

Industrial and Labour Developments in May 1959.N.B.-Each Section of this Report may be taken out separately.

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - MAY 1959.

11. Political Situation and Administrative Action.

Orissa: New Cabinet Formed.

A three-member Congress-Ganatantra Parishad coalition Ministry headed by Dr. Harekrushna Mahatab was sworn in Cuttack on 22 May 1959.

Shri Sing Deo (G.P.), took over, among others, the portfolio of Labour.

(The Hindustan Times, 23 May 1959).

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CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.

INDIA - MAY 1959.

28. Employers' Organisations.

Bombay: Central Committee of Businessmen's Convention  
Constituted.

A Central Committee of the Bombay State Businessmen's Convention was constituted on 12 May 1959, with Shri G.P. Kapadia, a former President of the Indian Merchants' Chamber, as its Chairman.

The main functions of the Central Committee are:  
(i) to secure co-ordination in efforts and activities of the commercial and industrial organisations, functioning in the State of Bombay; (ii) to formulate detailed programme and scope of co-ordination and the manner and method of joint consultations from time to time; and (iii) to take such steps as may be necessary to give effect to the same.

(The Hindu, 14 May 1959).

## CHAPTER 3. ECONOMIC QUESTIONS.

### INDIA - MAY 1959.

#### 32. Public Finance and Fiscal Policy.

##### Reserve Bank Reviews Trends in Banking in 1958: Increase in Bank Deposits.

According to a summary of the Report on the "Trend and Progress of Banking in India during 1958" published on 22 May 1958, the year 1958 witnessed a "specially large accretion" to deposit resources of banks in relation to credit extended by them. Stating this annual review says that taking the three-year period (ended December 1958) as a whole, while total bank advances have risen by about 40 percent banks deposits have increased by as much as 55 per cent, and "banks have been experiencing a high degree of liquidity".

The review says that there was, however, no occasion calling for any action on the part of the Reserve Bank "to freeze the excess liquidity", as a large proportion of it was diverted to investment in Government securities.

"The likelihood of continuance of this trend is, however, a matter which would bear closer scrutiny", the review adds.

The review says that over the year as a whole net deposits rose by 2,152 million rupees as against 2,215 million rupees, raising aggregate bank deposits to the peak level of 15,618 million rupees. The slowing down of economic activity in certain sectors was naturally reflected in the level of scheduled bank credit in 1958 which at 8,036 million rupees showed an increase of 111 million rupees over the year as compared with the rise of 748 million rupees in 1957 and of 1,513 million rupees in 1956. The rise in deposits was largely confined to banks with deposits of 1,000 million rupees, and over. Apart from the deposit of U.S. counterpart funds and the inclusion of some of the non-scheduled banks in the second schedule to the Reserve Bank of India Act, the trends of deposit expansion revealed the growing evidence of the spread of banking habits amongst the people.

Particularly, the record expansion in time deposits (net) of 2,280 million rupees over the year (though partly accounted for by a shift from demand deposits) was clearly indicative of satisfactory growth of savings through the banking system.

Mixed Economic Trend.- The review says that the Indian economy in 1958 presented a mixed trend of inflationary conditions and recessionary tendencies in certain sectors of the economy.

While the main inflationary influence stemmed from a further step-up in the public investment, its effect was to some extent offset by the slackening in the rate of growth of investment in the private sector which in its turn slowed down the credit expansion by banks.

Deposits Despite the lower level of bank credit, the review adds, the credit policy of the Reserve Bank continued to be one of restraint and vigilance especially in view of the underlying inflationary trends in the economy. In the case of bank advances against foodgrains, the situation warranted the continuance of the restrictive policy initiated on the eve of the 1957-58 busy season with a slight further tightening up in respect of wheat. There was a shortfall of about 10 percent in foodgrains output and this factor, rather than the rise in aggregate monetary demand exerted a great pressure on food prices which increased by about 9 per cent over the year. In sugar also, the fairly high level bank advances in the context of a sustained rise in prices suggested some stockpiling by traders with bank finance. The bank, therefore, tightened the existing restrictions against bank advances against this security.

... (The Statesman, 22 May 1959 ).

... the grant of permission for the establishment of 1,500 automatic looms per year for three years at the rate of ordinary looms.



34. Economic Planning, Control and Development.

India - May 1959.

Sixteenth All India Textile Conference, 24-26 May 1959;  
Industrialists urge increase in Workloads.

The 16th All India Textile Conference was inaugurated in Bangalore on 24 May 1959 by Shri Lal Bahadur Shastri, Union Minister for Commerce and Industry. The Conference which was presided over by the Chief Minister of Mysore was attended, among others, by Shri K.C. Reddy, Union Minister for Works, Housing and Supply, Shri H.D. Shourie of the National Productivity Council, leading industrialists and over five hundred delegates from all parts of India mostly technicians working in mills and research laboratories.

Inaugural address.- Inaugurating the Conference, Shri Lal Bahadur Shastri said that the industry was faced with two main problems: (1) modernisation of mills; and (2) adequate steps for improvement of exports.

It was in the field of modernisation and proper maintenance of the machinery that the technicians, who had assembled in Conference, had to play an important role. He looked forward to a joint effort of the industry, including its management, technicians and labour in the field of productive efficiency and the particular subject of maintenance of machinery and its rehabilitation.

Shri Shastri announced liberalisation of export incentives for cotton fabrics from 1 July for a period of six months and the grant of permission for the installation of 2,500 automatic looms per year for three years in replacement of ordinary looms.

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Closure of mills.- Shri Shastri expressed concern at the closure or threatened closure of certain mills and said that whenever there had been investigations into the affairs of mills, it had come out that a large amount of responsibility for the trouble was due to failure to maintain the productive machinery in good order.

President's address.- Shri K. Srinivasan, of the Southern India Textile Research Association, who has been elected President of the Textile Association (India), welcoming the gathering, referred in brief to the origin and development of the Textile Association and said that at present it had a membership of over 5,000 and represented almost the entire body of technicians working in mills, technological institutions, etc. The problem of modernisation of mills had been engaging the attention of the managements and Government and he would appeal to the Government to give all possible facilities to enable the mills to modernise the plants.

On the second day the Conference discussed 'Time and motion study in relation to wages and workload' and 'industrial co-operative management'. Shri Karumuthu Thiagarajan Chettiar, of the Meenakshi Group of Mills, Madurai, speaking on the 'Time and motion Study', emphasised that a proper appreciation of time and motion study in relation to workload and wages was of paramount importance to a country that was in the process of industrialisation. Pointing out that next only to raw material, which cost about 50 percent., came the wage bill, mounting up to 32 per cent, he said, this high proportion was due not only to want of scientific fixation of workloads and wages, but to their fond attachment to ancient machinery, which remained housed in time-honoured buildings.

He said that if the textile industry was to survive, the workload in India should rise nearer to the level obtaining in Japan and other industrially advanced countries. When this was achieved, there would be less difficulty to meet the increasing demands of wages. The argument that higher workload would cause unemployment was untenable.

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Discussing the subject 'Industrial Co-operative Management', Shri M.S. Krishnan, labour representative of the Hindustan Machine Tools, cited several instances to prove that co-operative management helped the industry, the workers and the management. He said that the pre-requisites for proper industrial co-operation were that the management must respect the trade union and that labour must have the interests of the industry at heart in addition of their own interests. There must be healthy and strong trade unions. He was for the introduction of co-operative management in private sector, and was confidence-confident that it would be a success both in the private and public sectors.

Shri N.S. Bhatt, Personnel Officer of B. and C. Mills, Madras, was critical of "industrial co-operative management". He felt there was lot of difference between these two terms "co-operative management" and "labour participation in management" of industry.

On the last day the delegates divided themselves into three groups each dealing with spinning, chemical processing and miscellaneous subjects such as measurement of fibre fineness and maturity, utilisation of Indian cotton, experiments on doubled yarns. There was also a discussion on 'productivity in relation to textiles', and 'impact of morale on productivity'.

(The Hindu, 25, 26 and 28 May 1959).

(The Statesman, 22 May 1959).

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U.S. Loan for Finance Corporations: Indo-US Loan  
Pact signed.

Two agreements covering the allocation of 100 million rupees each to the Industrial Credit and Investment Corporation of India (ICICI) and the Industrial Finance Corporation of India (IFCI), out of U.S. P.L. 480 rupees funds were signed in Delhi on 21 May 1959 between the Government of India and the U.S. Technical Co-operation Mission according to an official Press release. The funds will help augment the resources of the two financial corporations and enable them to render additional assistance to the private industrial sector in the country during the second Plan.

The new agreements bring the total U.S. local currency assistance to India to 1,540 million rupees.

The agreements were signed by Shri N.C. Sen Gupta, Joint Secretary, Ministry of Finance, for the Government of India and Mr. Howard F. Houston, Director, of the TCM.

(The Statesman, 22 May 1959).

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Twelfth Meeting of the National Development Council,  
3 - 4 April 1959; - Objectives of Third Plan and Role  
of Co-operatives discussed.

The twelfth meeting of the National Development Council was held at New Delhi on 3-4 April 1959. The Council discussed, among other things, the co-operative policy and the main issues relating to the Third Plan.

Inaugurating the meeting Prime Minister Nehru said that if the country failed on the food front everything else would flounder. The planners had to think in terms of supplying basic amenities to the people and not merely talk of some future date when the people would be better off. Demands on the people could be made only if they were provided with essential needs.

The Prime Minister emphasised the importance of the population problem. "Since planning means not only planning for a country but planning for a certain number of people, we have not only to take into account the size of the population today, but the projected population at the end of the Plan period and after.

Opening the discussion on the main issues for the Third Plan, Shri C. Subramaniam, Finance Minister of Madras, is understood to have observed that it was not much use having a 90000 rupees or 100000 rupees million plan when we were faced with difficulties even for implementing implementing a 48,000 million rupees plan. If the Chief Ministers fixed a target at that level or near about Shri Subramaniam pointed out that achieving it may become an impossible task. It was felt that the question of increasing the size of the plan should be considered in connection with the question of increasing the size of the plan. It was felt that the question of increasing the size of the plan should be considered in connection with the question of increasing the size of the plan.

It was agreed in principle that the necessary resources available had to be secured from taxation and power projects, road transport undertakings and other public utilities.

Referring to utilisation of idle manpower, the he said that giving power to panchayats to levy "Labour tax" - under which they got 10 or 15 days' labour per year - had been "tentatively thought of". The family (apparently an "idle" family) would be considered as one unit for the purpose. Shri Subramaniam also stressed the importance of a national wage policy. He did not seem to follow the demand for rises in emoluments of employees of institutions like banks and the insurance corporation on the ground that their profits had risen. The community as a whole, and not only the employees, contribute to rise in profits, pointed out Shri Subramaniam.

At the next day's meeting the broad outlines of the approach to the Third Plan were discussed. The target envisaged in the second Plan report, namely, doubling of the 'per capita' income by 1973-74, would form the perspective for the next Plan. While the NDC agreed that agricultural production was of "crucial importance" for the coming Plan, the need for special stress on the production of machinery to manufacture capital goods was also recognised. There would also be emphasis on the creation of employment opportunities since a shortfall in this respect was expected in the current Plan period and the increase in the labour force would also be larger than originally envisaged.

A number of interesting suggestions of mobilizing resources and manpower was considered.

It was suggested that the various proposals for mobilizing larger resources from the rural areas, namely, introduction of a progressive system of land revenue, levy of cess of the production of commercial crops, popularisation of life insurance in rural areas, should be examined.

Panchayats could help raise larger resources if the proceeds were made available for local development. It was felt that the question of integrating the taxes on agricultural and general incomes, subject to exemptions for land revenue and other dues, deserved careful consideration.

It was agreed in principle that the maximum returns feasible had to be secured from irrigation and power projects, road transport undertakings and other public utilities.

On the question of mobilizing internal savings, the NDC agreed that possibilities of extending the scope of provident fund, life insurance and other forms of savings should be carefully explored. The consensus of opinion was that if the importance of savings for national and local development was carefully explained to the people, it should be possible to step up voluntary and other savings very substantially.

It was felt that for a better utilisation of manpower in the rural areas, it was essential to relate local development programmes to local effort. Panchayats should accept the obligation, by legal sanction, if necessary, for enforcing certain customary duties, such as maintenance of local irrigation and soil conservation works and excavation of field channels.

The NDC also approved of the suggestion that in areas where there was high incidence of unemployment, special works projects could be organised by the local authorities.

Co-operative Policy.- The co-operative programme to be followed in the country was discussed on the basis of a report prepared by a working group of the Planning Commission. First, there was a discussion on the size of primary co-operative societies in the context of the declared objective of joint co-operative farming on a village basis. The second problem was of financing primary co-operative societies in order to make credit available for the village agricultural production programme. The subject was considered in detail by a sub-Committee of the Council.

Briefly, there were four points of difference which were discussed by the Sub-Committee: how sufficient credit could be made available to the village societies; should there be State participation in the share capital of the primary village co-operative; should village co-operatives be given subsidies for managerial expenses; and should there be large co-operatives or co-operatives with more limited functions in the very backward areas.

The Sub-Committee was largely successful in resolving these differences. But the Planning Commission has to work out these problems in greater detail before they can be adopted as clear-cut policies.

It was clear from the discussions that credit will largely be linked to production at the village level. Therefore, though the States will not, as a rule, directly participate in the share capital of the primary village co-operatives, they will help the societies in their production programme.

On the two remaining questions of subsidy for managerial expenses and the structure of co-operatives in very backward areas, the general line of approach will be on the basis of the recommendations of the Working Group on Co-operatives. Some subsidy for the managerial expenses of village co-operatives is, therefore, likely to be forthcoming.

It also seems almost certain that in tribal and very backward areas a different pattern of co-operatives will be followed. This pattern, recommended by the Working Group, will make the village co-operatives responsible for production and development while the credit functions will be taken over by a credit union covering a group of villages.

... (The Hindu, 4 April 1959; The Hindustan Times, 5 April 1959; and related elsewhere The Statesman, 6 April 1959). ... because that would have a ... field, apart from the special ... 'L' ... industrialized countries. ... India was concerned with the ... India. ... we should judge everything in the context of conditions in India.



35. Productivity.

India - May 1959.

First Annual Meeting of National Productivity Council,  
New Delhi, 11 April 1959: Expansion in Training  
Programmes anticipated. Contemplated

The first annual meeting of the National Productivity Council was held in New Delhi on 11 April 1959. The meeting was inaugurated by Shri Jawaharlal Nehru, the Prime Minister of India. Shri Gulzarilal Nanda, Union Minister for Labour and Employment, Shri Lal Bahadur Shastri, Union Minister for Commerce and Industry, Dr. P.S. Lokanathan, Chairman, National Productivity Council, and Shri Manubhai Shah, President, National Productivity Council, were among the important persons who addressed the meeting. The meeting was attended by about 300 persons which included some Ministers of Central Government, members of Planning Commission, representatives of various Ministries of the Government, of employers, of workers, institutions and organisations connected with productivity work and other distinguished persons in industry. Shri V.K.R. Menon, Director of New Delhi Branch Office, I.L.O., attended the meeting.

Inaugural address.— Addressing the annual meeting of the National Productivity Council, the Prime Minister pleaded for a "popular as well as scientific" approach to productivity in the interests of both the export earnings and salaries obtainable in industry. Shri Nehru warned, the use of modern techniques should not lead to more unemployment because that would have a "boomerang effect" over a wide field, apart from the social problems it created. It was no good trying to imitate what was being done in highly industrialised countries. An important factor so far as India was concerned was the abundance of relatively cheap labour. "Where we can, we may adopt latest techniques but we should judge everything in the context of conditions in India." (I.L.O. Working Paper No. 10 on Productivity Centres.)

Common purpose  
animated

Chairman's speech.- Dr. P.S. Lokanathan, Chairman of the Governing Body of the National Productivity Council, told the meeting that the Council was fortunate in having secured the co-operation of employers and workers, whatever might be their political affiliations, in the productivity movement. A work of the NPC and the Council laid emphasis on the education of both workers and management. A change in the attitude and outlook of the management was as important as workers' education. Among the important activities undertaken by the Council, the Chairman remarked, was that of imparting practical training both with and without the country. The external training programme comprising the visit of productivity teams abroad and the sponsoring of trainees abroad had been chalked out in consultation with TCM who have extended generous financial help to the Council. The Chairman pointed out that this aspect of the Council's activities was in line with the activities undertaken by the Productivity Centres of other countries. It was pointed out by the Chairman that such programmes had proved very useful in other countries and it was bound to make similar contribution to the productivity movement in India.

President's speech.- In initiating "Discussion of Productivity", Shri Manubhai Shah, President of NPC, briefly outlined the progress made by the Council during the short span of its existence. Particular reference was made by the President to the training programme undertaken by the Council. Shri Manubhai Shah expressed thanks, on behalf of the Council, to the U.S. Technical Cooperation Mission and ILO for their having extended aid to the Council. It was pointed out that financial help given by TCM was being utilised by the Council for sponsoring trainees and teams abroad. President expressed satisfaction that additional help by TCM was contemplated, which would enable the Council to expand its training programme in future. President appealed to the industrial units to make best use of existing consultancy talent available in the country. President also urged the establishment of Productivity Committees at the plant level for carrying productivity drive to the shop floor.

In the afternoon session of the meeting took up the following items of the agenda of the 3rd meeting of NPC:  
 (I) Action taken on the minutes of last meeting of NPC held on the 8 December 1958. (II) Annual Report of N.P.C. (III) Election of new Governing Body for the year 1959-60. (IV) Programme of NPC for the year 1959-60. (V) Amendment of the Constitution of NPC: (a) Strength of membership of NPC; (b) Term of membership of the co-opted members. (VI) Amendment of Rule 22 of the Rules of NPC Constitution and delegation of powers. (VII) Matching contributions to Local Productivity Centres.



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36. Wages.

India - May 1959.

Review on the Working of the Minimum Wages Act, 1948,  
during the half year ending 31 December 1958.

Fixation and Revision of Minimum Wages.- During the half year under review, the Bihar Government fixed minimum rates of wages for agricultural employees in certain districts and reviewed the minimum rates of wages already fixed for employments in (i) tanneries and leather manufactory, (ii) woollen carpet making or shawl weaving establishments, and (iii) local authority and decided not to make any change. The Governments of Kerala and Uttar Pradesh fixed minimum rates of wages for employment in cigar making and agricultural operations (in the Tarai and Bhabar area of Nainital District) respectively. The Kerala Government also revised the wage rates fixed previously for workers engaged in oil mills. The Government of Madhya Pradesh revised the wages in rice, dal and flour mills, tobacco (including bidi making) manufactory, oil mills, local authority, road construction and building operations, stone breaking and stone crushing and public motor transport. Having completed all the formalities laid down in the Act, the Rajasthan Government issued final notification fixing minimum rates of wages for employment in rice, flour or dal mills, the rates were to become operative after two months of their publication in the State Gazette.

The Government of Andhra Pradesh ordered review and revision of statutory rates obtaining in mica works and motor transport undertakings by notification method as per Section 5(1)(b) of the Act.

During the period under review the State Governments of Andhra Pradesh and Punjab appointed advisory committees to advise them in regard to the fixation and revision of rates of wages for workers employed in various establishments.

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Employments added to the Schedule appended to the Act.-  
 In exercise of the powers conferred by Section 27, during the period under review provisions of the Act were made applicable to employments in banks and hand-loom industry by the Kerala Government and cinemas and contractors' establishments of the State forest department by the Punjab Government. The Government of Bihar notified its proposals to add employments in printing presses, automobile engineering shops, dam construction and irrigation, brick laying, cinema industry, hotels, restaurants and eating houses and cold storage to the Schedule appended to the Act.

The following table gives information regarding number of inspection made by the Inspectors, number of irregularities detected and the number of prosecutions launched during the half year ending December 1958:-

Serial No.	Central Undertakings/State.	No. of Inspections made.	No. of irregularities detected.	No. of prosecutions launched.
1.	Central Sphere Undertakings.	818	7,966	14
2.	Andhra .....	3,288	41	1
3.	Bihar .....	5,537	985	3
4.	Bombay .....	5,452	1,979	11
5.	Kerala .....	3,499	501	11
6.	Madhya Pradesh h .....	2,043	962	67
7.	Madras .....	4,866	998	1
8.	Mysore .....	1,029	65	10
9.	Orissa .....	304	306	4
10.	Punjab .....	1,967	484	66
11.	Rajasthan .....	99	97	7
12.	Uttar Pradesh .....	7,339	5,411	13
13.	Delhi Territory .....	1,793	1,261	190
	Total.	38,034	21,054	398

(Indian Labour Gazette, Vol. XVI, No. 10,  
 April 1958, pp. 792-805).

Workmen's Right to Profit Bonus: Supreme Court's Judgment.

Mr. Justice K.N. Wanchoo of the Supreme Court in a judgment disposing of the appeal of Messrs Titagarh Paper Mills on 5 May 1959 observed: "It is well settled that the tribunals under the Act have power to interfere with the management functions in the interests of the industrial peace."

The claim of the firm's workmen for production bonus and profit bonus for the years 1950-51 and 1951-52 was rejected on the ground that as the production bonus had been paid and calculated correctly, the demand for profit bonus for the same years was not maintainable. On appeal, the Appellate Tribunal granted one month's wages as profit bonus for 1951-52 and also revised the production bonus. The company appealed to the Supreme Court.

Mr. Justice Wanchoo held that production bonus was an incentive to production and is nothing more or less than the standard performance. He payment of further emoluments, depending upon production, to the stand workmen to put in more than the standard performance. He added that after the introduction of a scheme for production bonus and its acceptableness by the workmen in any given industry, it becomes a term of employment and disputes pertaining to it are entertainable by industrial tribunals, which also have the power to interfere with the details of the scheme. But he said that such interference should be only for good and cogent reasons.

The workmen, he observed, would be entitled to profit bonus in spite of their having been allowed production bonus because the latter was only an incentive wage plan and had nothing to do with the profits earned.

... (The Hindustan Times, 6 May 1959).  
but in the application is made when the claim for production bonus is made by the company.

Profit-Sharing Bonus Formula upheld by Supreme Court.

The Supreme Court in an exhaustive judgment delivered on 2 May 1959 in appeals preferred by the Associated Cement Companies on the question of "profit-sharing bonus" examined the adequacy, propriety and validity of the provisions of the "bonus formula" enunciated by the Labour Appellate Tribunal and held that it did not require any revision.

It may be recalled that the demand by workmen for payment of bonus from the profits earned by a company was considered by the Labour Appellate Tribunal in the case of the Rashtriya Mill Mazdoor Sabha in 1950. The Tribunal devised a formula for computation of the surplus available for distribution to workmen as bonus and since that time the Tribunals in the country have followed the principles enunciated in that decision. The principal features of the formula were that while labour was held to be entitled to bonus, the actual amount to be distributed had to be calculated after allowing for certain prior charges.

In this connection the Labour Appellate Tribunal had stated that from the gross profits of a concern deductions should be made in respect of dividend to the shareholders at 6 per cent, a deduction for interest on the working capital at 40 per cent, and appropriate amounts should be set aside for depreciation, payment of taxes and a reserve for rehabilitation of machinery.

Bombay Tribunal Decision.- In the present case the workmen had demanded bonus for 1953-54. The Industrial Tribunal, Bombay, by its award dated 30 November 1956, directed the company to pay their workmen drawing a basic salary up to 500 rupees per month bonus equivalent to one-third of their basic wages. The Tribunal accepted the full bench formula but in its application it scaled down the claim for rehabilitation made by the Company.

The award of the Tribunal was set aside by the Labour Appellate Tribunal, Bombay, on 28 February 1958. The Labour Appellate Tribunal, Bombay, held that the award of the Industrial Tribunal was not in accordance with the provisions of the Industrial Disputes Act, 1947, and that the award of the Industrial Tribunal was not in accordance with the provisions of the Industrial Disputes Act, 1947, and that the award of the Industrial Tribunal was not in accordance with the provisions of the Industrial Disputes Act, 1947.

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The Supreme Court held that the formula did not need revision and went on to examine the several items composing the formula. The working of the formula, according to the Court, "begins with the figure of gross profits taken from the profit and loss account which are arrived at after payment of wages and dearness allowance to the employees and other items of expenditure.

As a general rule the amount of gross profits thus ascertained is accepted without submitting the statement of the profit and loss account to a close scrutiny, "unless it appears that some entries have been made mala fide with a view to reducing the profit figure."

According to the Court, in considering any plea for the exclusion of items from the balance-sheet or the profit and loss account "the Tribunal must resist the temptation of dissecting the balance-sheet too minutely... It is only glaring cases where the impugned item may be patently and obviously extraneous that a plea for its exclusion should be entertained."

Depreciation and Income-Tax.- "Having ascertained the amount of gross profits the first item of deduction relates to depreciation." Under the Income-Tax Act a deduction is allowed not only for normal depreciation but also for initial and additional depreciation and the question frequently arises whether these further amounts should also be allowed for purposes of calculating bonus.

The Supreme Court stated that in its opinion the view taken by the Labour Appellate Tribunal in the case of Surat Electric Company Limited, was correct and a deduction should be permissible only in respect of the normal depreciation.

The Court further rejected the claim of the company that it should be allowed to make a deduction from the profits in respect of income-tax calculated on the profits inclusive of the amounts allowed for additional and initial depreciation.

The Court held that "having regard to the basis of the formula and the manner in which the other items of the formula are required to be worked out it would not be reasonable to allow a deduction in respect of the two further depreciations". In its view only the notional amount in respect of the actual income-tax payable could be allowed as a deduction from the profits for calculation of the surplus.



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Working Capital.- The appropriate return on the paid-up capital and the working capital was next considered by the Court. The formula provides for a return of 6 per cent on the paid-up capital and 4 per cent on the reserves used as working capital and entitles the management to make this deduction from the gross profits in arriving at the figure available for bonus. The Supreme Court observed that these figures had been normally adopted by the Tribunals but there had been small departures in some cases in view of the special circumstances of an industry.

The Court while approving the rates normally given by the Tribunals on paid-up capital and working capital stated that in working out the proper return on these two items there could be no fixed and rigid rule and each case would depend on its own facts.

The Court however confirmed the view that the "amounts payable to the employer under these two items after determination have to be treated as prior charges in the calculation of available surplus".

The item of rehabilitation claimed by the managements and allowed by the Labour Appellate Tribunal in its formula was examined by the Court. The Court observed that the parties were agreed that some deduction from the gross profits was permissible in respect of a rehabilitation fund in view of the fact that all equipment had to be replaced and the market price of replacement had shown a continuous tendency to increase. The controversy however has centred around the mode of calculating the amount which should be allowed under this head.

Mode of Calculation.- The Court stated that in working out the amount of the rehabilitation fund required in any one year the life of the various blocks of equipment such as machinery and buildings would have to be calculated and divided by the number of years it was expected to last. This would give the annual amount required for rehabilitation.

This amount however would have to be multiplied by an appropriate figure which would represent the expected rise in prices during the relevant period.

Dealing with the expectation of life of machinery and equipment, and the possible future rise of prices, the Court observed that to some extent these were matters of guesswork and anticipation. It however held that the deduction on this account should be limited to the amount required for rehabilitation, replacement and modernisation, and expansion could not be included under this item.

On these principles the Supreme Court calculated the profits and prior charges which the appellant was entitled to deduct from it before any bonus was paid. It came to the conclusion that there was no available surplus for the payment of any bonus in the relevant year and accordingly allowed the appeal by the Company.

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37. Salaries.

India - May 1959.

Pay-Scales for Working Journalists Announced:  
Recommendations of Wage Committee Accepted.

The Union Government announced on 29 May 1959 their decision to accept the recommendations of the Wage Committee for Working Journalists in full, except for two minor amendments of a clarificatory nature.

The Committee was appointed in May last, following the invalidation of the decisions of the Wage Board for Working Journalists by the Supreme Court mainly on the ground that the Board had not taken the capacity of papers to pay under its scheme.

The Committee consisted of Shri K.Y. Bhandarkar, Secretary, Ministry of Law, (Chairman), Shri K.N. Subramanian, Joint Secretary, Ministry of Labour, Shri R.C. Dutt, Joint Secretary, Home Ministry and Shri T.R.V. Chari, Principal Information Officer, Government of India.

The Committee, in its report says that, in fixing the new scales, it has taken into account "the capacity of the newspaper industry to pay". It has also taken note of the prevailing rates in the industry and in similar occupations. The Committee has adopted the class-wise approach rather than the regional basis for the fixation of wages. It has come to the conclusion that gross revenue is the most satisfactory basis for the classification of newspapers. According to the Committee, gross revenue will include circulation and advertisement revenues but not revenues from other sources like job work and type foundry work.

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Unlike the Wage Board, the Committee has not provided for location allowance but has included an element of this allowance in the rates of dearness allowance suggested for more expensive centres.

Date of Operation.- The recommendations will come into effect from 1 June 1958, in the case of Class A, B and C dailies and Class I news agencies and from 29 May 1959 (the date of publication of the Government order) for Class D., E and F dailies, all classes of weeklies and classes II and III of news agencies.

The number of classes of newspapers and weeklies and the basis of their classification remain the same as proposed in the Committee's interim recommendations announced last December. (For details see pp. 29-33 of the Report of this Office for January 1959).

Working journalists in newspapers have been classified into four groups and a sub-group from the editor down to the proof reader. In news agencies, there are three groupings and two sub-groups. In Class II and III news agencies the groups are: I, II, II-A and III. For all the six classes of daily newspapers no scale of pay has been fixed for the editor. Other employees' salary scales vary greatly from Class A to class F.

In regard to weeklies the employees are divided into four groups. For news agencies there are three groups and two sub-groups. In the case of Class III news agencies, the groupings are restricted to three with one sub-group.

The following are the pay-scales for the various groups of employees in different classes of papers:

Dailies.- Class A: I - No scale; II - Rs. 600-50-1,000 (8 years); II-A - Rs. 500-30-850-50-900 (10 years); III - Rs. 250-25-450-30-600-40-800 (18 years); and IV - Rs. 125-7 $\frac{1}{2}$ -155-10-225-15-300 (16 years).

II - Rs. 400-30-600-40-800 (10 years); III - Rs. 250-25-450-30-600-40-800 (18 years); and III - Rs. 250-25-450-30-600-40-800 (18 years).

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Class B: I - No scale; II - Rs. 500-30-650-50-900 (10 years); II-A - Rs. 400-25-600-40-800 (13 years); III - Rs. 175-20-375-25-600 (19 years); and IV - Rs. 100-5-120-7 $\frac{1}{2}$ -180-10-200-15-260 (18 years).

Class C: I - No scale; II - Rs. 400-20-500-25-650 (11 years); II-A - Rs. 350-20-450-25-600 (11 years); III - Rs. 150-15-300-20-500 (20 years); and IV - Rs. 80-5-130-7 $\frac{1}{2}$ -160-10-200 (18 years).

Class D: I - No scale; II - Rs. 200-15-350-25-450 (14 years); II-A - Rs. 175-15-325-25-400 (13 years); III - Rs. 125-7 $\frac{1}{2}$ -200-10-210-15-300 (17 years); and IV - Rs. 75-5-125-7 $\frac{1}{2}$ -170 (16 years).

Class E: I - No scale; II - Rs. 150-15-225-25-325 (9 years); II-A - Rs. 125-15-200-25-300 (9 years); III - Rs. 100-5-150-10-200-12 $\frac{1}{2}$ -225 (17 years); and IV - Rs. 70-5-140 (14 years).

Class F: I - No scale; II - Rs. 125-10-175-12 $\frac{1}{2}$ -200 (7 years); II-A - Rs. 100-10-180 (8 years); III - Rs. 80-5-150 (14 years); and IV - Rs. 65-5-120 (11 years).

Weeklies. Class I: I - No scale; II - Rs. 400-20-500-25-650 (11 years); ~~III~~ III - Rs. 150-15-300-20-500 (20 years); and IV - Rs. 80-5-130-7 $\frac{1}{2}$ -160-10-200 (18 years).

Class II: I - No scale; II - Rs. 200-15-350-25-450 (14 years); III - Rs. 125-7 $\frac{1}{2}$ -200-10-210-15-300 (17 years); and IV - Rs. 75-5-125-7 $\frac{1}{2}$ -170 (16 years).

Class III: I - No scale; II - Rs. 150-15-225-25-325 (9 years); III - Rs. 100-5-150-10-200-12 $\frac{1}{2}$ -225 (17 years); and IV - Rs. 70-5-140 (14 years).

Class IV: I - No scale; II - Rs. 125-10-175-12 $\frac{1}{2}$ -200 (7 years); III - Rs. 80-5-150 (14 years); and IV - Rs. 65-5-120 (11 years).

News Agencies Class I: I - No scale; I-A - No scale; II - Rs. 500-30-650-50-900 (10 years); II-A - Rs. 400-25-600-40-800 (13 years); and III - Rs. 175-20-375-25-600 (19 years).

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Class 2: I - No scale; II - Rs.400-20-500-25-650 (11 years); II-A - Rs.350-20-450-25-600(11 years); and III - Rs.150-15-300-20-500 (20 years).

Class 3: I - No scale; II - Rs.150-15-225-25-325 (9 years); II-A - Rs.125-15-200-25-300 (9 years); and III - Rs.100-5-150-10-200-12 $\frac{1}{2}$ -225(17 years).

Dearness Allowance.- Dearness allowance should be paid to working journalists at the following rates according to the range of basic pay and Area I, II or III as the case may be:

Rs. 65-100-50; 40; 30; Rs.101-200-60; 50;40; Rs.201-300- 70; 60;50; Rs.301-400-80;70;60; Rs.401-500-90;80;70; Rs.501-750-105;95;86; Rs.751 and above - 120;110;100.

Parttime employees will be paid a monthly retainer ranging from Rs.25 to Rs.100 for class A papers; Rs.20 to Rs.75 for Class B; Rs.15 to Rs.50 for Class C; Rs.15 to Rs.40 for Class D; Rs.10 to Rs.25 for Classes E and F.

Other Allowances.- In view of the paucity of evidence on the subject the Committee recommends that the fixation of conveyance, entertainment, travelling, overseas and other allowances should be left to collective bargaining between the working journalists and the newspaper establishments concerned.

The Committee has also laid down the procedure for fitment of employees into the new scales.

(The Hindustan Times, 30 May 1959;  
The Statesman, 30 May 1959;  
The Hindu, 30 May 1959).

38. Housing.

India - May 1959.

Provision of Housing Facilities for Colliery Workers  
by Employers: Public Accounts Committee recommends  
Legislation.

The Public Accounts Committee of Parliament has suggested that the Government should consider bringing suitable legislation to make it obligatory on the owners of collieries to provide proper housing facilities for their workers. The suggestion has been made in the latest report of the committee which had appointed a sub-committee to go into the working of the coal mines labour housing and general welfare fund.

The sub-committee, under the chairmanship of Shri A.C. Guha, said in its report that the overwhelming majority of the three-and-half-lakh coal mining families in the country live in "dhowrahs" provided by colliery owners. On a visit to Dhanbad in March, the members found that housing conditions there were "appalling". In one small room - most unhygienic and insanitary as it was - as many as three families consisting of nine members were huddled up. They were informed that the conditions of "dhowrahs" were still worse.

The report said that the coal mines labour welfare organisation had failed to tackle the housing problem of the miners. As against the construction of 15,000 houses, envisaged by the end of 1959-60, the total number of houses either directly constructed by the fund or with subsidy from it was less than 55,000 by the end of 1957-58.



Subsidized Industrial Housing Scheme:  
Government's suggestion to Employers  
to take advantage of the Scheme.

The Government of India has in a letter to some organisations of employers informed them that unless they took voluntary advantage of a larger measure of the liberalised financial assistance given under the subsidised industrial housing scheme, the Government would be forced to consider legislation making it compulsory for employers to build houses for workers.

The suggestion that the employers should take such advantage was made at the third Housing Ministers' conference in Darjeeling (vide pages 23-28 of the report of this Office for October 1958). The conference had also suggested that the question of enactment of legislation should be considered after watching the progress under the liberalised terms till the Housing Ministers met again to review the matter.

An official Press release, after referring to the letter, said that the Union Government agreed that State Governments should help employers to acquire land near their factory premises for housing their workers. They had advised State Governments to use the short-term loan aid given under the scheme for acquisition and development of land for employers and other constructing agencies on a no-profit-no-loss basis.

Referring to the other suggestions made by the conference, the Press release said that the Union Government had accepted the suggestion that subject to the principles enunciated in the scheme, allotment of houses should be left to employers in consultation with workers. A managing committee, consisting of an equal number of representatives of employers and workers with an official chairman nominated by the State Government should be constituted to allot houses, according to mutually agreed rules.



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Basic Amenities.- The suggestion about inducing workers to occupy subsidised industrial housing has been accepted by the Union Government. To this end, the State Governments have been exhorted to make provision for essential basic amenities, such as water-supply, electricity, sewerage, drainage and other community facilities.

To avoid the possibility of completed houses remaining unoccupied or being sublet to ineligible persons, State Governments have been advised to ascertain the demand for subsidised rent. The State Governments should obtain the requisite data from the Labour Commissioner or other local authorities.

The Union Government have not accepted the suggestion to raise the ceiling cost of 5,800 rupees for multistorey one-roomed houses in Bombay and Calcutta cities to 6,000 rupees as prescribed under the Slum Clearance Scheme. The higher limit under the Slum Clearance Scheme had been permitted since price of land is higher in slum areas as compared to those in the periphery where the industrial tenements are now being built.

(The Statesman, 29 May 1959;  
The Hindustan Times, 29 May 1959).

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39. International Economic Relations.

India - May 1959.

Russia's Aid to Pharmaceutical Industry:  
Indo-Soviet Agreement Signed.

An agreement on co-operation between Soviet Union and India, in the building of State establishments for the manufacture of medicine, medicinal preparations and surgical instruments in India, was signed in Moscow on 29 May 1959.

The new loan of 80,000,000 Roubles to India for the construction of State enterprises for the manufacture of medicines and surgical instruments will play a great role in developing the pharmaceutical industry.

(The Hindu, 30 May 1959).

India's Agreement with Holland for development  
of Electronic Equipment.

A step forward in the development of electronic equipment in the country has been taken with the signing of an agreement between Bharat Electronics and Philips of Holland on 22 May 1959.

According to the agreement, Bharat Electronics, will secure the necessary technical assistance and collaboration from the Dutch firm to manufacture valves.

The agreement covers the manufacture of all types of receiving valves required not only for the broadcast receiver industry but also for the special requirements of communication services. Manufacture of special valves used in the defence electronic equipment also forms part of the agreement.

(The Statesman, 23 May 1959).

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India to have an Agricultural University:  
Agreement signed with T.C.M.

By an agreement signed in New Delhi between the Government of India and the U.S. Technical Co-operation Mission, Uttar Pradesh will have an agricultural university on the pattern of the Land Grant Colleges in the United States.

The agreement provides for 2.014 million rupees of technical assistance for the development and operation of the university which will be located at the Terai State farm, Rudrapur. Of this, 1.428 million rupees will be used to buy books and scientific equipment from outside India and the remainder to secure the services of American specialists and consultants and to train two Indian teachers in the U.S.

The agreement supplements the TCM technical assistance of about 0.85 million rupees provided last year, when this project was initiated. Total TCM assistance for agricultural education and research so far has slightly exceeded 35 million rupees.

(The Hindustan Times, 29 May 1959).

The Hindustan Times, 29 May 1959. The article discusses the agreement between the Government of India and the U.S. Technical Co-operation Mission for the establishment of an agricultural university in Uttar Pradesh. It mentions that the university will be located at the Terai State farm, Rudrapur, and that the agreement provides for 2.014 million rupees of technical assistance. The article also notes that the agreement supplements the TCM technical assistance of about 0.85 million rupees provided last year, and that the total TCM assistance for agricultural education and research so far has slightly exceeded 35 million rupees.

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

INDIA - MAY 1959.

41. Agriculture.

Education of Rural People: Committee advocates  
change in Pattern.

A Committee, with Shri B. Mukherjee, ICS., Joint Secretary, Ministry of Community Development, as its Chairman, appointed by the Ministry of Education, has advocated a change in the pattern of rural education to ensure that the farmers' requirements figure in it prominently. The Committee was asked to study the working of the four classes of educational and training institutions, namely, the Janata Colleges, the rural institutes, the Manjari (agricultural) schools and the Basic agricultural schools.

The following are the main recommendations of the Report of the Committee which was published on 22 May 1959.

Pointing out that agriculture is likely to remain the biggest avenue of employment for the rural people for many years to come, the Committee underlines the vital importance of agricultural education for villagers. The Committee has, therefore, recommended that the syllabus, the standard of teaching and other facilities for the agricultural course at multipurpose higher secondary schools should be designed to make the agriculturists' sons progressive farmers' train a variety of agricultural extension workers and enable persons to carry on research in agriculture. With another year's education in agriculture, the student undergoing this course should be able to reach the diploma level. For the village school teacher should be available.

The Committee is of the opinion that education given in the higher secondary schools and the post-Basic schools located in rural areas, should provide the village youth, in addition to a sound knowledge in agriculture, the necessary academic attainment, a progressive outlook, acquaintance with the understanding of rural conditions and problems. It suggests that as early as possible all appointments at the village level to posts such as Gram Sevik, Gram Sevika, Karamchari, Talati, Patwari, Secretary of the Village Co-operatives and Panchayats, fieldman, demonstrator for farms, etc., should be made from among students with the above educational equipment.

The Committee is also against rural institutes taking up extension schemes to render service directly to the rural people. This service to the development programme, should be to produce suitably educated and orientated persons for the extension service.

Rural institutes, the Committee feels, must logically lead to the ideal of rural university. It, however, cautions against any artificially fast pace being set for developing them into such universities.

A course in rural engineering, combining civil and public health engineering with a little of mechanical and electrical knowledge thrown in, could be advantageously introduced in these institutes. The attempt should be to produce multipurpose engineers who understand properly the rural problems.

The Committee is critical of the Janata Colleges. In its opinion, hardly any one of them is fulfilling much useful purpose. They have assumed the character of formal institutions and failed to attract the already usefully employed adult villagers who are potential leaders. Besides, they are too expensive to be multiplied on a large scale.

The right approach to the problem of adult education, the Committee says, will be to operate more through Community Development Programme than to set up Janata Colleges of the existing pattern.

The best use that the Committee can suggest to make of the existing Janata colleges is training of village school teachers for the development programme.

Promotion of the idea of the village school as the community centre is considered by the Committee as the most important line of future development. For this, a permanent system of proper training for the village school teacher should be evolved.

(The Hindu, 23 May 1959).

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Recommendations of the Madras Agricultural Production Committee: Measures to increase output suggested.

Recommendations of a far-reaching character embracing all aspects of agricultural production, both foodgrains and commercial crops, and aiming at the achievement of targets fixed for the end of the Third Plan, are contained in the report submitted to the Government of Madras by the Committee on Agricultural Production constituted by the Madras Government in August 1958.

The Committee under the chairmanship of Shri M. Bhaktavatsalam, State Minister for Agriculture, was asked to undertake a thorough scrutiny of the food production plans with a view to assessing the results achieved so far and to consider the further steps to be taken to accelerate the programme so far as to ensure the full achievement of the targets of additional production. As desired by the Government, the Committee extended its enquiry to the production of commercial crops also, so as to cover the entire field of agricultural production in the State. The Committee recently submitted its report to the Government and a gist of the more important recommendations of the Committee is given below:-

Improved seed programme.- The Committee is of the view that the work of seed multiplication and distribution at the primary stage in the State Seed Farms should be undertaken by the Government themselves, even though they may have to incur some loss on this account, as it is of paramount importance to ensure the quality of the primary seeds released for further multiplication in the secondary stage. In order to improve the efficiency of the State Seed Farms and with a view to inducing capable hands to stick to the jobs of Farm Managers and take an active interest in their work, the Committee considers that it is absolutely necessary to give a bonus to each Farm Manager which should have the same relation to the profit earned by the Farm during the period of his stewardship. The Committee has recommended that both the Agricultural Banks, where they exist, and the other Co-operatives should obtain their primary seed requirements from the State Seed Farms and take over the work that is now being done by the Village Seed Farms.

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Chemical Fertilizers.- The Committee has drawn attention to the present anomalous position in which the Government are on the one hand propagating the use of chemical fertilisers for stepping up agricultural production while on the other hand they are unable to meet the increasing demand for chemical fertilisers created by their own propaganda on account of shortage of stocks and has recommended that more fertiliser factories should be established throughout the country in such a manner that no difficulty will arise in the matter of transporting the stocks by road or rail from the factories to the consuming areas.

The Committee is of the view that the distribution of chemical fertilisers through co-operatives should be the ideal to be aimed at and that co-operatives which are already having the monopoly of distribution of nitrogenous fertilisers in the Development Blocks should be persuaded to take over the distribution of superphosphate, potash and manure mixture also in the Development Blocks.

Organic Manure.- The recommendations made by the Committee for augmenting green manure resources are: liberalisation of the existing concessions in the matter of removal of green manure leaves from the Government reserved forests; giving sufficient prominence of growing green manure plants etc., in the village forests which the forest department is now developing; the growing of green manure plants, etc., by the forest department on the fringes of reserved forests adjoining villages which should make available the green manure leaves to the ryots of those villages; grant of permission to ryots under permits to plant green manure plants, etc., on the canal, channel, river, tank and road porombokes in charge of the revenue public works, and highways department; supply of water (wherever it can be so supplied) specially from Government irrigation sources for raising and irrigating green manure crops without undue restrictions; giving of a suitable cash incentive to the lascars of the public works department, road gang workers of the highways department and village officers in order to induce them to grow green manure plants, etc., on the banks of river canals and channels, on road margins or in porombokes in their charge as the case may be; the remission of kist for the cultivation of green manure as a pure crop by ryots on lands which are classified as "current fallows", "other fallows" and "cultivable wastes"; the institution of prizes at district, taluk and village levels for the producer of the best yield of green manure per acre at each of these levels in each district and the holding of inter-village competitions in each district in green manure production and the award of a prize of the value of 10,000 rupees in the shape of developmental works of communal benefit to that village in each district which raises green manure over the largest area.



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Major irrigation works.- As regards major and medium irrigation, the Committee's main recommendations are: the surplus waters that are now being allowed to go to waste down the rivers in the neighbouring States of Kerala and Andhra Pradesh should be diverted to this State as quickly as possible with the willing co-operation of the Governments of those States; a systematic survey of all the jungle streams in this State should be conducted with a view to harness their flood waters; experiments should be conducted to obtain definite results regarding economy in the use of water and the circumstances under which the maximum yield from one acre of land and the maximum return from the cubic foot of water can be obtained; and the formulation of suitable schemes for utilising fully the drainage waters in several of the irrigated areas with a view to effect improvement to the duty of water and for relieving submersion of large areas under rice which now get water-logged.

Minor irrigation works.- The Committee has recommended that in implementing the Special Minor Irrigation Programme the highest priority should be given to the repair and restoration of tanks in the ex-estate areas, particularly those in the Ramanathapuram district, which are in need of immediate attention.

It has also recommended that in order to actually restore the original ayacut of each tank the work of repair and restoration of tanks should also cover the repair and restoration of the supply channels, field bothies and sluices of the tanks in the case of Government sources of irrigation including those in the ex-estate areas.

As regards the maintenance and silt clearance of supply channels the Committee is of the view that this may be left to be attended to as far as possible by the Panchayats or Panchayat Union Councils trusting that they will take advantage of the enabling provisions in Section 85 of the Madras Panchayats Act, 1958.

Lift irrigation.- The Committee attaches great importance to the improvement of lift irrigation facilities. It considers that the scope of the revived well subsidy scheme is very limited and it has therefore recommended that the subsidy for sinking wells should not be confined only to those wells dug under this scheme but that subsidy at the same rate and subject to the same conditions should also be given for new wells dug with the help of other Government loans such as takkavi loans. As the scheme as it stands now may not prove of much assistance to ryots in many areas in this State like the Coimbatore district and the Satur and Srivilliputtur taluks of the Ramanathapuram district, the Committee has recommended that the loan ceiling should be raised to 2,000 rupees per well of which 500 rupees may be a subsidy in specified areas.

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Plant Protection.- The Committee considers that the present arrangement under which pesticides and fungicides are sold at 50 per cent of the cost price only in those areas which are declared as pest-affected by the District Agricultural Officer concerned is not satisfactory and has therefore recommended that pesticides and fungicides should be sold at a concessional rate in all areas throughout the year.

Agricultural Implements.- In order to improve the supply position of improved agricultural implements the Committee has recommended that some ~~of the~~ of the Government departments workshops of the various Government departments should take up the fabrication of agricultural implements specified by the Agricultural Department. The opinion of the Committee is that a system of quality control of the agricultural implements produced in this State should be introduced.

Supply of Electricity.- The Government should give, in the view of the Committee, a subsidy to the State Electricity Board in order to enable it to supply electricity for agricultural purposes to new areas in the underdeveloped and backward areas of the State expecting only the normal 10 per cent return from the beneficiaries without demanding the special guarantee. Even in the well developed areas in this State it is understood that if the upper limit of the special guarantee which is at present 50 rupees per H.P. is reduced a larger number of ryots will come forward to take up electric supply. To the extent that this maximum limit is reduced the Government will have to give a subsidy to the State Electricity Board to reimburse to it the loss that will be incurred thereby.

Co-operative Credit.- The Committee has recommended that the pace of development of co-operative credit should be further accelerated and that there should be only one agency for the disbursement of all kinds of loans required by the agriculturists and that this agency should be the co-operative agency. The Co-operative Department has already made a start in this direction by launching its Full Finance Scheme in selected areas in this State. The Committee has recommended that this scheme should be extended to all Development Blocks in this State immediately and to all other areas in this State as soon as possible and in any event by the end of the Third Plan period. The Committee has recommended that long term takkavi loans should continue to be granted in the Full Finance Scheme areas for the purposes of land improvement. It has drawn attention to the fact that the loans that are at present being made available by co-operatives to landless cultivating tenants, marginal cultivators, sub-marginal cultivators, etc., is negligible because of the risk involved in lending to them. It has recommended that short-term loans to the required extent should be granted by co-operatives to these categories of borrowers on the security of the crops raised by them.

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Co-operative farming.- The Committee has recommended that the Commissioner of Food Production should be designated as the authority for implementing all co-operative farming schemes and that co-operative tenant farming societies should be formed wherever there are large compact contiguous blocks of lands belonging to Hindu religious and charitable institutions.

Commercial Crops.- The Committee has suggested that the target for the increased production of irrigated groundnut should be stepped up and that a special drive should be launched for coastal planting of coconut palms. The Committee has recommended that every step should be taken to increase the acreage under cashew.

The Committee is of the opinion that fundamental research should be accorded a prominent place in the current and future research programmes of the Agricultural Department and that the highest priority should be given to rice research. It has also called for the intensification of research work on pulses in order to evolve improved varieties of strains of pulses largely consumed in this State with a view to put an end to the chronic deficit of pulses in this State and its perpetual dependence on supplies from outside the State.

Agricultural extension.- In the opinion of the Committee the Panchayat Union should provide the local leadership for implementing the agricultural plans formulated for its jurisdiction and act as the local committee for agricultural development. Each Panchayat Union should be asked to constitute at the earliest opportunity a Committee solely for attending to the work of stepping up agricultural production within its jurisdiction under Section 53(b) of the Madras Panchayat Act, 1958.

The Committee has made various suggestions for the improvement of agricultural extension work, among them being, the giving of publicity to the various concessions extended to agriculturists, the utilisation of the Project Information Offices at the sites of the irrigation projects as information centres of the Agricultural Department, the production and exhibition of documentary films in colour depicting the improved cultural practices advocated by the Agricultural Department.

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Third Five Year Plan.- According to the Committee's assessment the total production of foodgrains in a normal year would have been stepped up from 4,400,000 tons at the end of the First Plan period to 5,300,000 tons by the end of the Second Plan period.

The Committee has, recommended that the State should aim at an achievement of at least an additional production of 2,000,000 tons which will represent roughly a 38 percent increase in production. The Committee is confident that such an increase in production is possible if the different aspects of the food production programme are intensified in the light of the recommendations made by it in its report.

(The Hindu, 27 May 1959 ).

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Uttar Pradesh: Research Study on Impact of Land Reforms published.

Zamindari abolition has changed the status of tenants into owners, but it has brought little redistribution of land. This conclusion has been reached by a research study on "Next step in village India", conducted by the economics department of Lucknow University.

The study incorporates the result of a research on the impact of land reforms on group dynamics and class relations in Uttar Pradesh for which six sample villages, three from the western districts and three from the eastern districts, were chosen, including 3,500 households and a population of nearly 20,000 persons.

According to the study, there is still a multiplicity of tenures and there are distinctions among cultivators of high and low, of superior and inferior according to the tenure that they enjoy. No less than 70 per cent of the cultivated area in the State is still under inferior tenures and only 31 per cent is held under bhumidhari, the superior tenure with transferable rights.

Landless workers, the report continues, have benefited little by the recent land reforms and the so-called family cultivation through permanently hired workers, share-croppers and sub-tenants continues on a wide scale. In one sample village 35 per cent of the total cultivated area was either sub-let or given to share-croppers. In another, one in every four of the sample households was found to have sub-let and share-cropped his holding.

According to the data of the National Sample Survey, 44 per cent of the rural households in Uttar Pradesh have only one per cent of the total land in their possession, while some two per cent at the top, each holding 25 acres or more, have nearly one-sixth of the entire cultivated area. Some 70 per cent of the households have a holding of less than five acres or more. Of the total cultivated area, 70 per cent is held by the uppermost quartile.

Even the change in status from tenancy to ownership has benefited largely the high caste Hindus, who are numerically no more than half of the village population. But they hold nearly two-thirds of the village lands, while low caste Hindus, who account for one-fifth of the total rural population, possess no more than three per cent to four per cent of the agricultural lands. The position of the Muslims is no better.

Redistribution.- The issue of land redistribution is not simply an economic issue, the study reports. Equally important and urgent is the question of justice and fairplay to the lower castes and non-Hindus in the distribution of village lands.

Dealing with the poverty aspect, the study holds that village people are extremely poor and there has been little improvement in their conditions. Poverty is so universal that 45 per cent of the poverty line (annual expenditure of 600 rupees or less per household), 50 per cent are just above it (annual expenditure 600 rupees to 1,800 rupees per household); and only 5 per cent enjoy certain comforts.

and households  
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Land has a demand and value as an economic good and production resource, the study says. It has, however, a prestige value too. A villager without caste and the landless are declassé of rural society. Land hunger is acute and almost everyone, including the non-agriculturist, wants to have a piece of land.

Group conflicts, hostilities, tensions and antagonisms are so acute that besides constant litigation over land, there are almost everywhere land riots and acts of open violence. Zamindari abolition has left a hiatus in the power system and this has, apparently, encouraged anti-social elements. There is evidence of even certain amount of lawlessness in the countryside.

Class consciousness and strife, the report says, are coming to the surface and unless something is done to resolve the land issue and to reorganise agriculture, there is a danger of even open class conflict.

Public opinion, according to the study, in the villages is sharply divided on the issue of future land reforms. Individuals and factions are influenced and biased by their supposed caste and class interests in this matter. It will, therefore, be wrong to say that the village people, as a whole, are either opposed or that in agreement with this or that proposal in this context. Their opinion depends on their class and caste - the two determinants are, in fact, to a large degree congruent.

(The National Herald, 27 May 1959).

The study also shows that the village people are not only divided on the issue of future land reforms but also on the issue of the primary and secondary schools. Since the schools will be mainly used for provision of short-term training, the focus of the study will be outside the social class differences.

42. Co-operation

India - May 1959

Pilot Project to link credit with Production to be started.

The Union Government has decided on a pilot project to link credit through primary co-operatives with agricultural production and marketing. The project will cover four 400,000 farmers in 4,000 villages. The project is intended as a step to implement the decision to provide finance on the basis of production plans and to route all surplus produce through marketing societies under the new co-operative policy.

Twenty villages in 200 selected blocks in community development areas will be covered by the project to be taken in hand immediately. The State Governments have been asked by the Community Development and Co-operation Ministry to select villages and blocks from different regions. Villages with good co-operatives will be preferred.

Since the project is exploratory, there is no firm figure of total expenditure, nor any time limit for using the credit. But presuming that the scheme is put through in all the 200 blocks, a sum of 80 million rupees will be needed on the basis of an estimated expenditure of 400,000 rupees in each block. The State Governments have been asked to work out their financial requirements.

Central Loans.—The Centre will advance the amount as loan to the State Governments. It will flow to farmers through the apex and central banks and finally the primary societies. Since these funds will be mainly used for provision of short-term finance, the loans to the State will be outside the annual Plan allocations.



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The credit is mainly intended for seed, fertiliser and current expenses of cultivation and will supplement the farmers' existing resources. On an average a credit of 60 rupees an acre for irrigated land and 30 rupees for unirrigated land is considered necessary. The proposed credits will contribute towards a part of this requirement.

The project aims at bringing every farmer family under the village co-operative. At present only a small number of farmers can get sufficient loans from co-operatives. Many small cultivators cannot obtain any loan because they are not the members of any co-operative.

The credit will be provided only on condition that it is marketed through the village co-operative and marketing society of the area.

According to the tentative plan, nearly 600 villages spread over 30 blocks are expected to be taken up for these projects in Uttar Pradesh. Bombay with 460 will have the second largest number.

Projects in other States will be as follows: Bihar 440; Andhra Pradesh 380; Madhya Pradesh 340; Madras, Punjab and West Bengal 260 each; Mysore and Orissa 200 each; Rajasthan 180; Assam 100; and Jammu and Kashmir 80. The Union Territories will have 120 projects.

(The Hindustan Times, 30 May 1959).

Generally, the credit is provided to the farmer through the village co-operative and marketing society of the area. The credit is provided to the farmer through the village co-operative and marketing society of the area. The credit is provided to the farmer through the village co-operative and marketing society of the area.

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Working of Large and Small Co-operative Societies:  
Programme Evaluation Organisation's Report.

The Programme Evaluation Organisation of the Planning Commission, in its report on the working of the large and small co-operative societies, does not pronounce decisively on the superiority of either, but presents a wealth of factual data on the comparative performance of each. It has recommended that primary village societies should be subsidized to some extent to enable them to make it more attractive for the cultivators to hand over their produce to them.

It may be recalled that the investigation was initiated in response to a resolution at the conference of community development at Mount Abu in May last year.

Two independent inquiries were conducted. The first concerned societies in areas outside the Reserve Bank's pilot projects. It covered 33 large and 84 small societies in 18 blocks. The second related to the working of the integrated credit and marketing scheme in two areas in Khandesh and Broach selected by the Reserve Bank for its pilot project and an area in Kolhapur which the State Co-operative Bank had selected for a similar experiment.

Generally, in the non-pilot project areas larger societies have a better record in respect of payment of overdues, have relatively stronger financial position owing to the Government's participation in share capital and have better educated and qualified managerial staff.

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Moneylender's Role.- But they are dominated by "headquarters villages". Moneylenders and moneylenders-cum-landlords occupy positions of power and manipulate operations of societies.

Both large and small societies share many weaknesses one of which is that households under their jurisdiction are not adequately covered. Not even a fourth of the households are covered by the two categories.

Only in one block (Marsi in Bombay) have both large and small societies achieved complete coverage. On the other hand, some societies in other areas include only 10 per cent of the total households.

The large societies have not reached the smaller cultivators more than the small. In fact, small cultivators constitute a small proportion of the membership of large societies than of the small ones.

Both types of societies have attracted higher proportions of large cultivators in the villages than the small. Small societies have a larger proportion of cultivators with larger holdings.

Poor Supervision.- The report sharply criticises lax supervision and perfunctory inspection. Though local supervisory committees have been recommended for large societies, only three centres out of 14 reported the existence of such committees. But only nine per cent of the larger and five per cent of the smaller societies report that there has been no auditing.

The large societies are organised on a basis of limited liability while in a majority of small societies the individual members' liability is unlimited. The average large society has a membership of 418 persons and covers 11 villages while the average small society has 64 members and covers two villages.

The former has a share capital of 14,232 rupees and the latter 1,921 rupees. Twenty out of 33 large societies had received Government contribution amounting to 28.4 rupees per cent of their share capital.

On the Government's powers of intervention through their nominees on boards of directors of large societies, the report says that experience suggests that such powers never remain unused and come in the way of co-operatives developing into people's institutions.

**Landless Workers.**- Large societies seem to have attracted landless workers much more than small societies. But against this should be considered the fact that in some instances members, who are well off and do not resort to borrowing, as well as small traders have been classified as landless labourers.

Right in land remains the most important consideration in settling the maximum credit limit. Discrimination in favour of landowners against tenants persists and large societies are not better than small societies in this respect.

Only in a few cases is the credit limit related to the crop produced. Though during 1957 and 1958 the proportion of members receiving loans from both categories of societies remained more or less the same, the amount per member receiving a loan from the large society was somewhat higher.

In both categories a smaller percentage of small cultivators than big farmers could secure loans. As far as repayment of total loans is concerned, a higher percentage has been repaid within the due date in the case of small societies.

The large societies have about six times as much funds as the small ones and they lend out more money. They are able to attract more deposits than the small ones but the deposit per member is only 19 rupees. Both categories depend largely on aid from outside.

A significant fact to which the report draws attention is that even in large societies there is the tendency among presidents and secretaries to stay on in office because of the absence of suitable alternative personnel. This lack of local managerial talent has been commented upon.

(The Hindustan Times, 26 May 1959).

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**43. Handicrafts.**

**India - May 1959.**

**Madhya Pradesh Khadi and Village Industries Bill, 1959.**

The Government of Madhya Pradesh published on 1 May 1959 the Madhya Pradesh Khadi and Village Industries Bill, 1959, proposed to be introduced in the Legislative Assembly of the State. According to the Statement of Objects and Reasons of the Bill, to implement the recommendations of the All India Khadi and Village Industries Board, the following Acts were enacted: (i) The Madhya Bharat Khadi and Village Industries Act, 1955; (ii) The Madhya Pradesh Khadi and Village Industries Board Act, 1956; and (iii) The Rajasthan Khadi and Village Industries Board Act, 1955.

The aforesaid Acts are in operation in Madhya Bharat, Mahakoshal and Sironj regions respectively. For the proper development of Khadi and Village Industries in Madhya Pradesh it is not desirable to have different Acts for the same purpose. It is, therefore, necessary to have a uniform legislation on the subject for the whole State. The Bill is designed to achieve this object.

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CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - MAY 1959.

50. General.

Madras Labour Gazette published: Labour Department's  
New Journal on Labour Matters.

The Office of the Commissioner of Labour and Director of Employment, Madras, has published the first Volume of the Madras Labour Gazette. The Gazette, which is intended to replace the Madras Labour Bulletin, contains factual details about the number and nature of disputes in the State including strikes and lock-outs, the number of disputes settled by conciliation and adjudication and the achievement of the department in the enforcement of the various labour enactments. It is proposed to include in the Gazette specialised articles from eminent persons on industrial labour and labour welfare.

Provision is also made for giving information on special papers for women workers and child labour and child welfare.

(Copy of Madras Labour Gazette, Vol. I, No. 1, March 1959, received in this Office).

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(The Times of India, 10 May 1959)

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58. Absenteeism and Labour Turnover.

India - May 1959.

Some Factors Affecting Absenteeism.

Some of the many and varied factors affecting absenteeism are discussed in an article which appeared in the April 1959 issue of the Indian Labour Gazette. The following is a brief review of this article.

There are several factors which operate within the four walls of a factory and which directly affect absenteeism.

Introducing induction programme.- A newly recruited worker in a factory starts absenting himself frequently because he is new to the place and is not fully conversant with his job, the working of the department and the movement of the cranes etc. A modest induction programme covering the following items will help a new worker to adapt himself to his new place of work: (i) Tour of the department showing the part that the employee's job plays in obtaining the end products; (ii) instruction in the method of clocking 'in' and 'out'; (iii) wages, bonuses and other remuneration peculiar to the department; (iv) safety measures - arrangements for the issue of safety appliances; (v) site of the lavatory and wash house; (vi) meal breaks and use of canteen; (vii) grievance procedure, joint consultation machinery and the suggestion box systems; (viii) company rules and regulations such as, line of acting and promotion; (ix) educational and training facilities; and (x) welfare activities sponsored by the Company.

Job content.- The nature of the job and whether the worker likes his job or not are also significant factors affecting absenteeism. A proper recruitment procedure should first be introduced to employ the right man for the right job. It may not always be possible to dole out jobs according to likes and dislikes; nevertheless, it should be possible for the industrial physician and the personnel manager to make some shifting possible by mutual consent or when fresh vacancies occur.

Management should make the supervisor feel that he is a

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Shift-work.- Working in rotating shift is a very important factor affecting absenteeism. This is unavoidable due to the laws of nature. All that can be done is to keep it under check. Here is another case where workers' representatives, line supervisor, personnel managers and occupational health experts should get together to find a way. In one case, it was found that improving the internal illumination of the factory, and providing tea or coffee during two breaks in the night, not only had a significant effect in reducing absenteeism, but what is more, prevented a lot of workers from dozing on their jobs.

Worker and his Colleagues.- A worker cannot, however, permanently absent himself because of change of shifts, neither can the employer penalise him for a casual absence. But such individual instances do multiply and affect the efficiency of a department. The line supervisor should spot the new comer to his shift, welcome him and introduce him to a few of his colleagues, thus making him feel at home and wanted. This midget - induction of temporary new-comers will pay handsome dividends.

Worker and his Supervisor.- Volumes have been written about liaison between worker and supervisor. Such liaison has significant effect on absenteeism. Cases are not wanting where one particular foreman has been able to command the respect and rouse the enthusiasm of large groups of workers who enjoy working under him, whereas they would try and find out numerous causes for staying at home when they have to work with another foreman who is particularly repulsive to them.

By the very nature of his employment, he is an imposed leader on the working group. It is, therefore, extremely necessary that in his selection, placement and training, due emphasis is given to the fact that his success will depend upon effective co-operation with the working group. For ensuring rapport between the supervisor and his working group, thus reducing absenteeism, it is necessary to adopt the following measures: (i) Supervisor should be invested with authority commensurate with his designation and responsibility; (ii) management decision on labour matters should first be communicated to the workers by their supervisor; (iii) in all inquiries, the supervisor's statement should be given full consideration and if his decision is to be reversed, for some reason, he should be appraised of the full facts of the case and associated with the final decision; (iv) there should be effective two-way channels of communication between the supervisor and top management and he should always be in the picture when workers' problems are being handled; (v) trade union leadership should agree not to indulge in public criticism of individual supervisor; and (vi) by action, explicit and implicit, top management should make the supervisor feel that he is a respected and valued member of the management team.

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Wages and Incentives.- From a study in a factory, it was mentioned found that in the lower wage groups, that is, those getting a total income of 150 rupees per month and below, the percentage of chronic absentees was more than in the higher wage groups. A large majority of such absentees had put up in less than ten years' continuous service with the firm and 66 per cent of the chronic absentees were below the age of 35. More than 60 per cent felt their work to be of a monotonous nature and lacking better prospects. Sixtysix per cent were addicted to drink. The factors responsible for the high percentage of chronic absentees in the lower income group of workers in the factory were: (i) Age - those in the age group of worker 26-35 had the worst record; (ii) length of service - those who had put in less than 10 years' service were the major culprits; (iii) lack of education, proper training, and better prospects; (iv) monotonous nature of work; (v) indebtedness; (vi) sickness (personal as well as in the family); (vii) addiction to drink and other vices; (viii) lack of proper residential accommodation and distance of residence from place of work.

In the case of under-developed regions, it is erroneous to presume that a wage increase invariably leads to higher real earnings. In a particular section of the coal mining industry in this country, it was found that a wage increase led to increased absenteeism, the worker being content to earn the same amounts as in the past by putting in lesser effort and time on his job.

Supersession and Absenteeism.- In factories, particularly the larger ones, supersession is sometimes inevitable. The number of higher posts is small as compared to the claimants. If the claims of the senior man are thus by-passed, he becomes a nucleus of dissatisfaction. He is very often unable to accept his own incompetence and the management's choice. The remedy is neither simple nor ready-made. It calls for great understanding on the part of the line supervisor concerned who should go out of his way to assure the aggrieved worker that it was not an act of bias, that the policy of the company was fair and objective in the matter of promotions and that if he improved on his performance or gained further qualifications, he could also look forward to future promotions.

Workers Outside his Work-Unit.- Some of the factors such as residential accommodation and distance from the place of work which affect absenteeism may be briefly considered.

Residential Accommodation and Distance from Work-Place.-Lack of suitable residential accommodation and increased distance from the work place are factors which contribute to increase absenteeism.

The following table indicates the distribution of the chronic absentees in a factory with reference to the distance of residence from the place of work.

Classification of Chronic Absentees (in a Department producing sheets in a Steel Plant) in relation to distance of Residence from place to work.

Distance of residence from place of work.	Chronic Absentees	
	Number	Percentage
Less than one mile -----	15	13.6
Between one and two miles -----	41	37.3
Over two miles -----	54	49.1
Total sample.	110	100.0

It will be seen from this table that nearly half of the chronic absentees come from distance exceeding two miles. Hence it would not be wrong to presume that distance from the place of residence is a very significant contributory factor to increased absenteeism.

Family and Social Obligations.- Family obligations play a very important part in the life of the Asian worker. In India, in particular, we have the prevalence of the joint family system amongst many of the workers. This imposes a considerable responsibility on the earning members. In the industrial belt of Bihar and Bengal, it was found that the partition of the country in 1947, led to an increased burden on the worker, in that many of his relative refugees from East Bengal came to his door step and had to be provided for.

It has been estimated that 56.4 per cent of the chronic absentees have families consisting of five to seven members.

Literacy.- In most of the Asian countries, the standard of education of an industrial worker is very low, leading to poor wages, poor health, low productivity and increased absenteeism.

The factors that contribute towards absenteeism are many. Quite a few of them such as Safety and Health have not been touched upon. The factors mentioned so far go to show that absenteeism, like deafness, is not a disease but a symptom. It has been further emphasised that there are certain elementary prerequisites which would automatically reduce not only absenteeism, but many other disturbing symptoms in the body of an industrial organisation. Such prerequisites are, firstly, an enlightened approach and clean hands on the part of the employer. Secondly, in the treatment of employees, there should be no discrimination and proper rules and procedures should be laid down and followed.

(Indian Labour Gazette, Vol. XVI, No. 10, April 1959, pp. 779-791).

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Chapter 6. General Rights of Workers

63. Individual Contracts of Employment.

India - May 1959.

Working of the Industrial Employment (Standing Orders)  
Act, 1946, during 1957.

Extensions and Exemptions.- According to available information, West Bengal extended the provisions of the Act during the year under review to news paper establishments employing 20 or more workers. During the same period, industrial establishments in the port of Visakhapatnam - under the Central Sphere - and Bombay State Road Transport Corporation - under the State Sphere - were exempted from the provisions of the Act.

Progress of Certification of Standing Orders.- The total number of establishments coming within the purview of the Act was 8,881 (7,152 in the State sphere, and 1,729 in the Central sphere) employing in all, 3,658,161 workers. At the beginning of the year under review, the number of establishments having certified standing orders for all or a group of employees was 5,898 or 66.4 per cent of the total establishments covered, and the number of workers employed in these establishments was 3,019,015 or 82.5 per cent of the total employees in the covered establishments. Taken separately, the percentages of establishments having certified standing orders to the total number of establishments covered were 62.1 and 84.2 in the State sphere and Central sphere undertakings respectively. Similarly the percentages of workers employed in establishments having certified standing orders to workers employed in establishments covered by the Act were 81.6 and 87.2 in the State sphere and Central sphere undertakings respectively. At the end of the year, the number of establishments having certified standing orders for all or a group of employees was 6,250 or 70.1 per cent of the establishments covered and the number of workers employed in establishments having certified standing orders was 3,075,214 or 84.1 per cent, of the total employees in the establishments covered. The percentage of establishments having certified standing orders to the total number of establishments covered were 65.7 and 88.4 in the State sphere and central sphere undertakings respectively. The percentages of workers employed in establishments having certified standing orders to workers employed in covered establishments



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67. Conciliation and Arbitration.

India - May 1959.

Coal Award Extended till May 1960.

At a meeting of representatives of colliery owners and workers, convened by the Union Ministry of Labour and Employment, on 29 May 1959, it was decided to extend the validity of the Coal Award of 1956 (for details please see page 37 of the report of this Office for November 1956) till 25 May 1960 subject to modifications that may be made by agreement between the parties concerned or through arbitration.

It was agreed at the meeting that outstanding issues relating to the award should be discussed by the sub-committee of the tripartite Industrial Committee on Coal Mining which had already been appointed, at a meeting to be held in Calcutta on 9 and 10 June. Whatever issues were not settled at the meeting would be referred to an arbitrator, who would be requested to give his decision within 45 days.

The issues have been broadly grouped under three categories: (1) those on which both parties agree that they arise out of the award, (2) those in respect of which there is difference of opinion between the parties as to whether they arise out of the award or not, and (3) issues which admittedly are not covered by the award.

As regards the first category, it will be for the arbitrator to decide whether his decision should have retrospective effect or not. In the case of the second category, he will have to decide what are the issues arising out of the award and also whether his decision in respect of those issues should have retrospective effect or not. As regards the third category the arbitrator's decision will not have retrospective effect.

(The Hindustan Times, 31 May 1959).



## Madhya Pradesh Industrial Relations Bill, 1959.

The Government of Madhya Pradesh published on 24 April 1959 the Madhya Pradesh Industrial Relations Bill, 1959, proposed to be introduced in the Legislative Assembly of the State. According to the Statement of Objects and Reasons the Bill is intended to integrate and improve upon the industrial relations law in force in the State.

The Bombay Industrial Relations Act, which is a more developed and complex law than the Central Industrial Disputes Act, was adopted in Madhya Bharat. The C.P. and Berar Industrial Disputes Settlement Act, 1947, is also an adaptation of the Bombay law. Material changes in this Bill from the existing State law are indicated below.

Application.- The scheme of the Bombay law can be inconvenient and inappropriate for small establishments. The power already exercised is specifically assumed in the Bill for applying the Act only to establishments employing more than a specified number of persons.

Definitions.- The definition of "employee" has been brought in line with the latest definition of "workman" under the Central Act. "Wages" are defined to include gratuity and compensation for lay-off and retrenchment.

Representation of employees.- The complicated scheme of the Bombay law, viz., representative union, qualified union, primary union, etc., has not been much used in practice. If none of these categories of unions exists the existing law provides for election of representatives which being ad hoc is hardly calculated to develop consistent and mature trade unionism. The scheme now proposed is that the representative union shall be a single bargaining agent for all employees in an industry in a local area where conditions exist for recognition of such a union, otherwise the representation will be by every union registered under the Indian Trade Unions Act for its own members as in the Central law, and where no such union exists by the Labour Officer.

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**Labour Judiciary.**- The existing statutory superintendence of the Industrial Court over the Labour Court leads to delaying litigation by way of miscellaneous applications against orders of the Labour Court to the Industrial Court, further followed by applications to the High Court. In the Central law, to minimise appellate forums the system now introduced is of three parallel tiers of Labour Court, Industrial Tribunal and National Tribunal, the reference being to one of the other according to the nature and importance of the subject matter. The Bill retains the appellate jurisdiction of the Industrial Court over the Labour Court in respect of criminal cases only for which the Labour Court is a trial court for adjudication of industrial disputes jurisdiction for matters in schedule I is conferred on the Industrial Court other matters being within the purview of the Labour Court. For the constitution of the Industrial Court and the Labour Court the existing qualifications are neither adequate nor appropriate to be exclusively fit for good selection. The qualifications prescribed are expanded to enable a list being drawn up by a high level committee, of persons suitable for the Labour Judiciary. This has been adopted from the U.P. law.

About the Industrial Court and the Labour Court a third new tier is created, viz., the Board of Arbitration. A reference to the Board instead of to the Industrial Court, or as the case may be, to the Labour Court may be made only if either of the parties so desires. The Board will consist of independent members including the Chairman and persons with experience of industry and public affairs from both the sides. The Board is a new concept intended to develop the tradition of the settlement of industrial disputes less in the manner of civil litigation and more by mutual understanding although coupled with the binding force of an award.

The procedure of all the three tiers of the labour judiciary has been simplified.

The substance of section 16 of the C.P. and Berar Industrial Disputes Settlement Act, has been retained but modified so as to become an integral part of the scheme of the labour judiciary.

**Joint consultation.**- A new body, the joint shops stewards committee is introduced like a 'parliament' of the industrial establishment, the 'cabinet' being a joint committee responsible to the joint shops stewards committee.

Conciliation.- The powers of a court to enforce attendance have been withdrawn from the conciliators' powers as by its nature conciliation has to be voluntary.

Safeguard against victimisation.- Instead of having a limited number of protected workmen as in the Central Act every lawful trade union activity is bound to be given protection by enabling the court trying an alleged offences of 'victimisation' to make an interim order for grant of subsistence allowance by the employer to the employee.

The provisions relating to approved unions are transferred to the M.P. Trade Unions Amendment Bill and those relating to Standing Orders to the M.P. Industrial Workmen (Standing Orders) Bill which is intended to be a self content piece of legislation in respect of Standing Orders.

Chapter VI of the Bill prescribes the procedure for employers intending to effect any change in respect of industrial matters specified in the Schedule I of the Bill. The Schedule I lists the following: (1) Reduction intended to be of permanent or semi-permanent character in the number of persons employed or to be employed in any process or department or departments or in a shift not due to force majeure; (2) permanent or semi-permanent increase in the number of persons employed or to be employed in any process or department or departments; (3) dismissal of any employee except as provided for in the standing orders applicable to the undertaking under this Act; (4) rationalisation or other efficiency systems of work whether by way of experiment or otherwise; (5) all matters pertaining to shift working which are not covered by the Standing Orders applicable to the undertakings; (6) withdrawal or grant of recognition to unions of employees; (7) withdrawal of any customary concession or privilege or change in usage; (8) introduction of new rules of discipline or alteration of existing rules and their interpretation except in so far as they are provided for in the standing orders applicable to the undertakings; (9) wages including the period and mode of payment; (10) hours of work and rest intervals; and (11) all matters pertaining to leave and holidays, other than those connected with procedure.

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A representative of employees desiring a change in respect of an industrial matter not covered by standing orders or not specified in Schedule II shall give notice thereof in the prescribed manner to the employer concerned and to such other persons as may be prescribed; any employee desiring a change on grounds of propriety or legality in respect of an order passed by his employer terminating his employment or a representative union desiring a change in respect of: (i) any order passed by an employer under standing orders or; (ii) any industrial matter arising out of the application or interpretation of standing orders; or (iii) an industrial matter specified in schedule II, may make an application to the Labour Court, in such manner and in such form as may be prescribed. No such application shall lie unless the employee or the representative union has in the prescribed manner approached the employer with a request for the change and no agreement has been arrived at in respect of the change in the prescribed period. Schedule II lists the following: (1) The propriety or legality of an order passed by an employer acting or purporting to act under the standing orders; (2) adequacy and quality of materials, and equipment supplied to the workers; (3) health, safety and welfare of employees (including water, dining sheds, rest sheds, latrines, urinals, creches, restaurants and such other amenities); (4) matters relating to trade union organisation, membership and levies; (5) construction and interpretation of awards, agreements and settlements; (6) employment including: (i) reinstatement and recruitment; (ii) unemployment of persons previously employed in the industry concerned; (7) payment of compensation for closure, lay-off and retrenchment; and (8) assignment of work and transfer of employees within the undertaking.

If an agreement is arrived at in regard to the proposed change the memorandum of such agreement shall be forwarded to the Registrar and on receipt of such memorandum the Registrar shall enter and the same in a register maintained for the purpose unless on enquiry he is satisfied that the agreement was in contravention of the provision of this Act or was the result of mistake, misrepresentation, fraud, undue influence, coercion or threat. A registered agreement shall come into operation on the date specified therein or if no date is so specified on its being recorded by the Registrar.

The Bill seeks to repeal the Central Provinces and Berar Industrial Disputes Settlement Act, 1947, and the Madhya Bharat Industrial Relations (Adaptation) Act, 1949.

(Madhya Pradesh Gazette, Extraordinary,  
24 April 1959, pp. 747-790).

69. Co-Operation and Participation of Industrial  
Organisations in the Social and Economic  
Organisation.

India - May 1959.

Kerala: Joint Council for Fertilisers and Chemicals,  
Travancore Limited inaugurated.

The Joint Council of Management enabling the participation of labour in the management of the Fertilisers and Chemicals, Travancore Limited, was inaugurated here today by Shri E.M.S. Nambudiripad, Chief Minister of Kerala.

Dr. John Mathai presided over the function which was attended by representatives of management of different industries in Alwaye.

Welcoming the gathering, Shri K.A. Varugis, Managing Director, FACT said that the success of the joint council mainly depended on the spirit of understanding and co-operation shown by those composing it.

The Council has been constituted in accordance with the provisions contained in the agreement signed on 23 April between the management and workmen of the factory. It will endeavour to improve the working and living conditions of the employees and also to improve the productivity of the company. It will be entrusted with the responsibility of administering the welfare measures, supervision of safety measures, operation of training and apprenticeship schemes, etc. The agreement regarding the Council might be terminated by either party by giving to the other three months' notice in writing.

(The Hindu, 10 May 1959).

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CHAPTER 8. MANPOWER PROBLEMS.

INDIA - MAY 1959.

81. Employment Situation.

Employment Exchanges: Working during February 1959.

General employment situation.- According to the Review of work done by the Directorate-General of Resettlement and Employment during the month of February 1959, the registrations effected by the employment exchanges during the month under review, declined to 173,513 from 187,924 in the previous month and thus recorded a fall of 14,411. Despite a decrease in registrations the total number of applicants on the Live Register recorded a further rise of 14,597 and stood at 1,210,523 in the last day of February 1959. A total of 6,743 employers utilised the services of the employment exchanges against 6,693 in the preceding month. The number of vacancies notified by the employers was 27,885 which was 828 less than the figure for the earlier month. In spite of the fact that there was a fall in the number of vacancies notified, the placements effected during the month recorded an increase of 711 and stood at 19,966 during February 1959.

Shortages continued in respect of trained teachers, experienced stenographers, fast typists, compounders, midwives and nurses. Doctors, health visitors, accountants, stenographers steno-typists, Hindi typists, engineers(civil), fitters(general), turners and draughtsmen were also reported to be in short supply.

Widespread surpluses continued to exist in respect of applicants registered as clerks, teachers(untrained), motor drivers, unskilled office workers and unskilled labourers.

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Registrations and placings.- The following table compares registrations and placings during the months of January and February 1959:-

	<u>January 1959.</u>	<u>February 1959.</u>
Registrations -----	187,924	173,513
Placings -----	19,255	19,966

Register of unemployed.- The number of persons seeking employment assistance through the agency of employment exchanges on the last day of February 1959, was 1,210,523 which was 14,597 more than the figure at the close of the previous month. The increase in the Live Register was shared by most of the States, but it was prominent in the case of West Bengal (4,970), Kerala (3,633), Bombay (3,187), Delhi (1,874) and Madras (1,655). On the other hand drop in the Live Register was significant in the State of Bihar (3,437). In all 24,378 employed and self employed persons of whom were 600 women, remained on the Live Register of the employment exchanges at the end of the month under report for further employment assistance.

The following table shows the occupation-wise position of the Live Register:-

<u>Occupation.</u>	<u>Number on Live Register as on 28 February 1959.</u>
1. Industrial Supervisory -----	9,261
2. Skilled and semi-skilled -----	95,309
3. Clerical -----	314,293
4. Educational -----	51,628
5. Domestic service -----	47,243
6. Unskilled -----	636,497
7. Others -----	56,292
Total.	<u>1,210,523</u>

Employment position of special categories of Workers.- The following table shows the employment position of special categories of applicants during the month under report:-

<u>Categories</u>	<u>Registrations.</u>	<u>Placings.</u>	<u>Number on Live Register.</u>
1. Displaced persons -----	3,668	408	45,095
2. Ex-service Personnel -----	5,549	762	28,845
3. Scheduled Castes -----	20,856	2,473	135,750
4. Scheduled Tribes -----	3,940	437	25,462
*5. Surplus and discharged Central and State Governments' employees.	3,078	656	5,643
6. Women -----	13,494	1,425	87,118

\*Figures relate to the quarter November 1958 - January 1959.

Employment Market Information.- The Technical Working Group on Employment Market Information met on 4 February 1959 and was attended by representatives from the Central Statistical Organisation, the National Sample Survey and the Planning Commission, besides the Directorate General of Resettlement and Employment. The Working Group reviewed the progress made so far in the collection of employment market information and also examined the programmes for the year 1959-60. It was decided to expand the Technical Working Group by the inclusion of the Director, Labour Bureau.

A Technical Working Group has been formed by the Delhi Administration to give advice in regard to the collection of employment market information. The Working Group comprises the Director of Industries and Labour as Chairman, and the Assistant Development Commissioner, Statistical Officer and Employment Officer, Delhi as members.

Central Co-ordinating Section: Damodar Valley Corporation.- Out of 4,803 workers declared surplus in Damodar Valley Corporation upto the end of February, 1959, 3,915 have been secured alternative employment; 205 surplus workers are awaiting offers of appointment from different employers, i.e., National Coal Development Corporation, Civil Aviation, Port Commissioner, etc.etc.

Hirakud Dam Project.- Eleven workers (10 skilled and 1 un-skilled) were retrenched during February 1959. Twenty-five skilled and unskilled workers voluntarily left the Project as they did not require any alternative employment. One hundred and Eighty-eight workers are awaiting employment assistance.

Ordnance Workers.- One hundred and nineteen workers, of whom 67 are semi-skilled are still available with the employment exchanges for employment assistance.



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Kaisers Engineers and Oversea Corporation.- During the month, 2,308 workers were further released bringing the total number of retrenched workers to 14,189. The total number of such persons now with the Employment Exchange, Jamshedpur is 6,637. The State Employment Service has been put in touch with the authorities engaged on the investigation of new Projects in the State of Bihar under the third Five Year Plan for the absorption of the workers.

Neyveli Lignite Corporation.- Private Limited have selected 40 surplus workers from the Damodar Valley Corporation, Hirakud and Kaisers Engineers Overseas Corporation and have since issued the appointment letters.

Expansion of Employment Service.- Three more employment exchanges, one each at Trivandrum, (Kerala), Sirohi and Tonk (Rajasthan) started functioning during the month under report, thus bringing the total number of employment exchanges functioning in the country to 217.

(Review of Work done by the Directorate General of Resettlement and Employment during February 1959; issued by the Ministry of Labour and Employment, Government of India, New Delhi ).

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First Meeting of Central Committee on Employment:  
Programme of Rural Industrialisation and Labour  
Intensive Schemes suggested.

The recently constituted Central Committee on Employment (vide page 79 of the report of this Office for January 1959) which met at New Delhi on 25-26 May 1959 has suggested, as a basic policy for the third Plan, a programme of rural industrialisation and labour intensive schemes to provide maximum employment opportunities and to retrain in rural areas the leadership of educated people. The Committee, also recommended to the Government that efforts be made to revive and run economically viable industrial units that might close down on account of mis-management, lack of finance, etc.

The agenda of the meeting was as follows: (1) A general review of the present employment situation. (2) Outlook for employment in the Third Plan. (3) strengthening the sources of employment information. (4) Report on the work of the National Employment Service: (a) Progress made since the transfer of day-to-day Administration of the Employment Service to the States. (b) Progress of Schemes on Manpower and Employment under the Second Five Year Plan. (c) Utilization of Employment Exchanges by Government Departments, Quasi-Government Establishments and Local Bodies for the purpose of recruitment. (d) The proposal that Employment Exchanges should conduct tests and prepare panels for the submission of clerical and allied categories of registrants. (5) Employment of workers rendered surplus or threatened with retrenchment: (a) Workers rendered surplus from Projects nearing completion. (b) Employment of workers in manufacturing and other establishments threatened with closure. (6) Formation of Sub-Committees. (7) Any other items proposed by Members.

Memoranda on the various items of the agenda prepared by the Ministry of Labour and Employment, were circulated to the members of the Committee. A brief summary of the more important papers is given below.

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The memorandum on 'Review of Present Employment Situation' states that the present employment situation in the country is that while employment is increasing on the one hand, unemployment is also increasing on the other. There is clear evidence that employment in factories, mines, plantations and other branches of activity in the private sector has been on the increase. Similarly, the number of employees in the public sector has shown an upward trend. Simultaneous with the rise in employments, there was a rise in industrial production. The general index of industrial production rose from 122.4 in 1955 to 145.0 in 1958.

Statistics of employment exchanges indicate that there has been an increase in the number of persons registered as unemployed during the past few years. The number of persons on the live registers increased from ~~202~~ 760,000 at the end of 1956 to 1,180,000 at the end of 1958. The number of educated persons has also increased from 240,000 at the end of 1956 to 360,000 at the end of 1958.

Regarding the achievements of the Second Plan, the original target of the Plan was to create 8 million non-agricultural jobs. This target had, however, to be curtailed to 6.5 millions owing to shortage of internal resources as well as foreign exchange difficulties. Despite these shortcomings, an attempt is being made to maximize the employment generated by the Plan. It is estimated that nearly 8 million jobs have already been created in non-agriculture and there is every hope that the remaining target will be fulfilled during the rest of the Plan period.

The Report on the 'Outlook for Employment' states that to tackle the problem of unemployment both in agricultural and non-agricultural sectors, an investment of 430,000 million rupees in the next three plan periods (15 years) has been suggested.

The possible magnitude of the Third Plan, the note says, may be of the order of 100,000 million rupees.

The note recalls the suggestions made by the Deputy Chairman of the Planning Commission that the agricultural labour force should be reduced to 55 per cent by 1976. It estimated that to achieve this objective employment opportunities to the tune of 47 million in the non-agricultural sector and another 19 million in the agricultural sector should be created in the next three Plan periods. In the Third Plan alone 21 million jobs, the note says, should be created - fourteen million for new entrants and seven million of backlog.

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Against this picture, the note has roughly estimated the employment potential of the Third Plan at about twelve million jobs - ten million in non-agricultural and two million in agricultural sectors.

The main conclusions of the note are as follows:

(i) The paucity of employment information continues to be a serious handicap in assessing the situation. The employment exchange data still continues to be the main source of information though mainly for urban areas. Recent surveys of the NSS, the State Statistical Bureaux and studies undertaken through the Research Programmes Committee, data collected through the Programmes Evaluation Organisation are all helpful in a way for the assessment of the unemployment picture but divergencies in concepts and the varying time-lag between investigation and availability of resources introduce difficulties in developing a national picture. If, as has often been rightly claimed, a regional picture is essential for drawing up programmes for tackling the situation, there is even greater paucity of information. The employment market information programme of the Ministry of Labour and Employment is designed to fill this gap. The proposed labour force surveys will also provide information on a national basis.

(ii) The dimensions of the problem, as dictaged in the Second Plan, was ~~is~~ a backlog of unemployment - 5.3 million and new entrants to the labour force in 1956-61 - ten million; total 15.3 million. Recent data put the backlog at a smaller figure but new entrants would be more numerous. The overall picture, however, remains more or less the same.

(iii) Under-employment was referred to in the Second Plan, but not expressed in quantitative terms. A recent NSS report reveals that about 28 per cent gainfully employed rural population had work for less than 28 hours a week and 16 per cent of the gainfully employed were wanting to have more than eight hours work a week.

(iv) Notwithstanding the well-known limitations of the employment exchange data due to inadequate coverage, double registration and voluntary notification of vacancies from the private sector, etc., the National Employment Service continues to be the principal regular source of employment information, particularly for urban areas. At the end of March 1958, the unemployed on the live registers numbered about 1,200,000. After adjustment for various factors, the net increase in the number of the unemployed in 1958 works out at 202,000 as against a corresponding increase of 125,000 in 1957. This indicates a worsening of the employment situation.

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On present calculations, the size of backlog of unemployment for the Third Five-Year Plan may be in the neighbourhood of seven million. On certain estimates regarding population growth during the Third Plan, the new entrants to the labour force during 1961-66 would be about 14 million, thus indicating an overall requirement of 21 million jobs.

Another report summarises (1) the progress made since the transfer of day-to-day administration of the employment service to the States; (2) the progress of schemes on manpower and employment under the Second Five Year Plan. Regarding the extension of the coverage of employment service the memorandum states that at the commencement of the Second Five Year Plan there were 135 employment exchanges in the country. Since then 103 more exchanges have been sanctioned so far, out of which 90 has already started functioning. Under the scheme 42 more exchanges have to be started bringing the total number of exchanges to 280 at the end of the current Plan period. The memorandum also summarises the progress of the scheme for the collection of employment market information, the scheme for youth employment service and employment counselling, occupational research and analysis scheme and the scheme of occupational testing at exchanges.

A printed report on 'Unemployment in <sup>Urban</sup> Rural Areas' circulated to the members of the Committee, examines the problem as revealed from employment exchange statistics and other sources. The study reveals that the present economic and social policies and the determination to bring about an industrial revolution does inevitably result in a concentration of the labour force in urban areas. The report also examines the reasons why, despite an increase in employment opportunities generated by the Five Year Plans, the number of registered unemployed at employment exchanges is steadily increasing.

Inaugural Address.— Inaugurating the meeting Shri Gulzarilal Nanda, Union Minister for Labour and Employment, suggested the creation of a special fund for each industry to deal with the problem of closure of establishments. The Minister said, that "judging by the current experience it would be too optimistic to expect that the Third Five-Year Plan can, even at its best, succeed in wiping out the problem of unemployment totally".

The Minister regretted that some of the major States had not followed the recommendation of the Shiva Rao Committee requiring that recruitment in the public sector should be canalised through employment service. It was desirable that they should know when vacancies arise, either in the public or the private sector, so that they could have a fair chance to compete for them.

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The one peculiar problem of the country's employment market which needed constant attention, Shri Nanda said, was unemployment arising out of retrenchment that took place whenever a big plan project was completed. According to the present arrangement, surpluses occurring in any State would be first adjusted to the extent possible within the economy of each State and any undistributed surpluses would be dealt with by a central co-ordination committee. This type of frictional unemployment was bound to occur frequently in a developing economy and it was hoped that State Governments and projects in the private sector would keep the need for re-deployment of surpluses in mind.

Dealing with the special schemes under the Second Plan for dealing with educated unemployed, Shri Nanda said: "Unfortunately, these schemes have not progressed satisfactorily and they are, by small and large, still in the pilot stage."

Shri Nanda said that the problem of unemployment among the educated persons was being aggravated from year to year. The Labour Minister pleaded in this connection for attempts to regulate the outturn of high schools, colleges and universities to match requirements. He also suggested diversion of a part of the educated labour force from the urban to rural areas for rural economic development.

The committee divided itself into three sub-committees to consider (1) general policy; (2) employment service; and (3) current problems.

Decisions.— The Committee recommended the development of rural industrial estates for employment as well as increased production. While recommending the location of new factories in rural areas to provide more employment opportunities, the committee realised the need for reasonable power and transport facilities in these areas.

As regards development of small-scale and cottage industries as a source of employment, the committee suggested that this should be planned on a regional basis. It stressed that the Government should aim at developing them as feeders to large-scale industries.

The committee accepted the suggestion that a pilot scheme should be undertaken in at least one district in each State to discover the employment potential having regard to existing development plans, financial and other resources, the raw material situation and the extent and pattern of unemployment.

The committee recommended the establishment of an expert team for this purpose.

It further recommended the extension of the Industries (Development and Regulation) Act to industries not covered so far, changes in the company law to give the Centre and State Governments a right to intervene in liquidation proceedings with a view to safeguarding production and employment and to ensure that in the winding up proceedings, a wider view is taken of the need to maintain production and safeguard the employment situation in the overall interest of the country and not merely the assets-and-liability position of a company as at present.

Closure of Units.- As regards closures, it was felt that the subject should no longer be dealt with on an ad hoc basis. Where units were uneconomic and could not be revived at all, suitable measures should be taken to absorb the workers elsewhere. Facilities should be given for training and vocational guidance to such workers.

To avoid closures and retrenchment, the committee suggested that the Central and State Governments should be given three months' notice of closure by the managements. Labour representatives on the committee wanted that notice should also be given to the workers as had been decided by the Indian Labour Conference. The employers' representative and the Labour Minister of Bombay, Shri Shantilal Shah, felt that such advance notice might not be practicable and might injure the credit of the unit concerned.

At one stage there was a heated discussion with the Bombay Labour Minister, who maintained his position, and Shri Nanda and the Madras Labour Minister, Shri R. Venkatraman, who pointed out that unless there was advance notice it was not possible for the Government to examine the feasibility of taking over and running the unit and avoiding unemployment.

Shri Venkatraman also added that when a management closed a unit for whatever reason, other parties were also affected. The suggestion now was that when a management took the decision to close on grounds of financial losses, for example, it should continue to incur losses for another three months to enable alternative arrangements to be made.

Special Funds.- The committee favoured the suggestion that a special fund be created for each industry to finance units that might close. Shri Venkatraman said that it should be further examined carefully how the fund could be constituted - by a special cess on the industry or contributions or other methods. The employers' representatives opposed the suggestion for a levy. Shri Shantilal Shah said that the suggestion was not worth examining.

The committee thought that if a unit was to be taken over and if a readjustment in the wages of the workers was inescapable, this should be considered in consultation with the workers.

Shri Shah and Shri S.D. Patil, M.P., opposed the suggestion.

Reduced Wages.- Shri Amarnath Vidyalkar, Punjab Labour Minister, said that unless the workers agreed, a reduction in wages was not possible. Shri Shah felt that the workers' consent could be deduced by their reporting for work on reduced wages when the factory was reopened. Ultimately, it was decided to record the general consensus of opinion in favour of consultation.

Dealing with the outlook for employment in the third Plan, the Committee said that while the various development schemes and Plans had created employment and raised income levels all round, there were large sections of people who had not been benefited by the projects. The provision of unemployment relief would not be a solution to the problem of providing employment opportunities and special attention should be paid to ameliorate the conditions of such people. In the light of the experience gained in the second Plan on employment generation in various sectors, vis-a-vis investments, the structure of the third Plan should be framed to provide the maximum possible employment.

The Committee also emphasised the need to train skilled workers and craftsmen, of whom there was a dearth, and recommended organisation of apprenticeship training schemes, if necessary by legislation.

The committee will meet again in October. It is expected that by then there may be some idea of the size and general structure of the third Plan so that the committee might consider how best the available resources could be used to increase the employment potential.

Problems of rural employment and retention of educated talent in rural areas and what was described as "unorthodox methods of increasing employment opportunities" would also be considered at the next meeting.

(The Hindu, 26 May 1959;  
The Hindustan Times, 27 May 1959;  
The Statesman, 27 May 1959;  
Memoranda received in this Office )



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Employment Exchanges (Compulsory Notification of Vacancies)  
Bill, 1959.

Shri Gulzari Lal Nanda, Minister for Labour and Employment, Government of India, introduced in the Lok Sabha on 24 April 1959, a Bill to provide for the compulsory notification of vacancies to employment exchanges.

According to the Statement of Objects and Reasons of the Bill, the Training and Employment Services Organisation Committee set up by the Government of India in 1952 had recommended, inter alia,: (a) that employers should be required on a compulsory basis to notify to the employment exchanges all vacancies other than vacancies in unskilled categories, vacancies of temporary duration and vacancies proposed to be filled through promotion; (b) that employers should also be required on a compulsory basis to render to the employment exchanges staff strength returns at regular intervals. The Committee had further recommended that the measure of compulsion so suggested may be embodied in suitable legislation. The present Bill seeks to implement those recommendations.

The provisions of the Bill do not apply in relation to vacancies: (a) in any employment in agriculture (including horticulture) in any establishment in private sector other than employment as agricultural or farm machinery operatives; (b) in any employment in domestic service; (c) in any employment the total duration of which is less than three months; and (d) in any employment to do unskilled office work. Unless the Central Government otherwise directs the provisions do not also apply in relation to: (a) vacancies which are proposed to be filled through promotion or by absorption of surplus staff of any branch or department of the same establishment or on the result of any examination conducted or interview held by, or on the recommendation of, any independent agency, such as the Union or a State Public Service Commission and the like; and (b) vacancies in an employment which carried a remuneration of less than sixty rupees in a month.

The Bill requires the employer in every establishment in public sector, before filling up any vacancy in any employment in that establishment, to notify that vacancy to such employment exchanges as may be prescribed, and to furnish such information or return as may be prescribed in relation to vacancies that have occurred or are about to occur in that establishment, to such employment exchanges as may be prescribed.

(The Gazette of India, Extraordinary,  
Part II, Sec. 2, 24 April 1959,  
pp. 385-393 ).

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Calcutta Dock Workers' (Regulation of Employment) Scheme:  
Committee set up for Review.

The Government of India announced on 14 May 1959, the appointment of Shri R.L. Mehta, Joint Secretary, Union Ministry of Labour, as a single-member committee to review the working of the Calcutta Dock Workers' (Regulation of Employment) Scheme. (For details see page 75 of the Report of this Office for October 1956).

Calcutta docks faced serious labour trouble in recent years. There were frequent strikes and the authorities had to declare an emergency to deal with the situation.

The scheme, which came into force in 1956, seeks to ensure regularity of employment for dock workers, specially casual labour (pool labour). Under it, pool workers are guaranteed minimum wages for 21 days in a month. They are also entitled to attendance allowance at 1.50 rupees a day on days on which they come for work but are not provided work.

One of the complaints of workers is that the authorities are using various devices to deprive them regular employment.

Another major problem facing the Calcutta Dock Labour Board is the enforcement of piece-rate wages. While Bombay and Madras have piece-rates, it has not been possible to introduce them in Calcutta due largely to reluctance of a section of workmen. The Government had appointed Shri Jeejibhoy as a single-member committee to go into the question. His recommendations too have not found favour with the unions.

(The Hindustan Times, 15 May 1959).

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88. Vocational Training.

India - May 1959.

Labour Ministry's Training Scheme: Working during  
February 1959.

According to the Review of work done by the Directorate-General of Resettlement and Employment during the month of February 1959, the number of craftsmen trainees on the roll of various training institutes and centres on 28 February 1959, was 23,109. There were 21,473 trainees (including 34 women) in technical trades and 1,636 (including 751 women) in vocational trades.

Training of Displaced Persons.- The total number of displaced persons undergoing training in technical and vocational trades at the end of February 1959, was 745 of whom 470 were undergoing training in technical trades and 275 in vocational trades.

Apprenticeship Training for Displaced Persons.- Six displaced persons were undergoing training as apprentices in industrial undertaking and establishments in West Bengal.

Training of Supervisors and Instructors.- A total of 569 Supervisor Instructors were receiving training at the Central Training Institute for Instructors, Koni-Bilaspur and Central Training Institute at Aundh at the end of the month.

Training of Women Craft Instructors.- Under the scheme for the training of women craft instructors at the Industrial Training Institute for women, New Delhi, 30 women instructor trainees were receiving training at the end of month under review.

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Evening Classes for industrial workers.- Sanction for 50 seats in Kerala was issued. The total number of seats sanctioned thus went up to 1,502.

The following table gives the total number of training institutes and centres and the number of persons (including displaced persons) undergoing training as on 28 February 1959:-

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<u>Number of Training Institutes and Centres.</u>	<u>Number of Seats sanctioned.</u>	<u>Number of persons undergoing Training.</u>
122	30,029	25,860

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Staff Training.- A Training Course for Employment Officers was conducted during the month under report. It commenced on 5 February and concluded on 28 February 1959. Governments of Andhra Pradesh, Assam, Bihar, Bombay, Madhya Pradesh, Mysore, Punjab, Rajasthan and West Bengal had deputed Officers for the Training Course. In all, 34 Employment Officers attended the course. The Training Course was conducted as a combined course. ~~The Training~~ one for imparting training on employment exchange work and procedure as well as on the collection and uses of employment market information. This was the twenty-fourth Training Course for Employment Officers since the inception of the organisation.

Stores and Equipment.- T.C.A. Equipment worth about 35,786 ~~24,477.80~~ rupees was reported to have been received at the various training centres and institutes during February 1959. The total equipment received under T.C.A. Aid Programme upto the end of the month under review comes to about 2,895,700 rupees.

Russian Equipment worth about 24,477.80 rupees was reported to have been received at the various training centres and institutes during February 1959, under the U.N.T.A.A. Aid Programme. Total amount of aid so far received under this aid comes to 420,804.00 rupees.

Indent of tools and equipment worth 12,302.80 rupees were ordered for C.T.I., Aundh during the month under review.

(Review of Work done by the Directorate General of Resettlement and Employment, during February 1959; issued by the Ministry of Labour and Employment, Government of India, New Delhi ).

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Eight More Engineering Colleges to be established:  
Decision taken at Chief Ministers' Conference .

The conference of State Chief Ministers and Education Ministers held <sup>at New Delhi</sup> here on 13 May 1959, approved the Government of India's plan to establish eight more regional engineering colleges and 27 polytechnics.

The engineering colleges, which are to be established during the next two years, would be located at Srinagar, Allahabad, Durgapur, Jamshedpur, Warangal, Mangalore, Bhopal and Nagpur. They will conduct five-year integrated course in civil, mechanical and electrical engineering. The two colleges at Jamshedpur and Durgapur will also have degree courses in metallurgy.

The Chief Ministers of Punjab, Mysore, Rajasthan, West Bengal, Madhya Pradesh and Orissa and the Education Ministers of Andhra Pradesh, Assam, Bombay, Uttar Pradesh and Kashmir were present. The Chief Ministers generally approved the pay-scales for teachers in engineering institutions suggested by the Union Government.

Addressing the conference, Shri Humayun Kabir, Minister for Scientific Research and Cultural Affairs, said that a "good deal of progress" has been made on the expansion of technical education. In 1957 and 1958 alone, degree college admissions had practically doubled. India did not have even 5,000 students in engineering colleges at the time of independence. Now it had about 11,000. By the end of the second Plan, it was expected to go up to 13,000. There would be about 25,000 diploma students by 1961-62.

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There were 200 polytechnics last year compared to 75 or 80 at the beginning of the Plan. "It is my hope that before long, certainly before the end of the third Plan, we shall have at least one polytechnic in every district of India".

Teachers' Pay.- Shri Kabir said that the expansion programme would succeed only if they secured good teachers. The Union Government had suggested to the State Governments that the pay of lecturers and assistant professors should correspond to salaries of certain cadres in the Central Government service. The additional expenditure would be met by the Centre for the next five years.

Besides the cost of establishment establishing regional colleges, 50 per cent of the recurring expenditure would also be met by the Central Government for five years.

(The Hindustan Times, 14 May 1959).

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CHAPTER 9. SOCIAL SECURITY.

INDIA - MAY 1959.

92. Legislation.

VIII. Maternity Benefits.

West Bengal Maternity Benefit (Tea Estates) Amendment  
Act, 1959 (West Bengal Act No. IX of 1959).

The West Bengal Maternity Benefit (Tea Estates) Amendment Bill (vide page 81 of the report of this Office for November 1958) as passed by the West Bengal Legislature received the assent of the Governor on 29 April 1959 and has been gazetted as West Bengal Act No. IX of 1959. The Act enhances the rate of maternity benefit from five rupees four annas to seven rupees per week.

(The Calcutta Gazette, Extraordinary,  
29 April 1959; page 925 ).



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LIST OF PRINCIPAL LAWS PROMULGATED DURING THE  
PERIOD COVERED BY THE REPORT FOR ~~MAY~~ MAY 1959.

INDIA - MAY 1959.

CHAPTER 9. SOCIAL SECURITY.

West Bengal Maternity Benefit (Tea Estates) Amendment  
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