proper implementation of the settlement will lay the solid basis of struggle for fuller and comprehensive settlement which will be facilitated by the publication in the meantime of the Annual Report and the Valuation Report of the Corporation.

We are of opinion that major revision of Pay structure and emoluments in Life sector should be a matter of propaganda. Herein will come many questions, such as level of emoluments and pay-scales, etc. in analogous companies, general economic situation and general per capita income and the paying capacity of the Corporation. Naturally public will surely want us to await the findings of the Pay Commission as well as the report of working for the year closing on 31st December 57 as well as the Valuation Report. Moreover, till the time the adjustments of the interim settlement are complete and all the employees know where they stand and get accustomed to that, it will not be a practical proposition to draw all of them in a vigorous campaign for immediate wage increase. It does not mean that objective basis is not in the process of maturing when this demand can be raised as a practical issue.

Another issue which can be favourably raised is the matter of recognition of AIEA and creating a machinery at all levels for collective bargaining and peaceful solution of all issues. The question of functioning the Employees & Agents' Relations' Committee comes in this respect. As constituted now it can't serve the above purpose. It will be better to create a new machinery. This is a most legitimate demand and pressing too, in view of innumerable cases of individual and group difficulties and also problems of general nature.

To settle all these outstanding issues we should demand for another full-fledged Bi-partite Conference. This should be our rallying slogan for the Life employees. For the General Employees Nationalisation of the General Insurance and security of service should be the rallying slogan. Other slogans as formulated in the chapter on General Insurance industry should also be vigorously pursued and popularised.

Now we are to consider the question of method of achieving our aims. The AIEA has all along advocated, in the best tradition of trade union movement, the method of negotiated settlement and collective bargaining. We have already stated that if we resort to direct action, if we strike, we strike to

to open the doors of negotiation. This implies creating a great force behind the demands and sanction of organisational strength and public opinion. There is no short cut road to success. We have also already indicated that the attitude of the Corporation has stiffened and the general economic, labour and wage policies of the Govt. are not conducive to the furtherance of interests of the employees. And though the general trade union movement is maturing towards a great upheaval on the question of living wages and democratic and humane service condition, it has not yet reached a very high level. All these should be taken into consideration while formulating methods and tactics of movement. While we must be firm and staunch in our defence of the existing rights and privileges of the employees and against all attack of the authorities on them, we must advance cautiously, mobilising and gathering all our forces in any offensive operation, i.e. to make new gains.

The responsibilities of the AIIEA are not only confined with the employees, though they constitute their prime matter of concern, but go beyond to others, particularly to the Policy Holders. It is not unknown that the future of the industry in expansion and prosperity of which we are certainly and deeply interested, depend to a large measure in the efficient and proper servicing. The changed situation in the industry has necessitated a corresponding change in our outlook to this problem. Our efforts to relieve the Corporation of bottlenecks, Redtapism and over-centralisation of a authority would definitely be strengthened through increasing interest in matters relating to better servicing. It would also add to the reservoir of goodwill that we already possess and which have stood in good stead at times of need. Efficient servicing therefore is as important a part of the workers role in nationalised industry as others are.

Here we want to remind the delegates that trade union movement is a movement having turbulent and comparatively peaceful periods. Sometimes we need to concentrate on removing day to day difficulties and individual grievances and doing constructive work such as cultural and sports activities, co-operatives, education, etc. And time also comes when every thing has to be subordinated to making some direct action successful. We are accustomed to think only such period as period of our activity and others we ignore or sneer at. If we are to achieve our aims and are to render lasting and continuous service to the employees we should correct our outlook and accustom ourselves to all types of activities and to pass through all periods.

At the present moment, we are of opinion, the long-term view of the things is necessary and we must go back to our respective units to carry on a sustained and long-term campaign along with agitation for those immediate objectives as the rallying slogan. We emphasise this point that sustained and systematic efforts, and not sporadic and hoetic outbursts, are the need of the situation. This brings us to the question of ORGANISATION. We have already in a separate section dealt with this problem. Yet in conclusion we want again to emphasise this aspect of our work. In their struggle working men have no other weapon than the organisation. Our organisation is not so old and experienced. Building the organisation on sound footing requires patient and sustained efforts. We are to find functionaries and cadres for all levels of organisation.

From Department, Branch, Division, Zone and All India we are to find and train people to do all sorts of job- collecting dues, speaking at meetings, writing books of accounts, keeping minutes, writing posters and pasting them, drafting resolutions and memoranda, writing petitions, and sub-editors and reporters for Insurance Worker and doing research work. We are to work Sports Clubs, Cultural Associations, Libraries, Co-operatives, Canteens, etc. and all these require specialised knowledge. If you ask what is our single biggest problem, then we would say without any hesitation, it is the problem of workers- both in quantity and quality. It is the task of the organisation to find and train workers. To this task we must dedicate our heart and soul. The building up of the organisation and functioning it properly at all levels we consider to be the first and foremost task.

Friends, your patience has been taxed to breaking point. Now we shall conclude.

We thank all sister trade unions, M.P.s. & M.L.As and men of good will who have helped us in our days of dire need and are continuing to bestow their kind help. We thank the press for the accommodation and support they gave to us and to our cause.

We offer our warmest greetings and congratulations to all insurance employees for taking pains and suffering much for making the organisation what it is to-day.

In conclusion we again declare that we are proud to present the report of the All India Insurance Employees' Association's Conference, a report of successful battles and glorious achievements. Creators of 5th December 56 will have their place in the history of Indian Trade Union Movement. We feel proud that we are part and parcel of the great brotherhood of insurance workers, who have burst into the arena of Indian Trade Union movement during this period and have come to stay. We are proud of the mighty organisation that has been built up. We hope and doubt not that this glorious tradition and heritage will be carried further and blaze forth in more radiance and splendour in the coming years.

LONG LIVE INSURANCE EMPLOYEES' UNITY
LONG LIVE ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION.

C. Bose
~~(C. Bose)~~
GENERAL SECRETARY

Third Annual General Conference - Madras

Some of the Main Resolutions adopted unanimously in the Conference

ON THE INTERIM SETTLEMENT

This Third General Conference of the AIIEA held at Madras on 29th Nov. to 1st December 1957 welcomes the Interim Settlement, reached between the AIIEA and the Corporation Authorities through a bipartite Conference as a major step towards standardisation of salary scales and allowances. This Conference appreciates the spirit of accommodation shown by the authorities towards the view point of the employees while conducting the negotiations.

This Conference takes note of the fact that while the pressing questions of standardised pay scales and allowances were settled during the May negotiations, many other vital issues were not resolved either for lack of agreement or for want of opportunity for discussions. It remains a fact that there exists many other disputes, which call for immediate settlement as in default, the settlement of May 1957 remains incomplete and a partial one. It was therefore fit and proper that the Corporation should continue discussions till a comprehensive settlement was reached covering all other points raised in the Memoranda of the AIIEA.

This Conference further notes with distress and concern that the Corporation authorities are not taking proper cognizance of the repeated representations of the AIIEA and its units in these matters and have failed to tackle unresolved problems with the urgency they deserve and what is more regrettable is that they are taking unilateral decisions on settled issues contrary to the understanding and spirit of the negotiations, with the inevitable result that innumeral anomalies have cropped up.

This Conference strongly feels that unless this arbitrary decisions are revised and withdrawn and anomalies are removed harmonious labour relations in the Industry cannot develop and thrive.

This Conference is pained to point out that the circular of the Central Office of the Corporation on Standardisation does not truly and squarely correspond to the understanding reached and in many points contravenes the spirit of the discussions in the bipartite Conference. Even the Central Government order has in many an instance been interpreted to disadvantage of the employees in the process of implementation. To name only few violations and anomalies the provisions of efficiency bar are being rigidly applied to withhold the annual increments to all employees at these stages. In the matter of categorisation of section heads the principle agreed to have been thrown to the four winds and many employees have been made to suffer as a result of improper and whimsical categorisation. It was agreed that members of the sub-staff doing the work of Record Clerks be fitted as such. In practice this principle of categorisation on the basis of work has been hedged by conditions which virtually negate the principle itself. The benefits of accrued leave allowances enjoyed and other monetary benefits are being denied in the name of standardisation. In some cases even the process of fitting the employees in the new scales of the Corporation has been unreasonably held up, while the question of evolving standardised pay scales for the Building Maintenance Staff still remains to be settled. The Working hours of Class V staff have been unreasonably stretched by one hour beyond that of clerical staff. The AIIEA maintained that their hours of work must not be stretched more than half an hour, 15 minutes each way at commencement and at close. The Corporation has not yet accepted the suggestions. The AIIEA again

suggested elaborate amendments to the staff regulations in a Memorandum but the authorities instead of accepting the reasonable demands have been seeking to foist their unilateral decisions on the employees. The bureaucratic pattern of staff Regulations intended to be imposed on the employees contain a number of undemocratic clauses which circumvent the democratic rights enunciated in the constitution of the country and encroach upon the civic and individual rights of the employees as citizens of India and therefore require alteration without further delay. While reflecting the candid opinion of the employees, this Conference would like to emphasise that continuance of an unsympathetic attitude to the problems of the employees will only tend to vitiate the atmosphere with growing clouds of mistrust with the inevitable repercussions on the bases laid down by the conclusion of the interim settlement. In view of this, this Conference hopes that the spirit of accommodation shown by the authorities during the May negotiations will continue to prevail in the application of the settlement and urges upon them to immediately convene another Bipartite Conference to resolve all the disputes still existing.

ON GENERAL INSURANCE

Insurance Industry is one of the major financial pillars on which national economy of any country stands. On the healthy and sound growth of this industry depends a great deal of industrial development.

The Insurance Industry in our country has been making rapid progress in both the wings--life and general--during last decade. But unfortunately the insurance industry became a hot bed of corruption and malpractices, field for personal aggrandisement of the Capitalists, instead of developing it as a lever for development of national economy. Along with it developed monopoly trends and cut throat competition driving small and medium sized companies to reorganise and in this process to retrench employees. In the General Sector of the Industry foreign competition was keen and the foreign insurers underwrote nearly 50% of the total General Business in India, thereby draining a huge amount of money from our country. Taking advantage of their mammoth size and their links with international shipping firms the foreign companies imposed unfavourable terms in re-insurance and treaty in general insurance.

This situation led the AIIEA to demand nationalisation of the entire insurance industry not only for safeguarding the interests of the employees but also in the interest of the industry itself and the national economy as a whole.

The nationalisation of the Life Sector of the Industry fulfilled the demand of the AIIEA only partially. The AIIEA immediately after the nationalisation of the Life Sector expressed apprehension that their partial nationalisation would lead to difficulty in the General Sector and that attacks on the employment and benefits of the employees would inevitably follow.

The AIIEA, in order to avoid such a calamitous position, demanded extension of nationalisation to the General Sector also. This Third General Conference of the AIIEA deeply regrets to note that the Govt. of India has not yet taken any step in this direction rather it is opposing this demand.

This Conference notes with alarm that subsequent to nationalisation of the Life Sector of the Industry there had been many cases of closures of Offices, amalgamation and transfer of control of certain companies and attacks in the employees' existing rights and benefits coupled with large scale retrenchment in both Indian and foreign concerns. This Conference is emphatically of opinion that though there are some genuine cases of difficulties in some and medium sized composite companies due to dependance of the General Insurance Industry as a whole is totally unwarranted by facts.

The General Insurance Industry is progressing in the country and with the expansion of Industry, merchant marine rail and road communication and organised produce-market in the country the industry has a bright future. Hence this conference is firmly of opinion that the large scale/retrrenchment and attacks on the employees' ~~large-scale-retrrenchment-and attacks-en-the~~ rights and benefits are not at all warranted and are being perpetrated in order to increase the workload in the shoulders of the employees and to bolster up the already high profits of the bigger units in the industry.

This Conference in this connection notes with ~~the~~ apprehension and emphatically protests at the anti-employee policy and dilatory tactics of the Govt. Labour Machinery, which are encouraging and enabling the managements to continue these attacks on the employees with impunity.

Under the circumstances this Conference firmly reiterates the demand of nationalisation of General Insurance Industry not only for safeguarding the security of service and other interests of the employees, but also for ending the drain of national wealth out of India and for finding resources for the implementation of the developmental projects and urge upon the Government of India to immediately sponsor legislation to this effect.

This Conference while reiterating the demand of nationalisation also urges upon the Govt. to take immediate steps to institute a Committee, with the employees' representations on it, to have a full enquiry into the affairs of the General Insurance industry and to take energetic measures to stop closure and retrrenchment. This Conference demands that the Central Govt. should take over control of such General Insurance Companies which might desire to close down for financial and other stringencies. This Conference is ~~of~~ of opinion that the Government of India bears the moral responsibility for the present predicament of those employees who have been retrrenched and to remedy the same. This Conference, therefore, urges upon the Govt. to take steps, to find employment for the persons ~~xx~~ retrrenched from General Insurance Industry, with full benefit for their past services in the Life Insurance Corporation, its subsidiaries, Govt. controlled Insurance companies, Reinsurance Corporation and Export Insurance Corporation.

This Conference calls upon all insurance employees to vigorously carry on campaign on these demands till success is achieved.

ON PAYMENT OF CASH BONUS

This Third General Conference of the All India Insurance Employees Association held at Madras on 29th November to 1st December 1957 expresses its strongest resentment at the policy of denial pursued by the Life Insurance Corporation in relation to payment of bonus in cash to its employees on the plea that cash bonus cannot be paid in undertakings in public sector. This Conference also resents the manner in which the Corporation authorities have treated A.I.I.E.A.'S representation on this issue.

The Conference expresses its deep surprise that the Corporation authorities should refer to the discussions which the Negotiating Committee of the All India Insurance Exmplees' Association had with the Chairman of the Life Insurance Corporation

and the Finance Minister in May 1957, as a plausible justification for not entertaining the demand. The Conference points out to the Corporation authorities that the agreement reached in May 1957 represents a complete break with the old concept of fixing the terms and conditions of service in public undertakings on a Governmental pattern. It accepted a revised integrated pattern of pay scales and certain related matters having due regard to the conditions of service conditions obtaining in the Industry and also to the fact that Life Insurance cannot cease to be a commercial concern merely by its passing under state control.

The Conference reminds the Corporation authorities that the Finance Minister had characterised the May 1957 agreement as an interim settlement implying thereby that other points of differences would be resolved through further discussions. The discussions in May 1957 revealed that even the Corporation authorities have been unable to ignore the just and legitimate claim for Bonus which more than 80% of the staff received annually from the Insurer and which had become a part of their regular income. The Conference further notes that the Corporation authorities seek to substitute certain amenities for cash payment of Bonus. The All India Insurance Employees' Association, however, has consistently maintained its firm stand on cash payment of Bonus both during the discussions and in all its documents. This Conference affirms the stand that the employees of Life Insurance Corporation are not prepared to forego their claims for cash ~~xxx~~ bonus. The amenities such as Staff Insurance, Medical Relief etc., which the Corporation is likely to offer cannot be accepted as substitute for cash bonus.

This Conference reminds the Corporation authorities that the payment of bonus has been a long standing practice with most of the insurers and it has become, being a customary payment, a part and parcel of the employees' annual wages. This Conference further reminds the Corporation and the Government that the emoluments given by the Corporation do come nowhere upto a living wage and the principle that the bonus is a means to bridge the gap between the actual wage and the living wage applies with equal force in our case. The plea that cash bonus cannot be paid in undertakings in State Sector also does not hold water in view of the fact that such payments are being made to the employees of the State Bank of India, Sindri Fertilisers Factory, a number of Govt. Collieries and last but not the least in the General Insurance subsidiaries of the Life Insurance Corporation itself. The guiding principle of labour relations as adumbrated in the second Five Year Plan also lays down that no discrimination should be made against the employees in the Public Sector.

This Conference, therefore, strongly urges upon the Corporation Authorities and the Central Govt. to recognise the just claim of the Life Insurance Corporation Staff for cash payment of two months salary as bonus. This Conference calls upon all Insurance Employees, particularly all the Units in the Life Insurance Corporation, to begin a vigorous campaign on this issue. This Conference appeals to Trade Union Movement in general and to the Trade Unions of the employees of commercial and Industrial undertakings in the public sector to join and to help this movement of the Life Insurance Corporation employees so that it can achieve success.

ON OBSERVANCE OF DEMAND DAY ON 18th JANUARY, 1958.

This Third General Conference of the A.I.I.E.A. held from 29th November to 1st December, 1957, having taken note of the discussions held at the Session, feels that the successful solution of the unsolved problems and speedy achievement of the pressing demands of the Insurance Employees will only be possible when sanctions of the movement and organisation of the Insurance Employees' along with support and sympathy of other Trade Unions, public in general and their leaders are mobilised behind them.

This Conference, therefore, directs all the Units of the

A.I.I.E.A. to carry on systematic and consistent activities to achieve the above ends. In order to focus the attention of all concerned on these, the Conference resolves that January 18, 1958 should be observed as Demands Day by all insurance employees. This Conference directs all Units of the A.I.I.E.A. to popularise the demands of the employees as embodied in the resolutions adopted in this Conference, particularly those on the Interim Settlement, on Nationalisation of General Insurance and on Bonus, by holding meetings and demonstrations, issuing leaflets and posters and such other suitable methods.

ON CALL FOR FUNDS:

This Third General Conference of the A.I.I.E.A. held at Madras from the 29th November to 1st December, 1957 notes that the position of funds at the disposal of the A.I.I.E.A. is far from satisfactory and quite inadequate for the normal functioning and due discharge of the duties and responsibilities that our Association must always have a good reserve of fund for carrying on the normal activities in the interest of the employees.

The usual rate of subscription of the constituent units is not sufficient for meeting the minimum financial needs of our expanding organisation. It is to the interests of the employees themselves to see that financial considerations do not in any way create hindrances in the way of our Association and hold it from undertaking tasks commensurate with its responsibilities.

This Conference therefore, requests the constituent Units of the A.I.I.E.A. to pay their due subscriptions and levies at the earliest and hopes that all the Insurance Employees will come forward with their voluntary donations in compliance with the call given earlier for augmenting the funds of the A.I.I.E.A. It requests all the Units to arrange for collection of the said donations within the 31st January 1958 and fervently hopes that the Units will enter into mutual competition to make this collection for fund a grand success.

ON INSURANCE WORKER:

The Third General Conference of the A.I.I.E.A. held at Madras from the 29th Nov. to 1st Dec. 1957 heartily greets the publication of the "INSURANCE WORKER" the journal and mouthpiece of the A.I.I.E.A. It fulfills a long felt need of the employees to build up a forum for ventilating and propagating their causes.

This Conference hopes and believes that the "INSURANCE WORKER" will perform the task of a collective organiser by imbibing Trade Union consciousness amongst the employees, forstering the spirit of co-operation, forging unity and educating them on the tasks of the situation.

This Conference calls upon all Insurance Employees throughout the country to actively help and contribute in every possible way so that their own magazine may voice their hopes and aspirations and may play a positive role and become an effective instrument in forstering and guiding their own organisation and movement; in particular it directs all Divisional Unions and Branches to appoint a correspondent for the paper, who will be regularly sending news to the paper, and thus enable the Insurance Worker to reflect the life and aspirations of Insurance employees throughout the country.

This Conference calls upon all the constituents Units of the A.I.I.E.A. as well as all Insurance Employees to undertake a drive for its wide circulation amongst the Insurance Employees and other working people throughout the country and to take all other possible measures to ensure continued publication and constant development and improvement of the "INSURANCE WORKER"

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION.

Third Annual General Conference--Madras.

LIST OF THE OFFICE BEARERS FOR THE TERM 1957--59

--ooOoo--

PRESIDENT: Shri Rajni Patel

VICE PRESIDENTS: " Ajit Chakravorthy
" S. Mohan Kumaramangalam
" Madan Mohan Jain
" S. K. Verma
Smt. Ramdulari Sinha

GENERAL SECRETARY: Shri Chandra Sekhar Bose

TREASURER: " Moni Mohan Chakravorthy

JOINT SECRETARIES: " K.S.B. Pillai
" Ranjit Ghosh
" T. P. Vijayaraghavan
" C. G. Dalal
" Saroj Chaudhuri

WORKING COMMITTEE MEMBERS: " M. N. Swamy Iyer
" K. S. Agashe
" B. K. Desai
" ~~ANKUR~~ P. T. Donde
" M. N. Pandit
" N. S. Ghanekar
" S. K. Musale
" K. A. Chitnis
" R. J. Ghurye
" S. N. Chattapadhyaya
" J. M. Ferdinande
" S. K. Verma
" D. L. Gupta
" A. John
" T. K. Bhaskaran
" Mankrao Kelkar
" S. Masilamani
" T. V. Anand Vithal Rao
" C. Ramaswami
" D. C. Gupta
" S. K. Sen Gupta
" R. P. Julka
" Sumittar Singh
" V. P. Chinda
" P. P. Rabindranathan
" Panimal Das
" D. N. Tewari
" Satyabrata Roy
" Pradip Ranjan Paul
" S. N. Bhowmick

--o: oOo: o--

8th Feb., 58.

Shri S.A. Dange,
MP, Delhi.

Private & Confidential.

Sir,

It has reliably come to my knowledge that the entire Advertisement Business of the Life Insurance Corporation is being handled since a year by the Advertising and Sales Promotion Co., which till recently was sharing a room in Laxmi Bldg., Sir P.M. Road at Bombay and later with RMDC X words at Ali Chambers.

It is significant that Shrimathi Usha Amin, a closest relative (I presume daughter) of Shri H.M. Patel, Principal Finance Secretary, Govt. of India, is holding a senior Executive Post in the above firm for just over a year.

Rest is left to your good self to pursue,

Yours truly,

Telephone No. : 30742

Telegrams :

Insurance Searchlight

(ORGAN OF THE ALL INDIA LIFE INSURANCE EMPLOYEES' ASSOCIATION)

Editor:

PAUL B. R. FERNANDES

Asst. Editors:

S. NARAYANSWAMY

A. L. D'SOUZA

Our Ref : ED/18

Your Ref :

27. Military Square Lane,
Fort. Bombay-1. (India)

Dated 8th February 1968

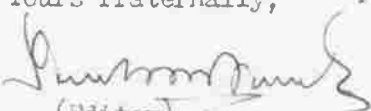
The General Secretary,
All India Trade Union Congress,
55, Girgaum Road,
Bombay - 4.

Dear Friend,

I shall thank you to kindly forward us a copy each of all the Press statements issued by you in connection with your last Annual Conference. Please forward a copy of the President's inaugural address, General Secretary's Report and copy of the Resolutions passed by the Conference.

With Greetings,

Yours fraternally,


(Editor)

*Paul B. R. Fernandes
13/2*

February 15, 1958

The Editor,
INSURANCE SEARCHLIGHT,
27 Military Square Lane,
Fort, BOMBAY 1.


Dear Comrade,

Thank you for your letter dated 8th
February 1958, which was received here late,
since it had to be re-directed from Bombay.
We would therefore like you to note the change
of address of our Central Office.

We are sending per separate post the
issues of the TRADE UNION RECORD Nos.6 and 7
containing reports on the AITUC Session.
The General Secretary's Report and the
Resolutions are now in the press.

With greetings,

Yours fraternally,


(K.G. Sriwastava)
Secretary

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION

25th February 1958.

Presidents' Office
'SAHAKAR', B Road,
Fort, Bombay 1.

To,
ALL THE UNITS.

Enclosed herewith are the minutes of the discussion we had with the Chairman on two occasions, the copies of the 3 memoranda we submitted and the letter we addressed to the Chairman, supporting the demands of the field staff and requesting him to open talks with their National Federation.

After hearing from the Corporation authorities regarding the minutes, we shall write to you further in the matter if there is any reply in writing from them. Minutes of the discussions with Sri. T S Swaminathan on the rest of the issues are being sent by separate post. It is possible that we will receive replies to our minutes from the authorities in writing and then we shall circulate it for your information.

Yours faithfully,

Ch Bose

General Secretary.

P.S. The discussions with the Chairman has been fixed on ~~Thursday~~ Thursday, the 27th February 1958.

P. T. O.

H.B. **WE HAVE INTIMATED TO YOU AT THE TOP OF THIS CIRCULAR THAT WE SHALL BEGIN OUR FINAL SERIES OF DISCUSSIONS WITH THE CHAIRMAN ON THURSDAY, THE 27TH FEBRUARY 1958. IN THE MEANTIME AS ADVISED BY THE CHAIRMAN WE HAVE DISCUSSED TILL TODAY MOST OF THE ISSUES WITH SRI. T.S.SWAMINATHAN. THE RESULTS OF THESE DISCUSSIONS AS WELL AS SOME OTHER MAJOR ISSUES WILL BE PLACED AND DISCUSSED WITH THE CHAIRMAN. THE DATE OF DISCUSSION WITH THE CHAIRMAN IS NOW SHIFTED TO SATURDAY, THE 1ST MARCH 1958. AS SOON AS THE DISCUSSION IS OVER WE SHALL COMMUNICATE IT TO ALL OUR UNITS.**

26.2.1958

Chandrasekhar Bose
(CHANDRASEKHAR BOSE)
GENERAL SECRETARY

THE INSURANCE CORPORATION EMPLOYEES' UNION
(Madras Division) MADRAS
(Affiliated to the S.Z.I.E.F. & A.I.I.E.A.)

107, Armenian Street,
Madras 1.

15th February, 1958.

To

Shri.....
Member of Parliament,
Lok Sabha,
NEW DELHI.

Sir,

The debate on the affairs of the Life Insurance Corporation will come up in the Lok Sabha on Wednesday next. The discussion will centre round mainly on the investment policy of the Corporation on the findings of the Chagla Commission. There are some observations in the Report on the Corporation set-up which has some relevance to the Office Staff and their demands.

An Agreement was reached through negotiation with the representatives of the Union in May 1957 on the allotment of grades and scales of pay to the staff. These are contained in the Government of India Order - "Life Insurance Corporation (alteration of Remuneration and other terms and conditions of service of employees) Order 1957, issued by the Department of Economic Affairs, Ministry of Finance, New Delhi, dated 1st June 1957. Ever since the Agreement was reached, the Corporation Authorities have started misinterpreting the terms of the Agreement to the detriment of the employees. They have taken shelter under the finality of powers vested in them to deny allowances legitimately due to the staff.

The Govt. of India Order referred to above states in para 2 under sub-heading "Categorisation of Employees":-

* * * * *

(ii) Employees wholly or mainly employed on the 31st August 1956, on record work, such as filing, tracing of records, despatch and the like as well as on Banda and other duplicating machine operators and who were variously designated as Record Clerks, Filing Assistants, Attenders, Senior Grade Peons, Lifters and the like shall be fitted in the Record Clerks' scale (Category 10 under Clause III in the Annexure).

Yet in the majority of cases the work done by the staff or sub-staff on the said date is not taken into consideration. On the other hand, the Zonal (South) Secretary in his stereotyped reply to the Sub-Staff says: "You have been appointed with such and such designation by the previous insurers and therefore you have been categorised as such. The claim for the higher grade will be considered on his qualifying himself at the examination which will be held at some future date."

Here the principle - the work done by the employee on 31-8-1956 is negated. If he claims up-grading for the work he had been doing on this particular date, he should sit for the examination. The guiding principle for the categorisation is not the Government of India Order but the designation variously given by the previous insurers.

In the selection of Office Superintendents and Section-Heads, there are numerous complaints. A small office with 10 or 15 assistants has 3 section-heads, while a large section manned by 80 or 100 assistants

will also have the same number of section-heads. These are the vagaries of selection and the Officer who belongs to a particular insurance company in the past has a special preference to the staff working under him there.

It is not unnatural but this sympathy should not act prejudicially to the general mass of employees. To ensure rectification which is urgently needed, the Zonal Authorities must consult the representatives of the employees and be prepared to rectify them. It should be made obligatory to do so through periodical Conferences with the Union representatives.

Drivers retrenched and reinstated in other posts: After integration of the various life offices, all the Officers were somehow accommodated but the drivers in employment of the private insurers were summarily discharged as super-numeraries. Persistent representation to the Authorities and finally to the Finance Minister Hon'ble Shri T.T. Krishnamachari elicited a favourable response. The drivers were at last reinstated in lower posts after waiting for nearly one year. All their previous service is cut off and they are treated as new entrants. The Corporation Authorities have of course been careful to take consent letters from these starving drivers that they will work as new entrants. But is it fair for the Corporation to do so as a matter of public policy? Will the Government allow a private employer to do so under Labour Regulations? The back service to the drivers should be restored.

Canteen Workers: It is a scandalous thing (but nevertheless a fact) that the Corporation Authorities have summarily turned out the Canteen staff after it assumed charge from the Custodians without notice or retrenchment compensation. In a previous debate on the working of the Corporation, the then Hon. Finance Minister Shri T.T. Krishnamachari assured that although the Canteen Staff (of the United India) are not technically employees of the Corporation, their cases will be looked into sympathetically and given other appointments. Till date nothing has been done and justice requires that their cases should be sympathetically considered.

Examination Allowance: Many of the private insurers paid an allowance to those of the staff who have passed certain technical examinations. This allowance (in some cases) was treated as part of the pay for which Provident Fund contribution was paid. With others, it was treated as purely an allowance without Provident Fund contributions. The Corporation merged the latter with dearness allowance and any excess dearness allowance caused by this addition was set off against future increases in Dearness Allowance. Those for whom the Examination Allowance was part of Dearness Allowance had nothing to gain by the increase in the Interim Relief. This creates an unjust division. All the examination allowance should be treated as part of pay.

Staff Regulations: The Corporation has brought out a booklet "STAFF REGULATIONS 1957", which should govern the conduct of the employees. Many of the provisions of the Regulations are repugnant to the fundamental rights guaranteed under the Indian Constitution. Without entering into further discussions on the merits and demerits of the regulations, the minimum that is expected of the Corporation Authorities is to draw up a fresh set of rules in consultation with the representatives of the Union.

B o n u s : It has been made clear by the Chagla Commission that the Life Insurance Corporation should be an autonomous body and run purely on business principles. This has been accepted by the Ex-Finance Minister Shri Chintaman Deshmukh and the outgoing Finance Minister Shri T.T. Krishnamachari. Yet, when it comes to the question of payment of Bonus to the staff, they go back from the position and say this is a Government industry and no bonus will be paid to the staff. Where is the consistency in this argument?

In spite of all these arguments, there are to-day industries run by the Government which pay bonus to the staff. Such is the case with the Indian Airlines Corporation, State Bank of India. Even subsidiaries controlled by the Life Insurance Corporation like the General Insurance industry are paying bonus to the staff.

In the Insurance industry this is a time-honoured practice to pay annual bonus to the staff equivalent to two months' salary and loss of it cannot but evoke feeling of frustration in the staff.

Interim Relief: The Life Insurance Corporation has announced a grant of Interim Relief to the Corporation employees. The amount offered is Rs.5/- (while the Banks offered Rs.10/- each) for those drawing above Rs.51/- as the basic salary and upto Rs.250/-. This interim relief will not be granted (a) to those drawing less than Rs.51/- and (b) those who originally belonged to the establishment of Oriental, Hindusthan Co-operative, New India, National, Sun Life and Prudential.

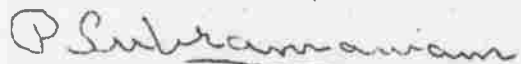
Explaining the denial of the interim relief to the sub-staff, the Corporation Authorities say that these sub-staff were granted an enhanced dearness allowance at the time of May 1957 settlement on the standardisation of pay scales and service conditions of the Life Insurance employees. At that time the authorities proposed one scale and the representatives of the Union another. A via-media was accepted which represented Rs.5/- more than what the Corporation authorities had originally held out. This attitude of pointing out the outmoded scale is an untenable plea and the sub-staff should not be made to suffer by the denial of this interim relief.

As for the employees of the Oriental, New India, etc., the standardisation of pay scales etc. did not confer much benefit to them. The denial of interim relief to this section of employees after bringing them into the new pay-scales is not just and proper. We urge that the interim relief should be granted to one and all and no argument will justify the denial of interim relief to the sub-staff.

These are some of the staff grievances which should be emphasized. The mood of the employees can best be illustrated by the enclosed "OPEN LETTER" to the Chairman, Life Insurance Corporation of India, Bombay.

It is our hope that you will throw in your weight to remove their hardship and ensure smoother functioning in which at every stage the Management and the Representatives of the Employees will sit together and discuss ways and means to overcome the difficulties.

Yours faithfully,



SECRETARY

On behalf of the Executive
Committee, The Insurance
Corporation Employees' Union,
Madras Division.

February 20, 1958.

The Chairman,
Life Insurance Corporation of India,
Central Office, Jeevan Kendra,
Bombay 1.

Dear Sir,

Re: Outstanding issues.

We have to thank you for your interview of Monday, the 17th instant when discussions took place on other outstanding issues. It will be useful to - summarise the gist of the talks with a view to obtain the clear understanding about the decisions reached on various matters. The following is the gist of the discussions:-

1. Hindusthan Gratuity.

It is matter of surprise for us that inspite of our clear understanding reached on this issue in May 1957, the Central Office has not so far implemented the decision. It was then agreed that Hindusthan employees would be paid - gratuity at the rate of 20 months salary as provided under their old service conditions. This benefit was offered to every Hindusthan employees irrespective of the grades for which they opt out. The President of the A.I.I.E.A. once again reiterated this position during the discussions. The Chairman was good enough to assure the deputation that the matter would be placed before the Board meeting. In this connection, the Association is submitting a separate Memorandum for the consideration of the Chairman and the Board of Directors.

2. Interim grant of Rs. 5/-.

The deputation placed the view point of the Association with regard to this issue. It requested the Chairman to extend the benefit to the employees of all categories from the sub-staff to Superintendents drawing a salary upto Rs.500/- per month. The rise of Rs.5/- in dearness allowance granted to the Central - Government employees and the rise varying from Rs.5/- to Rs. 10/- granted by the Banking concerns and the State Bank of India, have created a strong case for an adequate relief to the staff of the Corporation. The Chairman took note of our viewpoint and agreed to place the matter before the Board. The Association is submitting a separate Memorandum on this subject.

3. Other allowances:

The deputation pressed the demand for full protection of 'other allowances' after considerable discussions, the Chairman offered to protect other allowances withdrawn wholly or partially if these were enjoyed for a period of three years prior to 31-8-1956 by adding them to the basic salary and then fitting the - employees concerned in the new scale as per the standardisation order. As - regards other allowances enjoyed for a period less than three years prior to 31-8-1956, the Chairman proposed that if there is a loss in total emoluments as a result of fitting in, it will be fully compensated. The Chairman also clarified that it was still open to the employees to opt for their old scales to avail themselves of the full benefit of other allowances.

4. Re-instatement of the retrenched drivers:-

During the discussions, the deputation requested the Chairman to re-instate all the retrenched drivers in terms of the assurance given by the Finance Minister in the Lok Sabha. The Chairman expressed his inability to accede to our request since there were no vacancies of drivers, but assured that as the number of cars increase the retrenched drivers would be taken in. In the meantime, the Chairman offered to absorb the drivers as sub-staff. The deputation, thereupon - requested the Chairman to absorb these persons atleast as Record Clerks. The

(Contd.....)

Chairman agreed to this suggestion provided the drivers are found capable of doing record clerk's duties. The Chairman instructed the Personnel Department to issue necessary instructions in the matter to all Zonal Offices.

5. Recovery of excess payment.

During the discussions the deputation brought to the notice of the Chairman that the Record Clerks who were fitted as assistants as per September 1956 pay scales are being asked to refund the excess amount paid to them since they were subsequently categorised as Record Clerks as per the Standardisation Order. The Association requested the Chairman not to make these recoveries in view of the hardships they have to incur. The Chairman after considerable discussions agreed not to make recoveries and also to refund the amount in cases where such recoveries were made.

We enclose herewith a copy of our circular dated 18th February 1958 issued to our units for your information.

Yours faithfully,
Sd/- C.S. Bose.
General Secretary.

February 20, 1958.

MEMORANDUM SUBMITTED TO THE CHAIRMAN
LIFE INSURANCE CORPORATION OF INDIA,
IN THE MATTER OF CONFIRMATION OF ALL
TEMPORARY EMPLOYEES RECRUITED DURING
THE PERIOD FROM 19-1-'56 to 31-8-'56.

The deputation on behalf of the All India Insurance Employees' Association, which met the Chairman on Friday, the 14th February 1958, discussed among other issues, the issue of confirmation of all employees recruited during the period of 19-1-1956 to 31-8-1956.

The association has all along been urging the Corporation authorities to confirm all these employees in conformity with the rules of the units in which they were recruited by the Custodians. These employees were recruited on pay and allowances as per the practices of the units. During negotiations in May 1957, the Negotiating Committee of the All India Insurance Employees' Association had pressed its views that these employees should be treated as transferred employees and that they should be fitted as per the Standardisation Order. But the Corporation authorities did not agree to the Association's demand. The position to-day is that some employees from this group have not been confirmed and that the total enrolments in some cases have been brought down. This has resulted in recoveries of excess payment.

During the discussions on Friday, the 14th instant, the deputation requested the Chairman to take a sympathetic view of this question. It requested him to confirm those employees who remain still unconfirmed and to protect their enrolments. The deputation impressed upon the Chairman that the number of these employees was small and that the financial burden would be very negligible. The Chairman was good enough to assure the deputation that this matter would be placed before the Board.

The association once again requests the Chairman and the Board of Directors to settle this outstanding issue on the lines suggested above so that none of the employees would suffer any hardships due to recovery in respect of excess payment.

Sd/- Rajni Patel,
PRESIDENT.

MEMORANDUM SUBMITTED TO THE CHAIRMAN,
LIFE INSURANCE CORPORATION OF INDIA,
IN THE MATTER OF INTERIM GRANT OF
Rs.5/- PER MONTH.

During the talks between the deputation of the All India Insurance employees' Association and the Chairman on Monday, the 17th February 1958, the issue of extending the benefit of the interim grant of Rs.5/- to all employees drawing a salary of Rs.500/- was discussed.

During the talks the deputation of the All India Insurance Employees' Association put forth very cogent arguments justifying the demand for uniform grant of Rs.5/- per month to all the employees drawing a salary of Rs.500/- per month. In the first place the rise of Rs.5/- in dearness allowance was recommended for the Central Government employees by the Second Pay Commission and the Government of India accepted this recommendation. Besides, both the Banking concerns and State Bank of India granted a rise in dearness allowance varying between Rs.5/- to Rs.10/- to all their staff. This naturally creates a very just case for adequate interim relief to the staff of the Corporation.

The Association submits that the interim grant of Rs.5/- per month paid by the Corporation is totally inadequate and meagre. For majority of the staff having excess dearness allowance, it is mere adjustment without any relief. Even though rise is not granted as a consequence of a general revision, the Corporation have adjusted this meagre rise against the excess dearness allowance. Another unjust feature of this rise is that employees drawing a salary below Rs.51/- have not been granted any relief.

The feeling of the employees throughout India against the manner in which the Corporation granted the rise of Rs.5/- per month were so strong that they resorted to Pay Strike as a protest. The Association hopes that the Corporation authorities will appreciate the current difficulties of the staff due to the rising prices and grant uniform relief of Rs.5/- to all employees drawing a salary upto Rs.500/- per month. Further the Association also requests the Chairman not to adjust this rise against excess dearness allowance.

Sd. (RAJNI PATEL)
P R E S I D E N T.

MEMORANDUM SUBMITTED TO THE CHAIRMAN, LIFE INSURANCE
CORPORATION OF INDIA, IN THE MATTER OF GRATUITY BENE-
FIT TO THE EMPLOYEES OF UNIT: 'HINDUSTAN'.

During the talks the deputation of the All India Insurance Employees' Association had with the Chairman on Monday, the 17th February 1958, one of the outstanding issues discussed was with regard to the gratuity benefit to the employees of Unit: Hindusthan.

The Association is really shocked to see that there still exists some ambiguity in the minds of the authorities on the question of gratuity payable to the employees of Unit 'Hindusthan'. During the negotiations in May 1957, there was a clear understanding between the Negotiating Committee of the Association and those of the Corporation that the employees of Unit: 'Hindusthan' would be paid gratuity on the basis of the rules prevailing in the Unit - irrespective of whether they choose to remain in the Corporation scale or opt for their old Company-wise payscales. It is precisely due to this clear understanding on the subject that in every letter and document addressed to the Corporation authorities, the Association reiterated this position and at no time during the last seven months have the authorities ever tried to contradict this position. In fact every time

the representatives of the Association pressed for the issuing of necessary orders, they were assured that the needful would be done. The employees of Unit 'Hindusthan' have, therefore, reasons to be deeply perturbed that contrary to their understanding, arrangements are being made to pay gratuity to the superannuated employees of unit 'Hindusthan' at the new rate under the Corporation's service conditions which would mean a heavy financial loss to them.

The Association in its Memorandum dated the 15th July 1957 addressed to the Chairman had invited his pointed attention to the fact that the caluses of the Standardisation Order dated 1-6-57 did not correspond to the understanding reached during the talks between representatives of the Corporation and those of the Association and that the instructions given by the Central Office in many respects appeared to be contrary to the spirit of discussions leading to the interim settlement. On the issue of Hindusthan gratuity, there was left absolutely no room for any misunderstanding. And yet, the Association is now confronted with a very serious situation which threatens the very basis of the interim settlement. If the authorities commit breaches of this understanding reached in such a vital matter as the gratuity benefit of Hindusthan employees, the Association is afraid, it would create a crisis in the relations in the nationalised sector undermining the confidence of the employees in the ability of the Corporation to give a fair deal to them.

The Association feels it necessary to invite the attention of the Chairman and the Corporation's Board of Directors to the solemn assurances given by the responsible spokesmen of the Government and the Corporation ever since the nationalisation of life Insurance was announced. The then Finance Minister Sri. C.D. Deshmukh had categorically assured the employees that they had nothing to fear under the new dispensation. Again, the ex-Finance Minister Sri. T.T. Krishnanachari during the Lok Sabha dated on 17-12-1956 said "I give a solemn assurance that nobody will loose a single pie. If they retire, I will see that they are paid gratuity according to what they should have been paid if the company was functioning." Again Sri. H.H. Patel, the then Chairman of the Corporation in fortnight assurance said "Fitting in of employees in the new grades will not reduce either the amount of Provident Fund contributions or the gratuity which an employee would be entitled to on retirement Thus there would be no nonetary loss of any kind in the matter of pay or allowances or retirement benefits".

The Association submits that the above public utterances are the main basis of the new pay scales and other conditions of service evolved out through Bi-partite negotiations in May 1957. Even the Chairman who was the chief initiator of the new approach had laid emphasis that there would be no hardship to any employee. It is through this approach towards the problems of the employees that the negotiations in May 1957 produced an understanding on the issue of Hindusthan employees' gratuity. It is common knowledge that Hindusthan employees enjoyed better pay scales, allowances and retirement benefits under the private sector than those under the Corporation. It is, therefore, only just and proper that the retirement benefits in the shape of gratuity at the rate of 20 months salary is retained.

In this letter dated 24th July 1957, addressed to the President. A.I.I.E., the Central Office has not stated the correct position. It says 'With regard to the retirement benefits, the suggestion made by the Corporation was that if taking into account it appears that as a result of Standardisation, the Provident Fund, Gratuity or other retirement benefits enjoyed by the employees of certain insurers were reduced without compensating advantages in any other direction, there was a case for special treatment. The maximum of gratuity of 'Hindusthan' was a case in point'. The position stated above is quite contrary to that stated by Sri. H.H. Patel in the assurance quoted above, whereby the employees are not to be put to any loss in Pay or allowances or retirement benefits.

Finally, the Association appeals to the Chairman and the Corporation's Board of Directors to fully implement the understanding reached on the issue of Gratuity to 'Hindusthan' employees and retain their pre-corporation rate of 20 months' terminal pay irrespective of the grades for which they opt.

Sd/- . Rajni Patel,
PRESIDENT.

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
CALCUTTA -14.

February 17, 1958.

G.R. Karat Esqr.,
Chairman,
Life Insurance Corporation of India,
BOMBAY.

Dear Sir,

We have to thank you for your interview which you were good enough to grant to the deputation of the All India Insurance Employees' Association headed by Sri. Rajhi Patel, our President on Friday, the 14-2-58 at 5-30 p.M. at the Central Office.

During the discussions, you were good enough to assure us that increments since July 1957 of all employees held up due to efficiency bars will be immediately released on the basis of recommendations from their respective departmental heads. As regards rules for crossing efficiency bars, we were assured that there would be no test and that in case of adverse remarks, an employee would be given an opportunity to defend himself before higher authorities. We would request you to instruct the Personnel Department to furnish us a copy of these rules as promised to enable us to study the same and offer our suggestions if any, we hope that necessary instructions in the matter of releasing increments are issued.

As regards categorisation, you were kind enough to appreciate the Association's point of view that nature of duties done by the employees should be the primary criterion to determine the employees' category. Accordingly, fresh instructions in the matter of categorisation are to be issued whereby members of the sub-staff or Record clerks would be categorised as Record Clerks or Assistants on the basis of their nature of duties as on 31-8-1956. Similarly, all employees who were working as Stenographers on 31-8-1956 but who have not been fitted in the Stenographers Grade, will be categorised as Stenographers on production of certificate from the officer to whom they were attached. We trust that by this time necessary instructions have been issued to all the Zonal Offices. We shall be glad if you favour us with a copy of these instructions.

As regards confirmation of temporary employees appointed during the period from 19-1-1956 to 31-8-1956, the delegation appealed to you to consider the Association's demands viz:- confirmation of all employees irrespective of whether they fulfill the Corporation's recruitment rules or not, and protection of their total emoluments since number involved was very small and the financial burden to the Corporation would be negligible. You have instructed the Personnel department to assess the financial implications of our demands. You assured us that you will place the matter before the Board of Directors. We trust that you will use your good offices to persuade the Board to give their approval to this small concession.

We enclose herewith a copy of our circular dated 14th February 1958 issued to all the units in respect of the discussions for your information.

Thanking you,

Yours faithfully,
Sd/
GENERAL SECRETARY.

17 - 2 - 1958.

MEMORANDUM SUBMITTED TO THE CHAIRMAN, LIFE
INSURANCE CORPORATION OF INDIA, REGARDING
ABSORPTION OF THE RETRENCHED STAFF FROM THE
GENERAL INSURANCE BUSINESS IN THE CORPORATION.

The All India Insurance Employees Association has all along been pressing its demand for the absorption of all the retrenched hands from General Insurance business in the Corporation. Ever since the life insurance business was nationalised, the Association has continued to represent this matter to the Ministry of

(C9ntd.....)

Finance, Government of India and it appears that the principle of absorption of the retrenched hands has been generally accepted by the Government and the Corporation.

It has been our experience that despite the acceptance of the principle of absorption of retrenched hands from General Insurance Business in the staff of the Corporation, very few employees have been able to get any employment under the Corporation. This is because the Corporation has laid down certain recruitment forms such as qualification, age etc. which are not fulfilled by the retrenched employees. Most of the employees are non-matriculates and they are overage. Therefore, even through the principle of absorption is accepted, in actual practice it has not in any way helped to relieve the growing unemployment in the General Insurance Industry which is generally attributed to nationalisation of Life Insurance Business.

The Association feels that if the Corporation authorities really desire to absorb the retrenched hands from the General Insurance Business, it is absolutely necessary to further relax their recruitment conditions as regards qualification and age to a considerable extent. The long office experience gained by these employees more than compensates for the minimum qualifications required for new recruits. As regards age, the Association holds the view that there should be no age restrictions for these employees. By the very nature of things, these employees are bound to be overage and if any rigid limit is put on the age, nobody will be able to get employment opportunity in the Corporation.

Recently, the Central office had occasion to deal with one case of sub-staff member Shri. N.D.Patel retrenched from Warden Insurance Co. Ltd. Bombay. Considering the overall merits of the case, the Bombay Zonal Office appeared to take a very sympathetic view about his absorption. But the employee was overage and hence, they referred the case to the Central Office for condonation of overage. But the Central office refused to condone the overage with the result that the employee is unable to get employment in the Corporation. If such rigid attitude is adopted towards absorbing the retrenched employees, we are afraid, it is bound to create dissatisfaction among the employees both life and general business. The Association submits that the attitude of the Corporation in this matter should be primarily dictated by certain social obligations accepted under the Second Five year Plan in the matter of employment. It is generally recognised that the present retrenchment in the general insurance business is due to nationalisation of life insurance business. Hence the Corporation should make sincere efforts to absorb retrenched hands from general insurance business by further to absorb the retrenched hands from the General Insurance business by further relaxation in the recruitment rules regarding qualifications and age.

Sd/-.....
PRESIDENT.

February 17, 1958.

G.R.Kamat, I.C.S.,
Chairman,
Life Insurance Corporation of India,
Jeevan Kendra,
Fort, Bombay.

Dear Sir,

Re: Demand of Field Workers.

The National Federation of the Insurance Field Workers' of India have sent us their literature explaining the background behind their decision to start the Non-cooperation movement with effect from 10th February 1958.

We feel deeply concerned about the present strained relations between the Corporation and the Field Workers' Organisation which has been driven to launch the non-cooperation movement. The minimum basic salary, automatic increments, protection of their total emoluments as on 19-1-56, security of service, recognition to National Federation at all levels are some of the important demands of the Field workers. We feel that given a proper approach, there is no problem in employee-employer relations which cannot be resolved through talks across the table. In fact, the only demand of the Field Workers' Organisation is that all their problems should be settled through Bi-partite conferences. Since this has

(Contd.....)

been the approach of the Corporation towards the demands of the administrative staff, we do not see any reason why the method of Bi-partite negotiations should not be given a fair trial to resolve all matters in dispute pertaining to the Field Workers.

Every day of non-cooperation by the Field Workers brings loss of business to the Corporation. Our Association, therefore, strongly urges upon the Corporation authorities to take urgent steps to open talks with the representatives of the National Federation with a view to settle all the outstanding grievances of the field workers and thus establish harmonious relations with them. We have no doubt that such a gesture on your part will be readily reciprocated by the Field Workers. Organisation which is one of the staunchest supporters of nationalisation.

Thanking you,

Yours faithfully,
Sd/-.....
PRESIDENT.

Camp:- Presidents' Office,
Sahakar, "B" Road,
Fort, Bombay -1.

February 17, 1958.

P.C.Saptarashi Esqr.,
Resident General Secretary,
National Federation of Insurance Salaried Field workers of India,
Bombay.

Dear Comrade,

Re: Demands of Field Workers.

I am enclosing herewith a copy of our letter dated 17-2-58 addressed to the Chairman, Life Insurance Corporation of India, in connection with your demands.

On behalf of the All India Insurance Employees' Association, I extend full support and co-operation to your struggle to obtain speedy redressal of all your outstanding problems. As I study the problems of the field workers from your literature, I am more than convinced that they are similar to those of the administrative staff. There also exists a similarity in approach taken by our two organisations the settlement of their demands. I gratefully remember how your organisation had offered its support to the token strike staged of all the employees of the Corporation on 5th December 1956 and how in the Eastern Zone, the Field workers actually participated in our action. All this has already created a firm basis for establishing closer and more effective co-operation between the National Federation and the All India Insurance Employees' Association for the attainment of their common objectives viz: better living and working conditions for the members and successful functioning of the nationalised Life Insurance.

I have already impressed upon the Chairman the urgency of holding talks with your Federation with a view to arrive at a peaceful solution of all your problems. Your demands are so just and legitimate that the Corporation authorities will have to settle them through negotiations..

With greetings,

Yours faithfully,
Sd/-.....
PRESIDENT.

Copy to:- The General Secretary,
National Federation of the Insurance Field Workers' of India,
10, Heher Ali Road,
CALCUTTA - 17.

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION.

Presidents' office,
Sahakar, B Road,
Fort, Bombay 1.

24th February 1958

Shri.T.S.Swaminathan,
Secretary,
Personnel Department,
Life Insurance Corporation of India,
Jeewan Kendra,
B o m b a y.

Dear Sir,

Re: Outstanding Issues

You are aware that the deputation of the All India Insurance Employees' Association held talks on outstanding issues with the Chairman on 14th and 17th instants and certain important decisions were arrived at. These decisions have been incorporated in our previous circulars and letters already submitted to you for your information. The Chairman advised us that the deputation should carry on preliminary discussions with you on other pending matters and the outcome of the discussions should be communicated to him. Accordingly we conducted talks with you from 19th to 21st instant on various outstanding issues. We give below the summary of these talks:-

At the outset Shri.C.S.Bose, the General Secretary, impressed upon you the need of keeping minutes of the discussions held with a view to avoid misunderstanding of each other's approach and views on all the problems. You were good enough to appreciate this point of view.

1. EFFICIENCY BAR: We requested you to prepare a draft of rules regarding the crossing efficiency bars as agreed during the interview with the Chairman. We made a special reference to the pay satyagraha at Allahabad and tried to drive home the urgency of settling this matter. You, referred to the Bank Award and quoted the decision of the Bank Tribunal, on the question. It was pointed out to you that even according to the Bank Tribunal, the B.B. are to be used sparingly. You agreed to prepare the rules and hand over to us for making suggestions. You clarified to us that there would be no written tests for crossing efficiency bars. The Delegation requested you to release the increments withheld from July 1957 without further delay.
2. OTHER ALLOWANCES: We referred to the decisions reached in this behalf during the Chairman's interview. As regards other allowances enjoyed for a period of less than three years prior to 31-8-1956 it was agreed that if any employee was losing in his total emoluments he should be compensated to the extent of this loss by adding the amount in his basic salary. We further suggested to you that if this allowance was paid for doing a certain type of work and if the employee continued to do the same type of work, the allowance should be continued. We request you to give your consideration to this matter.
3. CENTRAL OFFICE CATEGORISATION: You assured us that the matter was receiving your attention. We pressed the urgency of this issue.
4. CATEGORISATION (Section Heads & Superintendents).

We placed before you the following points:-

- (a) No uniform principles have been observed in selecting persons as Section Heads and Superintendents.
- (b) There is no uniformity in the ratio of Section Heads to Staff.
- (c) Cases of gross injustice are there.
- (d) Cases of favouritism are there. In this connection attention was drawn to the memorandum submitted by Poona Divisional Employees' Union.

Our concrete demand in this behalf:

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Our concrete demand in this behalf: All employees who were holding supervisory position on 31-8-1956, should be categorised as Section Heads or Superintendents.

- ii. One section head for every seven assistants.
- iii. For every 2 sections there should be one superintendent.

You held the view that it was not possible to lay down any fixed proposition. In the Western Zone, the proportion of Section Heads to assistants works out at 1:12. As nature of work and system differed from company to company, it was not possible to lay down any Uniform principle for all units just now. We told you that where the system and nature of work is similar, there should be uniformity. For instance if there is one Section Head for Seven Assistants in P.S. Sections in Unit "New India" the same proportion can be maintained in Unit "Oriental or Hindustan".etc.

We also told you that employees of smaller Units have been completely neglected. Your reply was that the claim of every body cannot be considered. No definite conclusions were reached. You asked us to take this problem to the Zonal Office, who were looking into this question. We told you that we will place our concrete proposals in this matter.

5. Special Pay attached to Sectional Heads & Head Peons.

(a) Our request in this behalf was that this Special pay of Rs.30/- per month should be paid to all employees irrespective of whether they remain in the Corporation's Scale or opt for their old Unit's Scale. In this connection your attention was drawn to the Section Heads in Oriental who have already crossed the salary of Rs.300/- or reached the maximum of Rs.320/-, the maximum of their grade. We requested you to pay this Special Pay atleast to such persons who have already crossed Rs.300/-.

You expressed surprise as to why a Section Head in Oriental who has opted for his old grade does not desire to remain in the Corporation Grade even though he gets the benefit of Rs.10/-. You inquired on the phone from Mr. Gandhi the A.D.M. of Unit Oriental the exact number of Section Heads who had opted for the Companywise scale. This number was 35. We requested you to consider this matter sympathetically.

(b) We also requested you to count the Supervisory service prior to 31st August 1956 for paying Special Pay at a higher rate to Sectional Heads. You were not prepared to concede this demand. According to you it is very difficult to determine past supervisory service. We pressed you to accept this demand.

(c) The Special pay of Rs.5/- should be given to the Head Peons irrespective of their grades to which they opt. You have noted our suggestion.

6. Fitting in of British India Staff of Calcutta: 50% of D.A. was merged in the Basic salary in 1955. It was decided that employees should be fitted on the revised basic salary as on 31st August 1956.

7. Past Service Benefits: In some units, definite sums were allotted to the employees to compensate for ~~their~~ the loss for the period during which there was no Provident Fund benefit. This benefit took various forms. In some units, lump sums were paid. In some Units, it took the form of additional gratuity and in other Units, it took the form of Pension. But whatever the form, this was a benefit granted in consideration of the fact that the employees did not have the Provident Fund benefit.

We requested you to grant these benefits, in addition to the retirement benefit available under the Corporation. You have agreed to consider this matter and requested us to submit individual memoranda.

8. Pension & Insurance Schemes of Sunlife, Gresham, etc.

(a) In Companies such as Sunlife, etc. where there were Pension Scheme, the employee should be paid their accrued Pension and they should be paid full gratuity as per the rules of the Corporation, alongwith other retirement benefits.

You agreed to recommend this matter to the Chairman for favourable consideration.

(b) As regards their Staff Policy Scheme, you told us that the Corporation was giving them its own Scheme of Group Policy. We were told that the Corporation's Scheme was more beneficial to the employees. We expressed our doubts about this. We told you that we shall examine the correctness of the position taken by you. The issue was still open for discussion.

9. Special increments to Graduates and those who passed Technical Examinations.

You told us that the question of granting special increments to employees passing technical examinations was on the active consideration of the authorities. As regards increments to graduates, you were not prepared to accept the demand. There were two aspects of this issue. Many of the existing graduates already in service have not been paid any additional increments. According to the Corporation's Rules, graduates would get two additional increments only at the entry in the Corporation. Our suggestion was that this additional increment should be given even after taking the degree while in service. You were not at all agreeable to our request.

We also suggested to you that the benefits should be extended to those who were already in service but who were not receiving the benefits and also those who graduate themselves up to 1960. You agreed to consider only the later proposal sympathetically.

10. Past service with Ex Chief Agents: Our suggestion was that the service should be counted for all purposes such as retirement benefits, seniority etc. You were not prepared to accept our suggestion. You finally agreed that if any employee superannuated or passes away within 10 years from 1-9-1956, his services with the Ex Chief Agents will be counted for the purpose of gratuity.

11. Allowances for Stenographers: Our suggestion was that the benefit of allowance should be extended to all stenographers though the quantum may vary. You expressed the view that since there was a special grade for stenographers, they should not get any allowance. You were willing to revise the grade with a start of Rs.100/- running upto Rs.310/- though we pressed our suggestion for granting the allowance of atleast Rs.15/- per month, you were not favourably inclined towards it.

12. Employees who have reached the maximum of their salary grades.

There are number of employees who have reached the maximum of their grades. Our suggestion was that special consideration should be given to all these cases and they should be promoted to higher grade or some special increments should be given to them. You told us that you would call for the record of all individual cases and this question will be favourably considered on the merits.

13. Promotions.

(a) Assistants to Section Heads & Superintendents.

You told us that it was always better to decide this promotions by test based on Office Manuals. You were of the view that a seniority list would be prepared on the basis of passing a test and employees would be promoted in order of seniority as per the list. If this was not agreeable to us the Selection Committee would have to take up the job of preparing a Seniority List. We maintained that this promotions should be only on the basis of seniority and length of service.

(b) Sub-Staff to Record Clerks:- Tests in knowledge of simple English and arithmetic. You asked us if we would like to leave this promotion question to an independent committee of Officers not connected with the administrative side so that impartiality of selection may be assured. We told you that the employees as a whole do not like written tests. There is a reason why the employees have developed deep dislike for written tests. In private sector, tests were used to deny promotions. The fear entertained by the employees will have to be removed. The attitude of the officers towards this staff was responsible for this state of ~~affairs~~ affairs.

We requested you to give us the draft rules in this matter and we promised to give you our suggestions after consultation with our members. You informed us that you would draft the rules very soon and send them to us.

14. Fitting in of Field Staff in office:- Many members of the Field Staff suffered a heavy loss in their total emoluments and even on basic salary as a result of their fitting-in- in the office administrative staff. You told us that the field staff whose remuneration was fixed in consideration of certain quota of business cannot expect to have the same salary if he comes to the Administrative side. We informed you that we would submit a comprehensive memorandum in this issue and requested you to consider the memorandum favourably.

15. Office hours for the sub-staff:- We requested you to reduce the working hours of the sub-staff from 7¼ hours to 6¼ . We told you that it was quite unjust to keep the working hours of the sub-staff one hour in excess over those for the Assistants. We informed you that the Association did not compromise on this issue. You were not willing to accede to our request. You told us that in the evening the members of the sub-staff who had no work were free to leave office immediately after closing of the office.

16. Asian Staff Quarters: You were not even prepared to discuss this question. Your attention was drawn to the fact that the employees who were residing in the quarters provided by National Indian and United India were still getting the benefit of the concession in rent, because the rent receipts were for the actual amount paid. We expressed our great surprise at your remark that in these cases also, you would increase the rent. We frankly told you that it was not a correct approach to this matter and that for correcting one wrong, you would be doing another wrong. We told you in unequivocal terms that the corporation cannot increase rents.

17. 1957 Adjustment of employees of Industrial Prudential & 1957 and 1957 adjustment of Hindustan. We placed the demand before you. You told us that the Corporation was not in a position to accept the demand.

18. Indian Life retrenched Staff: Continuity of Service.

Certain employees of Unit Indian Life were retrenched in December 1955 and they were again taken back after a few months in the same Unit by the Custodian. We requested you to grant all benefits of past service to these employees by treating the break period as without pay leave.

19. Salary Scales for the Building Staff. We placed before you the case of the Building Staff for satisfactory scales of pay on the basis of the nature of their duties. We explained to you how the duties of these staff were technical in nature. The job of building Inspectors, or Caretakers in our view, was a supervisory nature and the salary scale for this category of employees must be fixed by taking into vital fact into consideration. We told you that these employees had to do office work, attend to legal matters look after the proper upkeep of the Corporation properties supervise the staff under them and do such other responsible duties. According to us, it was unjust and unfair to base the salary scale of these employees on par with those of the clerical assistants. In cases of Electricians, Carpenters, Pumpmen, Plumber Mistry etc. we also pointed out to you that these are technical jobs so better grades as per our demand should be granted. After exchange of views on this subject, you agreed to re-examine the question in the light of our views. You expressed your willingness to withdraw the pay scales prepared by you. But we pointed out to you that these employees had not received increments for the last two years and that it was absolutely necessary to grant the lump sum amount as interim relief to them. You were not prepared to consider the question of interim relief. You told us that the scales prepared by you should be accepted by the Building staff subject to their revision within three months. We told you that unless ~~xxx~~ we consulted the members concerned it would not be possible for us to give any definite opinion about the matter. We further told you that we would give our final decision after consulting the Building Staff.

20. Oriental Pension Fund: You told us that the Oriental Pension Fund had always been in deficit and that the Company had to pay several times to make good the deficit. The Corporation had now guaranteed the pension. Those employees who desire to opt for the Provident Fund, can do so now. Our suggestion was that

those who are on the pension fund should be allowed to contribute 5% to the Pension Fund and 3¼ % to the Pension Fund and similar contribution should be paid from the Corporation side. You were not agreeable to this suggestion. However, you agreed that a separate discussion would be held in the matter.

21. Additional Half Holidays: The agreement in May 1957 was that in addition to Bank Holidays, 3 additional half holidays according to the local needs would be given. We told you that we had never agreed to limit the bank holidays to 22 as stated in the Standardisation Order. In this connection, your attention was drawn to the letter written to you on 21st May 1957 which stated the correct position as regards our agreement on the subject. We also told you that your definition of half holidays was also not correct. According to us, on half holidays, employees should work for half the normal working hours. You noted down all the points for fresh consideration.

22. Assam Compensatory Allowance: In this connection, your attention was drawn to the resolution passed on this subject at 3rd All India Conference held at Madras. We explained to you the background of this demand. We also told you that this demand has been accepted by the Government for Central Government employees. Most of the Banking concerns and the Indian Airlines Corporation pay this allowance to their employees. You agreed to consider this matter favourably.

23. Part-time Service: In this connection, we invited your attention to the representation made by our South Zone Federation in the matter of Part-time work done by certain employees on Race Course on Sundays. We also referred to several other instances of part-time jobs such as working in Milk Scheme etc. You agreed to give permission to the employees to do part-time job provided it did not conflict with office duties. You told us that you had already issued instructions in this matter.

24. Ex-Gratia Ad hoc payment to the employees of "Jayabharat" : We told you that the employees of Unit: 'Jayabharat' received Bonus on the basis of their total emoluments. But they received the Ad hoc ex-gratia payment without D.A. In this connection, we told you that you had settled similar question at Calcutta by including D.A. in salary for the purpose of this ex-gratia payment. You assured us that you would look into the matter.

25. Temporary Employees recruited on daily or weekly basis: You agreed to allow all employees who had put in 4 months service on 1st February 1958 and also those who had put in six months total service in the Corporation after Nationalisation, to appear for simple test before confirming them as permanent members of the staff. You also agreed to consider individual cases favourably.

26. Uniform for the sub-staff: We told you that the Corporation had agreed to give white uniforms to the sub-staff. You told us that this was a matter of additional expenditure and that the same will have to be placed before the Board. We requested you to place this matter before the Chairman.

27. Machine allowance to sub-staff & record clerks working on machines: We pointed out to you that many employees belonging to the category of sub-staff and record clerks are denied any allowances even though they were working on machine or in the machine departments. For instance, in Adrema Department, a member of sub-staff is required to help the Assistant to operate the machine and lift the heavy trays. You told us to put forth our case in writing.

28. Oriental Tax Perquisite: We invited your attention to the resolution passed on this subject at the 3rd All India Conference at Madras. We told you that the manner in which you have dealt with this question had created dissatisfaction in the minds of the staff. The Oriental employees had already placed their joint representations before the Chairman and we requested you to grant some uniform rise to all employees in lieu of this benefit. You assured us that you would hold separate discussions in the matter.

29. Promotions of Peons who have passed S.S.C. or Matriculation Examination.

Our demand in this respect is that all those employees should be straightway promoted to the grade of Assistant. The Corporation has agreed to place these employees in the category of record clerks. We told you that the Corporation authorities failed to look at this question in a correct perspective. These employees had carried on the studies under difficult conditions in the hope that their prospects would improve. You were of the view that since the Corporation had set up the recruitment standard, it would not be possible to promote people by such back door methods. We observed that the attitude of the Corporation towards the problems of the sub-staff was not at all sympathetic. We once again requested you to re-consider this matter sympathetically.

30. Priority to dependents of employees in the matter of recruitment. We told you that priority in the matter of recruitment in service should be given to the dependents of the employees. We pointed out to you that many institutions follow this practice.

31. Relaxation of age for refugee candidates: We suggested to you that in the matter of recruitment, refugee candidates should be given relaxation in age. You took note of our suggestion.

32. Absorption of retrenched staff from General & Life Business. We requested you to grant relaxation in age and qualifications in the matter of absorbing retrenched employees from Life Insurance Companies in cases of retrenchment prior to Nationalisation and from General Insurance Companies in cases of retrenchments which are cropping up from time to time. Relaxation has been for the present granted to the employees with five years' service. We requested you to irrespective of the period of service put in by them. Thereupon you suggested that you will agree to amend the present rules bringing the relaxation in age to 25 years plus the period of service put in by the respective employees even if it be less than 5 years.

Thanking you,

Yours faithfully,

Sd/ C S Bose.

GENERAL SECRETARY.

R. G. Kumar

ESIC EMPLOYEES' UNION
(BOMBAY REGION)
Regd No. 2920

Circular No.9

27, Military Square Lane,
David J. Sassoon Bldg.,
Bombay-1. 8th Feb., 58.

To all Members

Dear friends,

With deep regrets we have to convey you the news of termination of service of Shri. B. G. Shetty, our General Secretary. Shri. Shetty's services have been terminated by the Regional Director apparently in accordance with the so-called existing Rules & Regulations, the charge being not passing the typing test and unsatisfactory probationary period, after over two years of service and when we are all along being told by the Director General that this policy is being reviewed. As such, action on an employee is unheard of in any other Government department it is clear that Shri. Shetty has been victimised for Trade Union activities in contravention of the Home Ministry's instructions in this regard. The Union will take up this provocative action of the Regional Director on that level and see that the injustice done to Shri. Shetty is undone.

Shri. Shetty who has been the worst victim of administrative inefficiency was harassed and hounded when he was throughout keeping extremely poor health, due to chronic gastric ulcers, denied leave when he was certified sick by Government hospitals, shuttled from Local Office to Local Office when he was pleading for convenient posting on grounds of health and humanity, made to suffer financial loss by cuts in salaries by way of unauthorised leaves when again he was certified sick by Govt. hospitals, has suffered all the disabilities and harassments which most of us have suffered in the Corporation in parts, some time or other. Shri. Shetty has also been the worst sufferer due to the existing practice in the Corporation of delaying leave and regular salaries for unlimited periods.

When Shri. Shetty raised his voice and represented against these irregularities and administrative inefficiency, the Regional Director instead of removing these disabilities by substituting some efficient persons in the administration instead of the present lot and improving the administrative machinery, gave Shri. Shetty warnings after warnings, arranged to obtain exaggerated and adverse reports regarding his work and conduct from Managers under whom he worked, and proceeded to build up a case against him. The present action is only a dismal culmination of an attempt carefully planned and pursued after framing charges against Shri. Shetty as the authorities were conscious of the fact that he was working for the formation of a Union since the beginning with a view to removing the legitimate grievances of the employees by bringing to the knowledge of the higher authorities the gross administrative mismanagement in the Bombay Region. It is a clear case of victimisation for Trade Union activities as the details of charges against Shri. Shetty were never presented to him and no action has been taken on any other employee for unsatisfactory probation period and not passing typing test, when over 50 percent of the employees have been issued with a memo in this connection.

We reliably understand that the real facts in Shri. Shetty's case and the true state of affairs in the Bombay Region of the Corporation have been concealed from the authorities in New Delhi, as otherwise, we are sure that such highly irregular and high-handed action on the part of the Regional Director would not have been tolerated by the authorities in New Delhi.

The most shocking thing of all is that final orders for the termination of service of Shri. Shetty were issued by the Regional Director when he was lying in the hospital in critical condition after undergoing a major operation and in extreme financial difficulties due to non-payment of his leave and regular salaries for the month of November 1957, which remains unpaid even till today. The Regional Director who showed unusual promptness and haste in issuing termination notice had not even cared to see that legitimate dues, which were overdue, were paid to Shri. Shetty in time.

To those of our friends to whom the administration has given a wrong picture of Shri. Shetty's conduct and character we would like to impress that due to his persistent representations to the higher authorities regarding the inordinate delays in granting of leave and payment of leave and regular salaries, the following instructions have now been issued to the authorities in Bombay, that:

1. the last pay certificate of an employee should be sent along with him when transferred,
2. all delays in passing of bills for over three months should be reported to the Director General for action against those responsible, and
3. the leave salaries of employees should be paid latest within two months of granting of such leave.

The services of Shri. Shetty to the formation and building of our Union is well-known to all of you.

When so much inefficiency prevails in the Corporation administration in Bombay, we fail to understand how the Regional Director can take action on Shri. Shetty for unsatisfactory work when in reality he (Shri. Shetty) has contributed towards the improvement of administration.

We earnestly request all employees to stand with the Union to rectify the wrong done to Shri. Shetty so as to ensure that no such injustice is perpetrated against any other employee of the Corporation in future.

2. BONUS FOR 1957:

The heading will make a strange reading but truth is stranger than fiction. For the year 1957, the expected round of those flimsy and irrelevant Confidential Reports is in full swing. As usual, the reports are written in customary stale and stereotyped language and have been issued on a large scale. A priority list seems to have been prepared for issue of these memos, the active members of the Union being given first place, irrespective of the actual record of their work and conduct.

As many of supervisory officials concerned have expressed their ignorance of the contents and adverse remarks made in the reports, we have reasons to believe that most of these fanciful reports are being manufactured in the Establishment Branch in Regional Office with the sole motive of painting certain white sheep black, so that a selected group of brown sheep, which the authorities would like to see come up, may look at least fair in the bargain.

According to the latest reports, Madanpura and Delisle Road local offices have received the highest number of these reports. We do not know whether the credit for the same goes to the Managers concerned or the Regional Office administration. It is a matter of regret that many of the supervisory officials, who themselves are victims of this unprecedented practice, have contributed their share in giving baseless reports.

As all of you know, the employees of the Corporation have put in wonderful work during the year 1957 and particularly during the Flu period, which in any other department could have been honoured and respected. In the Corporation, however, the reward is given in the form of humiliating reports. It is very surprising as to how these reports are being prepared and issued in complete disregard of the instructions laid down in this connection. We shall be extremely grateful to the higher authorities if a thorough enquiry is instituted in this matter as it is feared that the existing practice is being utilised for serving sectional interests.

In any case, the only conclusion which we have been able to arrive is that such annual reports will not have the effect which is intended by the authorities. Most of the persons who have received such reports, we are informed, have taken these reports as a novelty and have treated them.

memos, we are informed, have taken these reports as a move to discourage and frustrate them. We would like to impress upon these friends of ours that they need not take the remarks to heart as these confidential memos are becoming a matter of non-serious routine correspondence.

In view of the above, we ardently wish and hope that the authorities will realise their mistaken approach to this problem and instead of wasting their precious time, talent and energy in this purposeless activity will divert the same in improving the E.S.I. Scheme and working condition of the employees, where some attention is urgently needed.

3. TRANSFERS IN " PUBLIC INTEREST " :

It is said that Government servants are normally transferred in Public Interest. But the interpretation of the word " Public Interest " in the Corporation seems to be entirely different. While certain employees are permanently entrenched in the Regional Office, getting all the facilities like accommodation etc., many others including some active members of the Union and others who do not find favour with the authorities, are transferred to distant local offices taking due care that maximum inconvenience is caused to them. It appears that Headquarters instructions that the convenience of the employees should be one of the main considerations while effecting transfers, have been conveniently ignored. A characteristic example as to what purpose transfers are made in the Corporation in Bombay can be given here.

It so happened that one U.D.C.-in-Charge in Regional Office assaulted a L.D.C. during office hours and for no fault of the latter. When the L.D.C. concerned complained against this very objectionable and criminal act, he was penalised by immediate transfer to Local Office Kalyan, even when there was no provision for an additional L.D.C. there and thus make him suffer due to delay in payment of his salary. The case was hushed up at the instance of the Regional Director and the U.D.C.-in-Charge concerned was given a promotion subsequently.

4. SHRI. KRISHNA PRABHU'S CASE:

It is over two months since the reply of Shri. Prabhu has gone to the " Show Cause " notice. No further action has been taken so far as the Regional Director is reported to have encountered certain personal difficulties. It is also understood that certain tables are involved in the case and the tables are now turned.

5. UNAUTHORISED LEAVE & DELAY IN PAYMENT OF SALARIES:

We are receiving quite a good number of complaints from our friends regarding the practice of making short leaves and sometimes long periods of leave as unauthorised and make the employees suffer loss of pay. As a matter of fact, this seems to have become regular pastime of the authorities. Those who would like the Union to take up the matter with the higher authorities may please supply us with the necessary information for our having a clear picture before us.

6. SENIORITY LISTS & PROMOTIONS:

It has been observed that for the last six months Seniority Lists of different categories of staff have been circulated. Many of our members have pointed out to us that they have failed to understand why these lists are circulated when there is no connection between seniority of an employee and the order of promotions, promotions being granted on "other" considerations. The Policy of the Corporation in this regard is also anybody's guess. If the intention of these Seniority Lists is only to remind the employees the dates of their joining the Corporation and when their increments were stopped, it is not necessary at all as every employee remembers these dates very well. We hope that the higher authorities will soon lay down a definite policy in this regard so as to create confidence among the employees and to ensure that no misuse is made of their powers by the authorities at the lower level.

7. OVERTIME ALLOWANCES OF THE 'FLU' PERIOD:

It is a matter of regret that in the payment of 'Flu' overtime allowance, there has been the usual delay. These dues have been earned by the employees at the cost of their personal health and with tremendous hard work and devotion to duty, although the authorities in Bombay are never satisfied as is evident from the Confidential reports for the year 1957 about which we have already made a mention above. While we concede the right to the authorities to have their own opinion, however incorrect it may be, we wish that at least they will oblige us by paying the legitimate dues in time.

8. INTERIM RELIEF:

The Union can legitimately claim the credit for expediting the payment of the amount of Interim Relief as otherwise the proverbial delay in payments of employees' dues would have again manifested and it would have been months before we could get the arrears. The pressure brought about by the Union in the Staff Committee has borne fruit and the arrears are expected to be paid by the end of this month.

9. BUILDING UP OF A UNION FUND:

As all of you know, the activities of the Union are steadily expanding and we have already had a quite a few very useful activities like the Memorandum to the Pay Commission which has borne fruit in the form of interim relief which all of you are soon going to get. We request all members to contribute at least RUPEE ONE to the Union Fund which will be utilised for the future tasks of the Union like obtaining Recognition, formation of Federation of Esic Employee's Unions and for fighting for the removal of grievances of the members, as well as to fight out our General Secretary's case.

In this connection, we may also convey you the happy news that the Union membership has now crossed the 500 mark, thus giving us additional strength and support. We are hopeful that with the present position the Union will soon obtain the status of Recognition from the Corporation, for which we have already made an application.

Yours sincerely,

D. P. Karnik
President.

" WE WILL SUFFER, WE WILL SLOW DOWN, BUT
WE WILL WORK FOR OUR CAUSE WITH OUR
HEADS HIGH!"

- Jawaharlal Nehru.

Jay Engineering Workers' Union

(REGD. NO. 385)

(AFFILIATED TO THE A. I. T. U. C.)

392, PRINCE ANWARSHA ROAD, DHAKURIA,
CALCUTTA - 31.

Ref:

Date February 27, 1958.

The General Secretary,
A. I. T. U. C.
4, Ashok Road,
New Delhi.

Dear Sir,

Hoping that you will be interested in which way the Employees' State Insurance Scheme is working in practice, I am enclosing copies of (a) a memorandum on the working of E.S.I.C. in case of the workers of the Jay Engineering Works Ltd. (b) a letter to the Regional Director dated 20 th. Feb. '58.

We shall forward to you at a later date the charter of demands in this connection adopted at a General meeting of our Union on 21 st. Feb. 1958.

Yours sincerely,

Hari Das Malakar
(Haridas Malakar)
General Secretary.

The Regional Director,
Employees State Insurance Corporation,
64, Ganesh Avenue,
Calcutta - 13.

Dear Sir,

Ref: Your Letter No.C/EC-7/23 of 11 Feb., 1958.

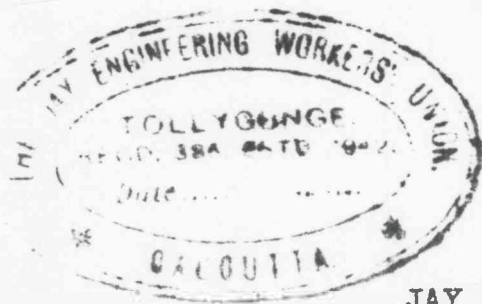
You have requested us to point out a few specific cases of harrasment of workers in getting Medical attention and aid under the E.S.I. Scheme. I am giving some instances below. In addition, I am enclosing a memorandum prepared by us to indicate an overall picture of the working of the scheme by the Corporation. The instances are -

1. Case of Smt. Uma Das, Ins.No. 34822 (mentioned in the memo). Specialist suggested X-ray examination on 18th Jan., '58. The X-ray dept. gave 19th Feb., '58 as the appointment date.
2. Case of Shri Bishnupada Naskar, Ins.No. 160231. Accident on 27th May, '57, disabled until 11 Oct., '57. Medical referee called him on 4th July, '57 but he could not appear because he was sent to hospital for Specialist Examination by the Panel Doctor. He saw medical referee at a later date and the referee advised Ballygunge Local Office to issue CRO 124. The Local Office did not do so. Because of expiry of time limit the case has now gone to HQ., New Delhi. He has not received any benefit yet.
3. Case of Shri Profulla Sarkar, Ins. No. . Accident in July, '57; relapse in Aug., '57 (sceptic case). No payment has been made upto now. Reg. Director wanted answers of 3 questions, 2 from Local Office and 1 from Panel Doctor. What has happened to the answers ?
4. Case of Bholanath Pal, Ins.No. 757206. Accident on 5th April, 1956, serious injury to hand. Applied for permanent disablement benefit but the Medical Board decided against it. He appealed to you but you have so far taken no action.
5. Case of Hiralal Nath, Ins. No. 452700 (mentioned in the memo). Accident involving compound fracture in leg. Saw specialist on 8th Sept., '56, date for taking X-ray was 12th Oct., '56. Called to Medical Referee 8 times already.
6. Case of Nikunja Dey, Ins.No. 452701. Specialist surgery exam. on 9th June, '57. Report obtained on 18 June, '57. Panel Doctor prescribed medicine on 21st June, '57. He went round the stores a number of times and eventually had to buy the medicine from the market.
7. Case of Shri Ramsagar Roy, Ins.No. 469719. Swelling and pain on palate. Referred to surgical specialist who first saw on 5th Feb., '58. Again on 8th Feb., '58 X-Ray exam. required. X-ray taking date given on 15th March, '58. Then Panel Doctor asked for a copy of the report on 15th March, '58. A.M.C.

- 7(Contd.) A.M.O. wrote to surgical specialist on 10 Feb., '58 but the latter did not take action. Medical Inspector approached on 15th Feb., '58 who requested Dr. Saha. for X-ray on 19th Feb., '58. In the meantime the patient is not having proper treatment.
8. Case of Raja Mistry, Ins.No. 491595. It is an accident in the factory. Factory Medical Officer applied First-aid and advised to attend M.R. Bangur Hospital and Police Report was also made there. In this condition he was given 'Sickness Benefit Sanction'. Is it legally done by M. R. or E.S.I. Authority ?

With reference to the second paragraph of your letter regarding disentitlement, we note that our employers were very late in submitting contribution cards. The fault is already with the employers but instead of penalising them in any way, you are penalising the workers for no fault of theirs. This is a strange administering of justice by an organ of the Government of India. We shall discuss the issue with our employer but the main pressure must come from you because you are empowered by law to do so.

We are pleased to note that certain improvements have been made, and we are grateful to see your taking more interest on the actual working of the scheme. We would suggest that you may please go through our memorandum carefully and this may be a starting point of our discussion a date for which may be fixed up later.



Yours faithfully,

(HARI DAS MALAKAR)
General Secretary,
JAY ENGINEERING WORKERS' UNION.

N.B. The Memorandum(as above mentioned) is attached herewith.

A Memorandum on the Working of the Employees
State Insurance Corporation

The Jay Engineering Workers Union.

We should examine what is happening in practice although in theory a social legislation like E.S.I. Scheme is very welcome. Prior to the introduction of this scheme, the workers of this factory were enjoying certain facilities and these should be noted. And then we may see how the present scheme is working.

Position Prior to the Scheme:

The workers of Jay Engineering Works used to get 7½ days' medical leave with full pay. In case of an accident, a worker used to get leave with full pay for the whole period of disability and if the benefit awarded to the worker because of the accident was more than the amount paid during this leave by the company, then that difference was also paid to the worker. In some deserving cases, the Company also gave medical aid. There was no deduction from workers' pay.

Working of E. S. I. Scheme:

It should be noted that the giving of medicines and medical attention to insured workers is not gratis. It is done against deductions from workers' pay which are pooled together as in any insurance scheme to make the costs lower. The employers also contribute, but their burden for workers medical welfare has grown lighter with the introductions of this scheme.

The workers are not given any cash benefit for the first two days' illness but this itself would not have caused so much dissatisfaction if other arrangements were satisfactory. Let us list the various inconveniences experienced by our workers. One should remember in this connection that a worker who is sick and should rest has to do more travelling than when he is well to get the benefits under the scheme. It should also be noted that the worker has to bear all the conveyance expenses when he is especially short in money, and that he does not have attendants or helpers.

(1) Crowding at Panel Doctors:

The maximum limit of number of patients for one Panel Doctor here is as high as 1000 insured persons. The attendance of patients per day varies from 50 to 60 to even over 100 persons on some days. As the visiting hours are spread over only a few hours and as the doctor has also to fill up a lot of forms, he cannot give adequate attention to all who come. The result is that the patients have to make repeated visits and the doctor cannot give enough attention to individual patients.

(2) Crowding at Specialists:

For out-of-ordinary cases, the Panel Doctors refer the cases to specialists for examination. In our case, the patients have to go to M. R. Bangur Hospital in Tollygunge which about $1\frac{1}{2}$ miles away but not on a bus route from the factory or to N. R. Sarkar Hospital, Sealdah, which is about 3 miles away but on a bus route. Each trip involves both time and money. The consulting hours of specialists are very limited and because of crowding a patient often has to repeat the visits. Then he has to make another trip at a later date to obtain the report of the examination.

In case of X-ray examination the waits are often long and there were cases when one got the date for X-ray exposure more than a month from the first visit to the specialist.

For instance, Shri Hiralal Nath, Ins.No.452700, saw the specialist on 8th September, 1956 (accident involving compound fracture in leg) and the date for taking X-ray given by the X-ray department was 12th October, 1956.

Or take a chest case. Sreemati Uma Das, Ins.No. 34822, was examined by a specialist on 18th January, 1958 and a chest X-ray was necessary. The X-ray department fixed the date for taking X-ray on 19th February, 1958. There are similar other cases.

(3) Supply of Medicines:

Panel doctors can give some ordinary mixtures only. For other medicines and for prescriptions from specialists, the medicines are to be obtained from listed medical stores. After visiting a store the patient may find that the prescribed medicine is not available and an alternative medicine is available. In such a case and also when a medicine is costly, the patient is asked to obtain a sanction from the Administrative Medical Officer whose office is located miles away. After AMO's note is obtained, he has to go back again to the store to get the medicine. It will be seen that a patient has to run around at his cost 2 or 3 days before he can get out-of-ordinary medicines.

(4) Examination by Medical Referee:

For getting disablement benefits a patient has to appear before a Medical Referee. The MR gives a date for the patient to appear before him. The patient has then to go to MR's office at his own cost. Sometimes, MR wants to get satisfied by repeated checks which means repeated visits by the patient. Because of this and also because of his unsympathetic attitude, there is a general dissatisfaction about this officer.

A strange illustration of repeated visits is given here. Shri Hiralal Nath, Ins. No. 452700 (mentioned earlier, accident involving compound fracture in leg) had to appear before the Medical Referee 8 times over a period of 16 months.

(5) Worker falling sick in outstations:

As provided in the scheme, a worker falling sick while he is in outstation on leave, may claim for benefit by producing a medical certificate from a Registered Doctor or an Incharge of hospital of that locality. But the final sanction comes from the Regional Director. His discretion however is so rigid that many genuine cases do not get the benefits.

(6) Local Office arrangements:

Sickness cash benefits are obtained from the Local Office which is located in Ballygunge more than 2 miles from our factory. The worker has to go to this office and deposit Panel Doctor's certificate in a letter box and has to go again to collect the money at a later date. Sometimes on a second visit, he would be told that the officials did not get his certificate and he would be required again to produce a duplicate from the Panel Doctor. Since there is no system of acknowledgement, there is no way of checking if a certificate was lost through neglect or not. The arrangements in the Local Office is so unsatisfactory that sometimes even the files are not found.

(7) Ambulance & Hospitals:

There is serious shortage of ambulance service and hospital beds, and this is particularly so for T.B. Beds. T.B. patients very often have to wait for months after applying to the Administrative Medical Officer for hospitalisation.

(8) Limited Specialist Services:

At present there are no arrangements under the scheme for specialist treatment for eye, dental, skin, ear, nose, throat and mental diseases.

(9) Removal from Scheme without Defaulting:

The factory management collects the money on behalf of ESIC. Although deductions are being made from ~~xxx~~ workers' pay rolls all the time, the Corporation authorities in the last few months have placed temporarily a large number of workers outside the scheme as defaulters. The factory management obviously has failed to pay the money. But the Corporation has struck the weaker and a few hundred workers have been penalised for none of their faults. To resume the benefits of the scheme such a worker is to obtain a form (ESIC 37) from the factory Labour Office and submit it to the Panel Doctor to indicate that he is in factory payroll. If a worker is confined to bed when a notice like this comes he cannot get the form until he is well and has to go without the benefits.

(10) Long-Period disablements:

Handling of long-drawn cases of disablements are not satisfactory at present. In some major accident cases, the patient was granted daily allowance only for a short period and the payment was then discontinued on the plea of final assessment of benefit by the Medical Board. Thus, the patient was not given money to which he was entitled when he required it most.

The protracted T.B. cases have a different problem. Although treatment may continue, their cash benefits are stopped after a limited period and often the employer also discharges them after an absence of 6 months or so. So these workers are left without income and future security when they are very helpless.

(11) Provident Fund Contribution:

Prior to the introduction of this scheme contributions to provident fund were made from the cash benefits for the sick leave period. But there is no such provision in the present scheme.

(12) Temporary (badli) workers:

Since these 'badli' workers are employed intermittently they get very little benefit out of this scheme although deductions are made from their pay. Either they should be covered continuously for defined periods or they should be excluded entirely and there should be no deductions from their pay.

Conclusion

The difficulties listed above themselves suggest in which direction the amendments should go. Operational control is now too much controlled and a considerable administrative decentralisation will be desirable. Participation of trade unions in the working of the scheme will improve the atmosphere appreciably.

The most important point however is that there should be more doctors, specialists and hospital facilities and their locations should be considerably scattered. All this means more money. Prior to the introduction of this scheme, the employers of most the larger factories including ours were spending more money on this account than now. Instead of lowering their expenses it will be more equitable to make them spend more than hithert, as the employers share of surplus has been rising at a faster rate in the last few years. Besides, better medical facilities are conducive to better productivity.

THE INSURANCE CORPORATION EMPLOYEES' UNION

(MADRAS DIVISION) MADRAS.

(AFFILIATED TO THE S. Z. I. E. F.)

Office, 107, Arminian St., G. T., Madras.

Ref:-

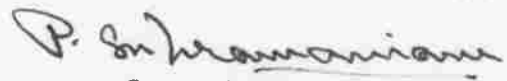
Date 14th April, 1958

Shri S. A. Dange,
General Secretary,
All India Trade Union Congress,
NEW DELHI.

Sir,

Our "SECOND ANNUAL CONFERENCE" will take place on May 19th, 1958 and we deem it a privilege to have your message of greetings and advice on the occasion.

Yours faithfully,


Secretary.

EMPLOYEES' STATE INSURANCE CORPORATION
EMPLOYEES' UNION.

(Bombay Region)
Regd No. 2920

C/o B. P. N. T. U. C.
Sasson J. David Building,
27, Military Square Lane,
BOMBAY 1.
Dt. 23rd April, 1958.

Respected Sir,

We are enclosing herewith some literature which will give you an idea of the problems and grievances of the employees of the E.S.I. Corporation.

Against heavy odds, the employees of the E.S.I. Corporation joined together and formed a Union about a year back. The Union, though declared its intention to work for the success of the Employees' State Insurance Scheme and the welfare of the employees, had to face active hostility from the authorities which ultimately lead to the termination of services of Shri. B.G. Shetty, our General Secretary. In fact, the adverse service conditions and insecurity of employment has been one of the main reasons for the large number of complaints about the working of the Scheme.

The administrative authorities have given the least attention to the lot of the employees and not even any staff Regulations have been formed so far.

Every year a large number of experienced and qualified persons are leaving the Corporation due to adverse service conditions, bad treatment, lack of incentive and gross nepotism in the matter of promotions etc.

The local offices which deal with the diseased persons, are most congested and unhealthy spots and many employees have contracted serious diseases like Tuberculosis.

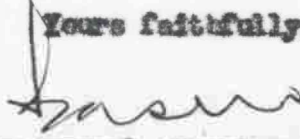
As our problems need urgent attention, we are addressing you this letter as one of the prominent members of Parliament, to take up our case and reposit the cause of the employees, who are in a most unhappy position.

P.T.O.

.. 2 ..

We are sure, Sir, that we will find in you a champion of our cause. Thanking you,

Yours faithfully,



for General Secretary.

Encls: 2.

EMPLOYEES' STATE INSURANCE CORPORATION
EMPLOYEES' UNION.

(Bombay Region)

Regd No.2920

C/o B. P. N. T. U. C.
Sasson J. David Building,
27, Military Square Lane,
BOMBAY 1.

Dated 11th Feb., 1958.

Dear Sir,

It is with a sence of deep regret that we have to bring to your mind notice that our General Secretary, Shri. B. G. Shetty's services have been terminated by the Regional Director, E. S. I. Corporation, Bombay, with effect from 23.1.1958. Shri. Shetty's services have been terminated apparently according to the existing Rules & Regulations, the charges being unsatisfactory conduct and work during the probationary period of over two years and for not passing typing test.

As Shri. Shetty has been the first employee in the Corporation against whom such action has been taken and as no action has been taken against all the other employees who have not completed the probationary period satisfactorily and not passed typing test, we feel that it is a clear case of victimisation for Trade Union activities.

As one of the responsible persons who has been working for the success of the E. S. I. Scheme and for the welfare of the working class of our country, we are sure, Sir, that you will intervene actively to safeguard the fair name of the E. S. I. Corporation and see that the injustice done to our General Secretary Shri. B. G. Shetty is undone and he is re-instated.

We earnestly appeal to you to immediately intervene as the termination of service of Shri. Shetty has created great discontent among the employees, which may lead to serious repercussions.

Thanking you in anticipation,

Yours faithfully,

(B. G. Kini)
Secretary.

Feb 24, 1958

Secretary,
Employees' State Insurance Corp. Employees Union,
C/o B.P.N.T.U.C.,
Sasson J. David Building,
27 Military Square Lane,
BOMBAY 1

Dear Friend,

This is to acknowledge receipt of your letter of the 11th February to Com.S.A.Dange, M.P., our General Secretary, in connection with the termination of service of Shri B.G.Shetty.

Com.Dange would like to have more details of the case so that he may be in a better position to take it up with the ESI Corporation.

Awaiting to hear from you,

Yours sincerely,

(K.G.Sriwastava)
Secretary

1982-15
National Federation of the Insurance Field Workers of India.

ji Sen,
Secretary-General.

10, MEHERALI ROAD,
CALCUTTA-17.

Katihar, the 26th May/58

Sri S.A.Dange, M.P.,
Leader of the Opposition, Lok Sabha,
Camp. Communist Party of India, West Bengal State Committee,
C a l c u t t a.

Dear Comrade,

It is learnt you will give a visit to this place at Katihar on your way back from Darjeeling after attending the A.I.T.U. C. Working Committee Meeting. In view of this programme of yours the Muzaffarpur Division Life Insurance Field Workers' Association desires to get you amongst them for a few time in a Meeting of reception in your honour where they want to represent their problems before you, the esteemed leader of the working class ~~and~~ of India and a constant fighter for the cause of workers and employees of India in the floor of Parliament.

Will you please let us know your opinion about our above desire by return of Mail in the following address for which we shall feel much obliged. Please note that we have already addressed you in this connection in your Delhi address a few days back.

If you like you can know about our organisation and movement from Sri Sadhan Gupta, M.P. and Sri Ajoy Das Gupta at Calcutta.

With greetings.

Fraternally yours'

Address:-

D. N. Ray,
Ex: Supervisor, H.C.I.S.,
L.I.C. of India, Sub-Office,
Katihar.

Member, Federal Council,
National Federation of Insure
Field workers of India.

National Federation of the Insurance Field Workers of India.

abi Sen,
Secretary-General.

10, MEHERALI ROAD,
CALCUTTA-12
Katihar, the 23rd May/58.

Sri S. A. Dange, M.P.,
Leader of the Opposition,
Lok Sabha, 4, Ashoke Road, New Delhi.

Dear Comrade,

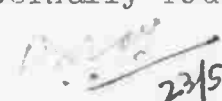
We have come to know that you are coming to Katihar on the 2nd June '58 after attending Working Committee Meeting of A.I.T.U.C. at Darjeeling. In view of your aforesaid programme the members of Muzaffarpur Division, Life Insurance Field Workers' Association, Purnea Branch Committee, the base unit of ~~the~~ our Federation desire to have you the esteemed Leader of the working class of India for sometime to hear the problems of the local Life Insurance Field Workers in a specially arranged Meeting where they want to give you a hearty and comradely reception.

You may know about us from Sri Sadhan Gupta, M.P., who is well-acquainted about our movement and organisation.

Expecting an early communication in regard to above to the address mentioned below.

With fraternal greetings,

Fraternally Yours,


23/5
Member, Federal Council
of the National Federation.

Address:-
D. N. Ray, Ex: Supervisor, N.B.I.S.,
I.I.C. of India, Katihar (Purnea)

The General Insurance Employees' Union, Bombay

Shri. K. A. CHITNIS
President.
Shri. K. S. B. PILLAI
General Secretary.

(Estd. 1954)
Regd. No. 1726.

150, VIJAY NAGAR,
DADAR, BOMBAY 28.

Ref. No. _____

Date May 16, 1958.

The General Secretary,
All India Trade Union Congress,
4 Ashoka Road,
NEW DELHI.

Dear Sir,

Re: Nainital Conference on
19th & 20th May, 1958.

The General Insurance employees of Bombay welcome your decision to defer the "General Strike" sponsored in Bombay on the 19th instant in view of the invitation received by the sponsors of the General Strike from the Labour Minister Shri Gulzarilal Nanda to participate in the forthcoming Nainital Conference.

Among the various Labour problems that are to be tabled at the Conference for discussion, we feel that the problems confronting the General Insurance Employees in India are none the less important. After the nationalisation of the Life Insurance Industry in 1956, various General Insurance Companies have ~~ex~~ been closed and thrown out of employment a good number of workers. This has added to the unemployment in the Country. The Government of India was not helpful in stopping these closures and retrenchment. On the other hand, closures of General Insurance Companies and consequent retrenchment are continued unabated.

The General Insurance employees of Bombay are organised under this Union, which is an unitary union of the General Insurance employees. We have raised various disputes with different Companies on behalf of their respective employees. Our Union could collectively settle various disputes with employers directly and have made, in some cases, remarkable success. We have also placed various disputes before the Central Government Labour Conciliation Machinery. Unfortunately, this Machinery has been most unhelpful to solve the disputes placed in its hands and have been only a hindrance to the labour. This has resulted in failure of almost all conciliations. There has been not a single case referred by the Central Government for Adjudication so far. Thus we have lost confidence in the Labour Machinery of the Government of India. There are at present as many as five collective disputes of "Charter of Demands" pending with the Government of India for reference to adjudication varying from one month to one year. ^{including} Even an Industrial dispute jointly applied by the parties to the Central Government under Sec.10(2) of the Industrial Disputes Act, 1947 is pending with the Ministry undecided.

Yours,

150, Vijay Nagar,
Dadar, BOMBAY 28.

The Insurance employees have been demanding the Nationalisation of the Industry. The Life Insurance has been nationalised and this partial nationalisation has created more problems for the General Insurance employees. We have demanded nationalisation of the General Insurance Industry, pending nationalisation, the Insurance employees have ^{also} demanded from the Government of India, the immediate constitution of a "Wage Board" for the General Insurance Industry.

Our Union held its Executive Committee Meeting on 14th instant to consider the decision of the proposed General Strike. Since it has been now deferred, and the leaders of the participant bodies are invited to attend the Nainital Conference, we thought it fit to request you to place these issues confronting the General Insurance employees before the forthcoming Conference and raise discussions on it so that the Insurance employees will also receive justice.

The main issues are :

- 1) Ban of closure and retrenchment in General Insurance Industry, and employment to those retrenched employees in the Life Insurance Corporation of India or its subsidiaries.
- 2) Immediate reference of all pending disputes in the General Insurance Industry to a tribunal and to reform the Conciliation Machinery.
- 3) Early constitution of a Wage Board for the General Insurance Industry, pending nationalisation.

We trust that representatives of your Organisation attending the Nainital Conference will be instructed to raise our issues for discussion.

Awaiting to receive your reply.

Thanking you,

Yours faithfully,



GENERAL SECRETARY.

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May 16,

8.

Shri Gulzarilal Nanda,
Hon'ble Labour Minister,
Government of India,
NEW DELHI.

Dear Sir,

Re:Deliberations before the
Nainital Conference.

We have requested all the Central Trade Union Organisations participating in the forthcoming Nainital Conference from the 19th inst. to discuss the problems confronting the General Insurance Employees in this Country.

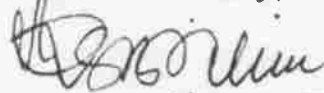
We are agrieved that the General Insurance employees are neglected by the Government in as much as that their disputes are pending for more than one year before your Ministry and yet no adjudication is granted to them; that the Government of India has not taken steps to ban retrenchment and closure of General Insurance Companies and that they have not so far nationalised the General Insurance Industry or pending nationalisation, constituted a "Wage Board" for the General Insurance Industry.

We would request you to kindly allow the above issues to be discussed at the Conference so that the grievances of this section of the labour of the Country will long for justice.

Awaiting to hear from you.

Thanking you,

Yours faithfully,


GENERAL SECRETARY.

✓ Copy to:

General Secretary,

A.I.T.U.C.,

Nainital Club,

Nainital.

296

Insurance Employees' Association

ASANSOL.

(Regd. No 4232)

President : Sri P.K.Mukherjee

C/o. SRI B. MALLICK
PATEL BUILDING

Secretary : Sri I.P. Sinha

15, Raha Lane,
ASANSOL.

Ref. No.

Dated 9th June, 19 58.

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

Dear Comrade,

We have the pleasure to inform you that our 2nd Annual General Conference is going to be held on and from 14th to 16th June, 1958. On the occasion of the Conference we invite your presence as also your valuable Message of Greetings which will help and inspire us in order to achieve our mission to perfect and powerful Trade Unionism.

With best wishes,

Comradely yours,

P. Chrenlal mini
P. Gnl. Secretary.

merge.

ALL INDIA INSURANCE EMPLOYEES ASSOCIATION.

President's Office,
"Sahakar"
"B" Road,
Behind Law College,
Bombay, I.
4th June 1958.

The Editor,

B o m b a y.

Dear Sir,

Re:- All India Bonus Day - 7th June 1958.

In response to the decision of the Working Committee of the All India Insurance Employees' Association, nearly 21,000 employees of the Life Insurance Corporation of India are observing Saturday, the 7th June 1958 as "All India Bonus Day". In Bombay, the Insurance Corporation Employees' Union representing more than 90% the Life Insurance Corporation Staff has chalked out various forms of Mass action such as (I) sending post cards by all the employees to the Chairman of the Life Insurance Corporation of India (II) wearing Bonus Badges on the 5th, 6th and 7th of June 1958 by all the Staff Members (III) Demonstration before all the Offices of the Corporation and the Zonal Office at New India Building (IV) Mass procession on the 7th June 1958 going to the Central Office of the Life Insurance Corporation and culminating in a rally at Sundrabai Hall. Employees of General Insurance Business will also participate in these demonstrations.

Insurance Employees have always been fortunate in having the whole-hearted support of the Press in all their struggles. We have no doubt that you will lend your full support to the just and legitimate cause of bonus to the Staff of the Life Insurance Corporation by writing editorially on the issue. For your information, we give below a few facts of this outstanding dispute to enable you to assess its merits.

Yours faithfully,

PRESIDENT.

Facts Re: Bonus to the Staff of the Life Insurance Corporation of India

(1) The present pay scales and service conditions in the Industry came as a result of countrywide agitation carried on by the employees of the Corporation. The employees went on a day's token strike on 5th December 1956 - in protest against the very miserable pay scales then announced by the Government. This strike received wide public support. In the Lok Sabha, members of all Political Parties, supported the just case of the Corporation Staff for a revised and progressive wage structure.

(2) Under pressure of Public Support and organised movement of the employees, the Corporation opened negotiations with the representatives of the All India Insurance Employees' Association in May 1957 and through these Bi-partite talks, emerged a settlement covering pay scales, D.A., allowances, leave, retirement benefits etc. The then Finance Minister himself described the settlement as interim one.

(3) This interim settlement was welcomed by the employees for two reasons viz. (i) The Corporation abandoned their original idea for formulating pay scales on a Governmental Pattern. They decided to take the prevailing pay scales, service conditions and other benefits in the Units as the basis and evolve one integrated and standardised pay structure for the entire staff (2) It was the outcome of mutual negotiations between the representatives of the Organised

Employees and those of the Corporation.

(4) Even though the Corporation took existing pay scales and service conditions as the basis for evoking a new wage structure, they left out of consideration the very vital benefit of bonus enjoyed by an overwhelming section of employees prior to nationalisation. The All India Insurance Employees' Association stubbornly opposed this course and insisted that the payment of bonus to the Staff must be continued. But the Corporation did not agree and the dispute has continued up-to this day.

(5) Through long continued practice and through awards and agreements, bonus had become a part and parcel of the employees' wage structure. It was in fact a deferred payment to meet the yawning gap between the actual wage and what was required to live as a decent human being. Denial of bonus, therefore, is tantamount to a cut in wages and an attack on the living standard of the employees.

(6) The Corporation has given an indirect recognition to the justice behind the employees' claim for bonus. They have agreed to set apart a sum to be spent on Medical Scheme and amenities to the Staff. Employees who are faced with the question of deficit in their family budgets, are in no mood to accept any amenities. They insist on cash payment of bonus.

(7) The demand for bonus is not a new claim. It is only a demand for maintenance of the status quo. During the Lok Sabha, the then Finance Minister Shri. C.D. Deshmukh had assured the Staff that they would not lose anything as a result of nationalisation. Demand of bonus is a violation of this solemn assurance given to the staff on behalf of the Government.

(8) It is often argued on behalf of the Corporation that bonus which usually connotes profit sharing is foreign to the concept public undertaking. Firstly the demand for bonus is not made in the shape of any profit sharing. It is demanded only because it formed a part of a wage structure. The Planning Commission's Report on the 2nd Five Year Plan clearly says that such benefits in Private sector should not be withdrawn on the plea that the Industry has passed under the control of the State. Other concerns in the Public Sector such as the State Bank of India, Sindhi Fertilisers, Hindustan Tools pay bonus to their workers.

(9) Unlike other newly stated Industries in the Public Sector, the State took over Life Insurance as a fully developed and prosperous Industry. It is to be run on commercial lines. With the monopoly of the State, it has almost unlimited possibilities of expansion. It is, therefore, placed in more favourable position to grant a far more progressive wage structure to the employees. But in actual practice, the employees are face to face with the withdrawal of a very vital benefit earned by them through decades of trade union struggles.

(10) The Life Insurance Corporation's new business for the year 1957 is Rs. 276 Crores exceeding its target of Rs. 250 Crores. In 1956 under private management, the new business was Rs. 238 Crores. It is evident, therefore, that Life Insurance is gaining popularity under nationalisation.

(11) There is a favourable climate for a general wage rise in the country. The 15th Indian Labour Conference has unanimously adopted the principle of evolving a needs-based wage structure for the workers and also accepted certain norms for fixation of minimum wage. The Government have appointed wage board for textile, Cement and Sugar Industries. In this prevailing climate a general wage rise, employee of the Corporation are being asked to forgo their old benefit of bonus which enabled them to reach a certain level of living.

(3)

The merits of the employees' case for bonus have been placed before the Corporation Authorities by the All India Insurance Employees' Association, through its various memoranda. This agitation for bonus has continued for more than a year now. On 18th January 1958, the employees throughout India observed "All India Demand Day". All this agitation has so far failed to persuade the authorities to recognise the justness of the employees' claim and hence this observance of "All India Bonus Day."

Sd/- Rajani Patel.

PRESIDENT.

The Western Zone Insurance Employees' Federation

ESTD. 1956.

AJIN PATEL,
M.A., (CANTAB) BAR-AT-LAW
President

J. GHURYE,
General Secretary

150, VIJAY NAGAR,
DADAR, BOMBAY 28.

Date, 5th June, 1958

Com. S. A. Dange
Member of Lok-Sabha
Bombay

Dear Sir,

Re: Observance of "All India Bonus Day" - 7th June 1958.

We are observing Saturday, the 7th June 1958 as "All India Bonus Day". One of the programmes fixed for the day is the Mass Rally at Sunderabai Hall at 4-30 p.m., Indeed, we shall be grateful to you if you will find some time to address this gathering on 7th June 1958.

Many important developments have taken place on the Labour front in this country and these vitally affect the course of all future Trade Union struggles. The recent Naini Tal Labour Conference, the struggle of the Tisco Workers and the crisis in the Textile Industry may be cited as some of these developments. Insurance Employees in the City would like to hear your views on these matters, so that their Trade Union Movement may be able to obtain a clear perspective of the present situation.

We enclose herewith copies of our printed leaflet as well as our letter addressed to the Press which clearly set out our entire case for bonus.

We trust that you will go through all these facts and give us the benefit of your advice at the Rally by accepting this invitation to address our members.

Thanking you,

Yours faithfully,



General Secretary

Encls.

The Western Zone Insurance Employees' Federation.

150, Vijay Nagar,
DADAR-BOMBAY 28.

ALL INDIA BONUS DAY - 7TH JUNE 1958.

The call of the Working Committee of the A. I. I. E. A.

In implementation of the decision taken by the Working Committee of the All India Insurance Employees' Association at its meeting held in Bombay in April 1958, employees of the Life Insurance Corporation of India at all centers in the country are observing Saturday the 7th June 1958 as "ALL INDIA BONUS DAY". The one aim behind the varied programmes in which the employees will participate en-mass, is to focuss the attention of the Public, the Corporation authorities and the Government of India, on this burning dispute of bonus which calls for immediate settlement in the interests of good and harmonious Labour-management relations in the nationalised sector.

A wage structure with rising real income—the basis of workers' co-operation.

The All India Insurance Employees' Association representing as it does, the urges and aspirations of Insurance Employees in the country, has stood out as one of the staunchest supporters of nationalisation and expansion of public sector as envisaged under the Second Five Year Plan. It has, therefore, extended its co-operation in full measure to the Government and the Corporation authorities in all their efforts to make this national venture a success. But this co-operation to be real and effective, has to be based on the maximum satisfaction of the employees' urges for better living and working conditions. This urge for improved living standards felt by the entire working masses in this country is reflected in the social objectives of the Second Five Year Plan which aims at evolving a wage structure with rising real income to the workers. The employees working for nationalised life insurance, naturally demand that this objective of evolving a wage structure with rising real income, accepted under the Second Five Year plan be implemented with reference to their working and living conditions without delay.

Background of May 1957 negotiations and interim settlement.

In september 1956, the Government announced their first scheme of payscales and service conditions for the employees of the corporation. A spontaneous mass movement against the retrograde payscales grew among the masses of Insurance Employees throughout the country. All attempts to settle the issue through peaceful negotiations failed. The countrywide agitation among the employees culminated in the **Token Strike on 5th December 1956** in the Industry. The manner in which the A. I. I. E. A. conducted the struggle won wide public support and sympathy to the cause of the L. I. C. Staff. During the Lok Sabha debate on the question of pay scales for the staff, members belonging to all Political Parties advised the Government to open negotiations with the employees' representatives and settle the question of pay scales and service condions amicably. Thus, the token strike of 5th December 1956, the support of the Lok Sabha in particular and the Public and the Press in general paved the way for direct negotiations between the representatives of the A. I. I. E. A. and those of the Corporation. In May 1957, negotiations started and interim settlement covering pay scales, allowances, leave, retirement benefits etc. was reached.

The interim settlement – a beginning of a new wage

The interim settlement of May 1957 emphasises two notable features which have a direct bearing on the wage policy for the public sector. Firstly, it took a complete break with the idea of having a wage structure on a Governmental pattern and decided to evolve an integrated pattern out of the existing pay scales and allowances in the industry. Secondly, it is the outcome of a negotiated agreement between the Corporation authorities and the A. I. E. A. Thus, both in its content and the manner in which it is brought about, the interim settlement represented a beginning of a new wage policy for the staff of nationalised Life Insurance in particular and Public Sector in general. Employees, therefore, welcomed the settlement with enthusiasm and hoped that the wage policy underlying it should be brought to bear on the settlement of other outstanding disputes.

Genesis of Bonus dispute.

The approach of the Corporation authorities to the question of wage structure for their staff during May 1957 negotiations was to evolve one standardised and integrated pay structure out of the pay scales, allowances and other monetary benefits existing in different units in the industry prior to nationalisation. It cannot be denied that either through long and continued practice or through awards and agreements, overwhelming majority of employees received bonus varying from one month's salary to 3 months' salary and in some cases with Dearness Allowance also, from the private insurers. In fact, the pay scales in different units were fixed having due regard to the fact that employees would receive a fixed quantum of bonus every year. An integrated pay structure which takes as its basis, the pay scales, allowances and other benefits obtaining in the units, cannot fail to take into account the most vital benefit of bonus which was but a part and parcel of the wages earned by the employees under the private insurers. The consideration of bonus, therefore, flows as a natural corollary from the approach governing the fixation of new pay scales, allowances and other conditions of service now incorporated in the Standardisation Order dated 1st June 1957. But the representatives of the Corporation, despite opposition from the A. I. E. A. persisted in keeping the issue of bonus beyond the purview of negotiations and herein lies the genesis of this dispute.

The Corporation recognises its obligation with regard to the payment of Bonus.

The entire background of the demand for bonus and the strong justification with which the Association has continued to press it, have not altogether lost on the authorities. They are unable to wash off their hands by saying that they do not recognise it at all. In fact, an implied recognition of the justice and legitimacy of the employees' claim for bonus is contained in the Governments Order detailing the new pay scales and service conditions. Instead of bonus in cash, the new order declares "The Corporation will set aside an amount every year for (a) Expenditure on schemes of general benefit to the employees such as free insurance, medical benefit and the like and also (b) for being spent in consultation with the employees of the respective offices on other measures of welfare and amenities to the staff". Thus, with the Corporation, it is not at all a case of incapacity to pay bonus. The Corporation desires to set apart money to be spent on welfare schemes and amenities to the staff. The only point of dispute is with regard to the mode of payment i. e. whether in cash or

In a matter like this, the recipient of the benefits viz. the employees of the Corporation represented by the A. I. I. E. A. should have a decisive voice. So far as the policyholders are concerned, it makes little difference to them whether the benefit to the staff is given in monetary lump sum or in kind.

Bonus in cash—the real need of the employees.

If a referendum on the question of the mode of payment is taken, the employees will overwhelmingly vote in favour of cash payment instead of amenities. It must be remembered that employees spend their annual bonus on their most essential needs such as clothes for their children, school and college books or repayment of debt incurred. They have no love for any amenity at a time when they are faced with growing deficit in their monthly family budgets. To most employees, today it is the question of maintaining their existing standard, rather than going in for some unwanted amenities. Denial of bonus, therefore, is rightly looked upon by the employees as an attack on their living standard attained through a series of Trade Union struggles.

Plea regarding "No Bonus" to public sector unsustainable.

It is often argued on behalf of the Corporation and the Government that the idea of giving any payment in the shape of bonus which usually cannotes profit sharing, is foreign to the concept of Public undertaking. In the first place, it is not at all correct to say that employees of the Corporation look upon bonus as profit sharing.

The payment of bonus was essentially in the nature of a deferred payment which helped the employee to meet the yawning gap between his actual wage and what is required to live as a decent and civilised human being in the socio-economic conditions in the country. This payment through long practice, awards & agreements, assumed the character of a regular part of wages which enabled the employees to reach a certain level of living. Merely because the control of the industry has now passed on from Private hands to the State, can this payment be stopped? On the authority of the Planning Commission, the answer is "NO". The wage policy enunciated by the Planning Commission in its report on the Second Five Year Plan clearly forbids the employers of Public undertakings from withdrawing benefits and concessions enjoyed by the staff under the Private Sector on the plea of Nationalisation. Besides, other concerns in the Public Sector such as the State Bank of India, Sindhri Fertilisers and Hindustan Tools, pay bonus to their workers.

Denial of Bonus most unjustified in the prevailing climate of a general wage rise.

It is observed that in our country today there is a climate for a general wage rise in most of the sectors of our economy. Already, the 15th Indian Labour Conference has unanimously adopted certain definite norms based on the minimum needs of individuals for fixation of new wage structures. The Government of India have appointed Wage Boards for three major Industries such as Textiles, Cement and Sugar and these Boards are required to fix a new wage structure in accordance to the norms accepted by the 15th Indian Labour Conference. It is interesting to note, that before the Textile Wage Board, the INTUC has demanded Rs. 179/- p.m. to a textile worker in Bombay basing its calculations on the minimum requirements accepted by the tripartite Labour Conference. Other National Trade Union Centers have also made similar

claims on behalf of the textile workers. The extent of wage rise which the workers in the textile industry will ultimately succeed in winning will depend upon their organisational strength and the determination of the Government to implement the decisions of the Tripartite Labour Conference in face of stubborn and determined opposition from the textile magnates who are out to grab all concessions in taxes but concede nothing to the workers. And yet, the wage policy of the Government and the decisions of the 15th Indian Labour Conference create a favourable climate for the organised workers in the country to carry on their struggles for a wage rise with confidence and determination.

Trends at Naini Tal Labour Conference.

Shri. Gulzarilal Nanda, Union Minister for Labour and Employment, addressing the 16th Indian Labour Conference at Naini Tal is reported to have given an assurance of fair deal to workers and redressal of their grievances. He however, wanted the Labour Representatives to realise that demands on behalf of the workers could be realised only in parts. Thus, this is again a confirmation and continuation of the wage policy laid down at the 15th Indian Labour Conference.

Fair deal to the Life Insurance Corporation Staff in the matter of Bonus—our main demand.

The dispute for the payment of bonus to the staff of the Corporation is not a new claim. It is, in fact, a demand for maintaining the status quo. At a time when at the initiation of the Government and the National Trade Union Centres, favourable prospects are opened before the workers in all industries for fulfilment of their demand for a general wage rise, it is difficult to understand why the employees of the Corporation are made to suffer a cut in their wages which they earned prior to Nationalisation. For more than two full years now, the issue has been hanging fire. On 18th January 1958, employees throughout India demonstrated, held Mass Rallies and took out huge processions in observance of "All India Demands Day". Bonus was one of the rallying demands on that day. On 7th June 1958, the employees once again will show their solidarity and determination to continue the just struggle for bonus until success is achieved.

Appeal for support.

We appeal to all members of Parliament, State Assemblies, and Local Bodies, the National Trade Union Centre and all the Political parties to support our struggle for bonus by writing to the Government and the Corporation authorities. We also look to the Press to lend its support to the cause of the Staff of Life Insurance Corporation of India by writing editorially on the issue of bonus.

R. J. GHURYE.

General Secretary.

INSURANCE CORPORATION EMPLOYEES' UNION, BOMBAY.

Shri M. R. Paramje, B. A. (Hons.)
President
Shri P. P. Patil,
General Secretary

20 INDIRA NIWAS,
BHAWANI SHANKAR ROAD,
DADAR, BOMBAY 28.

Date _____ 195

LIFE INSURANCE CORPORATION OF INDIA

CENTRAL OFFICE, BOMBAY 1.

Ref: Personnel/A/

6th June 1958.

Shri. Rajni Patel,
President,
All India Insurance Employees' Association,
Bombay.

Dear Sir,

In your letter dated 3rd April addressed to the Directors of the Corporation you had referred to the question of bonus to the employees. I had subsequently met the representatives of your Association on 28th April and had discussed with them in detail the several considerations that had to be taken into account by the Corporation before coming to a decision on this issue.

2. You will remember that it was only in May 1957 that detailed discussions took place between yourself and other representatives of the Association and the authorities of the Corporation and an interim settlement with regard to the salary scales and other major terms and conditions of service was arrived at. The question of bonus was discussed at that time and it was an agreed part of the settlement that bonus would be replaced by a scheme of amenities to staff. The considerations which influenced the Corporation and the Central Government in coming to this decision were explained to you in detail at that time.

3. Although this settlement was termed an interim settlement it was mentioned at that time that after the financial results of the Corporation's working for one or two years become available, the issues could be re-considered. It is now too early to re-open the settlement. Notwithstanding this, I had told the representatives of your Association that I am re-examining the matter with an open mind and that the "interim settlement" of the Standardisation Order will not stand in the way of a fresh decision.

4. I had also explained to the representatives of your Association who met me on the 28th April that the principal governing bonus in private enterprise cannot be applied as such to undertakings in the public sector, particularly to undertakings of the nature of the Life Insurance Corporation which provide a service to the public and have to be run in the interests of the public as a whole and not in the interests of the private profits. Even in private undertakings the question of bonus could arise only in the event

INSURANCE CORPORATION EMPLOYEES' UNION, BOMBAY.

M. R. Paranjpe, B. A. (Hons.)
President
P. P. Patil,
General Secretary.

20 INDIRA NIWAS,
BHAWANI SHANKAR ROAD,
DADAR, BOMBAY 28.

Date _____ 195

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employees' efforts after taking into account the need for providing a steady and progressive return for the capital to the investing public. In the circumstances, a demand for bonus unrelated to the financial position of the Corporation or the nature and extent of the employees' efforts is not sustainable.

5. It is only when the detailed financial results of the Corporation's working for the period ending 31st December 1957 are available that it would be possible to ascertain the extent to which the Corporation would be able to maintain the level of benefits to policyholders which was reached by the best-managed private insurers. As far as one can judge at the moment, the tremendous increase in the remuneration paid to supervisory, clerical and sub-staff (amounting to more than 80 lacs a year) is bound to result in an expense ratio much higher than what was current in the past. There has also been a certain amount of slackness in work immediately following the 'appointed Day' and it has become necessary for the Corporation to increase the clerical strength by about 25% in order to maintain service to policyholders at a level which even now is not very satisfactory. Further, the Corporation has also introduced a scheme of free insurance for the staff which is estimated to cost about one month's wages. In addition, there is the undertaking to allot moneys for local amenities. I believe that taking all these into account the Corporation would be spending on the staff a substantially higher percentage of the premium than what was spent by the insurers previously including bonus and other payments. It is, however, necessary to have definite figures before the Corporation can think of any further commitments of this nature to the staff.

6. I had also explained to the representatives that the Central Government after a great deal of consideration, had come to the decision that it would not be in the public interest to provide bonus to employees in Government undertakings not run in competition with similar undertakings in the private sector, and that the principles on which bonus is justified in the private sector are not applicable in the public sector. A reference was made during the course of the talks to the payments made in Sindhri Fertiliser Factory. This payment was, however, not in the nature of "bonus" as commonly understood but was linked up with the increased production resulting from the employees' efforts.

7. I mentioned that I would sympathetically consider a similar scheme. I had asked the representatives of the Association to discuss the matter further amongst themselves and make concrete proposals for

COPY

INSURANCE CORPORATION EMPLOYEES' UNION, BOMBAY.

M. R. Paranjape, B. A. (Hons.)
President

P. P. Patti,
General Secretary.

20 INDIRA NIWAS,
BHAWANI SHANKAR ROAD,
DADAR, BOMBAY 28.

Date _____ 195

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a scheme of incentive bonus which would be directly linked with the administrative efficiency of the office or offices concerned.

8. While I had explained the arguments that occurred to me on this matter I told the representatives of the Association that I still kept an open mind on this subject and I was prepared to re-consider the issue in the light of any fresh points which the Association might like to submit for my consideration. I had asked them to give me a detailed note dealing with all these matters so that, if I was convinced I could take up the matter further with the Board, and, if necessary, with the Central Government.

9. I am surprised that instead of discussing the matter further and trying to proceed on constructive lines, the Association has launched a campaign by sending numerous printed post cards and holding meetings, demonstrations, etc. This is quite contrary to the assurances contained in your letter dated 2nd May 1958 that your Association will endeavour to settle all matters through negotiation round the table. The Association's present approach, i.e. agitation, demonstration, meeting etc. can hardly help the negotiations; it can only prejudice a calm and fair consideration of the issue.

Yours faithfully,

Sd/- P.A.GOPALKRISHNAN.)
CHAIRMAN

CALCUTTA DIVISION
Life Insurance Employees' Association

REGD. NO. 3888

HINDUSTHAN BUILDINGS,
4, CHITTARANJAN AVENUE,
CALCUTTA-13.

Ref. No. _____

Dated _____ 195 .

*Sri S. A. Dange, M.P.,
4, Asoke Road,
New Delhi.*

Dt. 15.7.58.

Dear Friend,

We have the pleasure to inform you that the Second Annual General Conference of the Association will be held on the 26th & 27th July, 1958 at Calcutta. (Metropolitan Insurance Base-Committee Office, 7, Chowringhee Road, Calcutta-13, entrance - S.N. Banerjee Rd.) We cordially invite you to attend the Conference and guide us for better organisation and stronger unity.

However, for some reasons, if it is not possible for you to grace our Conference by your presence, please let us have your message, which will surely inspire us.

With greetings,

Yours fraternally,

Parekh Ch. Ray

GENERAL SECRETARY.

July 25, 1958

General Secretary,
Life Insurance Employees' Association,
Calcutta Division,
Hindusthan Buildings,
4 Chittaranjan Avenue,
Calcutta 13.

Dear Comrade,

We thank you for your letters of invitation to us and to Comrade S.A.Dange, M.P., our General Secretary, on the Second Annual General Conference of your Association.

On behalf of the AITUC, we wish you great successes in this Conference.

We note that the insurance employees are being compelled to launch direct action, in view of the stubborn attitude of the LIC and Government but we are sure that your struggle would win in the end.

With warm greetings,

Yours fraternally,

hmo
2/1/58
(K.G.Sriwastava)
Secretary

15 Aug 1950

All India Insurance Salaried Field Workers' Association.

Regd. (Under T. U. Act) No. 631

President :
S. L. Roy, M. A.,
D. N. Das Lane,
PATNA—4

General Secretary :
Lala N. Prasad, B.A.,
Motijheel,
MUZAFFARPUR

An Explanation.

A confusion has been created that the Hunger Strike of L. I. C. Field workers that was initiated by me at Calcutta is a fight against Government. I desire to remove this misunderstanding. A fast is a Gandhian weapon and it brings suffering on those who undertake it. It causes no suffering to others. True Congressmen, therefore, should not use the British argument of a fast being coercive measure. By voluntary suffering we are only trying to rivet the attention of the ruling party on our problems. The ruling party, being Gandhi's followers, are expected to have Gandhi's patience and tolerance towards non-violent struggle. I make this statement because of some alleged remarks of Union Dy. Finance Minister Mrs. Tarkeshwari Sinha in her speech before Patna Field Officers on July 20th last.

S. L. Roy,
President.

21. 7 '58

All India Insurance Salaried Field Workers' Association

Regd. (Under T. U. Act) No. 631

MUZAFFARPUR,

President :

S. L. Roy, M. A.
D. N. Das Lane,
Patna—4

Regional Secretary :

I. B. Sengupta,
10E Seven Tanks Lane,
Calcutta—30

General Secretary :

Lala N. Prasad B.A.,
Motijhil,
Muzaffarpur.

TO ALL FIELD OFFICERS

The 16th July, 1958

Dear Brothers,

The well tried maxim that "TRUTH REVEALS ITSELF" has come to a reality. The leadership of the ALL INDIA INSURANCE SALARIED FIELD WORKERS' ASSOCIATION is again called for by the workers all over India so as to give a correct lead to the problems confronting them. The problems would have been solved long ago had there been no confusion created by a rival organisation formed with some objects which better be termed as PAROCHIAL tending more towards party-line as also on the lines of conflicting heterogeneous interest than on the lines of the genuine interest of the Field workers. The ALL INDIA INSURANCE SALARIED FIELD WORKERS' ASSOCIATION was the first of its kind which could dream of security of services to the Inspectors long before the Nationalisation came into being and also to demand Nationalisation of the Industry when disclosures from Empire of India, Jupiter, Bharat and others had shaken the public confidence threatening the very basis of the Industry. This was the only Association which could create confidence and give relief to the workers in general when during the transitional period after Nationalisation they had to suffer the worst consequences arising out of the mal-practices of the Private Insurers. But we are constrained to mention that these benevolent services were for sometimes eclipsed by the organised propaganda of some vested interest in the Industry. Much money they wasted. More valuable time they spent for naught. Last of all their motive stand now exposed to be detrimental to the interest of the genuine workers who again come round under the banner of the ALL INDIA INSURANCE SALARIED FIELD WORKERS' ASSOCIATION to offer their explicit support in its leadership as is evident from the largely attended meeting of our Association (Calcutta Division) held on 13. 6. 58 in the Branch No. 7 under the Presidentship of Sri Adheer Banerjee, which placed on record its deep protest against the unilateral and arbitrary methods adopted in the matter of Categorisation by the Management and resolved that unless the Management calls a Conference with the Representatives of the Association for a negotiated settlement regarding Categorisation within two weeks from the date and prior to effecting categorisation, this Association shall be forced to give directives for continuous agitation and collective movements including hunger strike as the last resort till the attainment of a satisfactory solution; and prominent amongst those who participated in the meeting were Sri Sailendra Nath Ghose, Vice President, All India Life Insurance Employees' Association, Sri S. B. Chandra, Sri B. K. Ghose, Sri H. P. Mukherjee, Sri N. G. Dass Gupta, Sri I. B. Sen Gupta and others.

On the failure of the Management to accede to our foregoing submissions, our Association convened next emergent meeting at Post Club Building, Calcutta on 27.58 which was presided by our President, Sri S. L. Roy.

In view of the fact (i) "That though six months are over since 31st Dec. '57 the L. I. C. has failed to finalise the fate of Field Officers" & (ii) "That the Authoritives have ignored our demand and refused to discuss the issue with our leaders" the meeting resolved that as a last resort in a non-violent struggle, some of us have to sacrifice their life and were prepared to do so; that meeting of our Association authorised the President to start the proposed hunger strike. As the President, Sri S. L. Roy had declared to take a lead in this step, we accepted his offer to start hunger strike himself, but we requested him to do so as a token leaving it to the members to carry on till as long as may be necessary.

Accordingly our President Sri S. L. Roy aged 65 years started his hunger strike as a self-purifactory penance at the premises of the Zonal Office, Calcutta from the 4th July, '58 and continued upto the 8th instant. Thereafter a batch of Calcutta workers started hunger strike of whom one Sri Kali Krishan Ghose an executive member of our Association had fainted and was ultimately removed to hospital where he gained senses. Our Calcutta Regional Secretary, Sri Sen Gupta is on hunger strike since Monday last.

While we offer our heartiest congratulations to all field officers for expressing their earnest desire to offer their support in the leadership of our Association by making our demonstrations and processions in Calcutta a grand success and arousing favourable public opinion with the result a good many M. Ps., M. L. As and leaders had called on our President at the place of his fast and had actively participated in our meetings, demonstrations and processions.

Still we are sorry to note that the Management has not yet come forward to extend its hands for negotiations with our leaders on the issue of categorisation. The reason is not far to seek. It is within ourselves. If we stand well united there is no reason why the Management will not yield to us.

So it is high time for us to unite under the banner of ALL-INDIA INSURANCE SALARIED FIELD WORKERS' ASSOCIATION which has led this movement at an opportune moment for the general good of the workers and sympathise with the object of hunger strike and prepare ourselves to abide by the directives issued from time to time by our Association to achieve our cherished goal.

Our Association has established a tradition of service to the genuine interest of the Field Workers and it is determined to maintain the same for all times to come.

Remember

UNITED WE SUCCEED

DIVIDED WE PERISH

Wishing Success

Fraternally Yours,

Lala N. Prasad,

GENL. SECRETARY

PURNEA BRANCH
INSURANCE FIELD WORKERS' ASSOCIATION.

BHATTA, PURNEA.

Ref No.....

- 5 AUG 1958

Date..... 1.8. 1958

Comrade S.A. Dange,

I, on behalf of our Association,
beg to confirm the telegram sent to you
to-day, which reads as follows :-

FIELD WORKERS DEMAND IMMEDIATE WITHDRAWAL
OF TERMINATION NOTICE TO GIRIJA SHANKAR
VAISH OUR PRESIDENT INTERVENTION PRAYED -
FIELDWORKERS BIMASHAKHA

Kindly acknowledge confirmation.

Yours sincerely,

Gopal Meherjee
President.

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11/11/58

(296)

11th Aug 1958
letter from LIC
Bombay

LIC PATRONAGE TO BROKERS

Life Insurance Corporation of India makes the Government pay brokerage to private broker's firms in consideration of service rendered by them in some other investments (Shares or Stocks of Private Companies etc), while the Corporation invests straight to the Reserve Bank without the medium of the brokers. The brokerage thus payable by Government (Central as well as various States) to the firms on account of L.I.C's investments will run to above a Lakh of Rupees per year.

HOW IS THIS MANAGED?

Due to the Five Year Plan and increased borrowing programme of the Government to get finances, Loans are floated by various State Governments and by the Central Government almost every year amounting to a few crores (The National Plan Loan floated in 1956 was for 150 crores and 3 Central Loans floated in May 1958 was for 135 crores. The 10 State Loans floated by State Governments in July 1958 totalled 47½ crores.) Subscriptions are open to Public but the bulk comes from Banks and Insurance Companies. Brokerage or Commission is paid on applications for purchase of Government Securities at the time of flotation of the Loans, received through Banks and recognised brokers. The Commission is 1 anna per Rs.100 (1/16%) for Central Government Loans and 2 annas per Rs.100 (1/8%) for State Government Loans.

L.I.C. invests a few crores of rupees in each Loan. In the recent three Central Loans floated in May 1958 LIC invested 8 Crores and in the 10 State Loans floated in July, LIC invested 7½ crores. Formerly the various Insurance Companies used to send applications through brokers, for which they got commission at the rates shown above. Since they nationalisation LIC invest directly by sending its application to Reserve Bank, and not through brokers. Hence no broker comes in the picture and no brokerage or commission is should really be borne by Government. LIC itself is not entitled to brokerage since it is not a Bank or broker, but LIC makes

makes the Government pay brokerage to private brokers by asking Reserve Bank of India to treat portions of the amount so invested as having come through several brokers. Thus amounts out of its total investment are allocated among different brokers, who are supposed to have done that business for Government and become entitled for brokerage inspite of LIC application being made directly to Reserve Bank. Why this help by LIC to private brokers? Obviously for services rendered to former Insurance Companies or now in investments in other Private Shares in which LIC is interested. Even then they get brokerage in connection with those investments. Therefore the brokerage paid by Government becomes a free gift of a few thousands to each big firm of brokers, and a few hundreds to smaller brokers.

Let us see how much money goes out from Government funds to private brokers for nothing. In the recent Central Loans floated in May, 1958 LIC invested 8 crores. Brokerage at the rate of 1/16% is Rs.50,000/-. At the instance of LIC, Reserve Bank distributed this amount among different brokers to whom LIC allocated imaginary figures out of its 8 crores as having tendered through them. This is what happens every year when LIC invests a few crores in Government Securities.

Another instance, and the latest, is when LIC invested Rs.7½ crores in the 10 State loans floated in July, 1958. The LIC provident fund also invested Rs.7 Lacs in these loans. So a total of Rs.7,57,00,000/- due to over-subscriptions of some State loans partial allotments were made allowing 25% reduction from the above amount being refunded to subscribers due to over subscription, still LIC investments will work up to Rs.5,68,00,000/-. LIC wrote to Reserve Bank in their letters No.Investment(P&S) dated the 17th July, 1958 and in R/B/Provident Fund dated the 24th July, 1958 that the amounts so invested by LIC and LIC Provident Fund should be treated as having been received

received through various brokers, and asked Reserve Bank to pay brokerage to them according to the imaginary allocations made to them. Brokerage at 1/8% on Rs.5 crores and 68 lakhs will come Rs.71,000. So Government will pay Rs.71,000/- to the brokers who have not moved a finger for this investment by LIC, but in consideration of services rendered, at other times.

So in one year Government has paid Rs.1,21,000 to various brokers out of its fund on account of LIC investments, while LIC as a Government body should and does invest directly through Reserve Bank. Why this brokerage? This happens every year, for loans are floated by Government every year, and LIC invests substantial sums.

Copy of letter from Life Insurance Corporation of India,
Bombay

Investment (P&S)

11th August, 1968.

M/S P.R. Subramanyam,
70 - A, Stock Exchange Building,
Dalal Street,
BOMBAY - 1.

Dear Sirs,

4 1/2% Orissa Government Loan, 1970

We have advised the Reserve Bank of India, Bombay, that out of the total amount of the above State Loan applied for by you, loan for face value of Rs.1,83,000/- is deemed to have been applied for in your form.

Brokerage for the amount of the said loan that may be allotted against the aforesaid amount deemed to have been applied through you would be paid to you on your presenting this letter to the Reserve Bank of India, Bombay.

Yours faithfully,

Ag. Mg. Director.

(This is a circular letter addressed to the various brokers, entitling them to receive brokerage as explained.)

The amount allotted is filled up.

1482.2
NATIONAL FEDERATION OF LIFE INSURANCE FIELD WORKERS
OF INDIA

10, Meher Ali Road, Calcutta-17.

To
Shri S. A. Dange, M.P.
Member, Loka Sabha,
NEW DELHI.

Respected Sir,

You are the Custodian of public trust and we beg to submit the following for your kind information and for fighting out the issues, as you generally do in your sphere of activities.

About six thousand field employees now called as field officers and a large number of agents of The Life Insurance Corporation of India have been called under forced of circumstances created by the management of the Corporation to take to non-cooperation movement from the 10th of February 1958 in order to ventilate their grievances, under the guidance of the National Federation of Life Insurance Field Workers of India. The Federation has called upon the field workers to discontinue the procurement of new business till the authority comes with a settlement formula.

Since the promulgation of the Ordinance, nationalising the Life Insurance Industry, series of measures were adopted changing agency terms and conditions including curtailment of commission, and remuneration of the regular field staff and in many cases their services were dispensed with in an unilateral way.

About twenty^{one} thousand employees including officers have been fitted into the pay scales on the basis of the past records just after the appointed day i.e. 1.9.56 but unfortunately the cases of field staff have been deferred till today. The Federation and also its affiliated organisations agitated for long, protesting against this differential treatment but it was of no avail.

As late as on 30.9.57, the authority comes out with a categorisation scheme and also terms and conditions of services of Field Staff which invited country-wide re-action and the field workers under the direction of the National Federation had to observe an All India protest day on 5th November, 1957. The categorisation scheme was devised in such a manner that it does not recognise the past services of a Field officer and it has provided provisions for converting a permanent employee to a probationer, reducing his remuneration and also suggesting termination of services. Though the authority tried to clarify that the future services of the Field workers would be on the basis of 'No Cost - No Quota' having security of services, the same assurance becomes meaningless while there is provision in terms and conditions of services empowering the authority to dispense with the services of field officers without assigning any reason whatsoever.

On the eve of the All India Conference of 'National Federation' at New Delhi on the 9th and 10th November, 1957, the representatives of the National Federation had the proud and privilege of meeting the Prime Minister and discussing with him their problems for about thirty minutes. The representatives also met the Finance Minister who assured a settlement through mutual discussion.

The Chairman of Life Insurance Corporation of India, Shri G. R. Kamat, I.C.S. met the representatives of the Federation in a Bi-partite Conference starting from 25th November and ending it on 30th November, 1957. Obviously, the discussions continued for six days and in spite of earnest desire on the part of the representatives and also on the part of the Chairman, the Conference ended inclusively as the Chairman could not agree with the following fundamental demands of the Field workers along with other issues:

- " (a) Assurance of no termination of any Field employee.
- (b) Assurance of No reduction of either the basic salary or the total emoluments.
- (c) Assurance of gradual re-instatement of all terminated Field staff even with an alternative service in the administrative side.

- (d) Proper fitting of the Field staff who have done exceptionally well business.
- (e) Removal of the clause 'Providing termination without showing any reason.'
- (f) Adoption of the pay scale as per Charter of Demands and fitting in of all the Field Staff whether regular or probationer into the same scale of pay.

Other demands of the field workers have been incorporated in the leaflets attached.

At the end of the Conference, however, the Chairman assured that he would take up the matter again in the month of January, 1958 but the order of the Finance Department issued on 30th December, 1957 on the terms and conditions of the Field staff belied all our hopes.

The authority has now started categorisation on the formula which the Federation could not accept for obvious reasons and it is unfortunate that the authority is trying to give effect to the formula which had not the prior sanction of the Govt. Moreover, the scheme itself was issued on 30.9.57 but it is intended to give a retrospective effect from 1.9.56 or 1.1.57, obviously with a view to put the workers in an uncomfortable position.

Sir, Nationalisation of Life Insurance was hailed by all field workers along with other office employees and it is unfortunate that the fundamental rights of the field workers are being by-passed. In spite of various difficulties created in the servicing of the Policyholders and agents, the field workers on the initiative of the Federation put their loyal services to this nationalised Industry and the result is that during the very first year of the Nationalised Industry it could introduce a record new business of about 260 crores far exceeding the records created by the Private Sector in a particular year and the first year's premium income also in our estimation has exceeded previous record by a substantial margin. Judged by any measure of yard stick the field staff collectively proved beyond any doubt their sincerity of purpose determination to deliver the goods and above all a high standard of efficiency for most responsible part they have to play in this great national enterprise for its year to year advancement with a view to raise the per capita insurance from Rs.25/- to Rs.200/- and making its ever increasing funds available to National Planning.

Sir, we hope you will agree with us that the expenses will automatically come down if production increases. We have been told that Nationalisation has removed various vested interest and it is not understandable why reduction of expenses is aimed at the expense of the loyal agents, field staff and office employees, while there is no indication of saving any expenses from other counts. Reduction of the expenses at the cost of the workers is a retrogressive step and may be resorted only as a last measure.

The callous attitude of the authority for solution of our legitimate demands has forced us to suspend new business actively and our non-cooperation movement, very peaceful in character, is directed against the present policy of the authority not against the nationalised Industry because we believe strongly that the nationalisation of other key Industries is the ultimate benefit of the people of the country.

You are the friend and guide of the oppressed and the working class and may we, therefore, hope that you will kindly initiate a discussion in the Parliament or bring and adjournment motion to arouse the attention of the Govt. of India for quick settlement of the problems which brooks no further delay in the interest of the nationalised industry.

Thanking you and expecting your full co-operation,

For & on behalf of the
National Federation of Life Insurance
Field Workers.

Rab Sen

SECRETARY.

STATEMENT SHOWING THE DEMANDS OF THE NATIONAL FEDERATION OF LIFE INSURANCE
FIELD WORKERS.

No.	Demand.	Remarks.
1.	A minimum basic salary of Rs. 150/- p.m. for members of field staff.	The scale of pay of Rs 125-500 fixed by the Corporation will give a minimum remuneration of Rs 235/- p.m., inclusive of allowances. A basic minimum pay of Rs 150/- p.m. will give a total minimum remuneration of Rs 285/- p.m. Considering the qualifications and the training possessed by the staff there is no justification for a minimum of Rs 285/-.
2.	Regular automatic increments should be provided.	The scale prescribed, viz., Rs 125-500 provides for regular increments. Increments are to be granted after considering (a) the volume and quality of business produced by the field officer (b) ratio of expenses of his organisation (c) success in organisation of agents and (d) services to policy-holders.
3.	No reduction in basic salary and total emoluments as on 19-1-56 or 31-8-56 whichever is higher.	Basic salary or emoluments on 19-1-56 did not have any real significance as emoluments granted by insurers were arbitrary. They cannot therefore be made an indisputable criterion.
4.	No one's services should be terminated without reason.	Power to terminate services in some cases without reason is essential as a residuary power. The effort of the Corporation is however to see how many can be saved and not how many can be terminated.
5.	Restoration of emoluments reduced and services terminated during last 2 years.	During the transitional period, the Corporation has been guided largely by the practices prevailing in pre-nationalisation days. Extreme action has been taken only where it could not be avoided. Out of 449 field officers whose services have been terminated since 1.9.'56 due to poor business results, 190 had failed to produce any business, 185 produced such a small volume of business that the remuneration paid to them was more than the first year's premium income from business produced by them. In 74 cases the remuneration paid

Contd.....

to them was 50% or more of the first year's premium income on the business introduced by them.

6. Special start for those who have done exceptionally good business. The categorisation scheme of the Corporation does provide for special consideration of cases of field officers whose performance has been outstanding (cf: para 4(d) of the fitting in circular).

7. Minimum commission for the agents should be 35%. The scale of commission prescribed is 25% - 35%. The Corporation has adopted scales similar to what prevailed before nationalisation in spite of the fact that nationalisation has removed competition and made it vastly easier for the agent to procure business.

8. Rights and privileges of supervisory officers have to be given due weightage. The Corporation is appointing a committee to examine the cases of all former supervisory officers.

9. Recognition of National Federation at all levels. It is understood no request has been received so far for this: this will be considered in due course in the light of the constitution and membership of the Federation.

10. There should be a joint committee for framing field staff regulations. The Employees' and Agents' Relations Committee in each Zone may be suitably used for this.

11. Workers' participation in the Management.

"Alagh"

THE INSURANCE CORPORATION EMPLOYEES' UNION

(MADRAS DIVISION) MADRAS

(REGD NO 2202)

(Affiliated to the S. Z. I. E. F. & A. I. I. E. A.)



AN OPEN LETTER TO

The Chairman,

Life Insurance Corporation of India

BOMBAY.

THE INSURANCE CORPORATION

EMPLOYEES' UNION

(MADRAS DIVISION) MADRAS

(REGISTERED)

Sir,

(Affiliated to the I. I. E. F. & A. I. U. C.)

In contrast with the spirit of understanding during February 1957 negotiations, there is of late stiffening of the attitude of the L. I. C. Officers. Wherefore this change we are unable to guess. The Officers vested with unlimited power in their respective zones, can afford to be either reasonable and just, or take an unreasonable and hostile attitude towards the staff. In the latter case, how can the staff question them? The Staff may if have any grievance, represent. The "Staff Regulations" lays down the manner of representation and every representation will have to wait months together for a reply. Even when a reply comes, it is invariable "the officers see no grounds to change the decisions already arrived at".

At a time when the Corporation set-up is still in the offing, this stiffening of the official attitude cannot but have serious portents to the staff. After the February '57 settlement, the Govt. of India brought out an order called the "Standardisation Order" containing a gist of the settlement. What does it say? It says that, in categorising the Sub-Staff, THE ACTUAL WORK PERFORMED BY THEM IRRESPECTIVE OF THE DESIGNATION GIVEN THEM BY THE PREVIOUS INSURERS should be a guide. Yet, in categorising the Sub-Staff, the Corporation authorities have faithfully adhered to the designation given to them by the previous Insurers.

By doing this the Corporation could deprive the Sub-Staff of some monetary benefits otherwise available to them under the Govt. of India formula. The staff affected could appeal against this order but then to whom? To the very same Officers who passed these orders and whose decisions are final. The mood of the Zonal

authorities can best be illustrated by their handling of the 'United India' Canteen Staff. The Canteen was maintained and run by the Custodian upto the time the Corporation came into being and assumed charge. The new Corporation authorities turned out the Canteen staff unceremoniously without notice or retrenchment benefits. An ordinary keeper of a hotel will be compelled by the Govt. Labour Inspectors to pay compensation to the retrenched employees but the Officers of the Corporation stand on a higher footing for these Labour Inspectors to order about.

The picture will not be complete if we do not contrast the position of Officers in the integrated 'set-up' vis-a-vis their car drivers. The Officers were all accommodated but when it came to the question of drivers, they were discharged as supernumerary. After several months of forced unemployment and persistent appeals, the drivers were offered alternative jobs as new recruits. All their past service is gone. This illustrates the official mind. This is running like a red-thread in all their actions including the latest announcement of the "Interim Relief" Rs. 5/- to all those drawing a basic salary of Rs. 51/- and upto Rs. 250/-. This relief will not go to those drawing less than Rs. 51/- as basic salary. The plea that the Subordinate Staff had been granted this relief at the time of the May '57 settlement will convince no one.

Should this state of affairs continue? Criticism in Parliament against the way in which the selection of Officers were made forced the Government to intervene and to scrutinise the selections by a Committee. A similar complaint is there about the way in which selection of Office supervisory personnel is made in the integrated set-up

There is a sense of frustration and feeling of oppressiveness in the minds of the employees. That sense is growing in volume day by day. All methods of representation and of persuasion have been tried. Only there is no remedy. In this atmosphere the spirit of initiative and service is blunted. This is the worst calamity that will ever befall an industry in the nationalised sector.

We see no way out of this impasse. There is gloom all round and despair. We pray that out of this gloom there will be light, that the power which asserted itself against the mismanagement of the private Insurers would rise once more to enforce obedience to its rules and heal the wounds of the employees whose legitimate interests have so far been impugned and neglected.

Yours faithfully.

P. SUBRAMANIAM.

Secretary.

On behalf of the Executive Committee,
Insurance Corporation Employees' Union
Madras Division.

INSURANCE CORPORATION EMPLOYEES' UNION

MADRAS DIVISION.

(Affiliated to S. Z. I. E. F. & A. I. I. E. A.)

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CATEGORISATION

Categorisation of the Staff is the natural corollary when different life insurance units are clubbed together in a corporate body. It is this that ensures smooth functioning of the office, the voluntary co-operation of the staff and the subordination of juniors to seniors in the common endeavour.

Rules as how the categorisation is to be based are contained in the Govt. of India Standardisation Order. But, however clear the rules may be, they must be implemented properly. It is in the implementation that the trouble starts. We foresaw this long before. We said that a 'High Power Seniority Committee' should work the Combined Seniority List not only of the Officers but also of the Office Staff.

This was ignored at first. The result—a spate of criticism in the selection of officers. These criticisms found their echo in the Lok Sabha. The Govt. agreed to scrutinise the selections by appointing what is known as the "Lall Committee". The attempt was only half-hearted. The Committee will go into the list of officers and assess their seniority. A thoroughgoing scrutiny cannot stop at examination of junior officers of the Corporation. It must also look into the selection of Superintendents, Section Heads and all those who constitute the office set-up. But this was not to be. The categorisation of the office staff has given rise to a wave of appeals. These appeals demand for higher categorisation on the basis of the work done on 31-8-1956. The Authorities reply back that the appointment held under the previous Insurers was on a different grade.

The "bone of the contention" is the work on 31-8-1956. The Authorities look to the service records for enlightenment. The employees cry hoarse on the work they had actually turned

out on 31—8—1956 as the basis for categorisation. Even in the selection of Section Heads and Superintendents there is the contradiction and the employees must suffer in consequence. The result is that only those who are in the know of the Authorities and whose cases could be recommended were recompensed.

Staff Categorisation Committee.

We insist that the appeals against wrong categorisation should be looked into impartially. There are hundreds of appeal and the staff despair of their outcome. Their claims for categorisation as Section Heads or Superintendents must not be vetoed on the basis of the far-too-inadequate entries in the Service Record. The Committee must be in a position to examine records and call for evidences before deciding on the appeals. Such a Committee alone can face up the task squarely. Its decisions will be fair and impartial. This alone can dispel the cause of discontentment among the staff. Such a Committee shall include in it the representatives of the management and our Federation in equal proportions with a neutral person as the Chairman. We call upon the Govt. and the Chairman, Life Insurance Corporation to set up such committees at all Zonal levels to go into the categorisation of the staff. This alone will remove the injustice done to the staff and the staff will not rest content until this demand is conceded.

P. SUBRAMANIAM,

Secretary.

Madras: }
4—3—1958 }

On behalf of the Executive Committee.

INSURANCE CORPORATION EMPLOYEES' UNION,

MADRAS DIVISION

(Affiliated to the S. Z. I. E. F.)

A century-old development of the insurance industry in private sector has given certain specific features. These features are to be retained. Their retention is a condition for further growth of the industry. What those special features are — the Chagla Commission has called to attention. One of them is that the Corporation should run as a commercial venture. In plain language it means the Management, an enterprising field staff and a limited number of office staff. The Corporation as a commercial venture will of course compensate the Government for its investment. The policy-holders will have as their share the 'Bonus'. Thus far the commercial principle will operate; but when it comes to Staff, should this business principle vanish! Does the Government imagine that a commercial venture is inconsistent with the principle of nationalisation or that the payment of 'Staff Bonus' is inconsistent with the nationalised commercial ventures? If the Government think they are justified in denying staff bonus in the insurance sector, they are mistaken. The high standard of salesmanship and servicing with private Insurers speak of the vital role of the office staff and the appreciation of that role by the Company Management, by grant of bonus.

The sense of personal responsibility, the initiative shown by the staff cannot thrive in an atmosphere which denies them this vital role. We reiterate that Bonus to the staff is as much a right and necessity as it is to the policy-holders. Experience during one year and a half should have been an eye-opener. Any pre-conceived approach to the problem is fraught with serious consequences. The payment of bonus have in the past contributed to the efficiency and wonderful display of initiative in the staff, record servicing and tactful handling of 'New Business'.

Labour Participation in the Management.

In contrast, the present phase is marked by extreme distrust of employees — distrust born out of the agitation against wrongful

categorisation, against withholding of 'Interim Relief' to a section of the staff and against denial of bonus. In the name of integration and reorganisation, work is complicated and made more obscure. The hurried attempt to obliterate company-wise units and replacing the trained hands by the new (in the servicing departments) is drawing and bound to draw larger protests from the policy-holders who are irresistably forced to the conclusion that the old business is lapsed to make way for the new business.

'Labour participation in management' is not a theoretic postulate. It is an urgent necessity if the Corporation is to grow and strengthen. The employees must be roused to a sense of responsibility that they are part of the Management that on them the success of the Corporation depends, that their role and share in the industry is not less but more than in the company-managed days.

A new chapter should begin in the relation between the employees and the Management, to unleash in them the spirit and enthusiasm for greater effort. A new outlook on labour is needed. They are no longer hewers of wood and drawers of water; they are co-partners in the vast enterprise and responsible for its success. This presupposes adequate representation of the Employees' nominees on the Board and other bodies. Such a step will bring in a new era and ensure the success of the Corporation.

DON'T DENY THE EMPLOYEES' RIGHT FOR BONUS.

All India Insurance Employees' Association Zindabad!!!

P. SUBRAMANIAM,
Secretary.

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INSURANCE CORPORATION EMPLOYEES' UNION.

MADRAS DIVISION.

Resolutions passed at the Second Annual Conference held on
May 17th, 18th and 19th 1958.

ON SERVICING:

The set back in servicing to policyholders is frowning and the policyholders, realising that individual protests or criticism in the press will no longer suffice, have started organising Associations of policyholders to ventilate their grievances and to safeguard their interests.

The Conference reaffirms the view that the goodwill of the policyholders is essential for the success of nationalisation and of the employees engaged in it. It, therefore, calls upon the members of the staff to understand the frustration of the policyholders and help them to overcome their difficulties with courtesy and kindness.

ON PRICE REDUCTION:

The steep rise in prices of food stuffs and other necessities of life is a matter of great concern for all of us and the Dearness Allowance granted to employees have never kept pace with the level growing prices.

The Conference is of the view that the organised trade unions in the country can effectively intervene to check prices and create moral sanction for those in authority to move in the direction. Towards this end, this conference directs the Madras Divisional Union to play its part in the peoples movement for the price control and price reduction.

ON INTERIM RELIEF.

The Second Pay Commission has recommended payment of an additional sum of Rs. 5.00 to all employees drawing a salary below a certain level. This is in the nature of an "Interim Relief" to off-set rise in prices. In plain words the relief is to be granted to all sections drawing a salary below the ceiling. While implementing this to Insurance Employees it is wrong to show partiality, grant relief to one section and deny it to others, even within the bounds set by the Pay Commission. More than that. It is morally indefensible since it affects the lowest paid section.

This conference calls upon the Chairman, Life Insurance Corporation not to persist in this untenable act and come forward to grant this relief even to those drawing a pay less than Rs. 50/- p.m.

ON BONUS.

This conference reiterates the demand for bonus which is part of the Insurance Employees Wages. The Denial of bonus is justified by the Government on the plea that they do not pay bonus to its employees. Even granting this argument, there is little justification for stopping it in the case of Insurance Employees who, according to the judgment of the Allahabad High Court, are not Government servants. As a commercial Corporation replacing the private insurers, the Corporation is bound to follow the traditions and precedents set by the predecessors.

In view of the persistence of the Life Insurance Corporation and the Government not to concede the legitimate demands of the employees, this conference demands that this issue be referred to court for adjudication.

To this end, the Conference resolves to carry on a powerful campaign among the policyholders and the public in support of our claim for bonus and make them demand that Government reverses its attitude in this respect.

PAY SCALES FOR EMPLOYEES IN COMMERCIAL ESTABLISHMENTS:

The Second Pay Commission set up by the Government of India to review the Pay Scales, Dearness Allowance, etc. of the Central Government employees will publish their recommendations shortly and the same will be made applicable to the Central Government employees. There is yet no All India scale of wages for staff working in commercial undertakings run under the auspices of the Government of India or by the private employers and the prevailing scales in some of the industries are either out-moded or do not take into account the changed circumstances.

The second Annual Conference of the Madras Divisional Union feels it imperative that a conference of the representatives of the Commercial undertakings such as Banks, Insurance Companies (Life and General), Airways and Aircrafts be convened with a view to formulate a comprehensive scale of wages and allowances and press for its acceptance by the management and the Government of India.

The Conference appoints a committee of three and directs them to take all necessary steps in this direction.

PROMOTION TO RECORD CLERK POSTS

There are a large number of educated sub-staff in the Life Insurance Corporation, who are capable of and are doing the work of record clerks. It is just and proper that they should be promoted as Record Clerks. This Conference demands that there should be no direct recruitment for the grade of record clerks and these posts should be filled up by promotion from the cadre of sub-staff.

CATEGORISATION:

In view of the dissatisfaction among members of the staff that in categorising them some relevant factors have not been taken into account and inadequate attention paid to their claim, leading to their categorisation in the lower grade, this Conference requests the Zonal Manager to set up a Committee (as directed by the Central Office) to look into cases of appeal. Such a Committee should include in it, representatives of the Union and they should be empowered to call for evidences and records before deciding each and every appeal.

BASEMENT AND RECORD ALLOWANCE:

This Conference urges Corporation authorities to consider sympathetically the difficulties of the staff working in Basement and records and in view of extra hazards involved to sanction a special pay of Rs. 10/- p.m. as for staff working in machines, Cash Departments.

LEAVE RESERVE:

Due to absence of leave reserves and pressure of work, many of the offices of the Life Insurance Corporation are working late hours and the employees are denied the casual and privilege leave they are entitled to. This Conference requests the authorities to look into these and provide adequate 'leave-reserves' to enable the staff to avail of the leave they are entitled to, as and when occasion demands.

PART-TIME WORK BY STAFF:

This Conference note a certain amount of rigidity on the part
(P.T.O)

of the Administration to employees doing honorary work in public and charitable institutions or even part-time work in Race Club and else-where, without detriment to their work as employees of the Life Insurance Corporation. The private insurers were allowing the staff to engage themselves in these hobbies and part-time jobs. The Conference requests the Life Insurance Corporation to remove these unnecessary obstacles in the way of employees engaging in public service and part-time jobs.

SPECIAL PAY TO MACHINE OPERATORS:

This Conference demands that the allowance paid to Machine Operators should be treated as special pay as in the case of Section Heads, Stenographers, etc.

STAFF AGENTS:

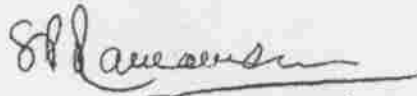
This Conference demands that staff agents should not be insisted upon to do any minimum business, since the staff agents come under the category of part-time agents.

CANTEEN:

This Conference resolves to run a Co-operative canteen in the Zonal Office Building and calls upon the Zonal Manager to assist the employees in this laudable venture.

GEETHA COFFEE WORKERS:

This Conference supports the demands of the workers of the Geetha Coffee Centre, Mount Road, Madras-2, and their peaceful Satyagraha for the realisation of their demands. The Government should withdraw the cases pending against the workers and reinstate them in service.



(S.P. RAMAKRISHNAN).
President.

Madras,)
19th May, 58.)

INSURANCE CORPORATION EMPLOYEES' UNION
MADRAS DIVISION

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Report of the Secretary to the Second Annual Conference
held at Madras on May 17, 18 and 19, 1958.

Com. President and Brother Delegates,

On behalf of the Executive Committee, I have the honour to present this report for your consideration. It contains a brief account of our activities during the past one year, our organisation position and methods of functioning. We have taken on hand a number of problems which await solution and many more which have to be tackled and given shape.

We feel that this representative conference should discuss the report and give their constructive suggestions by way of amendments to or alterations of the report, so that it shall help to guide, the incoming Committee to face up tasks boldly and squarely. Many of you have been participants in the struggles during the past one year. It is for you to review those struggles in the light of your concrete experience, so that, we may improve upon it in the coming period.

Comrades! The Committee took charge of office on 25th July 1957 and the initial months were taken up mostly to ~~send~~ in motion the categorisation of the employees. Until this was done, no one knew what his position would be in the Corporation set-up.

The disruption in servicing to policyholders which started in the wake of integration became a chronic disease and complaints began pouring in the press about slackness of the L.I.C. in attending to their requirements. The Policyholders naturally thought that it was the staff who was responsible for the delay. The situation demanded speedy efforts to dispel the notion. They had to be told the plain truth. The new procedure introduced by the Corporation, the restrictions imposed by them on the servicing Units cannot but result in inordinate delay and no amount of effort on the part of the staff could overcome it. The "Servicing Week", we had programmed in this connection was to culminate in an 'One Act Play' on how the staff could help the policyholders. It was also resolved to bring out a brochure explaining the significance of the Servicing Campaign. We did bring out the brochure in a magnificent way - as a Souvenir with a fine get-up. The revenue that we derived from the advertisements was more than sufficient to meet the printing bill. In it, we could print articles on "The principles of Trade Unionism in the Nationalised Sector", "The Back-ground of Nationalisation" and "Servicing - A New Chapter". Since the staff cannot by themselves solve the issue, the idea that departmental conferences to spotlight the shortcomings in the new procedure with a view to removing them and ensure prompt attention to policyholders was suggested. But, our preoccupation with other Trade Union activities prevented us from effectively tackling this problem. Even the one-act Drama as was contemplated could not be staged. Only the benefit performance by T.K.S.Bros - "Raja Raja Chozhan" could be arranged. As a dramatic performance it was indeed magnificent and drew the maximum crowd. The Chief Minister of Madras - Sri K. Kamaraj Nadar presided over the function. It added to our bank balance ~~in a handsome measure~~ and enabled us *considerably*

to purchase a cyclostyle machine at a cost of Rs.1000/-.

A.I.I.E.A. CONFERENCE

In the month of November 1957, our Union was called upon to shoulder the responsibility of arranging ~~for~~ the 3rd Annual Conference of the A.I.I.E.A at Madras. This has cast a heavy responsibility on us and thanks to the selfless band of volunteers, we have discharged our responsibility creditably. In terms of money this has cost us over Rs.1000/- and our comrades devoted themselves whole-heartedly to make the Conference a success.

The part played by our Union in this All India Conference is pithily expressed by the President of the AIIEA when he addressed ~~by~~ the All India delegates: 'I Have told you that the South is coming up magnificiently. Here you see them in action'.

Immediately, after the A.I.I.E. conference the Second Pay commission announced its proposal for granting a small sum of Rs.5/- by way of interim relief to the ~~Gover~~ Central Govt. employees. Thus far, we did not have a positive stand in regard to the Second Pay Commission and its labours. We did not champion an allIndia scale for commercial employees whether in the private or public sector. So, when the Second Pay Commission announced its interim relief, we joined the chorus in demanding that it be granted to us also. The result is a foregone conclusion. We must plan out this issue in a concrete way, so that when the final recommendations is announced, we must assess our position and be in a position to act.

As the relief was not uniformly granted to all the staff and more particularly since it was denied to the sub-staff drawing a basic salary of less than Rs.50/- we decided upon pay-boycott for one day which was responded to by all section of employees.

SELF PURIFICATION WEEK

The Servicing Week did not result in the realisation of our ideals viz. to ensure prompt servicing. Some of us thought that this meant only harder work and greater turnover and not the removal of the basic causes, which brought about this crisis. The crisis deepened as the depletion of the servicing personnel proceeded uninterruptedly. The authorities would not heed to the Staff grievances. There was hue and cry all round about wrong categorisation. Must the employees ^{be} silent ~~by~~ suffer all this or they stand up and fight back? The Self-Purification week gave them an opportunity to rid themselves, of their weakness and be ready for sacrifice in defence of what is right and proper. The response to the call of Self-purification week gave them an opportunity to rid themselves of their weakness and be ready for sacrifice in defence of what is right and proper. The response to the call of self-purification was indeed magnificent. The Union wrote an Open Letter to the Chairman of the Life Insurance Corporation condemning the anti-employees bias of the officers as evidenced in the treatment meted out to the United India Canteen Staff, Drivers' retrenched and reinstated without back-service, denial of interim relief to the sub-staff drawing less than Rs.50/- and so on. The Open letter was printed and distributed in thousands to the people of Madras and elsewhere. Simultaneously, we also addressed the Members of Parliament on the unhelpful attitude, the Corporation is taking up towards the low paid staff and called for its reversal. It was about this time that the Central Office called for the representatives of the A.I.I.E.A for negotiation and the campaign of self purification was temporarily suspended. On behalf of our Union, Smt. Parvathi Krishnan, M.P. had interviewed the Dy. Finance Minister to fix a time to discuss the grievances of the Insurance Employees. This was subsequently not

not pressed in view of the negotiations which followed between the Chairman of the L.I.C. and the representatives of the AIIEA.

MARCH 27, 1958

Our Union joined the All India Rally on March 27 to present the Charter of Demands of the Indian Working Class to the Central and State Governments. We brought out printed notices explaining to the staff the back-ground of March 27, Rally and its significance to the Insurance employees. We also took part in numbers in the procession that was organised in observance of the ALL INDIA DEMANDS DAY on March 27, 1958.

CATEGORISATION

From the beginning, we have been of the view that a solution of the categorisation issue lay in a committee composed of equal number of representatives from the Union and the Management and presided over by a neutral Chairman. Only such a committee can review the Service history of each and render justice to the employees.

Since this was not so, there is bound to be discontent with the way categorisation is tackled. Where the employees have appealed against wrong categorisation their claim will have to be examined by the Committee. Similarly, in the case of the sub-staff, the Committee will have to go into their cases in the light of the instructions received from the Central Office of the L.I.C. to see whether they are eligible for higher categorisation.

We have submitted a list of about 100 cases for review. An interview took place at which cases of assistants claiming Section Head's grade were taken up. Out of 13 cases of such nature, we were able to press through 4 cases. Some more are still under consideration. As to the appeal cases of sub-staff and record clerks, the Zonal authorities have reiterated their old stand without even consulting us. Very few cases of sub-staff came up for reconsideration. We feel that an impartial committee should go into these cases and assess the work of each on the 'Appointed Day' rather than place undue reliance on Service Records.

ORGANISATION.

Our Divisional Union comprises of five Districts besides Madras City - North Arcot, South Arcot, Chingleput, Chittoor and Nellore Districts. For administrative convenience we have separate organisation Units in the Zonal Office, Divisional Office, I.B.O Units 1 and 2. Besides, we have branch Units such as Tondiarpet, St. Thomas Mount, Mylapore, Perambur, Mount Road, G.T. areas. In all these centres, we have more or less stable functioning Units. During the year under review, we have increased our membership in all these branch centres uniformly. In Madras City owing to the proximity of the City Branches to the centre, all our activities too are concentrated and centralised. As for the mofussil branches, the activities are dispersed and we have not been able to keep live contact with them and make them march shoulder to shoulder. There is ground for justifiable complaint though not made, that the Divisional Union should devote more attention to the mofussil branches. In the new executive we must have a

representative earmarked to keep close watch over the mofussil branches and advise the Secretary on the day to day developments and transmit his directives. It is not necessary to amend the Constitution for this purpose but a convention may be established at this Annual General Body.

Apart from this, the relationship of the Union with the Branches have been cordial based on mutual cooperation.

FUNCTIONING

The period under review is noteworthy for frequent committee meetings, reinforced by extra-committee 'activists' meetings, where not only the Executive Committee members took part but also new active members of the Union. This gave fillip to our Comrades, assured maximum attendance and larger participation of the staff as a whole.

During the period under review, we had about 9 Executive Committee Meetings and twice that number of 'Activist' meetings, where all the important problems of the Union were discussed and agreed upon.

Apart from this there were the usual informal office bearers meetings to discuss and decide day-to-day issues. This period is marked by perfect unanimity of opinion among members and Unity of Action. This has to a great extent enthused us and helped us march forward confidently.

The Union representatives participated in the Federation meeting held at Madras on 23rd February 1958 as well as in the AIIEA working Committee meeting recently held at Bombay. The Committee deputed the Secretary Com.P.Subramaniam, to attend the A.I.I.F.A working Committee Meeting, in the absence of Com.B.Masilamani, who was unable to attend the said meeting.

Detailed Statement of accounts for the year ~~1958~~ 1957-58 duly audited is submitted separately for your approval.

GAMES:

The maintenance of Physical Standard of the mass of Insurance employees is a matter of concern for all of us. As a rule the employees do not take as much interest in sports and games as was the case before entering service. This is because of the late hours of work in the evening and want of opportunities to participate in sports. Our effort in this direction is to supply that want by starting a Sports Club both for in-door games and out-door sports. A Sub-Committee under the Union will be looking after this work.

We visualise in no distant date a well functioning L.I.C. sports Club, capable of participating in all Sports Events in the country and acquitting themselves in a worthy manner. The Administration should help to equip the Sports club initially. It is also our hope that Sports as part of our Annual Conference should be a regular feature and that the patrons who have come forward to donate prizes to the winners will follow it up in coming years as well.

Jan

EDUCATION

This is important for the future progress of the Insurance employees as a whole. The A.I.I.E. A has successfully negotiated and got educational allowance though only for a limited number of years. We shall, of course, strive to extend it. At the same time, the educational advancement of the Insurance employees has been our first concern. The rush of employees to join the study classes is indeed astonishing. We shall help them with cyclostyled notes for nominal fees. We shall engage experts to prepare special thesis on the subject and publish them in the form of small booklets. We foresee the possibility of honorary or part-time lecturers to coach up students. About all the vast experience and theoretic^{al} study will appear in the form of contributed articles in a 'Special Insurance Forum'.

The advancement of the standard of education of the employees is a matter of direct concern by the employers. In this endeavour we expect help and cooperation from the Management and officials of the Corporation.

Some of the sub-staff and Record Clerks who have not got through the matric examination are anxious that they should be enabled to study and appear for the examination. This will also be our endeavour though more number of men are needed to take up this work.

A sub Committee of the Union will look after this as their main job and take appropriate steps to meet the situation.

LIBRARY

In the coming period, one of our objectives should be the establishment of a Circulating Library and the Staff enabled to study standard works of authors. A small commission can be entrusted to work out details. This will also include a magazine section.

CANTEEN

It is urgent and necessary that we should have a cooperative canteen to cater to the needs of staff. There is already a cooperative credit Society and this can run either as an adjunct to it or on parallel lines. The Management is obliged to help in running the Canteen satisfactorily. They can supply us with place, crockery, furniture, electric light, etc. The canteen, we are sure, will be a substantial boon to the staff supplying cheap and wholesome refreshments to the employees. To ensure the success of the Canteen, we must have a band of devoted comrades who will supervise the work of the Canteen and guard it, against fraud or pilferages. We are strongly opposed to handing over the Canteen to a private contractor and create a monopoly interest for him to fleece us.

UNITY TALKS.

The question of Unity and one Union is a matter of vital concern to all the employees. This issue has naturally led the All India body to seek ways and means to bring about an united Trade Union movement in the Industry. The organisation with whom we seek to build trade Union unity pursues certain policy calling it the fundamentals of their organisation. Such for instance is the principle that there should be - no outsiders in the Organisation,

that the organisation should have no affiliation with other All India Trade Union Centres, such as, the A.I.T.U.C. or H.M.S. or the U.T.U.C.

The history of this organisation, right from its inception, has been a history of split tactics, dishonest criticism and vilification of the A.I.I.E.A leadership, side-tracking of issues and weakening the employees' resistance. Real unity implies that these tendencies are eschewed and honest efforts made to safe-guard the working class interests. In this sense unity is strength. No one is wedded to the creed "Outsiders at all costs" nor "affiliation with any one of the All India T.U.Centres". The purpose behind the move is whether these will help the movement forward.

We believe that real Unity with the other organisation can be built up only on the basis of the joint struggles of the employees for winning their demands. Such joint struggles pre-suppose a united front platform on limited objectives. The parties to the United front must agree that they do not vilify each other and agree to conduct meetings and campaigns jointly. Such joint forms of action will generate tolerance and goodwill towards each other and pave the way for eventual merger, on the basis of the combined list of members and elections at all levels. This is the only way for lasting unity. Any other short-cut will end in weakening the employees' front against the management's offensive.

SERVICING: At the time of the last conference, our understanding of the Policyholders Servicing set back was the result of abridgement of the powers of the branches dealing with the policyholders directly and concentration of powers in the I.H.O. Units. This was considered the bottle neck of the new arrangements. With this understanding we called upon the employees to criticise any step or procedure calculated to cause delay in servicing to the policyholders. At the same time, we exhorted the staff to deal with the policyholders with sympathy and understanding, as they are bound to feel outraged at the wanton delay in attending to their requirements.

But the recent transfers of experienced personnel and filling up their places by new hands in the servicing units lead us to the conclusion that the I.B.O. Units are intended to be no more than conveyor belts to the I.H.O. Unit which alone will have power to deal with policyholders' requirements. Such a procedure entails delay and is bound to create the impression in the minds of the old policyholders (accustomed to different treatment in the pre-nationalisation days) that the Corporation is out to lapse old policies and pave the way for new business with the Corporation.

The policyholders servicing in encountering threefold obstacles. In the I.H.O. Units since the experienced staff are being removed and replaced by new entrants, these cannot but refer each and every enquiry to I.H.O. Units for instructions. Secondly even if the staff could deal with the enquiries, they are prevented from doing so by the ~~abridgement~~ ^{concentration} of powers at the branch level. Lastly, the I.H.O. Units by virtue of the steep increase in the volume of work, necessarily take time to reply the enquiries, creating discontent in the minds of the old policyholders.

The administration which has embarked on this arrangement must face the criticism of the ~~policy-~~

policyholders for the delay in answering their ^{enquiries} requirements. Standardisation of procedure and forms of work should take precedence before any large scale transfer of staff is attempted. Without evolving standard forms of procedure, the integration of staff is like, putting the cart before the horse. If the cart does not move, the responsibility lies with the Integration officers and they must answer the public complaint. The mounting arrears of work in the servicing departments in the I.B.O. and I.H.O. Units are basically the creation of Officers in charge of these units and they should take adequate steps to strengthen the department to clear off the arrears. As for staff, they had no say in the arrangement nor are they in a position to make effective contribution to resolving the deadlock by reason of their transfer from the servicing units.

In this context, the policyholders' Association is assuming increasing importance. The policyholders are anxious to safe guard their position. They are anxious about the plans of integration. We fully sympathise with them, support their legitimate demands and help them to get over the difficulties.

BONUS: The bonus issue is a major problem before the Insurance employees. The problem that can only be solved through successful agitation and creating an atmosphere in which the Government will be forced to revise its attitude. This can be done through the mass of policyholders taking up this issue and back up our demands.

Having created an atmosphere of resentment and anger in the minds of policyholders, the Government might take advantage of it to turn down our claims. We must reverse it. The policyholders must feel that their interest are safe in the hands of staff, who despite all difficulties are serving them well. We must make them ourspokesman, their representatives in Parliament as our representatives and make them expose our cause. In this perspective, we must plan out our the programme for the Bonus Demands Day. Our bonds with the policyholders are closer than what the Board of Directors of the Corporation or the Govt. of India imagine. With this understanding, we approach the bonus issue.

REGARDING OTHER GRIEVANCES. We don't propose to list them here. They have been pending since a long time. We should press for their solution at a Conference of the representatives of the Union with the Zonal authorities.

This report will not be complete, if we do not record here the deep sense of loyalty and cooperation which the members of the staff gave to our organisation and the magnificent response from them to our calls. This is an indication of our success and we have every hope that the coming year, we can march forward, triumphantly.

I also thank our President and other office-bearers and Members of the Executive Committee for all the Cooperation they extended to me.

INSURANCE CORPORATION EMPLOYEES' UNION ZINDABAD!
SOUTH ZONE ~~ROUGH~~ INSURANCE EMPLOYEES' FEDERATION ZINDABAD!
ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION ZINDABAD!

P. Subramaniam
(P. SUBRAMANIAM)
SECRETARY.

INSURANCE CORPORATION EMPLOYEES' UNION., MADRAS DIVN.,
(AFFILIATED TO S. Z. I. E. F. MADRAS)
REGD.NO.2202.

BALANCE SHEET AS AT 31-3-1958.

LIABILITY :

GENERAL FUND. 3,155.21 nP

3,155.21

ASSETS.

CASH ON HAND at MADRAS & CHIDAMBARAM.	Rs. 18.14	
CASH AT BANK.	2,080.84	
STAMPS ON HAND.	83.02	2,182.00
COST OF DUPLICATOR MACHINE.	912.90	
SUNDRY MATERIALS(CARPET)	60.31	973.21
		<u>3,155.21</u>

- NOTE : 1. Complete account have not been received from Vellore Branch
2. No account is taken of subscription of arrears.

EXAMINED AND FOUND CORRECT

(SD) P. ARUNAJATAI

CHARTERED ACCOUNTANT.
16-5-58.

P. Subramaniam
SECRETARY.

S. S. Srinivasan
TREASURER.

Madras,
16-5-58.

INSURANCE CORPORATION EMPLOYEES' UNION.
(Madras Division)
(Affiliated to South Zone Insurance Employees' Federation).

REPORT ON THE SECOND ANNUAL CONFERENCE.

Comrades,

I have great pleasure to report to you briefly our Second Annual Conference. The previous year was a very successful year marked by outstanding achievements. As report of our last year's activities will be circulated shortly in form of a report submitted by the Secretary.

Our Union, thereupon, have decided to widen the scope of our activities. The maintenance of good health and cheer of our members is of paramount importance to us. So, in order to achieve this, our Union deputed Comrade K.G. Palani to organise Sports and the same came off magnificently on Saturday, the 17th instant. The Sports commenced with a Magnificent and imposing March Past led by Comrade V.L. Subramaniam to the strains of March rhythm to which the Zonal Manager took salute. The Sport events were then inaugurated by the Zonal Manager. There were competitors with entries for the items of Sports and the above competitors included seven ladies. While we congratulate Com. Palani for the way it was planned to the minutest detail and properly executed, the success would not have been so complete, but for the willing co-operation of so many, besides our own volunteers. You are all aware, that most of the cups were donated by the Officers of the Life Insurance Corporation of India and I thank them on behalf of every one of our members, not merely for the valuable donations, but also for the spirit behind the donation. We are deeply indebted to the other Officers who acted as Judges and so very quietly and yet so efficiently contributed to the success, a most thankless job especially in view of the heat wave, we are now experiencing.

We are also indebted to Shri A.D. Parthasarathy and Shri Krishnamoorthy for allowing us their experience, time and services for the successful conduct of the Sports. We also record our keen sense of gratitude to the Madras Fire Service for allowing the electricity facilities. The sports ended with a magnificent and thrilling weight lifting and muscle control by Comrade V.L. Subramaniam, a former "Mr. Madras" and monoacting and farce by Comrade S.R. Veeraraghavan and Party. The musical interludes and the fancy dress indicated that we have a very good degree of talent, sufficient to open a branch for Fine Arts.

On Sunday, the 18th, our Delegates from throughout the Division met at our Union Premises. we had free and frank discussions and the proceedings were very lively, a sure indication of a successful year ahead. The only criticism, if criticism it could be called, that was levelled against the Secretary's report was that it was too modest as compared to the achievements of last year.

Various Resolutions were brought up. It was indeed a very healthy sign to find that each and every resolution was discussed and debated upon. A copy of the Resolutions adopted in the Council were circulated in the Open Session of the Conference and I am sure, you are all aware of the same. Notable among them, were a demand of BONUS, servicing to policyholders, exploring possibilities of bringing out recommendation of pay structure and service conditions for all Commercial Undertakings including the Government undertakings, Bank, Insurance Companies etc. especially bearing in view of the Second Pay Commission. while the above Resolutions were fully discussed, debated upon and then adapted, the election of office bearers went off very uneventfully. There was only one proposal - that the existing office bearers in view of their efforts and achievements of last year; enjoy the fullest confidence of the members and should, therefore, continue another term. The conference also elected 32 members to serve as Executive Committee. With this happy note, the proceedings of the Council concluded on Sunday the 18th instant.

Our other expansion in our activities was in the form of organization of Study Classes for purposes of preparing ^{for} Insurance Examinations. We also propose to open Matriculation Classes, provided the response is good. On the morning of Monday, the 19th, the Study Classes were inaugurated by Shri K. Balasubrahmanyam, our Zonal Manager. The Zonal Manager said that in order to achieve maximum efficiency, a balance should be struck between theoretical knowledge and experience and in view of the deficiency in the number of employees possessing such qualifications, there is good scope for those, who have qualification. The response to our classes is immense. But our scheme is ambitious though our resources are very limited in the hands of Comrade K.S. Kumaraswami and a few others.

A magnificent procession from the Zonal Office Buildings to the Gokhale Hall marked the beginning of the Open Session of our Conference. A capacity crowd attended the meeting. Com. SP. Ramakrishnan in his address, explained the justification of our demand of BONUS, criticised the ~~massive~~ red-tape in the day to day work and the Corporation Manuals which are not conducive to smooth functioning.

Mrs. Parvati Krishnan, M.P., in her inaugural address stressed (i) that the Corporation should set an example that nationalisation was the best means of mobilising maximum resources for fulfilment of the Second Five Year Plan (ii) the present practice of those opposed to theory of nationalisation to point at the L.I.C. should be countered by the employees by pointing out how the inefficiency is not due to nationalisation, but due to red-tape and to further the same, form a liaison with the policyholders and make a common cause with them and; (iii) consolidation of all ranks should be made.

Shri E. V. K. Sampath, M.P., in his speech in Tamil, expressed his appreciation and delight in his finding that so many from ages six to fifty coming up to the platform to receive the prizes for the Sports events and also the idea of the Study Classes. He dwelt at length, on the struggle of our Union in all its various aspects. He expressed that this Union is proceeding on very healthy lines, in that, it did not ignore the just demands of the minorities, such as the United India Canteen staff. He also criticised the red-tape and incomplete and amateurish manuals, which was not conducive to smooth and efficient discharge of duties.

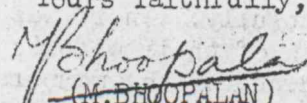
Comrade Mohan Kumaramangalam, President, S.Z.I.E.F. urged that the union should take effective steps for securing the enhanced D.A. to the staff getting a basic salary \times of less than Rs. 50/-.

With Comrade S. Masilamani proposing the vote of thanks, the Conference came to an end.

But before we close, we will be failing in our duty, if we do not record our deep sense of gratitude to the various leaders, Members of Parliament, Members of State Legislatures etc. and the Press who gave their unstinted support to our just cause and took up our cause whenever necessary.

Our special vote of thanks go to Com. H. Narasiah who without a frown converted day into night and did the job of duplicating almost without any rest. Lastly, we but not ^{the} least, to our Com. C. Kamaswami, we are indebted for having managed our affairs day in and day out, without being in limelight yet so effectively co-ordinated and managed our secretariat.

Yours faithfully,


(M. BHOOPALAN)
JOINT SECRETARY.

THE INSURANCE CORPORATION EMPLOYEES' UNION, MADRAS DIVISION.

107, Armenian Street, Madras 1.

C I R C U L A R.

At the Annual General Body Meeting held on 18th May, 1958 at "Hindusthan Buildings", 107, Armenian Street, Madras-1, the following Office Bearers were elected for the year 1958-59:

PRESIDENT.

Shri. S. P. Ramakrishnan.

VICE-PRESIDENT.

Shri. K. P. Menon.

SECRETARY.

Shri. P. Subramaniam.

JOINT SECRETARY.

Shri. M. Bhoopalan.

ASST. SECRETARY.

Shri. M.G. Gnanaseelan.

TREASURER.

Shri. S. Raghavendrachar.

EXECUTIVE COMMITTEE
MEMBERS.

ZONAL BUILDING:

- | | |
|-------------------------|----------------------------|
| 1. Shri. M. Doraiswami, | 10. Shri. M. Govindarajan, |
| 2. K.S. Kumaraswami, | 11. G. Narayanan, |
| 3. S. Masilamani, | 12. V. Srinivasan, |
| 4. M. Natesan, | 13. A.G. Madhavan, |
| 5. W. Shanmugam, | 14. S. Subramanyan, |
| 6. V.L. Subramaniam, | 15. T. Selvarajan, |
| 7. M. Murali Manohar, | 16. M. Aravindakshan, |
| 8. G. Ramachandra Rao, | 17. S. Ranga Rao, and |
| 9. B.N. Guruswami, | 18. Shri. R. Subramanian. |

DIVISIONAL OFFICE:

- | | |
|-----------------------|---|
| 1. Shri. Rajarathnam, | 3. Shri. Kuta Lingam, |
| 2. K.G. Palani | 4. Velayudhan Nair, & |
| | 5. K.R. Krishnamoorthy (Asiatic General), |
| | and 6. A.S. Narayanaswamy. |

I.B.O. Unit No. 1:

- | | |
|--|-----------------------------------|
| 1. Shri. George Sivasankaran (Oriental), | 4. Srinivasa Pillai (New Asiatic) |
| 2. G.V. Subramaniam (H. Ideal), | & 5. S.K. Dorai Raj (Prudential). |
| 3. N. Ramamoorthy (New Asiatic) | |

I.B.O. Unit No. 2:

- | | |
|---|---|
| 1. Shri. B. Narasiah (Hindusthan), | 2. P.V. Balasubramaniam (National Indian) |
| | and 3. C. Ramaswamy (Hindusthan). |
| 1. Shri. S. Kuppusami (G.T. Branch) and | Arunachalam (Bombay Mutual). |

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M Bhoopalan
JOINT SECRETARY.

Transactions

of the

ALL INDIA INSURANCE SALARIED FIELD WORKERS' ASSOCIATION

(Registered No. 631 under the Trade Union Act)

Number Price : Three Annas only December
Eight. 1957.

The Chairman at Patna

Shri G. R. Kamat, I.C.S., Chairman, L. I. C., came to Patna on 18th & 15th Nov. 1957. It appears that he expressed a desire to meet our President, Shri S. L. Roy. The D. M. of Patna very courteously sent to our President a car which conveyed the latter to the Circuit House on the 13th Nov. It was an unofficial, personal interview. Our President had a general discussion on the present and future of the Insurance Industry and on the principles of field organisation.

At Muzaffarpur

The Chairman was at Muzaffarpur on the 14th. A deputation of three representing our Association met him by previous appointment on that date. The Deputation consisted of Shri K. P. Srivastava, Vice-President, Lala N. Prasad, General Secretary and Shri J.P. Verma, a member of the Executive. Two memoranda were submitted to the Chairman. One was a letter from our President containing our Association's views on the proposed Terms and conditions of Appointment and categorisation. The second was from the General Secretary concerning routine administration.

The Chairman discussed the memoranda point by point and our deputationists came away with certain impressions about the Chairman's reactions to our representations. A letter was sent to him seeking confirmation of the points discussed. This letter and Mr. Vora's reply are printed in this issue.

The Association's representations have been taken into consideration and the revised Terms and Conditions have been now circulated by Mr. Raj-Gopalan, copies of which have been sent to our President by Mr. V. H. Vora with his forwarding letter no. DD/VHV

dated 5th Dec. 1957, which is also printed here

Categorisation and Terms

From

Shri S. L. Roy, M. A.,
President, All India
Insurance Salaried Field
Workers' Association,
Devendra Nath Das Lane,
Patna-4.

To

Shri G. R. Kamat, I. C. S.,
Chairman, Life Insurance
Corporation of India.
Patna, the 14th November,
1957.

Dear Sir,

With reference to Mr. Vora's letter No. DD/VHV dated 4th Oct. 1957 forwarding specimen copies of the terms and conditions of service and categorisation and your printed circular letter dated 30. 9. 57 I beg to submit the following as the considered opinion of my Association.

Re: Categorisation 1. Fitting in of existing workers.

General Remarks—There were two kinds of Salaried Field Workers under the Private Sector, viz.,

(1) Those who mainly recruited and supervised the work of Inspectors and only rarely a few direct agents.

(2) Those whose work was to get business through agents only.

Therefore, in fitting in, the two categories should be treated on different bases.

As regards no. (1) above, these men should be subjected to a theory test and then put into positions of Supervisory work. Many will be fit for the A.B.M. (Development) position. Many again can be utilised by placing them as 'Field Superin-

tendents one for each District, to supervise, guide and inspire the Inspectors in each district.

This will decrease procurement cost for the Corporation. At present, the Corporation rules require tours by Branch Managers. But the Branch Manager's administrative functions are so multifarious that they can hardly undertake tours if they have to maintain efficiency of service both as regards service to policy holders as well as service to Field workers. As their travelling allowances are high, the expense will be curtailed by transferring touring duties to a class of Supervisory Inspectors.

As regards (2) above

There are probably 5000 Salaried Field Workers of the 2nd category under the Corporation at present. Assuming (as data is not available) that Rs. 250/- per month is the average cost on the entire cadre, the monthly cost to the Corporation would be $5000 \times 250 =$ Rs. 1,250,000. This works out to $12,50,000 \times 12 =$ Rs. 150,00,000—1 crore & 50 lakhs annually.

The Corporation's present annual total premium income is presumed to be Rs. 65 crores, then the total over-all cost on the Field Workers should be 2.1%. As the total over-all expense ratio can be presumed to be around 28%, this certainly is not excessive compared with the incidence of cost on this item of expenditure under the private sector. Probably it is the same as before. If so, the question of terminating anyone's service does not arise

There is another reason why there can be no question of terminating the services of any one at present. It is this:

The Corporation wants life insurance to reach every income-group in India for which it is prepared to issue policies of Rs. 250/- also. Such policies are largely to be found in rural areas and in every town—not in industrial areas only. The 'Janata Policy' was a catchphrase and misconceived organisationally when it was sought to be restricted to industrial areas,

as these areas are already worked by a rival scheme known as "Employees' State Insurance Scheme".

The Corporation should direct its attention for its "Janata" policy on the individual lower class wage-earners in towns and villages.

If they do it then India will require more than 10,000 Inspectors.

All Inspectors now in the Corporation's service may be described as "Skilled Workers" in-as-much as they have been in the line for years and have adopted it as their life's profession. It is astonishing that where the demand is bound in the near future to be for larger number of workers, the Corporation should be thinking in terms of decreasing the number by throwing some out of employment on a wrong and misconceived basis of assessing the value of their work.

2. The assessment is wrong because.

(1) 1st September 1956 to 30th September 1957 has been taken as the period for production assessment.

This is absolutely wrong and unfair and therefore may be described as a dishonest basis.

There was total chaos in the entire administrative sector of the Corporation from 1st September 1956 to 30th May 1957. It was only from June that Inspectors began to get regular supplies of forms, prospectuses etc. and in some cases area allotments were made but regular payments to agents allocation of agents, regular service to Policy holders old and new have not yet been brought up to the level that obtained during the Private Sector.

(2) Another production assessment is "first year's premium income", which has been fixed at "six times the annual remuneration".

The premium income basis was devised in India by inefficient Managers who did not understand the principles of Insurance Field Organisation. This is not done anywhere in the world. This system has given rise to evils that are

detrimental to the entire business, viz., high lapse, getting new business by making old policies paid up, purchasing business by rebates etc., non-creation of a professional class of agents by creating each policy holder or his family member an agent, influencing business through corrupt Government officers who took agencies in somebody's names.

The same corruptions are still going on and will go on as long as this basis is adhered to.

The Insurance Industry is based on the Law of averages and that law should be the basis in the Organisation Sector as well. Oriental, under Jones, Macpherson and Sutherland knew this and based their organisation on that theory. Each lakh of genuine business produces an average amount of premium. An inspector, starting on a clean slate without existing agents, was asked to produce 8 lakhs. No premium-income was insisted on. The three lakhs consist of policies under different tables. If only short term endowment policies are issued the premium income will be higher. If the majority of policies are Life policies, the total premium will be less. In respect of bonafide policies from the profit earning point of view Life policies are more desirable than endowment policies. In order to attract more life policies British Companies used to pay a higher rate of commission on Life policies and less on endowment policies, least on very short term policies.

This aspect of the business was unknown to our Managers and our Actuaries paid no heed to it though any actuarial text book will say this.

Again, in the very first year only 2/8rd of the annual premium is collected if it is genuine business. Taking 5000 as the annual premium on one lakh, the collection would be Rs. 8200, because more endowment policies are sold in this country. In the second year, the balance of the previous year's business together with the income on that year's new business would give an average of Rs. 5000 premium income per lakh.

But this calculation does not apply at present. I have before me the Indian Insurance Year Book for 1954 giving 1953 figures. From page 8 we find New Business was 154 crores. From page 10 we find First Year's collection as Rs. 7,18 lakhs which gives Rs. 2100 only as collection per lakh.

It may be that in 1956, the average collection probably was Rs. 2800.

Therefore Rs. 4000/- as the average collection per year on absolutely new business is wrong and because it is impractical is dishonest.

It must also be remembered that the inspectors who have been uprooted from their areas, who have been deprived of their old workers can not produce on the basis of premium income proposed by the Corporation. The More so because normal procedure started only from June and can not be said to have been fully in action even now.

90 per cent of Inspectors are functioning on a clean slate. Fitting in should be done only when

- (1) Full servicing of policies, is going on.
- (2) Opportunities of rebating are eliminated.
- (3) Agency allocations and area allocations are fair and just.
- (4) First year be calculated as 12 months from June 1937 to May 1958 and even then on the basis of Rs. 2800/- per lakh as first year's collection.

Therefore, in the opinion of my Association, fitting in is unjustified at this time and on the basis proposed by the Corporation.

A welfare State nationalises its industry not to run it on the Profit motive but runs it on solvency basis, giving the advantage of profit to clients and workers.

II. RE: APPOINTMENT LETTER (TERMS AND CONDITIONS) CLAUSE 1.

Designation.

What is the intention behind the use of "Field Officers" as designation? Are Inspectors alone "Field Officers and not the A.B.Ms"

Development, A.D.Ms' Development and Branch Managers?

Why not have "Inspector"?

CLAUSE 2.

Pay scale.

In the thirties, the Oriental started men on Rs. 150 per month, when the world financial crisis had made living cheapest.

Now, when living index is 450 compared with 1939 and when Dearness allowance has been introduced to compensate for high prices, is it the duty of a welfare State to reduce the basic, initial salary?

The initial salary must be Rs. 150/-

There should be a clear understanding that on reaching the basic grade-pay of A.B.M's, the Inspector, if otherwise fit, shall be eligible for promotion as such.

CLAUSE 3.

Conveyance Allowance.

There should be no difference between urban and rural areas. In rural areas the cost of conveyance is higher. India is ill served in means of Transportation. The Duars area of Jalpaiguri, the coastal and hill areas of Orissa, the Kosi Valley area of North Bihar and similar areas have no cheap means of Transport.

Do the great medicine firms who send representatives to each village with a medical practitioner have to pay a lower rate of conveyance allowance to its rural area commercial Travellers?

The minimum population of 1 lakh for a city in order to call it urban is fantastic.

Towns in the Eastern Zone will all be considered as Rural then.

This entire clause is framed by an unbusinesslike mind.

CLAUSE 4.

Other Service Conditions

(b) Why should service be calculated from 1958? For those whose services were transferred from the Insurers, their service period should begin from their date of service with the Insurer.

This condition of the Corporation shows a pettifogging mind, ill associated with a great industry.

(d) and (e) Sub-para (d) and (e) are other instances of pettifogginess.

No labour legislation and Labour Tribunal will support these conditions.

As regards (d) the gratuity should be for every year's service counting from the date of confirmation by his employer in the private sector.

As regards (e) we want that gratuity should be paid after 10 year's service to all except where the service is terminated for fraud or embezzlement established after due enquiry.

CLAUSE 6.

Allocation of areas

(a) "Business potentiality of 10 lakhs" is an absurd proposition. The potentiality of a field depends on the ability of the worker. The Corporation is to discover the potentiality of the area and place Inspectors capable of working that area. For a person in the scale of Rs. 150 pay, the area allocated should be on 8 lakhs basis. As there are men getting different salaries are as should be created according to potentialities to fit in the existing men.

This entire clause has been framed by persons who do not understand how an area becomes productive and why.

(d) Many present day Divisional Managers and A.D.M's have been known to be unjust, go by personal animosities, favour men belonging to the insurer with whom they had worked.

CLAUSE 7.

Increments.

(c) In the words "not upto an adequate standard", the "adequate standard" should be made clear.

CLAUSE 9.

Penalties and Termination of service.

(b) This is ultra vires section 311(2) of the Constitution of India and should be amended accordingly.

Yours faithfully,

—(Sd.) S. L. Roy

MEMORANDUM

Submitted to Shri C. R. Kamat, I.C.S., Chairman, L.I.C. of India on Divisional Issues concerning the Inspectors under Muzaffarpur Division.

From
Shri Lala N. Prasad, B.A.,
General Secretary,

All India Insurance Salaried
Field Workers' Association,
Motijhil, Muzaffarpur.

To
Shri G. R. Kamat, I.C.S.,
Chairman, Life Insurance
Corporation of India,

Dear Sir,

I place before you the following points concerning our members, salaried Field Workers, working under Muzaffarpur Division with a request to kindly redress their grievance at an early date.

While the Corporation claims to judge their work for categorisation, it has so far ignored its duties and obligations to create conditions for production, such as—

1. Acknowledgement of proposals are not being sent to the party, Agent, and Inspector.

2. Reminders for the Acceptance of Proposals are not being sent by the Branch Officers to the Divisional Office at regular intervals.

3. Reminders for Completion of Pending accepted Proposals are not being issued to the Party, Agent and Inspector.

4. Proposals submitted with the Unit offices as well as the Corporation at the initial stage are still lying pending.

5. Premium Notices, Lapse Notices and Premium Receipts are not being sent to the Party, Agent and Inspector.

6. Abnormal delay in the adjustment of First Year's subsequent premium causes non-preparation of the Commission Bills which tells much upon the reputation and the area of the Inspector.

7. Appointment letters of the Agents are not being issued even on receipt of their License from the Controller of Insurance by the Branch Offices.

8. Circulars regarding Development are not being issued properly and regularly to the Field Workers.

9. Abnormal delay in issue of Policy Bonds.

10. Abnormal delay in settlement of claims.

11. The foregoing difficulties experienced by our members are mainly due to the fact that no step has been taken so far by the authorities to equip the offices under the Division with sufficient Office staff and the requisite Machine specially 'ADREMA' which is available with all other Divisions under the Eastern Zone.

As such my Association is of opinion that

i. Trained Staff should immediately be transferred from the different Unit Offices of Bihar, who belong to North and wish to come here.

ii. Inspectors having office experience should be suitably absorbed in the office, if he desires to join office.

iii. ADREMA Machine should immediately be provided to this Divisional Office.

12. Existing Agents are highly dis-satisfied and do not like to cooperate with the Inspectors because they are not being paid regularly and timely their First Year's or Renewal Commission by their respective Units too. This has been retarding the production of business to a great extent.

13. No service is being rendered by the Corporation to old Policy-holders. Notices are not issued, Letters are not replied punctually, Premiums are not adjusted timely. Even no information has been given to the policyholders as to where premiums are to be deposited or remitted. Inspectors have lost confidence of the old policyholders who are an important source of new business. Cor-

poration's inefficiency in this respect is retarding production.

14. Unlike Capital towns as for example Calcutta, Bombay etc. Inspectors here are to work in rural areas where there is no conveyance facilities. As such our members feel great difficulties while moving in the scorching heat of the Summer (April to July) and in flooded areas during the Monsoon (August to September).

In this connection, our Association is of opinion that

i. Each District Head quarter should be provided with one staff Car to help the Inspectors exploring the rural areas.

ii. A suitable allowance should be sanctioned to the Inspectors who are totally deprived of it.

15. Absence of Hindi literature causes great difficulties, which may kindly be supplied in future.

In view of the fact that whole of Bihar has been declared 'Drought Area', our Association is of opinion that special compensatory allowance to our members of this state be sanctioned to this effect.

In view of the facts that proper assignments distribution of areas, acceptance of proposals not put into effect till now, our Association is of opinion that the last date of Categorisation must be pushed forward to the 31st May '58.

I have regretfully to inform you that any extreme step against our members without mending its own inefficient methods is likely to lead to a situation which will create a public outcry both in parliament and outside against Nationalisation of the Industry.

I further inform you that our Association will take such legal action as it may be advised to do if (Categorisation is insisted upon and) dismissal is made by the Corporation against Law and Equity.

Yours faithfully,
(L. N. Prasad)
General Secretary

General Secretary's Letter

REGISTERED A/D.

the 20th November 1957
Shri G. R. Kamat, I.C.S.,
Chairman.

Dear Sir,

We beg to place on record our appreciation of your sympathetic attitude towards our submissions made at the interview you so kindly granted us on the 14th November at Muzaffarpur.

Before reporting to our members the discussions we had I wish to be certain that our impressions are just as you meant. We wish to avoid giving our members a wrong interpretation of what you told us.

I therefore hope you will please confirm if we are correct.

1. That as regards the First Year's collection per lakh, you have kept an open mind.

2. That you agree to keep our designation as "Inspector" and that there is no bar to Trade unionism.

3. That you have kept an open mind as regard the minimum salary of Inspectors.

4. That the Conveyance allowance would be equal both in urban and rural areas.

5. That in your opinion Clause 9(b) of the service conditions are not ultra vires Sec. 311(2) of the Constitution of India.

6. That the Staff Regulations are not applicable to Inspectors.

7. That you agreed to transfer staff to Muzaffarpur Division who wish to come here and that you advised the Zonal Manager, Eastern Zone to issue Circular to this effect.

8. That as regards suitable absorption of Inspectors having office experience you have assured to go through individual cases.

9. That you agreed to provide one Staff Car to all Branch Offices.

10. That Inspectors will, if they require, get an advance of 60% of the purchase price of Motor Cycle of Rs. 1000/-.

TRANSACTION

11. That as regards Special Compensatory Allowance to our members of Bihar on account of drought declared in this State, you have kept an open mind.

Yours faithfully,
(Sd.) Lala Nagendra Prasad,
General Secretary

EXECUTIVE DIRECTOR'S REPLY

5th December '57.

Ref. DD/VHV/

The General Secretary,
A.I.I.S.F.W. Association,
Motijhil, Muzaffarpur.

Dear Sir,

We are in receipt of your letter dated the 20th Nov. '57 addressed to our Chairman, Shri G. R. Kamat, I. C. S. The Chairman has asked me to reply you as under :

1. The Chairman only said that he had noted your suggestions.

2. All that the Chairman said was that in changing the designation, it was far from his mind to interfere with Trade Union activities of Salaried Field Workers.

3. The Chairman did not say that he had kept an open mind as regards the minimum salary of Inspectors.

4. Your suggestion regarding the Conveyance Allowance has been noted.

5. In the Chairman's opinion, Clause 9(b) of the Service Condition is not ultra-vires of Section 311(2) of the Constitution of India.

6. The Staff Regulations are not applicable to Inspectors in their entirety.

7. The Chairman had no objection in regard to transfer of staff to Muzaffarpur Division.

8. The Chairman said that the Zonal Committee would consider the matter.

9. The Chairman did not agree to provide One Staff Car to all Br. Offices.

10. The Chairman stated that a Field Officer would get an advance of 60% of the purchase price of Motor Cycle.

11. The Chairman had noted your request for Special Compensatory Allowance.

Yours faithfully,
Sd/- V. H. Vora
Executive Director.
VHV/Tan

MR. VORA'S LETTER

5th December, 1957.

Shri S. L. Roy, M.A.,
President,

All India Insurance Salaried Field Workers' Association,
Devendra Nath Das Lane,
Patna—4.

Dear Sir,

We are in receipt of your memorandum submitted to our Chairman, Shri G. R. Kamat, I.C.S. We have considered the views of your Association and have pleasure to inform you that certain changes have been made in the terms and conditions of service of the Field Officers and in the Categorization Scheme as per copies enclosed.

Yours faithfully,
V. H. VORA
Executive Director.

CASE OF R. N. MITRA

the 14th November, 1957

From :

Shri Lala N. Prasad,
General Secretary,
A.I.I.S.F.W. Association,
Motijhil, Muzaffarpur.

To
Shri G. R. Kamat, I.C.S.
Chairman, L.I.C. of India,
Camp: MUZAFFARPUR.

Dear Sir,

Re: Shri R. N. Mitra (Code No. 106), Inspector under Muzaffarpur Branch of the Corporation.

With reference to the above Inspector, a member of our Association, I beg to place before you the following facts which I hope will receive your due consideration and his appeal for restoration of the cut made unjustly in his salary by his ex-insurer, New India Assurance Co., be restored to him.

You might be aware that his services were wrongfully terminated in March '56. He

filed a complaint for wrongful termination and for restoration of the full salary before the Labour Commissioner, Bihar. In September '56, the Life Insurance Corporation of India was made a party and at the instance of the court the Divisional Manager of Patna who represented the L.I.C. of India, suggested to compromise the case.

While the compromise agreed to by him and by my Association (which was conducting the case) was reinstatement of service in the first instance, the question of restoration of Cut in salary made in '54 was not specifically included in the terms of Compromise as the Divisional Manager and Asstt. Divisional Manager (Dev.) of Patna both assured him and the President and the then Secretary of my Association—Messrs S. L. Roy & K. P. Srivastav—that the Cut will be restored by official action.

But regret to say that since then no action has been taken. Even his file in connection with the Law Suit lies yet with the Divisional Manager, Patna which ought to have been sent to the Divisional Manager, Muzaffarpur under whose jurisdiction lies his original field of work.

By the way, his salary before the Cut was Rs. 196/- (plus usual D. A.) which was reduced to Rs. 120/- on which basis he was reinstated.

But his submission is that business done by his agents were not credited to him; several agents created by him were made Inspectors to whom his own agents were attached and by so doing a wrong picture was shown and salary reduced.

I enclose a copy his letter to Mr. B. K. Shah dated 19-8-'54 on this question. Since this letter includes his business figure only for the period ending 1953; I give below for your ready reference, his figure for the year ending '54 & '55 which stand admitted by the Corporation in the referred

Court as will be evident by going through the file lying with the Divisional Manager, Patna.

1954—New Business Rs. 12,91,900/-—First Y. P. I. Rs. 48,000/-

1955—New Business Rs. 10,88,000/-—First Y. P. I. Rs. 38,570/-

In the meanwhile I may point out that he is being paid only Rs. 120/- as basic salary, the following Inspectors who were his agents three years ago, and were subsequently Inspectors under him are getting higher salary than him—

1. Shri Thakur M. S. Singh
2. Shri G.C. Saha.
3. „ R, N. Pandey;
4. „ J. P. Srivastav.

Under the circumstances, I have to request you to kindly look into his file personally and restore the Cut in his salary with the retrospective effect at your earliest convenience.

I trust my this appeal to you for justice will not go in vain.

Yours faithfully,
On behalf of, A. I. I. S. F. M.
Association.
Sd/- L. N. Pd,
General Secretary

RESOLUTIONS OF EXECUTIVE COMMITTEE 8-9-57

I. The issue of DAILY OPERATION REGISTER was discussed and resolved that the issue be placed in the next general meeting of our Association for the needful.

2. The grievances of Sri P.P. Mitra of Champaran raised in his personal letter addressed to Sri K.P. Srivastav our ex-General Secretary was placed before the meeting and after due discussion it was resolved that Sri Mitra be kindly requested to submit his detailed grievances in black and white officially on receipt of which necessary action will be taken by us.

3. Reviewed the pitiable plight of our members under Muzaffarpur Division on going through the correspondences between our Muzaffarpur Branch Unit and the relative Branch Office of the L.I.C. of India and arrived at the conclusion that the Corporation authorities are not paying any heed to their grievances. Hence, it is resolved that the General Secretary should be advised to write in detail their grievances with special reference to the shortcomings of the Muzaffarpur Divisional Office as well as Branch Offices under the Division to the Chairman, L.I.C. of India.

Dec. 1957

Secretary's Letter To Muzaffarpur Branch.

The 2nd September, '57.
Mr. J. Sahay,
Branch Manager,
Muzaffarpur.

Dear Sir,

Ref: Your letter
No. C589/531/57
dated 28. 6. 57

Our Association has taken note of your above letter addressed to our Muzaffarpur Branch Committee. We think certain further clarification is required on the Branch Committee representation to you dated the 10th June 57.

1. In para. I of that representation it was stated that as business introduced since the 1st Sept. '56 or before are yet pending acceptance any review without consideration of that business will be on incomplete and false basis. You have not in your reply touched this point.

2. You have yourself admitted that allocation of unattached agents was done verbally. We hope this verbal allocation was according to the instruction from the Central Office. We have to point out, however, that this verbal allocations have benefitted a few undeservedly. You say that these allocations will be effective from 1-1-57. Kindly let us know if this is the Central Office advice and why Sept. to Dec. 56 will be left out of count?

3. Your reply to para 5 of our Branch Committee representation regarding credit of outside agents' business is vague. If an area is exclusively given to an Inspector he is to get credit of an outside agent's business. We are referring particularly to business booked by Mr. Ali Imam of Patna in Muzaffarpur credit of which was given to a particular Inspector who in no way helped Mr. Ali Imam. Our Association would be obliged to know the principle on which this was done.

4. You have not been pleased to give any reply to paras 6 to 11 of the representation. Our Association takes this opportunity to remind L. I. C. of India through you by this letter that the Corporation has certain definite obligations to Inspectors. Among these are prompt issue of

Policies, Premium Receipts, prompt attention to Loan applications and other communications from Policy-holders, prompt payment of Agents' Commission, T. A. Bills of Inspectors, prompt issue of Agents' Appointment Letters and a host of similar obligations. Our Association is definitely of opinion that failure on the part of the Life Insurance Corporation in fulfilling the said obligations, legally, Estops the L. I. C. from dismissing any one for non-fulfilment of new business quota. In taking step in this direction i.e., discharge of workers on the said grounds, our Association will take up the matter in court of Law. We hope you will bring this to the notice of your higher authorities.

5. Our Association has been surprised to find that while the conveyance allowances of many Inspectors have been increased no such increase has been given to deserving cases and our Association requests you to scrutinise the case of every Inspector under you for granting increase in conveyance allowance and avoid discrimination in such matter.

Thanking you,

Yours faithfully,
(Sd.) L. N. PRASAD,
General Secretary,

Copy to:—Mr. G. R. Kamat,
I.C.S., Chairman, L.I.C. of India,
Bombay for information and
doing the needful.

Reports To President

Muzaffarpur.

11-5-57

Report No. 1.

Mr. Sagir Ahmed Agency
Code No. 170623 (United India)
Corporation Serial No. 243531
writes from Chapra:—

"I submitted three Proposals with the United India unit in the months of August 1956 which were duly accepted in the 3rd week of August by the United India. The 1st premium was deposited in the last week of August 56. The Divisional office has not issued the 1st premium receipt so far, (May '57). The Branch manager has not taken steps for the completion of the Proposals No. 68000, 68001, 68002, unit United India.

Further Proposal Nos. 802581 and 817531 submitted with the Branch office Muzaffarpur are awaiting acceptance as neither the party nor myself have received any intimation regarding the acceptance of the proposals."

Mr. B. P. Shukla writes "I submitted three Proposals with the Branch office Muzaffarpur in the month of January. Prop. No. 988531 was sent along with 1st premium. The proposal was accepted after three months in the month of March. The acceptance advice has not been received by me so far. The party has also not received the letter of acceptance. The Inspector says the same has been accepted as he received the acceptance advice in April. The 1st premium receipt which should have been issued along with acceptance has not been issued so far though the Branch has been reminded. Other proposals the Inspector informs have been accepted 'for which no advice has been received by me. The Branch has been reminded to no effect."

The Commissioner of Tirhut, insured through Mr. Ali Imam of Patna. The credit of the business was given by D.M. to a favorite Inspector to help him in categorisation. The case should have been direct business.

The Branch office is playing a nasty game so far the

attachment of agents is concerned. No list of the attachment of agents has been prepared and handed over to the Inspectors though most of the agents have been attached to the favourite Inspectors a list of which has already been sent to you, sometime back.

Working agents of one Inspector within the area of the Branch are detached and attached to another without the least information to the Inspector.

One of the agents of Sri R.N. Mitra working at Hajipur has now been attached to Sri R.N. Prasad with effect from 1st January 1957. Mr. R. N. Mitra has not been informed of the change.

Similar agent of Sri K. P. Srivastava who was of late working with him wrote to him and wanted certain information regarding some of his Proposals. On enquiry it was learnt that the Proposal credit was given to some other Inspector. It has been found that Muzaffarpur Inspectors are working with an agent of Sitamarhi subdivision. Sitamarhi subdivision's Inspector is working with Muzaffarpur agent. So there is no justice, no principle, no equity. Most of the orders of the Branch Manager is verbal.

Your faithfully,
(Sd.) K. P. Srivastava
Gen. Secretary.

REPORT NO. 2.

Dated 20-5-57

I give below the present emoluments of some of the Inspectors working under Muzaffarpur Branch of the Corporation with the expectation of their business as mentioned in the Provisional letter of their appointment received recently.

Name	Present Salary	Previous Quota.	Present Quota
S.P. Varma (Hindsthan)	Pat Rs. 200/- D.A. 25/- Car All. 100/-	6 lacs.	8 lacs with Premium 32,000/-
R.N. Mitra (New India)	Pay 120/- D.A. 75/- Con. All. 50/-	4 lacs with P.I. 14,000/-	5 lacs with P.I. 20,000/-
Jamuna Pd. (Hindsthan)	Pay 125/- D.A. 25/- Con. 50-	8½ lacs.	5 lacs 20,000/- P.I.
R.K. Pd. (Rly. Co-op.)	Pay 230/- D.A. Nil C.A. Nil.	15 lacs.	6 lacs 24,000/ P.I.
S.N. Prasad (Bharat)	Pay 100/- D.A. Nil C.A. Nil	2 lacs 6,000/-	3 lacs 12,000/- P.I.
A.K. Ghosh (Bombay Life)	Salary 150/- Cons. T.A. 75/- (Likely to be re-stored)	3 lacs	4 lacs 16,000/- P.I.

R.N. Pandey (New India) Hajipur.	Salary 1000/- D.A. 75/- Con. All. 50/-	8 lacs 10,000/-	6 lacs 24,000/- (With two of the best agents of our agents.)
R.L. Srivastava (New Asiatic)	Salary 150/- Con. 50/-	2½ lacs	4 lacs 16,000/-
L. Thakur (Ruby)	Salary 100/-		8 lacs 12,000/-
H.P. Varma (New Asiatic)	Salary 100/- Conv. 50/-	2 lacs	3 lacs 12,000/-
K.S. Goswami (National)	Salary 150/- D.A. 25/- C.A. 25/-	4 lacs	5 lacs 20,000/-
J.P. Varma (Bharat)	Salary 195/- D.A. 45/- Con. 75/-	12,000/- P.I.	6 lacs 24,000/-
K.P. Srivastava (United India)	Salary 160/- D.A. Nil	8 lacs 12,000/-	5 lacs 20,000/-
H.P. Sinha (Oriental)	Salary 175/- D.A. 70/8/- Car All. 175/-	7 lacs	10 lacs 40,000/-
Thakur M. S. Singh (New India)	Salary 150/- D.A. 88/- Conv. All. 100/-	4 lacs	7 lacs 28,000/-

A list of the agents attached to the Inspectors has not been given to the Inspectors as yet.

According to the letter of the appointment the area of operation of the Inspectors at Muzaffarpur is the Sadar Sub-division and Hajipur and Sitamarhi. Inspectors are to confine their activities in their respective Sub-divisions. The Branch Manager has verbally asked the Inspectors to confine their activities to a particular Thana.

There are about 16 Inspectors at Muzaffarpur. 8 at Sitamarhi and 2 at Hajipur.

Mr. S. N. Sahai of Empire and Mr. H. P. Sinha of Oriental have been allowed to operate in the Sub-division of Sitamarhi also.

Data of a few Inspectors could not be had. They have not cared to send me the details.

Yours faithfully,
(Sd.). K. P. SRIVASTAVA
General Secretary.

List of the Office-Bearers and Executive Members For 1957-58.

DESIGNATION.	NAME.	ADDRESS.
President ..	Sri S.L. Roy, M.A.	Devendra Nath Das Lane Patna—4.
Vice-Presidents ..	„ S.B. Chanda ..	128/28, Hazra Road, Suite No. 8, Calcutta—26.
	„ D. N. Tiwary	D5/46, Tripura Bhairavi, Varanasi.
	„ J. P. Verma	Bara Lane, Kalyani Chowk, Muzaffarpur.
	„ K. P. Srivastav	Mukherji Seminary Road, Muzaffarpur.
General Secretary	„ Lala N. Pd., B.A.	Motijhil, Muzaffarpur.
Org. Secretary ..	„ K. N. Sinha ..	New Area, Jakkanpur, Patna-1.
Asstt. Secretaries	„ B. Dutt ..	Mahendru, Patna-4.
	„ R. N. Mitra ..	Angola, Orient Club, Muzaffarpur.
Treasurer ..	„ K. P. Karan	Motijhil, Muzaffarpur.

Auditors ..	Sri S. L. Dass ..	Laheriasarai, Darbhanga.
	„ Shambhu Saran.	Do.
Executive Members	„ I. B. Sengupta	10E, Seven Tanks Lane, Calcutta-80.
	„ Hiren Roy ..	5/58, Surya Nagar, Calcutta-40.
	„ Kali Ghosh ..	18, Vaishnav Para, 1st Bye Lane, P. O. Ramkristopur, Howrah.
	„ S. N. Pathak	14/99 Terinim, Varanasi.
	„ D.R. Chaddha	C/o Indraprastha Traders, Kashmiri Gate, Delhi.
	„ P. K. Kunte ..	83, Caddel Road, Bombay-28.
	„ A. K. Ananta-krishna.	87-88, Silver Jubilee Park Road, Bangalore-2.
	„ M. H. Deshpande.	Tonga Stand Road, Dharampeth, Nagpur.
	„ R. N. Bangale	Buti Plots, Bandera Road, Amraoti.
	„ S. N. Pandey	C/o M/s United Tractors, Golghar, Gorakhpur.
	„ S. D. Singh ..	10/414, Khalasi Lines, Kanpur.
	„ J. M. Guba ..	Hem Kutir, 'L' Road, Jamshedpur.
	„ H. P. Verma ..	Chapra.
	„ P. P. Mitra ..	Champaran.
	„ S. A. Hussain	Noormahal, Bhopal.
	„ S. P. Verma ..	Maripur, Muzaffarpur.
	„ T. Prasad ..	Kalambagh Road, Muzaffarpur.
	„ J. R. Khosla ..	Katihar, Purnea.

Ourselves

Our Association was registered as a Trade Union in 1958 to carry on agitation against the Private Sector authorities who gave no security to Inspectors. In the first issue of the "Transaction" were published our 15 point demands.

In 1954, our President came to know that Nationalisation of Insurance had been decided by our Govt. They sent the Controller of Insurance to New Zealand and France to study at first hand this subject. At our Presidents' suggestion a conference was held in Calcutta to welcome Nationalisation. This was in October 1955. Nobody then knew that "Nationalisation" was so near. The Capitalists sent their men to oppose the resolution and to break up the Conference if they failed to do so. But the resolution was carried *nem com*.

Before 1956, Inspectors generally accepted the "Cost

and quota" basis without objection and were mostly afraid to join Trade Union organisation. Only the Inspectors of Hindusthan Co-operative had formed an Association to fight the methods of organisation and the deceitful practices introduced by the D. N. Mitra-cum Bankin Roy administration. The entire Hindusthan Organisation under the lead of Shri S. B. Chandra joined our Association. In Calcutta Mr. I. B. Sen Gupta worked hard for the Association resulting in the great demonstration of 1st Sept. 1956 and the agitation which induced the Corporation to take back the Pro-rata Inspectors discharged on 31st August.

That was the first success of Collective efforts.

Three other trade Unions were registered in India in 1956—in Kerala, in Mysore and in Orissa. These with ours are the four registered

Trade Unions. If one United Association is not formed as decided in Bangalore, a federation of these four Trade Unions and others, if there be any, is the possible course. But our Association must be satisfied that the Bangalore resolutions, taken by a really all India representative body, are definitely over-riden by a conference equally representative.

The Government will be well advised to give heed to Rajyapal Shri V.V. Giri's suggestion to form "joint standing machinery of L.I.C. officers and representatives of registered Trade Unions." The Union Labour Ministry is not acting wisely in ignoring the Trade Union activity of an educated and intelligent class of labour, who can influence vote of elections.

Our Association did not formulate any Charter of Demands. We thought that such action would be inconsistent with our "demand" for nationalisation. We waited for the Government to come out with their terms of appointment. Why should we presume that our "national" Government that is talking of socialistic pattern and higher standard of living would be unjust towards us? We concentrated on two vital issues—Security of Service and old age provision.

We are happy to note that under the Chairmanship of a right-thinking, level-headed leader like Mr. Kamat both have been recognised in the terms and conditions of service.

How "demands" thoughtlessly made do harm to the cause of workers is illustrated by the minimum pay scale of Rs. 125/-. This is because most associations who made "demands" suggested 125/- as the minimum salary.

This should be a warning to Mr. I. B. Sen Gupta of

Calcutta who violated organisational discipline and placed a "Demand" in the hands of authorities simply because the Eastern Zonal Federation was so doing.

Our Association is of the opinion that the Revised Terms and Conditions are acceptable.

We have to announce that our President who has been in ill-health for the last one year wants to retire leaving the leadership to Inspectors themselves as he believes that what he was striving for since 1958 has been now achieved, thanks to Mr. Kamat. But it is regretted that the unity that was created in Bangalore has been broken by interested parties and many State and Divisional Associations have not understood the danger to the interests of the Inspectors by the division in their ranks.

Our Association has never had any communication from the so-called "National Federation". The question is of which Associations is it a "Federation"? And who knows about its "Constitution"?

The L.I.C. Investment Scandal

Shri Feroze Gandhi, M. P., has eminently served the people who elected him by bringing to light the inexcusable financial racket indulged in by those who were charged with the investment of Life Insurance Funds.

During 1980-81 World Economic Slump, Sun Life of Canada lost 9 million dollars invested in industrial shares. That has taught the world that institutional investment must keep clear of industrial shares—however profitable. Sun Life made honest investment.

But the L. I. C. authority in charge of investment appears to have selected the Mudhra Shares for speculation only and probably for some consideration. Two conclusions only face us: (1) He does not understand Life office investment, he was ignorant. This is hard to believe; (2) He did it for personal gain. This is more likely.

Let us wait for the results of the official Enquiry. Whatever it may be, T. T. Krishnamachari should be packed off the Cabinet and with him the Managing Director in charge of Investment must be dismissed and lose all his gratuities, if not his pension.

In the case of Inspectors the Corporation authorities laid down:

"9. PENALTIES AND TERMINATION OF SERVICE:

(a) In case of *unsatisfactory performance of duties* or if a field officer shows negligence in his work or is guilty of misconduct.....his remuneration may be reduced or his services may be dispensed with....."

Shri Feroze Ganhi & Shri Sadhan Gupta are requested to note the above. We wait to see how Nehru cabinet deals with TTK and with the Investment Managing Director.

The Future Of The Association

A letter from our President
Our Association's constitution is of a unitary type following to some extent the constitution of the Congress. At Bangalore, it was decided that Inspectors must have one Association for all India. The Eastern Zone flouted the Bangalore resolution. It is strange that some Inspectors in other parts have accepted the unconstitutional move of the so-called Eastern Zonal Federation.

At Nagpur and at Delhi in 1956 one Mr. P. K. Sikder became prominent. He tried to break the unity of the AIISFWA. He was able to create a division in Calcutta between Mr. S. B. Chanda and Mr. I. B. Sen Gupta. At Bangalore, Mr. G. S. Vaish proposed his name as President of AIISFWA. He refused to withdraw his proposal. Mr. Sikder had to withdraw when

he realised the sense of the house.

This Mr. Sikder was rewarded with a safe job by the Zonal authorities of Calcutta soon after Bangalore. He is no longer heard of as a fighter for the cause of Inspectors.

I hope there was no connection between his actions and his appointment.

This Mr. Sikder borrowed about Rs. 40/- from a poor Inspector of Delhi promising to return it. This was in December 1956. He has not done it though our President requested him to do so.

In future, Inspectors

should beware of such leaders.

The Bangalore way is the only way to safeguard the interests of Inspectors. The Bangalore Constitution, however, was framed by non-experts. It was unwieldy and was not fit for Indian conditions.

The Central Executive should be small, like the Congress Working Committee.

In future the Divisional and Branch Committees must be strengthened. It will be their function to keep watch on the Divisional and Branch authorities. Experience shows that officers at these levels are generally more inefficient,

meanminded and shortsighted.

It will require however strong-minded Inspectors to carry on Associations at Branch and Divisional levels. Those who visit the houses of DM's, ADM's and BM's at night to get agents allotted to them or allowances increased and then shout "Inqlab Zindabad" in the Muslim Institute Hall, are not the persons who will serve the Inspectors.

The so-called "National Federation" men have been threatening direct action to the authorities. But when Mr. G.R. Kamat was at Patna, the members of Eastern Zonal Federation competed with the

agents to subscribe for a dinner party to Mr. Kamat and each pushed the other in order to stand near Mr. Kamat to be photographed. With this mentality of boot-lickers, no Community service is possible.

The AIISFWA men have refrained from being photographed with top-men of the corporation until appointment terms are finalised.

Inspectors must realise that eternal vigilance is the price of security. "Socialistic pattern" is a slogan, bureaucratic despotism and snobbery are the actualities in Congress administration. —S. L. Roy

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Handwritten notes:
4 Hsokabady
New Delhi
Govt. of India
Garkhannout House
Sr. S. A. Dange, M.P.



For Members only

TRANSACTIONS

of the
ALL INDIA
INSURANCE SALARIED FIELD WORKERS'
ASSOCIATION

(Registered No 631 under the Trade Union Act.)

Number Price : Four Annas only February
Nine, 1958.

OURSELVES

Categorisation of Field workers is essential as without it the future status and position of workers remain uncertain. The L. I. C. has been burdened with different kinds of appointment letters of the private Companies. A common system has to be evolved out of it. In doing so let us expect that the Govt. and the Corporation will try to be just and fair. Two main principles have been conceded—security of service and old age provision.

Let us see how categorisation is made. Before it is done the talk of non co-operation is unfair and ill-conceived. If glaring instances of injustice are shown in categorisation, then the time will come for a programme of active struggle

The fear of injustice is not groundless. We know that many Divisional Managers and Branch Managers are inefficient, partial and prone to nepotism.

In categorising the Corporation will have to remember that many persons were allotted a large number of active & productive agents while many had to create new agents. Many Inspectors lost their area of operation. They had to create

new agents in new areas. Suppose an Inspector who was allowed to retain his own agents in his own area and was allowed further productive agents produced 10 Lakhs. Another, uprooted from his area, creating new agents, produced 5 Lakhs. Commonsense suggests that the second man is of equal calibre with the first and should be categorised in the same grade. We trust the Corporation authorities will not ignore this point.

THE CHAGLA ENQUIRY.

The Chagla Enquiry shows that there has been corruption in high places. The Finance Minister has been unpatriotic and has brought discredit to Nationalisation. The Geeta Says :— “यद् यदाचरति श्रेष्ठः तदेवतरे जनाः” It is natural for D. M.'s, A. D. M.'s and B. M.'s, to imitate their bosses and practice corruption, nepotism and deceit. It is no wonder that men who are intent on lining their own pockets will fix Rs. 125 only as the basic salary of the real producers—the Inspectors. The Govt. order says that in respect of leave, retirement, the rules regarding class I officers will apply to 'Field Officers'. Mr. Kaul when issuing his blue-print forgot entirely the basic salary

of class I officers under the Govt. of India. Perhaps the motive is to prevent “Field Officers” from forming Associations & Trade Unions.

In the interest of “Policy holders” let us hope Nehru Govt. will be able to overhaul Higher Executive personnel of the Corporation in order to save the face of Nationalisation. Persons like Vaidyanathan who obey bosses against truth & duty are not needed in a nationalised Industry.

NEWS.

Sri Ashok Mehta, M. P. was entertained to a dinner by our President Sri S. L. Roy on the 3rd February '58 at Muzaffarpur along with the local members of the Executive Committee

RESOLUTIONS OF THE EXEC. COMMITTEE Dated, 24-1-57.

1. Resolved that Chhapra Branch Resolution No. 1 reading:—

“From Circular No. DVZ/SNB dated September 5, '57 of the Calcutta Zone it appears that the authorities of the S. E. Rly. & E. Rly. at Calcutta have agreed to permit recruitment of agents from amongst their employees to work as Insee Agents. This Committee suggests our Central Committee to request the authorities to consider the following points in this connection:—

(i) Whether employment of Govt. servant as Insurance Agents will obstruct the development of Insurance Agency as a profession.

(ii) If employees of, the

two Rlys are allowed to work as Agents why should not the same privilege be granted to employees of other Railway Zones ?

(iii) If Railway employees are allowed to work as Insurance Agents why should other Govt. employees be not permitted to do so ?”

was adopted in to-to and the Genl. Secy. was authorised to communicate with the Corporation authorities to seek their opinion on these points.

2. Resolved that Chhapra Branch Resolution No. 2 reading:—

“Unlike Capital towns e. g., Calcutta, Bombay etc., Inspectors here are to work in rural areas where there is no conveyance facilities. As such our members feel a great difficulties while moving in the scorching heat of the summer and flooded areas during the monsoon. Hence, this Committee suggests our Central Committee to request the authorities to provide one staff car to help our members to explore the rural areas.” be forwarded by the Gen. Secy. to the Corporation authorities with request to kindly implement the same as early as possible if the proposal is feasible.

4. The General Secretary's letter dated the 13th January '58 addressed to the D. M., Muzaffarpur regarding the SALARY SAVINGS SCHEME was considered and the General Secretary was advised to communicate with the Chairman over the issue on the lines discussed.

5. Resignation letter of Sri T. Prasad as well

as a letter dated the 12th January '58 addressed to the General Secretary from Sri R. K. Bose, Chapra both were considered and resolved that since Sri T. Prasad has not yet cleared off his due subscription to the Association, besides that Sri Prasad has not given any account of the sum of Rs. 5/- received from Sri Bose as alleged in his letter to the Association, the General Secretary is advised to take proper action by writing a letter to Sri T. Prasad to this effect with a request to comply the same latest by the end of the next month on receipt of which action will be taken by us.

6. Considered the revised Categorisation Scheme. In the opinion of this Association the quota fixation in Para 3 of the revised Categorisation terms seem to be contradictory and inconsistent with the Chairman's Circular letter dated the 30th September '57 issued with the original Categorisation Scheme. This Association thinks that the Notes to the said Para no. 3 heading "QUOTA" are calculated to eliminate a large number of workers. The minimum quota Rs. 10,000/- as per Note No. (i) contradicts the quotas fixed under (b) (i) of the said Para and is mischievous in intent and purpose and should therefore be deleted.

Note No. (ii) in which the annual remuneration include Dearness Allowance, Conveyance Allowance & Other allowances, DEARNESS ALLOWANCE & CONVEYANCE ALLOWANCE

should not be included in annual remuneration. DEARNESS ALLOWANCE is a world accepted allowance for high prices by every trade in the world and it is temporary. The principle is that this is paid out of profits and no QUID PRO QUO can be demanded from workers for this payment. Its inclusion in Insurance industry for calculating expense ratio is immoral and unethical. CONVEYANCE ALLOWANCE is paid by employers not for the benefits of the workers themselves but for the benefit of the business itself. It is the expenditure item fixed in amount but necessary for the business. To include it in the remuneration of the workers can't be justified either in law or in ethics.

The General Secretary is advised to send a copy of this resolution to the Chairman, L. I. C. of India, Bombay.

7. Attention of the UNION GOVT. is drawn to the repercussions in the public mind caused by the revelation of the corrupt investment administration of the L. I. C. of India. The Field Officers have to bear the brunt of public criticism which is hurled at them with inabusive languages. The Officers of the Central authority have not to face this music. It is therefore necessary that guilty parties must be severely punished before a single Inspector (Field Officer) is dismissed for non-fulfillment of quotas.

The General Secretary is advised to send a copy of this Resolution to the

Prime Minister of India and the Congress President.

8. Resolved to form an AD-HOC Muzaffarpur Divisional Committee with the following Office-bearers & the Executive Members to function until formation of a proper Muzaffarpur Divisional Committee of our Association.

1. Sri M. P. Srivastav-President,
2. Sri Hardeo Prasad Verma-Secretary,
3. Sri K. P. Srivastav,
4. Sri J. P. Verma,
5. Sri L. N. Prasad,
6. Sri A. M. P. Sinha,
7. Sri P. P. Singh,
8. Sri S. L. Das &
9. Sri J. R. Khosla.

Resolutions of the

EXECUTIVE COMMITTEE

Dated the 3rd Feb '58.

1. The Government of India Order No. 53 (1) Ins. (1)/57 dated the 30th December, 57 was considered and resolved that our President's draft of a letter to Mr. B. K. Kaul be approved.

2. Considered the Divisional Manager's letter to Inspectors requiring them to report on duty as Field Officers.

Resolved that the General Secretary do write to the D. M. on the lines discussed in the meeting under a copy to the Executive Director.

President's Letter

TO MINISTRY OF FINANCE

Re: GOVT. ORDER.

Dated, the 3rd. Feb. '58

Sri B. K. Kaul, Jt. Secy. to the Govt. of India, Ministry of Finance. (Deptt. of Economic Affairs) NEWDELHI

Dear Sir,

Re:-Govt. of India

Order No. 53 (1)

Ins. (1)/57

dated the 30th Dec. '57.

A printed copy of the

above order has been given to members of my Association, who were hitherto designated as Inspectors by the L. I. C.

My Association has considered this order and I beg hereby to apprise you of my Asscn.'s views.

1. This order infringes Sub-section 2) of Section 11 of the L. I. C. Act, 1956 (31 of 1956),

The above mentioned Subsection 2) empowers the Central Govt. only to "alter the terms of Service of the employees as to their remuneration".

The right to alter the "Terms & Conditions" has been given to the Corporation by Sub-section 1 in the ultimate clause of Paragraph 1.

Therefore, the words in the preamble of the order, viz., "and the other terms and conditions of the service etc." are not within the scope of the Govt. of India.

The same objection applies to the words within brackets of the first para "Short title".

2. In para 2 entitled "Definition", the phrase "Field Officers" is a new expression and on grounds stated above, it is not the Govt. of India who should alter the designation but the Corporation.

The exception under (C) of definition is discriminatory and the expression "now in the employment of the Corpn. as Asstt. Br. Manger" is untrue as all such persons are even now provisionally appointed and have not become permanent employees of the L. I. C.

Further, discrimination is repugnant to subsec. (1) of Sec. 11 of the L. I. C. Act by which all

whole time employees of an insurer "Shall hold office by the same tenure etc, Until his remuneration, terms and conditions are duly altered by the Corporation" There is no scope in this section for discrimination among the "whole time employees of an insurer" who have under the section "become an employee of the Corporation"

3. PARA 11 OF THE "ORDER"

I beg to submit that sub-section (1) of section 49, mentioned in the said para 11, permits the Corporation to make regulations for routine conduct of administration and the Corporation is entitled to make regulations without any Govt. of India Order. Your order therefore may be said to be an unauthorised usurpation of the Corp's functions and powers.

Unless your Order is amended according to submissions made herein, the issue may have to be juridically interpreted.

Yours faithfully
Sd/- S. L. Roy
President

Secretary's Letter

Re: JOINING REPORT AS
"FIELD OFFICER"
the 3rd Jan. '58.

Sri B. N. Sinha,
Divl. Mgr., L. I. C.
MUZAFFARPUR
Dear Sir,

Our Association is seized of a letter issued by you to Inspectors asking them to report for duty "as a Field Officer" before the 7th February '58 "positively".

It appears that not a single letter of this nature bears an outward number of your Office. I trust this is a new regulation of the Corp. made

under section 49 of the L. I. C. Act, '56.

You have issued this letter "in terms of the Govt. Order No. 53 (1)-Ins. (1)/57". We have already received copies of this Blue-print. That Order does not appear to justify your letter.

Our Association has already questioned the validity of that Order. A copy of our President's letter addressed to Sri B. K. Kaul, Joint Secretary to the Govt. of India is enclosed herewith for your information.

We have also received sample copies of appointment letters since revised in which it is mentioned that our designation will be Field Officers. No Inspector to our knowledge has yet sent any written objection to this proposal.

We have received provisional appointment letters under which we are working. We are signing the Daily Attendance Register when at Hd. Qrs. and submitting reports, if we are outside. The Corporation is paying our salaries and allowances. Until the said Provisional appointment letter is superseded by a fresh appointment letter, your Order to report for duty before the 7th Feb. '58 is misconceived, if it is not silly.

We of course admit that you had the right, if so authorised by the Cor. authorities to inform us that henceforth our designation will be Field Officers. The reporting on duty is a little bit exaggerated authority.

We have advised our members to go on signing the Register and giv-

ing the reports as they have been doing. If the Central authority thinks that this is not sufficient, kindly let us know when we shall advise our members accordingly.

Yours faithfully,
Sd/-L. N. Prasad
Gen. Secretary.

Copy to the Ex. Director,
Sri V. H. Vora, L. I. C.

Letter HANDED OVER TO THE Chairman DURING HIS VISIT TO MUZAFFARPUR

14-11-57
The Charman, L. I. C.
Camp—Muzaffarpur
Dear Sir,

Sub:- MISCL. CASE.
Sri K. P. SRIVASTAVA Ves.
LAKSHMI INSURANCE CO.,

Very recently I happened to see a Circular No. 3138/57 dated the 3rd September 1957 issued from the Central Office Bombay and regret to find that it was not circulated. However I give below the necessary date of a case with a hope that you will do the needful for an amicable settlement of the same.

(a) Since the case was originally instituted in the court of 1st Sud Judge Muzaffarpur with a request to sue the defendant Company *in forma pauperis*, which being rejected an appeal with the Honourable High court, Patna was made. The appeal has been admitted and the same is pending is decision.

(b) Sri K. P. Srivastava, Inspector, L. I. C. of India, attached to Muz. Br.

(c) The case was originally instituted against the Lakshmi Insurance Co.

(d) The case was for a wrongful termination and recovery of dues under different heads. The file being with the legal adv-

iser at Patna details can be submitted latter on. In the meantime necessary datas may be called for from Patna Branch Unit of the Lakshmi Insc. Co.,

Thanking you for an early complianee,

Yours faithfully,
Sd/-L. N. Prasad.

Gen. Secretary

Copy to the Zonal

Manager, Cal. & P. Mng.
Director, L.I.C., Bombay

Secretary's Letter

Re: SRI R. N. MITRA
the 28th Jan. 1958.

Sri S. K. Chowdhary,
Dev. Secy., E. Zone,
L. I. C., Calcutta.

Dear Sir,
Re:-SRI R. N. MITRA

FORMERLY OF NEW INDIA &
RESTORATION OF PAY-CUT.

A copy of your letter No. BVZ/Inspector/JCG-9880 dated, the 27-12-57 addressed to the Div. Mr., Patna which had been forwarded to the Div. Mr., Muzaffarpur has come to our notice. According to our Presibend, Sri S. L. Roy and our the then G. Secy., Sri K. P. Srivastav who conducted the negotiation for compromise with the D. M., Patna, the language used by you in the last sentence of para 2 does not state the correct position. The above two of our officers say that the D.M., Patna gave assurance verbally that the cut would be restored by official action.

They say that they would not have entered into a compromise if the assurance was merely "the matter of the cut would be taken in due course".

Yours faithfully,
Sd/-L. N. Prasad

Genl. Secretary

Copy to Sri G.R. Kamat,
I.C.S., Chairman, L.I.C.,
Bombay.

Secretary's Letter

Re: TERMINATION BEFORE
CATEGORISATION.

Date 28-1-'58

Sri S. D. Srinivasan, F.I.A.
Zl. Mgr., E. Zone, L.I.C.
Dear Sir,

Re: Termination of Sri
M. L. Chatterji, Proba-
tioner Inspector (Code
No. 1550) under Asansol
Br. of the corporation.

While drawing your kind attention to the copy of the Secretary, Howrah Branch of our Association, letter dated the 30th December '58 with regard to the Inspector under reference addressed to the Divl. Manager, Asansol, I would like to request to kindly let me know the circulars on the strength of which you terminated the services of the said Inspector and kindly favour me with a copy of those Circulars for my information and doing the needful in the matter.

Yours faithfully
Sd/-L. N. Prasad
Gen. Secretary,

Copy to Sri G. R. Kamat
I.C.S., Chairman, L.I.C.
(Reply not yet recd.—G.S.)

Correspondence

RE: SALARY SAVINGS SCHEME

SECY'S LETTER TO D.M.

the 13th Jan. '58

The Divisional Manager,
L. I. C., MUZAFFARPUR.
Dear Sir,

While drawing your kind attention to the fact that some agents of Patna secured last week a good volume of new business from amongst the employees of the local Branch of the State Bank of India, The central Bank of India Ltd., The Punjab National Bank Ltd., & The Bank of Bihar Ltd., under Salary Savings Scheme of the Corpn. In this connection,

I beg to say that my members of Muzaffarpur having been ignorant of such Scheme being valid for the employees of the aforesaid Banks are very much discontented over this happening.

Under the circumstances, I would like to request you to kindly let me know whether any Circular regarding the aforesaid Scheme being applicable to the Banks referred to above stand at your end, and if not, please confirm whether the proposals secured are valid for consideration under the Scheme. Meanwhile please also note that one Circular regarding this Scheme being applicable to the employees of Messrs. Burmah-Shell & Co, said to have been received by Muz. Br. long ago have not yet been issued to my members which may create discontentment further among my members.

Lastly I would like to request you to kindly favour my Association with a copy of each Circular concerning Development regarding Field Officers in future for our mutual benefits.

Yours faithfully,

Sd. L. N. Prasad
General Secretary.

D. M's. Letter.

Dev/ ABV/ KNP

Dt. 21. 1. 58

Sri L. N. Prasad, B. A.
General Secretary,

A.I.I.S.F.W. Association,
Motijheel, Muzaffarpur.
Dear Sir,

We have for acknowledgement your letter of the 13th January, 1958.

The information, in regard to finalisation of arrangements with State Bank of India, Reserve Bank, Bank of India and Burmah Shell to make available the ben-

efits of Salary Savings Plan to their employees had been duly given by this office to our local Br. office. They have confirmed to have circulated the information amongst the Field Officers. We also learn that copies of notes on Salary Savings Scheme are in the possession of the Field Officers. We are however again enclosing herewith the same for your record. Copies of circulars concerning Field Officers would be sent to them in future as we have been doing so far.

Yours faithfully,

Sd/-B.N Sinha
Divisional Manager.

Secy's Reply

3-2-'58

Sri B. N. Sinha,
D.M. L I C., Muzaffarpur,
Dear Sir,
Re: Salary Savings Scheme.

I am in receipt of your letter No. Dev/ABV/KNP dtd. 21.1.58. This letter gives no specific reply to the point raised in my letter to you dtd 13-1-58 & as such it is an instance of *suppressio varii and suggestio falsi*.

Your first sentence in the second para is false as the local Field Officers have not even to-day received from you a list of firms with whom Gorp's. Salary Savings Scheme has been finalised on 23rd Jan. (long after my letter of 13th) the A.D.M. Therefore your statement on 21st was incorrect

As regards Central Bank of India, Punjab National Bank, & Bank of Bihar, we do not yet have any official information.

Copies of the Notes on the S.S. Scheme were given to us after my letter of 13th was sent to you.

Our complaint was that while workers from outside this Divn. were aware

of these arrangements, you kept us in dark. Even when you permitted these outsiders to take up business in your area, you did not immediately take action to see that your own workers are allowed an opportunity to take advantage of the Scheme. Above all, it is a pity that even when we pointed this out to you and wanted to know the true position, you give a reply to conceal your administrative inefficiency and want of cooperation with your workers.

As an instance of the inefficiency of your Divn., I am drawing your attention to a letter of your Br. Office, Muzaffarpur. This is regarding Agency licence. I enclose a copy here. The Central Office decision regarding extension of time expired on 30th Sept. '57. The information should have been conveyed to Agents & Field Officers before 30th Sep. Is there any sense in issuing a letter on 31.1.58 regarding a matter which had been finished & done with on four months ago?

Another very important instance of the failure of your Office to communicate to us important Central Office Circulars is evident in the case of the Central Office Circular No. 3138/57 dtd 3-9-57 as it concerns some local workers.

I may point out that you have kept us in the dark about Circulars on business organisation like Cir. No. 85/4 dtd 24-4-'57, which we come to know only from "Yogakshema."

Yours faithfully,

Sd/-L. N. Prasad.

General Secretary.

Copy to the Executive Director, L.I.C., Bombay.

Transactions

of the

ALL INDIA INSURANCE SALARIED FIELD WORKERS' ASSOCIATION

(Registered No. 631 under the Trade Union Act)

Number
Ten

Price : Two Annas only

August
1958.

THE FAST

Members are aware that this Association started a Hunger Satyagraha at Calcutta on 4th July, 1958. Our President was on Fast for five days and it is now continuing. A brief summary with the names of the members who are taking part and have taken part is given separately.

THE REASON

The much advertised Categorisation of Field Officers was not completed by the L. I. C. upto 30 June '58, six months after closing of the year. This underlines the inefficiency of the authorities. The first reason of the Fast movement is to point out how inefficient the top men are.

The second is that the entire Categorisation Scheme was an attempt to cheat the workers. I am using the word deliberately. Our Association kept quiet about this categorisation scheme after the late Chairman on his own initiative called our President and discussed matters with him and he was able to create confidence in our mind about his understanding of our problems. Unfortunately, he has had to relinquish his post. Now, the ex-managers are having their way.

(a) The change in the designation of Inspectors was due to design.

(b) The Categorisation scheme is of three kinds. One wanted premium Income 5 times the remuneration, another $2\frac{1}{2}$ times and the last made Rs. 10,000/- as the minimum premium income to judge the output.

This is entirely fraudulent. They are sticking to Premium income basis. Our demand was and has been that the L. I. C. Act gives no scope of termination of service to those who were permanent under the Private Sector and were transferred.

I am not going into details of the issues here as our members know them. The attitude of the present bosses of L. I. C. towards us is bureaucratic. Their statements and the statements of some persons in high places (vide the speech of the Labour Minister, W. Bengal) here like the arrogant utterances of our ex-rulers—the British Govt.

The fast is a penance, is self suffering—there is not the least usual tactics of violence associated with Trade Union Strikes generally. The Congress Members in Parliament ought to try to understand the position.

The Executives are corrupt, inefficient and dishonest—mostly. Mundhra was intelligent enough to size them up and use them to make money as all tycoons do. This is what we want to hammer into the consciousness of our Parliamentarians. We want a probe with our Association represented on such a Probe committee.

HOW CATEGORISATION IS DONE IS NOTEWORTHY

Name of the F. O.	P.I.	% of perf.	Prev. Rem.	Present Rem.
1. Sri B.P. Sinha	Rs. 5,580/-	55.8%	Rs. 125/-	Rs. 180/-
2. „ R.L. Srivastav	5,162/-	51.62%	175/-	245/-3
3. „ J P Verma	10,699/-	106 %	315/-	350/-
4. „ H.P. Verma	10,599/-	105.99%	150/-	245/-
5. „ R.N. Mitra	10,121/-	101.2%	245/-	270/-
6. „ S.M.A. Nasar	35,574/-	243%	175/-	270/-
7. „ P.P. Singh	24,544/-	245%	150/-	270/-
8. „ N. Prasad	33,332/-	200%	300/-	375/-
9. „ H.P. Sinha	25,300/-	85%	445/50	440/-

LIST OF THE OFFICE BEARERS AND EXECUTIVE MEMBERS OF OUR
CENTRAL COMMITTEE

—o—

PRESIDENT:—Shri S. L. Roy, M. A. (Patna) *VICE-PRESIDENTS*:—1. Shri S. B. Chanda (Calcutta) 2. Shri D. N. Tiwary (Varanasi) 3. Shri J. P. Verma, (Muzaffarpur) & 4. Shri K. P. Srivastava (Muzaffarpur) *GENERAL SECRETARY*:—Shri Lala N. Prasad, B. A. (Muzaffarpur) *ORGANISING SECRETARY*:—Shri K. N. Sinha, (Patna) *ASSISTANT SECRETARIES*:—1. Shri B. Dutta, (Patna) & 2. Shri R. N. Mitra (Muzaffarpur) *TREASURER*:—Shri K. P. Karan, (Muzaffarpur) *AUDITORS*:—1. Shri S. L. Dass, (Darbhanga) & 2. Shri S. Saran (Darbhanga) *EXECUTIVE MEMBERS*:—1. Shri I. B. Sen Gupta (Cal.) 2. Shri Hiren Roy (Cal.) 3. Shri K.K. Ghose, (Howrah) 4. Shri S. N. Pathak (Varanasi) 5. Shri D. R. Chadda, (Delhi) 6. Shri P. K. Kunte (Bom) 7. Shri A. K. Anantkrishna (Bangalore) 8. Shri M. H. Desh Pandey (Nagpur) 9. Shri R. N. Bangale (Amravati) 10. Shri S. N. Pandey (Gorakhpur) 11. Shri S. D. Singh, (Cawnpur) 12. Shri J. M. Guha, (Jamshedpur) 13. Shri H. P. Verma, (Chapra) 14. Shri P. P. Mitra, (Motihari) 15. Shri S. A. Hussain, (Bhopal) 16. Shri S. P. Verma, (Muz) 17. Shri T. Prasad, (Muz) & 18. Shri J. R. Khosla (Purnea)

LIST OF THE OFFICE BEARERS AND EXECUTIVE MEMBERS OF OUR
CALCUTTA REGIONAL COMMITTEE

—o—

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MEMBERS

MUZAFFARPUR:—Messrs R. N. Pandey, S.N.Prasad, R. L. Srivastava, S. C. Biswas, S. N. Sahay, Thakur M. Singh, K. S. Goswami, S. M. Hussain, B. P. Sinha, R. K. Prasad, A. K. Ghose, D. K. Srivastava, H. P. Verma, J. P. Singh, N. P. Verma, L. Thakur, R. Prasad, **MOTIHARI**:—Messrs M. P. Srivastava, J. P. Srivastava, M. M. Sahay, J. Prasad, B. Dass. **CHAPRA**:—Messrs B. N. P. Srivastava, J. P. Singh R. N. Prasad. S. P. Srivastava. S. K. Ali, B. S. Verma, R. K. Bose, A. M. P. Sinha, R. N. Srivastava, **DARBHANGA**:—Messrs C. R. Bhowmik, B. N. Sinha, S. N. Sinha, S. M. A. Nasar, G. C. Saha, S. N. Lal, S. N. Verma. D. N. Jha, **PURNEA** :—Messrs S. N. Sinha, S. P. Singh, P. Mandal, H. N. Sinha, R. R. P. Gupta, Hardeo Narain Sinha, N. P. Sarkar, B. D. Sharma, D. N. Roy, **ARRAH** :—S. P. Singh, S. S. Singh, A. K. Roy, B. B. Srivastava, **BHAGALPUR**:—Messrs R. N. Dey, K. M. Roy, N. K. Misra, S. C. Miter, A. K. Sarkar, N. K. Banerjee, M. Dass, S. N. Bagchi, **GAYA**:—Messrs J. C. Roy, Dina Nath, B. L. Roy, S. K. Roy, Lala R. N. Lal, S. N. Rizvi, R. N. Sahay. R. D. Verma, **MONGHYR**:—Messrs B. Prasad, B. B. Roy, R. Singh, D. B. Chatterjee, G. D. Sen, R. P. Sarkar, N. K. Mitra, S. S. Singh, G. K. Prasad, **PATNA**:—Messrs P. L. G. Dastidar, M. K. Sinha, D. Prasad, S. G. Imam, B. C. Roy. N. P. Singh, S. P. Sahi, S. C. Biswas, S. P. Bariar, S. L. Ali, S. M. Ahmad, B. C. Mukherjee, M. L. Jain, S. Chakervarty, M. E. Baksh, A. K. Adhikari P. K. Sen Gupta, R. N. Prasad, R. Prasad, B. B. Saran, B. Lal, K. D. Banarjee, T. P. Singh, G. S. Sahay, M. P. Sharma, M. L. Kapoor, D. C. Bose, R. Mitra, D. K. Chakervarty, R. P. Sinha, S. M. Roy, A. K. Verma, B. Prasad, J. P. Verma, **GORAKHPUR**:—Messrs L. M. Tripathi, A. K. Banarjee, P. N. Chakravarty, **BASTI**:—Mr. G. M. Tagore, **CAWNPUR**:—Mr. R. M. Tiwari, **LUCKNOW**.—Mr. B. L. Khanna, **DELHI**:—Messrs S. N. Anand, L. B. Bhowmik, V. Sharma, **BOMBAY**:—Mr. Tulsi Boda, **BANGALORE**:—Messrs K. R. Srinivashan Iyengar, C. Papan, C. M. Rajendram, A. Ramchandra Rao. **TANJORE**:—Mr. K. S. Rama swami, **KERALA**:—Messrs E. K. Phillips, Y. D. John, **NAGPUR**:—Messrs D. Bulsara, K. Roy, **AMRAVATI**:—Messrs T. G. Sngwaj, G. N. Naik, **GWALIOR**:—Messrs D. C. Jain, S. W. Kalvit, **CUTTACK** :—Mr. S. Ghose, **JABALPUR** :—Mr. S. K. Murti, **HYDERABAD**:—Messrs K. V. S. Maniyam, K. S. D. N. Roy, C. K. P. Roy, **MYSORE**:—Mr. M. I. Hussain, **ASSAM**:—Messrs K. C. Ganguli, S. Dutta, R. M. Dass, S. K. Dass, S. Barua, **MURSIDABAD** :—Mr. J. C. Dey, **BIRBHUM** Mr. R. N. Chatterjee, **NADIA**:—Messrs S. R. Dass, P. K. Kali, **HOOGLY**:—Messrs R. P.

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N. B.:—Some members have neither paid their due subscriptions nor tendered their resignations. Members who applied after May '58 could not be included—regret.

A BRIEF SUMMARY OF HUNGER-STRIKE AT CALCUTTA

At the outset we offer our heartiest congratulations to all Field Officers for expressing their earnest desire to offer their explicit support in the leadership of our Association by making our demonstrations and processions in Calcutta a grand success and arousing favourable public opinion with the result a good many M. Ps, M. L. As. and public leaders had called on our President and other Strikers at the place of Fast and had very kindly participated in our meetings, demonstrations and processions.

Since 30 days Hunger Satyagraha is on for realisation of the following minimum demands:—

- (i) No Retrenchment; (ii) No Reduction in basic pay; (iii) Up-grading of low-paid workers; & (iv) Immediate fitting into the pay scale.

The Hunger-strike was started by our President Sri S.L. Roy aged about 65 years at the premises of the Zonal Office of L.I.C. at Calcutta on the 4th July '58. Earlier, a largely attended meeting of the Field workers was held at the said premises which was addressed by distinguished leaders—Messrs Deb Prasad Ghosh, M.P., B. Ghosh, M.P.; Nepal Roy, M.L.A.; Apurba Majumdar, M.L.A.; B.B. Ghosh, M.L.A.; & others. He continued

his fast till the 8th July '58. A big rally was held in the afternoon of 5. 7. 58. Later, they paraded the Z. Office area in procession and shouted slogans. Prominent amongst those who called on our President this day were Sri B. C. Ghosh, M. P., Sri S. Tagore, M.L.A. & some officers of the L.I.C. On 6. 7. 58 Sri J. M. Sinha & Sri K.K. Ghosh started fasting and continued till 16th & 12th July respectively. A big demonstration was held in front of Raj Bhawan on 8 July. This day reference was made in the Assembly and a copy of our Memorandum was handed over to Dr. B. C. Roy by Sri Nepal Roy, M.L.A. On 11. 7. 58 Sri S. Banerji started his fast. In a largely attended meeting of 12th July Sri Deven Sen, M.L.A. declared to observe "Protest Day" on 14. 7. 58. A deputation led by a group of M.L. As —Messrs. Nepal Roy, Deven Sen, H. K. Basu, & S. Chakravorty waited on Dr. B. C. Roy on 16th July. Dr. Roy advised "to withdraw the Hunger-strike" and stated "Until then, I am afraid, I can't do anything in regard to your grievances." Messrs S. Roy, A Chakravorty, C. Banerji & B. Mukherji started fasting from 19.7.58. On 22. 7. 58 Sri R. N. Pakrashi & Smt. Ashalata Dutt (an Agent) resorted to fast. This day Sri N. C. Chatterjee leader, Hindu Mahasabha while addressing the Field workers expressed grave concern and appealed to the L.I.C. authorities to take a sympathetic attitude towards them. A largely attended meeting held on 29. 7. 58 was addressed by—Messrs. Tribid Chowdhary M.P., S. Ghosh, M.P., B Ghosh, M.P., J. Chakravarty, M.L.A, Principal D. P. Ghosh, B. Mitra, Councillor, Cal. Corpn., S.B. Chanda & others. On 1st July Sri Asoka Mehta M.P. met the Strikers and expressed, with many others, his full support and sympathy for the movement. Till date our Genl. Secy., Cal. Region Sri I. B. Sen Gupta, Sri R.N. Pakrashi & Sri D. Chatterji are on fast and their conditions are causing anxieties. To-day is Sen Gupta's 20th day of fast.

LATE NEWS

HUNGER-STRIKE CALLED OFF

We have the pleasure to ventilate that on the kind intervention of Sir D. N. Mitra Ex. ^{member} Director, L.I.C. our 34-day long Hunger-Strike called off in the evening of 6th Aug. '58 with a view to create an atmosphere of goodwill prior to the proposed negotiation with the Chairman of the L.I.C. Thanks to the Parliamentarians, Assembly Members and Trade Union Leaders for highlighting our legitimate grievances and so to our members for their explicit support in this movement.

MEMBER
CONTENTS OF LETTER OF SIR D.N. MITRA, EX. ~~DIRECTOR~~, L. I. C.
ADDRESSED TO OUR JT. SECY., CAL. REGION SRI B. K. GHOSH

"It was very kind of you to come and see me this morning. As I am merely one of the Members of the Ex. Comm. of the Corpn.. I do not feel that I am competent to deal with or discuss your grievances. The best thing I can do is to try to persuade your Chairman personally to listen to your representation that may be made regarding Categorisation as early as possible in Bombay. I have great hopes that my persuasion will have effect, but before I do anything in this behalf, the hunger-strike must end in order that your Chairman may have the feeling that he is not acting under pressure and an atmosphere of goodwill exists. I have no doubt that as a result, any representation you may care to make, will be sympathetically examined and my personal hope is that a situation will emerge which will have the effect of dispelling restlessness and discontent. I am going to Bombay on the 13th instt."

CLAIM FOR D. A. BY L.I.C. FIELD OFFICERS—PAYMENT ADVISED

We have the pleasure to convey that in respect of the case of Madamus moved by us against the Management of the L.I.C. at Cal. High Court on the issue of our title to D.A. including C A. ann P.F. at the prescribed rate with retrospective effect Mr. Justice Sinha has observed "payment should be made as early as possible." Thanks to our members whose explicit support ensured our victory.

Our Association has established a tradition of service to the genuine interest of the Field workers and it is determined to maintain the same for all times to come

THE WESTERN ZONE INSURANCE EMPLOYEES' FEDERATION

150, VIJAY NAGAR,
DADAR, BOMBAY 28.

- For Proper and just categorisation
- For restoration of all allowances
- For retention of old retirement benefits
- For Nationalisation of General Insurance
- For banning all retrenchment due to closures of General Insurance Companies
- For recognition of the right to the payment of bonus to employees in Public Sector
- For scrapping of all the abnoxious provisions in the Staff Regulations
- For speedy settlement of all pending disputes through Bi-partite talks

ALL INDIA DEMAND DAY

30000 Insurance Employees, both Life and General, throughout the country will be marching in the streets on Saturday the 18th January 1958 in order to convey their feelings of dissatisfaction over the state of industrial relations prevailing both in the private and nationalised sector of insurance business. This is in implementation of the decision of the recent Madras Conference of the All India Insurance Employees' Association. Why is it that Labour in this important sector of our national economy has become so restive as to come on the streets? What are their specific problems? The public is entitled to know the full facts about all these matters.

WHY EMPLOYEES WELCOME NATIONALISATION ?

Two years have passed since the Government of India assumed control of all private Companies doing Life Insurance business in the country. The then Finance Minister had proudly declared, "Nationalisation of Life Insurance will be another mile-stone on the road the country has chosen in order to reach its goal of a Socialistic pattern of Society. In the implementation of the 2nd Five Year Plan it is bound to give material assistance." Insurance Employees, through the All India Insurance Employees' Association, while welcoming this nationalisation as a progressive step, rightly took the view that it was a half-hearted measure in-as-much as the General Insurance business was still left in private hands. They welcomed this measure in the context of the socio-economic values summed up by the phrase "Socialistic pattern of Society" accepted under the 2nd Five Year Plan. The report of the Planning Commission on 2nd Five Year Plan says, "For creating appropriate conditions, the State has to take on heavy responsibilities as the principle agency speaking for and acting on behalf of the community". It is in this national perspective that Insurance Employees offered their full and enthusiastic co-operation for making nationalised Life Insurance a glowing success.

TWO MAIN TASKS BEFORE THE ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION

Nationalisation of Life Insurance created two main problems for the All India Insurance Employees' Association. Firstly, the interests of General Insurance Employees as regards their security of service etc. had to be protected. Secondly, a uniform pattern of pay scales and service conditions for employees of Life business enjoying different pay scales and conditions of service and in some cases, having no service conditions at all, had to be evolved. The Association's activities during the last two years have been centered on these tasks.

GENERAL INSURANCE BUSINESS MUST BE NATIONALISED

As regards General Insurance business, the All India Insurance Employees' Association, through its various Memoranda and Conferences,

has emphatically voiced the demand for Nationalisation of this business. This demand, though it fully conforms to the Policy of extending public sector accepted under the 2nd Five Year Plan, has not found favour with the Government. The result has been that today in General Insurance business, we are a witness to a phenomenon of retrenchment of employees due to closure of units, elimination of smaller units and growing monopolisation of business is the general pattern of development of any Industry in private hands and General Insurance is no exception. The situation is further aggravated by the fact that both the private and public sectors are competing with each other in the field of General Insurance business. The introduction of the Code of Conduct for General Insurance Business, has only accelerated the pace of monopolisation, bringing in its train unemployment due to closures. Nationalisation, therefore, is the only cure to the malady which afflicts the General Insurance business today. It will place at the disposal of the Government considerable funds which can be used for national development. In the context of growing industrialisation, there are almost unlimited possibilities of expansion of General Insurance business. The Government should not allow the gains of this expansion to accumulate in the hands of private monopolists. These should be used for building up of our national economy. After nationalisation of Life Insurance in 1956, as many as 12 Units doing General Insurance Business had to close down throwing out a good number of employees on the streets. Even the simple demand of a judicial inquiry into the affairs of these Companies is not accepted by the Government. Recently, the Anand Insurance Co. Ltd., gave notices of retrenchment to their staff on the plea that they had stopped doing direct business on account of uneconomic trading conditions. Government cannot afford to remain indifferent to this issue of growing unemployment in General Insurance Business.

GOVERNMENT'S CONCILIATION MACHINERY UNHELPFUL IN SETTLING DISPUTES.

All past efforts of the All India Insurance Employees' Association to evolve a uniform pattern of pay scales and service conditions for all employees in the Industry as a whole have been set at naught by the Government's rejection to appoint Industry-wise Tribunals for the Private Sector. The present state of affairs as regards the pay scales and service conditions in many Units of General Insurance Business is miserable in

the extreme. Thus, the Triton Insurance Co., which pays 45% dividend to its Shareholders, refuses to pay annual increment, bonus or any other service benefits to its employees. That the sepoys of this Company are paid a salary of Rs 14/- per month shows the extent of exploitation to which the staff has been subjected. And yet, the charter of demands submitted by the employees of this company has remained unsettled for the last two years owing to the adamant attitude of the employer and the unhelpful policy of the Conciliation machinery. Similar situation prevails in many other Insurance Companies. In the absence of a progressive wage policy and an effective conciliation machinery to implement it, the managements are emboldened to adopt an adamant and indifferent attitude towards the just demands and disputes of their employees.

GOVERNMENTAL APATHY TO THE PROBLEM OF GROWING UNEMPLOYMENT

At a time when so much stress is being laid on the employment potentialities of the 2nd Five Year Plan, the Government have not taken any step to stop this retrenchment due to closures or absorb the retrenched personnel in the staff of either the Life Insurance Corporation of India or its units doing General Insurance business. This has been one of the standing grievance of the Association.

LIFE INSURANCE EMPLOYEES PLUNGE INTO MASS MOVEMENT

The task of evolving a uniform and integrated pattern of pay scales and service conditions for the staff of the Corporation was beset with many difficulties created by the initial approach taken by the Corporation authorities and the Government towards this problem. The pay scales and service conditions for the staff announced on the 10th September 1956 from New Delhi gave a rude shock to all lovers of nationalisation in the country. It sent a wave of indignation in the minds of all employees of the Corporation throughout India. The country resounded with only one slogan, "the pay scales must go lock, stock and barrel". The period from September 1956 onwards was a period of great trade union activity on a countrywide basis by all the Insurance Employees under the banner of the All India Insurance Employees' Association. This activity reached its climax on the 5th of December

1956 on which day the Corporation employees demonstrated their 100 per cent solidarity behind the Association by staging a **Token Strike**.

PUBLIC SYMPATHY—A GREAT ASSET TO OUR MOVEMENT

This trade Union solidarity in action shown by the employees of the Corporation had its desired outcome. The issue attracted the attention of the members of the Lok Sabha. During the debate which took place in the Lok Sabha, the Finance Minister gave an assurance that he would meet the Union Leaders to discuss the problems. The leading newspapers in the country supported the just cause of the Corporation employees through their Editorials. With public sympathy positively asserting itself in favour of the employees, the Government and the Corporation authorities found it necessary to re-orientate their wage policy for the employees of the nationalised sector. This paved the way for the introduction of new pay scales and service conditions now incorporated in what is known as the **Standardisation Order dated 1-6-57**.

STANDARDISATION ORDER IS NOT A FINAL SETTLEMENT

The Standardisation Order dated 1st June 1957 which replaced the old pay scales and service conditions, is no doubt an advance for the employees, more especially for those working with small and medium-sized Insurers. But it is not a final settlement. Even the spokesmen of the Corporation and the Government have characterised the June 1957 agreement as **Interim Settlement**. This is because no agreement has so far been reached between the All India Insurance Employees' Association with regard to bonus, staff Regulations, sick leave, Provident Fund Rules etc.

BONUS—THE MOST VITAL ISSUE

Prior to nationalisation, employees were being paid bonus every year usually at the rate of 2 months' salary. In fact, bonus formed a part of the service conditions in the Industry. The Government and the Corporation now appear to take the position that no bonus can be paid to the employees of the public sector. Is there any basis for such a stand in the Governmental Policy? The planning Commission's report on the

2nd Five Year Plan may be allowed to effectively answer this query. It says, "In view of the fact the Public Sector will grow in future, the manner of administration of Industrial relations in Public enterprises is of great importance for the success of the undertaking and the fulfilment of the aspirations of labour. Any attempt, therefore, on the part of public employer, to avoid the responsibilities of an employer on the ground that he is not working for profit has to be discouraged. Management for public undertakings should not normally seek exemptions from labour laws or ask for concessions not available to the private sector..... In the last analysis employees in the public sector should on the whole be at least on par with their counterparts in private employment and should feel a legitimate pride in what they produce and in their position as employees in the public sector". (page 577 para 19) When the All India Insurance Employees' Association, demands payment of bonus at the rate of two months' salary to the staff of the Corporation, it is in effect, demanding an implementation of the wage Policy accepted by Parliament for Public enterprises. It may be also remembered that other public undertakings such as State Bank of India, Sindri Fertilisers etc are today paying bonus to their staff.

OTHER ISSUES IN DISPUTE.

The Corporation authorities have framed **Staff Regulations** which contain many clauses which are a direct interference with the rights and liberties guaranteed to all citizens by the Constitution. The Association has suggested amendments to these staff regulations. But so far, the Corporation authorities have showed no inclination to revise the staff regulations.

Sick Leave provision made by the Corporation is totally inadequate. In an under-developed country like India where people suffer from chronic mal-nutrition and poor living standards, it is absolutely necessary to make liberal provision for sick leave with full pay. In this matter the public sector has to set an example for private enterprises.

IMPLEMENTATION OF NEW PAY SCALES AND SERVICE. CONDITIONS CREATED FRESH PROBLEMS.

The manner of implementation of the standardisation Order has given rise to a number of fresh problems. The main discontent now centres round the issue of categorisation of all employees of the Corporation. The grievance covers practically all the categories of the staff. Thus, some employees enjoying a supervisory status as on 31-8-1956 i.e. before the setting up of the Corporation have been demoted to the position of mere Assistants. The General pattern of categorisation of Section Heads and Superintendents has caused widespread discontent as the claims of many persons who fulfil all the norms laid down in the Standardisation Order viz: 1) Salary 2) experience 3) qualifications, have been ignored. Cases of favouritism are also reported. Many members of the sub-staff doing Record Clerks' duties have been fitted in the grade for the sub-staff only and Record Clerks doing full-fledged clerical duties have been denied their categorisation as Assistants. The Federation has all along taken the view that categorisation should be done on the basis of nature of duties. The general principle in the matter of categorisation should be that an employee who may be having a lower category but who was actually doing as on 31st August 1956 work generally associated with a higher category, should be straightway fixed in that higher category. Such a categorisation alone will be in keeping with the progressive concept of Standardisation on an upward level.

THE LOT OF SUB-STAFF MEMBERS WHO HAVE PASSED S.S.C.

There are a number of employees belonging to sub-staff who have passed their S. S. C. Examination. The Federation has demanded that these employees be straightway categorised as Assistants. The Corporation has, however, promoted them to only Record Clerks' scale with effect from 1-12-57. This is an injustice to the employees concerned.

CONFIRMATION.

Another issue relates to the confirmation of employees who were recruited between the period from 19-1-56 to 31-8-56 i.e. prior to the setting up of the Corporation. The Corporation have fitted

them in the new pay scales and thus reduced their total emoluments. The Federation insists that all these employees should be confirmed and that their total emoluments should be fully protected.

RESTORATION OF ALL ALLOWANCES AND CONCESSIONS.

Prior to nationalisation, employees used to receive various kinds of allowances and concessions for a number of years from the Insurers. These allowances and concessions have been withdrawn or reduced in the process of fitting-in, in the new pay scales. The Corporation authorities continue to argue that since the employees have been paid an ad-hoc increment of Rs. 10/-, they should not mind this loss. The Federation has tried to counter this plea by saying that the ad-hoc increment of Rs. 10/- was given, not so much as a general wage rise, but mainly as an incentive to opt for the Corporation pay scales. The Chairman of the Corporation has promised to review this matter. It is to be hoped that the hardship caused to the employees due to the withdrawal of and reduction in allowances and concessions will be removed by their full restoration.

RETIREMENT BENEFITS.

Employees of certain Insurers such as 1) Sun Life, 2) Gresham, 3) Oriental, 4) Western India had certain retirement benefits such as Pension Scheme and free insurance cover. These were granted to them having due regard to their comparatively poor pay scales. Under the new conditions, the corporation has introduced two retirement benefits 1) Provident Fund, 2) Gratuity. The senior members of the staff do not stand to any benefit by joining the Provident Fund Scheme at a late stage. They would, therefore, prefer to opt for their old retirement benefits. The Corporation has so far failed to give any fair deal to these employees. The benefits of Insurance cover has also been arbitrarily withdrawn. The benefit of gratuity is being denied to them.

1957 PART OF ADJUSTMENT TO EMPLOYEES OF "INDUSTRIAL AND PRUDENTIAL" AND "HINDUSTHAN"

In terms of the collective wage agreement reached prior to nationalisation, the employees of these units are to get special

The Corporation, as successor to the units, is bound to honour the commitments under the old agreements. It has been the considered view of the Federation that unless the entire adjustment scheme under the agreements is implemented, the employees cannot be said to have reached their proper wage level. But the Corporation has so far refused to listen to this voice of reasoning.

EFFICIENCY BAR.

Increments of many employees are held up for months since 1-7-1957 as the authorities are intent on applying certain rules for crossing the Efficiency Bars. But the rules have not been finalised with the result that increments have not been paid for so many months. Numerous representations have been made in the matter. But the wheels of the Corporation refuse to move.

SALARY SCALES FOR THE BUILDING STAFF.

The Corporation has not so far fixed the pay scales and allowances for the building staff. The All India Insurance Employeys' Association has submitted their suggestions in this respect. It is to be hoped that while taking their final decision, the Corporation will give due consideration to the Association's suggestions.

POLICY OF PATIENT REPRESENTATIONS GIVEN A FAIR TRIAL.

The All India Insurance Employees' Association and its affiliated Zonal Units have given a fair trial during the last six months to the policy of patiently representing all the disputes to the authorities and sending deputations to meet and discuss these matters with them with a view to reach an amicable settlement. But these efforts have so far failed to bring results which would satisfy the legitimate aspirations of the employees. No Trade Union Organisation worth the name, can afford to remain passive, with so many disputes affecting the interests of employees and fresh problems being added to them. The Madras Conference of the All India Insurance Employees'

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General Secretary, The Western Zone Insurance Employees' Federation.

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Second Day 31-12-'57.

PROGRAMME

Public Meeting:- V. J. T. HALL at 5-15 P. M.

1. Welcome speech-President of the Union.
2. Introductory Speech:-
3. Speeches:-
 1. COM. ASHOKA MEHTA. M. P.
 2. „ S. A. DANGE. M. P.
 3. „ S. M. JOSHI.
(Leader of the opposition.
Bombay Legislative Assembly)
 4. „ M. N. GOVINDAN NAIR. M. P.
 5. „ P. VISWAMBARAN. (Gl. Secretary,
P. S. P.)
 6. „ P. K. VASUDEVAN NAIR. M. P.
 7. „ N. SREEKANTAN NAIR.
4. Resolutions.
5. Concluding speech by Chairman.
6. Thanksgiving. Vice President.

VARIETY ENTERTAINMENTS.

1. Dance Recital:- KUMARI VIJAYAM & Party.
2. Music in imitation:- KRISHNAN NAIR.
3. Music Concert:- Cuddalore SUBRAMONIAM & party.
4. Jana Gana Mana.

INSURANCE CORPORATION
EMPLOYEES' UNION

TRIVANDRUM DIVISION

FIRST ANNUAL CONFERENCE

ON

30th and 31st DECEMBER 1957.

C. C. Press Trivandrum.

INSURANCE CORPORATION EMPLOYEES' UNION
TRIVANDRUM DIVISION
FIRST ANNUAL CONFERENCE
(December 30th & 31st 1957)

Dear Sir/ Madam,

*The first Annual Conference of
the Trivandrum Division Insurance
Corporation Employees' Union will be held
on the 30th and 31st December 1957*

Sri: Sankaranarayanan Thampi

(Kerala Assembly Speaker)

*has kindly consented to preside over the
Public Meeting.*

*Your presence on the occasion is
earnestly solicited.*

TRIVANDRUM,
26th Dec: 1957.

G. Surendran Nair,
(Gl. Secretary)

V. S. Mony,
P. S. Nair,
(Joint Secretaries).

First Day 30-12-'57.

(For Members only)

Place:- **Union Office Hall.**

President:- **S. KRISHNA IYER.**

Agenda:-

1. **Annual Report of the Union.**
2. **Resolutions.**
3. **Final shaping and acceptance of the memorandum to be submitted to the Divisional Manager.**

Programme of the Second Annual Conference

AT PRESIDENT HALL,
AVANASHI ROAD, COIMBATORE.

June 14th, 15th and 16th 1958.

Saturday, the 14th June, 1958.

- 2-00 P. M. Executive Committee Meeting.
Last Committee Meeting Minutes.
Annual Report and Annual Accounts.
Resolutions.

Sunday, the 15th June, 1958.

- 9-00 A. M. Welcome Address by Secretary, Reception
Committee.
9-30 A. M. Presidents' Welcome address.
10-00 A. M. General Secretary's Annual Report and
Audited Accounts.
11-00 A. M. Discussion on Report and Accounts.
12-00 A. M. Lunch.
2-00 P. M. Resolutions.

Monday, the 16th June, 1958.

- 9-00 A. M. Election of Office-bearers for 1958—'59.
5-15 P. M. Rally from Divisional Office to Chidam-
baram Park.
6-00 P. M. Welcome Address by Chairman, Reception
Committee.
6-30 P. M. Inauguration of Second Annual Conference.
Speakers.
Vote of Thanks.

S. MANI,
Secretary,
Reception Committee.

17/1/58
29/

The Reception Committee

of the

South Zone Insurance Employees' Federation,

SECOND ANNUAL CONFERENCE

COIMBATORE.

will be honoured by your presence and
participation at the open session

at

CHIDAMBARAM PARK

on Monday, the 16th June, 1958.

Srimathy PARVATHI KRISHNAN, M. A. (Oxon), M. P.

will inaugurate the Conference

at 6-30 p. m.

SPEAKERS:

ri **E. V. K. SAMPATH, M. P.**

,, **S. MOHAN KUMARAMANGALAM, M. A., Bar-at-Law.**

MESSAGES OF GREETINGS FROM FRATERNAL UNIONS & RESOLUTIONS.

DAILY-WAGE STAFF ASSOCIATION: CUTTACK DIVISION
LIFE INSURANCE CORPN. OF INDIA

To
The Hon'ble Members of Lok-Sabha,
New Delhi.

Dear Sirs,

We, the employees (on Daily Wage Basis) of the
Cuttack Division of Life Insurance Corporation of
India, beg to draw your attention as follows:-

After the formation of the Life Insurance Corporation the
management having been taken by the Govt
management having been taken by the Govt. of India, the Corporation intro-
duced a new system of Daily Rated Staff. This staff was given to under-
stand that their services would be gradually absorbed into permanent
cadre as they were required to work for the Corporation to start functio-
ning. Among us we have people from Matriculates to M.A.s serving for a
period of six months to one year and more. We do not enjoy the weekly
holidays, nor are there any provisions for festive, sick, earned, quaran-
tine or any other leave. In short we are paid wages for the days we ac-
tually work and we are to undergo starvation on Sundays and other festive
holidays when the Offices remain closed. We are not issued any letter of
appointment, our services are terminated without notice, we are not entitled
to receive any lay off or compensation in case of our retrenchment; dis-
charges and dismissals are resorted to without any charge-sheet or any
explanation being called for from us, our services are dispensed with
without any fault, negligence of duty or disobedience of law-ful orders.
Direct recruitment (debaring us from its operation) brings in new-hands
in permanent administrative posts; many 'own men' have got themselves em-
ployed through this convenient procedure. Necessarily therefore favouri-
tism reigns supreme in the Department, and instances of such types of
favouritism are increasing day by day. When dismissals or discharges are
continuing in respect of this old experienced hands, no general Policy is
laid down for recruitment. Though according to the Policy of the Departmen
certain high standard of qualification and marks are needed they could not
be adhered to due to poor response from the candidates in general, favour
tism thus creeps in and application forms for clerical cadre are sold @
by way of persuasion under Official instrudtions. Candidates are made
appear in examination and tests several times but they are not allowed
know their results and on certain occasions people having no such qual
cation nor having appeared in any tests or examinations have been app'
In short, there is no security of service of this staff and dissapoi.0.

dissapointment at every step has become regular feature regarding payment of bills and over time bills. On the other hand they are to receive at the rate of Rs.3/50 n.P. and Rs.4/- per day of their work and hence their average pay does not come up to 90/- where-as candidates who are taken in regular cadre subsequently are allowed to get Rs.125/- per month in all. Needless to say that educated employees of the sort who have certain standard of life has to manage with a great difficulty practically starved, specially in a place like Cuttack where the Price Index is very high, probably the highest.

In such circumstances the employees represented the matter several times to the local authorities and the higher authorities but the result has ended with termination of services. The matter was referred to the Concilliation Officer, Central, but he was not cared for and none from the side of the Corporation attended the Concilliation proceeding. On the other hand 5 hands have been retrenched during the pending of the Concilliation proceeding.

We, therefore, have no other remedy open to us without resorting to methods of direct action, We earnestly hope that you will prevail upon the Govt. of India to adopt a just and fair labour Policy, avoid all unfair labour practices, and adopt the fundamentals of the Labout-Laws of the land, specially on the part of the Govt. of India.

We very humbly place our demands as follows:-

1. IMMEDIATE ABSORPTION OF ALL PRESENT EMPLOYEES UNDER DAILY WAGE BASIS INTO PERMANENT CADRE.
2. NO RETRENCHMENT OF ANY WORKER ON DAILY-WAGE BASIS. RE-INSTATEMENT OF RECENTLY RETRENCHED EMPLOYEES.
3. SECURITY OF SERVICES
4. TILL IMMEDIATE ABSORPTION THE PRESENT RATE AND MODE OF PAYMENT SHOULD BE REVISED AS FOLLOWS:-

INTERIM BENEFITS

PAYMENT FOR:-

- a) WEEKLY HOLIDAYS
 - b) LEAVE, EARNED, CASUAL, SICK, QUARANTINE AND THE FESTIVE HOLIDAYS.
 - c) INCREMENT OF WAGES.
5. ABOLITION OF THE SYSTEM OF DAILY-RATE.
6. FOR ALL APPOINTMENTS IN THE ADMINISTRATIVE CADRE OF THE LIFE INS. CORPN. OF INDIA UNDER CUTTACK DIVISION PREFERENCE SHOULD BE FIRST GIVEN TO LOCAL CANDIDATES. ORISSA'S UNEMPLOYMENT PROBLEM IS NOT LESS ACUTE THAT THOSE OF OTHER PROVINCES. INSURANCE BEING A TECHNICAL SUBJECT AND HUMAN FACTOR BEING MOST IMPORTANT, LOCAL MEN WOULD NECESSARILY HAVE A BETTER GRASP OF LOCAL COND. CONDITION, SO MUCH NECESSARILY FOR THE ALL ROUND DEVELOPMENT OF THE NATIONALISED INDUSTRY.

Yours faithfully,

PRESIDENT:

DAILY-WAGE STAFF ASSOCIATION, CUTTACK DVN.

The Life Insurance Corporation was set up in September, 1956, and soon after that, it devoted attention to the integration into a common establishment, with uniform terms and conditions of service, of the salaried field workers in the service of the two hundred and odd erstwhile insurers. Very early in the examination of this question, it became clear that it was a complex problem, not susceptible of an easy solution, satisfactory to all, in view of the haphazard conditions prevailing in regard to the field workers with most of the insurers, e.g.

(a) there was no security of service in the sense one understands the expression and the staff were kept on only while they were in top form in securing business;

(b) there were no regular scales of pay or increments, or any standard rules or regulations for grant of various allowances, like dearness allowance;

(c) the total remuneration paid to any officer depended on the business produced by him; if the business was poor, his salary was withheld or his services were even terminated; and (d) the conditions of working varied greatly from company to company.

Briefly the field staff were regarded only as sales personnel serving and being remunerated at the pleasure of the insurers. The Corporation therefore decided to provide uniform facilities and conditions of work to the field officers working for it, for a year and then take up the question of fitting them into a common establishment in the light of the results of working over this period. In the meantime, the salaries of the staff were continued at levels admissible to them on the 31st August, 1956, with the exception of a few allowances in cases where there was no need to continue them; e.g. a

contact allowance or entertainment allowance.

2. The Corporation put forth its first set of proposals for the integration of field staff, called the categorisation scheme, in September, 1957. While these were broadly acceptable to the staff, attention was drawn to certain aspects and directions in which there was scope for improvement in the proposals. Thereupon the Chairman of the Corporation held a series of discussions with representatives of the field staff in almost all the zones, and improvements were made in the scheme. The Scheme as revised liberalised the conditions of service to a considerable extent. Broad principles were enunciated on the basis of which the staff were to be fitted into a running scale of Rs. 125-500. The uncertainty regarding their service was removed and in respect of leave, gratuity etc., the field staff were to be treated on a par with the administrative staff. Where the application of the principles enunciated would lead to hardship, either by way of reduction in remuneration or of liability to termination of service, the cases were to be reviewed by a special committee with a view to see how many may be saved. A copy of the categorisation scheme together with a copy of the principles to be adopted for fitting in were placed on the table of this House on 4th December, 1957 by the late Finance Minister who also referred to the salient features of the scheme during the debate in the House on that day when the Interim Report of the Life Insurance Corporation was taken into consideration. The Central Government has issued an order under section 11(2) of the Life Insurance Corporation Act, 1956, to give effect to the scheme and regulations are under promulgation to give effect to the provisions of the Order. The Corporation is now giving detailed shape to the scheme, and working out its precise effect on all the field staff. It is expected that the wage bill of the Corporation in respect

of the field staff will go up by Rs. 2 lakhs per month (from Rs. 13 lakhs to Rs. 15 lakhs per month) as a result of the scheme announced.

3. The National Federation of Insurance Field Workers of India was one of the organisations with which the Chairman of the Corporation discussed the categorisation proposals. While the Federation was impressed with the improvements made in the scheme, it declined to associate itself whole-heartedly with the scheme as the Corporation could not concede two of its demands viz. (i) that under no circumstances should there be any reduction in the emoluments drawn by a Field Worker prior to the setting up of the Corporation and (ii) that under no circumstances should any one's services be terminated. There was no guarantee or certainty attaching to the remuneration admitted to field workers by the companies, or of their service under them. These demands have therefore no relation to the affairs as they existed in the pre-nationalisation days, and hence have no relevance while considering the problem of bringing on the field staff in service of the former insurers on the 31st August, 1956 on to a common establishment under the Corporation. The Chairman of the Corporation however promised the Federation that after the data became available, he would discuss with the Federation cases of field officers in respect of whom the application of the categorisation scheme had resulted in hardship.

4. The Federation has also placed certain demands before the Corporation; a substantial number of them have been conceded and some are still under consideration. I place on the table a statement indicating these.

5. Shortly after the categorisation scheme was finally announced, the Central Zone branch of the Federation called

on the field officers in that zone to 'non-cooperate' with the Corporation in the production of new business, to protest against what it called an unfair imposition of the categorisation scheme and the non-fulfilment of its basic demands, in regard to reduction in remuneration and termination of service. The movement was started on 19th January, 1958, the second anniversary of nationalisation. The movement has become an all-India affair since 10th February, 1958, under the direction of the Central body of the Federation.

6. Government have sympathy with the legitimate aspirations and demands of employees in State undertakings. It is well to realise however that here we are breaking new ground and trying to evolve order out of the chaos that existed under the private insurers in respect of conditions of service of field staff. No prior commitment can thus be possible on the part of the Corporation to concede any of the demands of any section of the staff without ascertaining the data in this behalf. The Corporation has primarily to be run on business principles and obviously in regard to engagement of staff and their remuneration it will have to be guided by business considerations. In a matter like the categorisation of the field staff it is necessary and desirable that the points of difference between the Corporation and its employees should be resolved by negotiation and not by direct action. The Corporation has shown its willingness to discuss cases of hardship with representatives of its employees. I hope the staff in their turn will reciprocate and try to cooperate with the Corporation in an atmosphere of goodwill. They will, I am sure, realise that therein lies their prosperity, as well as, of course, the Corporation's.

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13 AUG 1958

DEMANDS

OF LIFE INSURANCE FIELD EMPLOYEES' UNION, DEHRA DUN.

**"WE WERE ON COMMON ESTABLISHMENT"
THEREFORE
"WE SHOULD BE ON COMMON ESTABLISHMENT"**

Our Union has passed a resolution demanding the appointment of a Judicial Commission with a view to looking into the details of service conditions of field workers in relation to historical, economical, actuarial and legal background of this service cadre.

At the early stage of Insurance Industry it was found that the management was incapable of developing Insurance Industry with the help of agents who were considered direct labour. Hence the management commissioned the service of technical know-how for the development of Insurance Industry and with the help of this service cadre not only they managed to recruit, train and supervise the work of the agent but also developed the Industry. This service cadre was born out of historical necessity for the growth of the Life Insurance Industry and therefore, they were considered indispensable. That being so, this service cadre should remain as a liability on financial account as distinct from cost account. Therefore our demand for 'No Cost-No Quota' is just in the context of historical origin of this service cadre.

From economists' point of view we are afraid we do not know where they propose to place us with particular reference to their theory of Industrial Management. Presuming they would define us as direct labour then Rule 5 of the terms and conditions should be withdrawn, (inasmuch as it defines us as 'overheads' or supervisors) and we should be allowed to have direct financial interest along with the agents (direct labour). If, however, Rule 5 is to remain, then as 'overheads' we are not directly chargeable to production cost. Hence, our demand for 'No Cost-No Quota' is just in the context of economical theory of Industrial Management.

From the actuarial point of view we find that there is tremendous hidden reserve in the hands of the Management for non-payment of commissions to defunct agents. The immediate 'overheads' have got the first claim over it. The accumulated interest on this huge reserve fund, we are sure, can very well bring the desired security to this service cadre. Further, security of service and social status shall bring in its train better talents and more intellects in the Insurance Industry which shall certainly help eliminating 'moral hazards' thereby producing more surplus as far as mortality rate is concerned and conserving more policies for higher revenue of the L. I. C. Hence, our demand for 'No Cost-No Quota' is just in the context of actuarial data.

From the legal point of view it is proposed to recall that when the question was discussed in Parliament about the introduction of section 31 A in the Insurance Act 1938 (as amended) the Parliament decided to do away with the "Pro-rata" appointments and also desired to bring in all the salaried staff on a common establishment and accordingly not only the said section (31 A) was introduced but also the code of conduct came into force pursuant to section 64J (1) (a) of the said Act. Any salaried appointment other than on common establishment was also considered illegal by the Chairman of Life Insurance Corporation of India vide para 20 of Interim Report of L. I. C. -page 7. Any Insurer employing any salaried man whose remuneration or increments were equated to new business production or expense ratio or economic procurement cost, was punishable under section 102 of the Insurance Act 1938 (as amended) and the Controller of Insurance in exercise of his powers conferred by section 31 B of said Insurance Act could restrict payment of excessive remuneration to any person. In the light of the foregoing, it is evident that the facts as expressed in paras 19, 20, & 21 of Interim Report on the activities of Life Insurance Corporation of India, flouted the supreme wishes of the Parliament, and the Controller of Insurance for reasons best known to him, did not take necessary action. Be that as it may, there is no gainsaying that at law the entire salaried staff (both in the field and in the office) was on common establishment as on 31.8.56 and the liabilities in regard to the entire staff as on 31.8.56 were transferred to the Life Insurance Corporation pursuant to sections 7 and 11 of Life Insurance Act 1956 (31 of 1956). Therefore Government Order No. 53(1)-Ins(1)/57 dated 30. 12. 1957 issued by the Ministry of Finance (Department of Economic Affairs) is of doubtful legality, against equity and natural justice, and also against the fundamental rights of an employee guaranteed under the Constitution. Hence, our demand for 'No Cost-No Quota' is just and good at law.

We, therefore, demand the appointment of another judicial commission to go into the whole case of the salaried field staff with a view to enumerating the fair, equitable and progressive terms and conditions of service for field staff who should remain on the common establishment of the LIFE INSURANCE CORPORATION OF INDIA.