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Records of discussion with employers' and workers' representatives at Gorakhpur on 29th December, 1967.

The following were present:-

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|------|-------------------------|--------------------------|--------------------------------------------------------------|
| (1)  | Sri A.K. Ghosh          | Secretary                | Ghughli Chini Mill Mazdoor Union, Ghughli, Gorakhpur.        |
| (2)  | Sri Harshit Dutta       | Genl. Secretary          | Naya Chini Mill Mazdoor Sangh, Bhatra, Distt. Deoria.        |
| (3)  | Sri G.P. Kashyap        | Vice-President           | Indian Sugar Mill Workers' Federation.                       |
| (4)  | Sri Ram Avadh           | President                | Rashtriya Engineering Shramik Sangh, Sardarnagar, Gorakhpur. |
| (5)  | Sri Ram Chabila Rai     | Secretary                | Chini Mill Shramik Sangh Sardar-nagar, Gorakhpur.            |
| (6)  | Sri Tara Chand          | Genl. Secretary          | Diamond Sugar Mill Mazdoor Union Dipraich, Gorakhpur.        |
| (7)  | Sri Ram Lal Puri        | Secretary                | Chini Mill Karamchari Sangh Ghughli, Gorakhpur.              |
| (8)  | Sri M.N. Pande          | President                | I.N.T.U.C. Captainganj, Deoria.                              |
| (9)  | Sri Jang Bahadur Singh  | Joint Secretary          | Jute Mill Mazdoor Sangh Salijanwa, Gorakhpur.                |
| (10) | Sri Paras Nath Dubey    | Secretary                | Rashtriya Chini Mill Mazdoor Sangh, Sardarnagar, Gorakhpur.  |
| (11) | Sri Mahtab Lal          | Organising Secretary     | Jute Mill Mazdoor Sangh Satyanwa, Gorakhpur.                 |
| (12) | Sri Kedar Nath Pathak   | Vice-President           | Chini Mill Karmchari Sangh Ghughli, Gorakhpur.               |
| (13) | Sri Lakshman Pd. Maurya | Joint Secretary          | Gita Press Mazdoor Sabha, Gorakhpur.                         |
| (14) | Sri R.C. Kalra          | Asstt. Manager           | Punjab Sugar Mill Ghughli, Gorakhpur.                        |
| (15) | Sri Roshan Lal          | General Manager          | -do-                                                         |
| (16) | Sri P.N. Relen          | Genl. Manager            | Diamond Sugar Mill, Pipraich, Gorakhpur.                     |
| (17) | Sri J.C. Arora          |                          | Indian Sugar Mills Association, Gorakhpur.                   |
| (18) | Sri B.N. Kapoor         | Senior Personnel Officer | Fertilizer Corporation of India, Gorakhpur.                  |
| (19) | Sri Hari Ram Kamani     | Managing Director        | Mahabir Sugar Mills, Siswa Bazar, Gorakhpur.                 |
| (20) | Sri Hari Shanker Tewari | Vice President           | National Fertilizer Factory Workers' Union, Gorakhpur.       |
| (21) | Sri J.C. Sharma         | Manager                  | Ganesh Sugar Mills Anandnagar, Gorakhpur.                    |

Contd...2/-

Employers' Representatives

Eastern Districts of U.P. are accepted to be relatively backward. There are 33 sugar factories in this area - and some oil mills and rice mills. A fertilizer plant is now under construction.

2. The industrial economy of Eastern U.P., therefore, is solely dependent on sugar. Fortunes of this region vary according to the fortunes of sugar industry. Since dependence on one industry alone makes the area extremely vulnerable, it is important that Government should encourage diversified industrialisation.

3. Labour in Eastern U.P. is migratory. The younger groups in the population move out for work. One finds them going to different areas in the country and also to countries outside India. Persons left in the Eastern U.P. are mostly old workers. In the circumstances the productivity of labour in this area is low. Since there is inadequate capital formation and such of it as is there being restricted to one industry productivity of capital is also low.

4. The sugar industry in this area and in Bihar was started way back during the First War but there has been little progress since then. With bagasse which is in abundance even a paper plant has not been set up.

5. Since machinery is old, efficiency is going down. Gundu Rao Committee had made recommendations regarding rehabilitation of sugar industry but these recommendations have not been implemented. The units in the sugar industry in Eastern U.P. have a capacity of an average 1000 tonnes as against those in Western U.P. where average is 1600 tonnes. This creates additional difficulties in putting the Eastern U.P. sugar on a competitive basis even with Western U.P. competition with other sugar areas is still more difficult.

6. New varieties of sugar-cane seeds have not come up either, making the working more uneconomical. Latest reports are that the local sugar cane crop is suffering from a virus. This will reduce the already low sugar content if it is not checked in time. The distance from ports places the Eastern U.P. Sugar Industry in difficulties in export market as well.

7. Number of workers per ton of sugar produced in the Eastern U.P. will be the highest in India. Though wages were at one time lower and it was possible to maintain larger complement of workers, this situation does not obtain any longer because of the recommendations of the Wage Board on Sugar. These have resulted in raising the level of wages without providing for the rationalisation of the industry.

8. In the fixation of prices also the new arrangements for the sale of sugar have resulted in creating a situation where loss on 2/3rd of the production has to be borne by the remaining 1/3rd.

9. The position at present is that if other industries do not come up in this area even the sugar industry is likely to suffer degeneration as sugar industry is controlled not so much by workers and employers but by consumers.

10. The only way seems to be rationalisation i.e.

permitting the industry to increase production without increase in labour force.

11. Another situation which creates difficulty is relative prices as between sugar cane and food crops. Because of encouragement given to food crops, area under sugarcane is going down.

12. Merger of factories may be a solution but in practice there would be difficulties.

## II

### Workers' Representatives

1. One of the reasons why the sugar industry is in a bad shape is that profits have been frittered away; no reserves have been built up for plough back nor has labour profited.

2. Wages have now been fixed and if profits have to be improved, greater attention has to be paid to managerial efficiency.

3. Over the last few years, work-load has definitely increased. Conditions of labour have improved somewhat but in terms of real wage, the improvement if any is marginal.

4. Labour suffers in these Districts because it is not allowed food rations. Rations have been stopped long back even after agreement was reached on certain arrangement in the Industrial Truce Resolution. While real wages in the last three years have been almost static, disparities in incomes seem to be on the increase.

5. Employers' argument that capacity for sugar production should be increased, should be understood with its limitations. Mere increase in capacity without increase in one availability of raw-materials will not help. In the early days, labour was employed because it was required and the employer benefited merely by employing labour. Now conditions are difficult and though there may be reason why the employer can complain workers cannot be thrown on the street.

6. The cultivator also, at times, is in peril because of the attitude adopted by employers - delays in accepting delivery, delays in settling claims, short weighments/so on are his worries, apart and from other worries like supply of water, fertiliser etc. for which employers may not be responsible. All this also results in making the sugar industry more inefficient. Since 1958 production has increased but the labour force has not to the same extent.

7. Last year, there was less of production because cane was less. The prices, therefore, went up. The cultivator had to pay a higher price for his sugar. There was a chain of consequences of this which affected more the producers of cane than the sugar factories.

8. A Labour Court should be established in the eastern Districts. Labour machinery should be clothed with adequate powers. The conciliator should be given adjudicatory functions and adjudication should be compulsory.

9. Legal expenses of workers should be paid by the employer.

10. Joint Management Councils should be set up.

III.

30.12.67.

Visited the Hoogly Sugar Factory about 35 miles from Gorakhpur. The cane for the factory was supplied by a number of farmers who got their lands irrigated by a canal system. Even as we approached the factory there was a continuous traffic both ways of bullock carts loaded with sugar cane moving towards the factory and empty carts moving in the other direction. The process through which the Sugar Cane passed to its finished products was observed.

The machinery appeared to be old and maintenance also was not adequate. The surroundings were not clean either. Workers who were engaged in the process seemed to be older workers who were with the factory for a long time.

Most of the Bagasse was used as fuel and even after that was done there were huge dumps of it outside the factory. Such dumps reduce the quality of bagasse. Layers down below get burnt by the pressure of upper layers and become useless for any alternative process. The case for conversion of bagasse is not convincing.

The workers had no bright look about them nor were they adequately clothed. They appeared to be unhappy about the progress they had made.

The mill was running in a loss upto 1963. When the present manager took it over. Since then profits are looking up.

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