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INTERNATIONAL LABOUR OFFICE  
INDIA BRANCH

Industrial and Labour Developments in September 1959.

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

<u>Contents.</u>	<u>Pages.</u>
<u>CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.</u>	
12. <u>Activities of External Services:</u>	1
<u>CHAPTER 2. INTERNATIONAL AND NATIONAL ORGANISATIONS.</u>	
25. <u>Wage-Earners' Organisations:</u>	
National Federation of Petroleum Workers formed.	2
26. <u>Employers' Organisations:</u>	
(a) <u>Twenty-Sixth Annual Session of All-India Organisation     of Industrial Employers, New Delhi, 21 July     19 59; President's Address.</u>	3-5
(b) <u>Sixty-sixth Annual Conference of the United Planters'     Association of South India, Coenoor, 24 August 1959.</u>	6-8
(c) <u>Fifty-Second Annual General Meeting of Tata Iron     and Steel Company Limited; Chairman's Address.</u>	9-10
<u>CHAPTER 3. ECONOMIC QUESTIONS.</u>	
34. <u>Economic Planning, Control and Development:</u>	
(a) <u>Soviet Aid for Third Five Year Plan: Loan of     1500 Million Roubles to be repaid in Goods.</u>	11-12
(b) <u>The Sixth Evaluation Report on the Community     Development Programme.</u>	13-15
(c) <u>Modernisation of Textile Industry: Working     Group set up.</u>	16
(d) <u>Propensity to Save in Delhi Area: Results of     Survey.</u>	17-18
35. <u>Productivity:</u>	
State Awards for Public Undertakings for Increase in Production and Better Labour Relations.	19

<u>Contents.</u>	<u>Pages.</u>
<b>36. <u>Wages:</u></b>	
(a) Andhra: Agreement on Wages for Road Transport Workers.	20
(b) Wage Boards in Industry: Draft Proposals for Law Circulated to Employers and Workers.	21
(c) Kerala: Minimum Rates of Wages fixed for Employment in Printing Presses and Timber Industries.	22-23
<b>38. <u>Housing:</u></b>	
Madhya Pradesh: Co-operative Societies to be given Preference in executing Housing Projects.	24
<b><u>CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN BRANCHES OF THE NATIONAL ECONOMY.</u></b>	
<b>41. <u>Agriculture:</u></b>	
(a) Inter-Ministerial Agriculture Production Board set up.	25
(b) Tea Planters' Scheme of Replanting: More Employment Anticipated.	26
(c) Madhya Pradesh Ceiling on Agricultural Holdings Bill, 1959.	27-28
(d) Uttar Pradesh Imposition of Ceiling of Land Holdings Bill, 1959.	29
<b>42. <u>Co-operations:</u></b>	
(a) Conference of State Ministers of Cooperation, Mysore, 28 July 1959: Expert Committee suggested to increase Production.	30
(b) Indian Cooperative Union Recommends creation of Autonomous Grants Commission.	31
(c) Working Group on Co-operative Farming set up.	32
<b>44. <u>Merchant Marine and Fisheries:</u></b>	
Training of Marine Workers: Board set up.	33-34
<b><u>CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.</u></b>	
<b>50. <u>General:</u></b>	
(a) Conditions of Work in regard to Contract Labour in Refineries and the Digboi Oilfield.	35-46
(b) The Mines (Amendment) Bill, 1959.	47-48
<b>52. <u>Workers' Welfare, Recreation and Workers' Education:</u></b>	
Central Social Welfare Board Grant for Night Shelter for Workers.	49

<u>Contents.</u>	<u>Pages.</u>
<b>58. <u>Labour Administration:</u></b>	
Review of Working of Legislation relating to Shops and Commercial Establishments during 1957.	50-55
<b>59. <u>Social Research:</u></b>	
Minimum Standards for Welfare Work suggested: Recommendations of Study Team.	56
<b><u>CHAPTER 6. GENERAL RIGHTS OF WORKERS.</u></b>	
<b>64. <u>Wage Protection and Labour Clauses in Employment Contracts with the Public Authorities:</u></b>	
Report on the Working of the Payment of Wages Act, 1938, on Railways during 1956-1957.	57-59
<b>66. <u>Strike and Lockout Rights:</u></b>	
(a) Stay-in Strike is a Strike: Supreme Court's Ruling.	60-62
(b) Madhya Pradesh Essential Services Maintenance Bill, 1959.	63-64
<b><u>CHAPTER 8. MANPOWER PROBLEMS.</u></b>	
<b>81. <u>Employment Situations:</u></b>	
(a) Employment Exchanges: Working during June 1959.	65-69
(b) Closure of Gorakhpur Labour Organisation: Implementation not to be hurried.	70
(c) Annual Report of the Bombay Dock Labour Board for the Year ended March 1958.	71-73
(d) Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 (No.31 of 1959).	74
<b>83. <u>Vocational Trainings:</u></b>	
(a) Labour Ministry's Training Scheme: Working during June 1959.	75-76
(b) Training for of Craftsmen during III Five Year Plan: Assessment to be made.	77-78
<b>84. <u>Vocational Rehabilitation of Disabled Persons:</u></b>	
Welfare of the Handicapped in the Third Five Year Plan: Interim Recommendations.	79-80

Contents.

Pages.

CHAPTER 9. SOCIAL SECURITY.

93. Application:

- |  |       |
|--|-------|
| (a) Employees' State Insurance Corporation: Annual Report for 1958-1959. | 81-89 |
| (b) Criticism of Employees' State Insurance Scheme: Debate in Lok Sabha. | 90-91 |

LIST OF PRINCIPAL LAWS PROMULGATED DURING THE PERIOD COVERED BY THE REPORT FOR SEPTEMBER 1959. 92

BIBLIOGRAPHY - INDIA - SEPTEMBER 1959. 93

\*\*\*\*\*

2

12

# Chapter 1. International Labour Organisation

## 12. Activities of External Services.

India - September 1959.

### Visits

Dr. P. Fano of the Non-Manual Workers Division,  
visited this Office on 10th September.

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## Chapter 2. International and National Organisations

### 25. Wage-Earners' Organisations.

India - September 1959.

#### National Federation of Petroleum Workers formed.

At a two-day conference of 7,000 petroleum workers representing 27,000 workers from all parts of India, held in Bombay recently, a National Federation of Petroleum Workers was set up. The new Federation, which is a rival body to the A.I.T.U.C. affiliate All-India Petroleum Workers' Federation, is affiliated to the I.N.T.U.C.

Shri G. Ramanujam, INTUC President, in his inaugural speech welcomed the formation of the Federation and exhorted that the duty of the petroleum workers should be to defeat the Communist leadership in the industry, since the Communists serve not the working class interests but their political ends.

Shri G.D. Ambekar, the INTUC leader, who presided over the conference said that as the public sector was now participating in the development of the petroleum industry, more employees were likely to come up in this sector. The experience of trade unions, he said, working in the public sector showed that they had to give a tough fight with the authorities for making it responsive and amenable to the proper demands of labour. He blamed the attitude of the oil companies which had given rise to the growth of Communist influence in the industry. He, therefore, warned them to desist from such unhealthy practices so that a free and democratic trade union movement might develop in the industry.

Office-bearers.- Shri M. Suryanarayan Shastri was elected President and Shri Raja Kulkarni as General Secretary.

(The Indian Worker, Vol. VII, No. 49,  
7 September 1959, page 2).

3

28. Employers' Organisations.

India - September 1959.

Twenty-Sixth Annual Session of All-India Organisation of  
Industrial Employers, New Delhi, 21 July 1959: President's  
Address.

The 26th annual session of the All-India Organisation of Industrial Employers was held at New Delhi on 21 July 1959. The Session was inaugurated by the Union Minister of Labour, Shri Gulzarilal Nanda.

Share for labour in management: Shri Nanda's appeal.-  
Opening the proceedings Shri Gulzarilal Nanda, Union Minister for Labour and Employment, called for efforts to secure "unity of purpose and outlook" in employer-employee relations, and fuller collaboration of workers in industrial production. Shri Nanda, asked industries to expedite schemes for workers' participation in management on a voluntary basis.

The Labour Minister said that the impression he had brought back from his recent European tour was of a "rising wave of prosperity which is being shared very widely. The common man (in these countries) is being well looked after and for the most part there are no very sharp contrasts. In most of these places there is a comprehensive system of social security".

India had also made big strides of a magnitude from which people could derive considerable enthusiasm and confidence. "But what do we find here? Not so much a sense of achievement as a sense of grievance everywhere, a sense of discontent all round". In this context he referred to the Code of Discipline and emphasised ~~and said~~ that there was no alternative to the Code ~~for~~ for a smooth functioning of industry. The Code was "an absolutely indispensable" element in the structure they were trying to organise.

He added that reports on the working of the Code had shown that there were breaches on both sides. The machinery, which had to take note of these breaches, had brought redress in a good many cases. The Code was a move in the right direction and its value should be appreciated.

Presidential address.- Shri Lakshminpat Singhania, President of the Organisation, in his address, that the new Code of Efficiency and Welfare which had been circulated to employers' and workers' organisations was 'too wide in content'. He suggested that the Government consider the proposal that the adjudication machinery for the settlement of industrial disputes should form part of regular judiciary.

Industrial Disputes.- Referring to the existing machinery for the settlement of industrial disputes, he said: "There is a school of thought that compulsory adjudication, as envisaged in the Industrial Disputes Act, has been not a little responsible for encouraging an attitude of litigation rather than mutual trust among the workers and management. Collective bargaining, on the other hand, is the recognised method of settlement of industrial disputes and for the promotion of good industrial relations. Statutory machinery for the settlement of industrial disputes may decide the issue but they cannot bring abiding cordial relations between the parties."

Shri Singhania urged the restoration of the appellate tribunal and said there had been a complaint from the workers' side that on the abolition of the tribunal, recourse to law courts had been taken by employers in abnormal number of cases to delay the implementation of awards which were unfavourable to them. These allegations were without foundation and this was substantiated by the official statement that out of 3,746 awards given during 1957, appeals were made to High Courts or Supreme Court only in 125 cases.

Shortage of Material.- Shri Singhania said that during the year under review the industry was confronted with shortage of raw materials and higher cost of production in comparison with foreign products. It was imperative that the machinery installed which had gone obsolete should be replaced and modernised. Because of higher cost of production and obsolete machinery Indian textiles, for instance, are being rapidly priced out of export markets. A number of mills in the country had to close down resulting in fall in production in the year 1958 to the extent of 417 million yards as compared to the year 1957 and unemployment of a large number of workers. This pointed to the need for the reorientation of the entire cost structure. There are no two alternatives: Either there should be an efficient industry or no industry. There was no middle course.



5

Employment Situation.- Shri Singhanian said that the employment situation in the country should receive special attention. There had been a backlog of 5 million unemployed at the beginning of the Second Plan. The Plan provided for creation of employment opportunities to the tune of 10 million, which was the prospective increase in labour force, during the period, as a result of increasing population. On re-appraisal this target was revised to 8 million. But even this was doubtful to be achieved on the basis of the Plan's progress during its first three years, in which only 3 million new jobs had been created. Even assuming that 8 million jobs were provided, a backlog of 7 million unemployed would be there at the beginning of the Third Plan. It was anticipated that additions to the ranks of employment seekers during the Third Plan period would be of the order of 14 million. That meant the Third Plan must create 21 million jobs. It is difficult to do so even with an investment outlay of 100,000 million rupees.

To create employment opportunities on a "scientific" basis, Shri Singhanian said that greater emphasis must be placed on the development and growth of industries which offered employment on a more permanent basis. In view of the massive unemployment problem, there was a tendency to believe that labour intensive industries should be preferred to others. These labour intensive industries were generally smaller establishments like cottage industry and required to be subsidized. Both in the short and long term, most of the labour intensive industries might well be found to call for larger capital than originally envisaged. In his view if a planned programme of decentralisation of industries was followed, then the overcrowding in the towns and cities which raised socio-economic problems could be avoided. He also suggested that a beginning be made to the provision of basic technical training for students immediately after their high school studies. That would help the building up of a larger number of technical personnel.

(Text of Presidential Address received from  
the A.I.O.I.E.  
The Hindustan Times, 23 July 1959;  
The Statesman, 22 July 1959 ).

Sixtysixth Annual Conference of the United Planters' Association of South India, Coonoor, 24 August 1959.

The sixty-sixth annual conference of the United Planters' Association of Southern India was inaugurated at Coonoor on 24 August 1959 by Shri Morarji Desai, Union Finance Minister; Shri M.H. Varghose, President of the UPASI was in the chair.

Inaugural speech.- Inaugurating the conference Shri Morarji Desai assured the planters that the Government would always consider their difficulties whenever they found that the taxes they (planters) paid put undue strain on the industry. He, however, warned that the industry had to be run for the benefit of all, not for the benefit of ~~the~~ those in charge only.

Referring to the labour problems, Shri Desai advised planters to forestall the demands of labour before they became "conscious" and made their demands. Labour would be "very grateful" to management if this tactics were adopted instead of giving them the feeling that their demands were actually "extracted" by means of pressure. They had to see that the standard of living was raised - not merely of those whose standard was already very high but of those whose standard was very very low. It was, therefore, the Government's aim that everybody should have equal opportunities to make progress. If this was realised by the industrialists, many of the present difficulties and differences would disappear, he said.

Touching on the competition in the tea trade in the world markets, the Union Finance Minister admitted that there was a good deal of it but he did not want them to employ unfair methods in overcoming that competition. Maintenance of quality of their products was one of the methods to capture the world markets, he suggested.

Presidential address.- Shri M.H. Verghose President of the UPASI, in his presidential address to the conference pleaded for "a tax relief sufficient to strengthen the resources of the plantation industry to face the challenge in India's export markets, and the future under the pressure of a developing economy."

7

Referring to labour relations, Shri Verghese said: "As a labour-intensive industry, the subject of labour-management relations always receives careful and constant attention at our hands. The transformation of a seasonal and floating labour population into a permanent resident community is itself eloquent testimony to the welfare edifice which the Industry had itself raised and which no amount of tendentious propaganda can obliterate.

proud

"We, as employers, are ~~proud~~ proud of our contribution and are conscious of the fact that much of the progress has greatly been due to organisation amongst ourselves. Having enjoyed the benefits of organisation, we were quick to appreciate the value of the emergence of unionisation among our workers.

"Those of us who have direct experience of our workers by living on the estates and working with them know that they have all the humility, devotion to work, common sense and friendliness characteristic of our peasantry. But unfortunately trade unionism in plantations has, as elsewhere in the country, become the handmaid of politics. Rival Unions owing allegiance to different political parties are more readily willing to become pawns in the political game than to subserve the cause of labour which should be their primary mission. What has caused most concern to us was the steady build-up of our young workers as storm troopers of political parties. Freedom of access to estates to meet the workers has been greatly abused.

"However, there is a notable exception, the Estates Staff's Union of South India, which remains a true Trade Union, working only for and in the interest of its membership. I hope that E.S.U.S.I. will continue to preserve its individuality and not risk it in the pursuit of broader coverage or political patronage. At the recent session of the Indian Labour Conference, I myself had occasion to warn against any measures aimed at promoting only industrial unions and denying recognition to unions like the E.S.U.S.I."

Causes for labour unrest.- Speaking of labour disputes Shri Verghese said that political unionism, Governmental indulgence and novel theories regarding law and order in their application to labour-management relations have cumulatively been responsible for labour unrest in recent times. The disastrous strike in Munnar in October-November 1958, was a manifestation of these unhealthy trends in trade unionism and labour policy. To state that, that strike was only in pursuance of a demand for bonus, would be too naive.

8

"I remember the President of this Association in 1957, speaking from this platform, had warned the country that the weakening of the forces of law and order as a part of State policy in labour disputes would result in grief to all concerned. Since June 1957, there have been innumerable cases of assaults, criminal trespass, obstruction, intimidation, incitement to violence, riots and murder in the sparsely policed plantation areas.

"According to the Ministry of Labour, the man-days lost by plantation workers during 1958 were very nearly 0.95 millions. A large proportion of this must have occurred in Kerala. In Munnar alone, the result was that the estates concerned suffered a direct loss of 4 million pounds of tea on the most conservative estimate, a loss which none of the parties concerned, the workers, the management or the country could afford.

"Thousands of workers had to remain away from the field because of intimidation by roving gangs of party militants brought in from outside and deployed over a whole district. The management emerged from the October strike with considerable public sympathy, the goodwill of a majority of workers and richer by the experience of handling a violent strike."

Shri Verghese added that the strike in Munnar occurring as it did, soon after the adoption of the Code of Discipline at Punalai revealed the unpleasant fact that labour organisations and even Governmental policy had a long way to go to reorient themselves to respond to the demands of the Code. It also ~~proves~~ proved the planters' case that a general Code of Discipline mainly drafted for urban industry would have to be suitably modified in its application to the Plantation Industry.

"As one of the major industries in this country, we very much appreciate the value of the Code and we have impressed on all our constituent members its importance for the future of better labour-management relations. We would, however, request that the suggestions already made by us for modifications to the Code to make it more suitable to the special needs of our industry, be given earnest consideration. Major problems like wages, bonus and welfare measures need to be dealt with differently having regard to the special circumstances governing the industry. No industry can hope to survive if its conduct and motives are not correctly understood by its own workers and the community at large. Our Public Relations Department has under study a proposal for maintaining regular and systematic flow of management information to the workers. On the general question of the national policy in the matter of labour-management relations, this Association attaches considerable importance to the several conclusions reached at the 17th Session of the Indian Labour Conference held at Madras during the last week of July."

Mr. Wilson Mayne, General Manager, Kanan Devan Hill Produce Company Limited, Munnar, was elected president of the U.P.A.S.I. for the ensuing year.

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(The Hindu, 25, 27 August 1959).

9

Fifty-Second Annual General Meeting of Tata Iron and  
Steel Company Limited: Chairman's Address.

The fifty-second annual general meeting of the shareholders of the Tata Iron and Steel Company Limited was held at Jamshedpur on 2 September 1959. Addressing the meeting, Shri J.R.D. Tata, the Chairman of the Company reported an improved labour situation.

Shri Tata said that this year had been a year of achievement as well as of disappointment. On the credit side was the completion and commissioning of the new plant, and the conclusion of a three-year agreement with the Union for a comprehensive revision of the wage structure. On the debit ~~side~~ side were the lamentable Communist-led disturbances and strike of May 1958, the delay of about six months in the completion of the plant as compared to the original target, and the low rate of initial production achieved, reflected in the low profits for the year.

Labour.- Speaking of labour situation Shri Tata said: " I am glad to be able to report that after the violent happenings of May 1958, which ended in the total failure of the Communist attempt to capture by force the labour movement at Jamshedpur, the labour situation greatly improved during the year and has since remained satisfactory. The great majority of our workers are intelligent and responsible men who did not take long to realise how grossly they had been misled by the Communists. Such doubts as had been created in their minds as to the Company's intention to carry out its undertaking to grant an appreciable increase in wages once the new Plant came into operation, were dramatically set at rest by the comprehensive agreement on a new wage structure, which the Company entered into with the Tata Workers' Union in February of this year. The negotiations in their final stages were assisted by the Labour Commissioner of Bihar acting as Conciliation Officer. We are grateful to him and to the Government of Bihar for their help in the matter."

New Wage Structure.- The new wage structure which came into force in April 1959 was the end product of two full years of study and preparation and, finally, of intensive negotiations with the Union. The new structure is a much simplified and streamlined one, reflects a better balance between basic wages and earnings depending on results and has been so devised as to absorb in the next few years, without stress or strain, the gradual changes required under the agreed job evaluation scheme.

10

"It carries out in full the promise of a substantial increase in total wages and emoluments which we made in an agreement with the Union in January 1956. The new wage structure will bring our employees at Jamshedpur an immediate increase in their emoluments of about 18 million rupees in the current financial year, rising gradually to about 22.5 million rupees in the fifth year. This is equivalent to an increase of nearly 23 per cent at the beginning rising to 28 per cent in the last year."

Bonus.- Referring to bonus, Shri Tata said: "The agreement signed by the Union and ourselves in February this year includes a provision under which a new bonus scheme is to be negotiated to replace the old profit-sharing bonus scheme which expired last year. As such a scheme would necessarily be based on the results of a reasonably normal rate of output, it was also agreed that any payment of bonus this year arising from the operations of 1958-59 should be negotiated on an ad hoc basis. When, some months later, the accounts for that year disclosed the fact that there were no disposable profits, we informed the Tata Workers' Union of the situation and also pointed out that the workers themselves had largely contributed to the situation by joining the illegal strike last year which had cost the Company over ten million rupees.

"The Union have on their side claimed, in our view wrongly, that the annual bonus should be treated as a deferred wage, that the men produced more steel than in the previous year and that, except for the loss of production due to the strike, they had worked hard and under difficult conditions during the year and were not responsible for the poor financial results. On those grounds the Union has demanded the payment of a bonus comparable to the previous year's which is of course unacceptable to us. We have not up to now succeeded in reaching a settlement and the matter may have to be referred to arbitration or adjudication.

"As regards the new bonus scheme for the next three to five years, we are continuing our negotiations with the Union. The scheme in force since 1949 was based on the distribution of a share of the net profits calculated according to a formula which provided for depreciation on the gross block and a return on the issued capital. While this scheme was theoretically sound and attractive, it is a fact that it caused a great deal of trouble and argument, in its annual interpretation and application. In fact, I do not remember a single year in which the bonus paid was not made the subject of negotiations.

"We feel therefore that any new bonus scheme should be based on a simpler formula and one less liable to fluctuations due to causes beyond the control of the workers themselves. No final agreement has yet been reached and negotiations are still going on."

(The Statesman, 4 September 1959).

## Chapter 3. Economic Questions

### 34. Economic Planning, Control and Development.

India - September 1959.

#### Soviet Aid for Third Five Year Plan: Loan of 1500 Million Roubles to be Repaid in Goods.

The Soviet Union has agreed to accept repayment in goods for all credits to India including the latest credit of 1,500 million roubles offered for the third Plan, (vide Section 34, page 16 of the report of this Office for July 1959).

This arrangement is embodied in a letter exchanged by the representatives of the Soviet and Indian Governments after the signing of an agreement on 15 September 1959 in Moscow on the terms for the utilisation of the new credit.

This means that India will not have to make payment in sterling for the new loan as well as for the credits already received for various projects, such as the Bhilai Steel Plant, the Pharmaceutical Project, the Oil Refinery, the Optical Plant and other Projects.

A special rupee account will be opened in India by the USSR Government in which all instalments of repayment will be deposited. These will be utilised for making purchases in India.

It has been agreed that the Soviet Union will buy ten commodities, including tea, shoes, skins and hides, shellac and other primary products. The exact quantities to be purchased each year will be subject to negotiations.

The terms of the new credit are similar to those applicable to previous Soviet credits to India.

Interest will be charged at  $2\frac{1}{2}$  per cent and the amount will be repayable in 12 instalments, the first instalment to start one year after the completion of a project.

12

Official circles expected that the agreement would lead to a substantial rise in Indian exports to the Soviet Union.

The agreement is in two parts. The first deals with the terms of the loan and the second with the commercial arrangements.

The agreement ~~involves~~ follows the pattern of the old agreements inasmuch as it lays down that repayment will be made in rupees convertible into sterling. It is the letter exchanged between the two Governments which provides for repayment in goods.

(The Hindustan Times,  
14 September 1959).

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17

The Sixth Evaluation Report on the Community Development  
Programme.

The Programme Evaluation Organisation of the Planning Commission has recently issued the Sixth Evaluation Report on the Community Development Programme covering the planning process at the block and the village level, pilot projects for cottage industries, large and small co-operative societies and social education of selected areas in all States excepting Jammu and Kashmir.

Planning Process.— After giving an account of the structure and composition of planning organisations at State, district, block and village levels, the Report observes that the recommendations of the Mehta Committee (vide Section 34, pp.36-37 of the report of this Office for March 1959), have been largely accepted by most States and almost all States have taken steps to vitalise the block committees and to give greater authority to Panchayats to plan and execute local programmes. However, according to the Report, group action is still an idea to be achieved. The non-official members of such bodies attend meetings less frequently than the official, and play a passive role in their work. Official members find it difficult to divest themselves of the responsibility for planning. The common villager is yet to develop an interest in the planning effort. Nearly 80 per cent of the block bodies were found to approve the budgets in a formal manner without critical examination. About 35 per cent of the yearly sanctioned amounts remained unspent during the period 1956-57 to 1958-59. Nor did the distribution of actual expenditure conform to the sanctioned budgets.

The Report observes, that in some areas a beginning has been made with an attempt to build up sections of the block plan on estimates prepared at the village level. In some areas efforts have been recently made to develop village institutions, especially the Panchayats as instruments for planning. "So far only a few tentative attempts have been made to build village plans on those for individual families. But the planning is still for the family rather than by the family. It is, however, a good beginning."

14

Pilot Projects for Cottage Industries.— The pilot projects for rural industries aim at the training of artisans, helping them with loans in cash and kind and organising them into co-operatives. According to the Report, judged by immediate results, the pilot projects for rural industries have not done badly. About 10,600 artisans were trained at the 15 projects studied by the evaluation teams. These trainees were able to learn improved designs and use of improved tools. However, the training programme is yet to make substantial contribution to the main objective. A good proportion of the trainees seems to have been attracted by the prospects of stipends. Since 55 per cent of the trainees received stipends and only 37 per cent of the total number went into the crafts they were trained in, the wastage seems fairly large.

Commenting on the loans programme, the Report observes that the loans received by the artisans work out to 40 per cent of their total investment in the crafts. The loans given by the co-operatives were smaller than those given by the projects or the Industries Department. But the co-operatives were more prompt in disposing of applications and disbursing loans. Sixty one per cent of the loans sanctioned by them were given out without delay and 95 per cent within a month of the application. Only 12 per cent of the loans given by the co-operatives were overdue at the time of the enquiry as against 45 per cent given by the project and 55 per cent by the Industries Department.

The basic problem of rural industries is the limited market in the country-side. This is due to the low income from agriculture and the increasing competition from factory industries. But there is no assurance that as income from farming ~~increasing~~ increases, the scope for rural industries will expand. In fact some studies show that the more prosperous farmer prefers the "superior" products of factory industries. In the final analysis, therefore, the future of rural industries depends on their capacity to compete with and their opportunity to complement factory industries. According to the Report, none of the pilot projects were designed to investigate the second possibility, while in regard to the first they have not tried possible solutions that lie beyond the ordinary.

The pilot projects were established "to act as laboratories for controlled observations to find possible solutions to problems that have come up in the field of cottage and small industries". According to the Report, the projects have hardly fulfilled this purpose. In the first place, they are not based upon adequate investigations into problems that the rural industries in different areas have to face. They could not, therefore, be designed to meet those problems. Secondly, the various all-India bodies and commissions concerned with cottage and small industries have not evolved the practice of thinking together to ensure the establishment of local projects designed to meet local problems. Thirdly, while the projects were also expected to study the possibilities of developing markets locally, there has not been any progress due to poor co-ordination between the Community Projects Officer (industries) and the Block Development Officer.

15

While noting the emergence of industrial co-operatives in the large majority of the villages from which artisan-trainees came, the Report observes that due to the inadequate qualifications of the staff of these societies and the passivity of their members, progress has not been adequate. Even the small funds at their disposal have not been utilised by the societies.

Study of Co-operatives.- In the study of large and small co-operative societies, the evaluation teams found that the large society is on an average five to seven times as large as the small society in terms of membership, area covered and share capital. But the larger societies get government contribution to share-capital while no such aid is extended to the small societies. The large societies have not reached to the smaller cultivators more than the small. In fact, small cultivators constitute a smaller proportion of the membership of the large societies, than of the small. Neither category of society has as yet covered even a fourth of the households in their jurisdiction and the large societies have hardly done better than the small.

The issue is no longer a choice between the large and small co-operative societies, but what should be done to make the small society viable. The average small society has a membership of 64 persons, roughly equivalent to 22 persons per 100 households in its jurisdiction, a share-capital of 30 rupees per member, a deposit of 1 rupee per member and a loan business of 9,000 rupees a year. The obvious remedy is to make the small society bigger and this can be done, as the low values of all the dimensions of the society show, without extending its geographic coverage.

Social Education.- The central purpose of the present study of social education has been to go behind the institutions and find out the impact of the programme on the rural people, on their ideas, attitudes and outlook. Evidences of positive responses were found but they seem to be accountable more to literacy as such than to the specific contribution of the social education programme. The programme has itself made literate only three per cent of the population in the blocks studied.

The Report draws two inferences from its studies. The social education programme should concentrate much more on literacy. As an alternative or along with this, it must discover more efficient techniques of enlightening the large mass of rural illiterate. The radio and the library were found to attract the largest proportion of the participants in the Community Centres. Where a Centre had more than one activity, the people showed a preference for the educational rather than the recreational programme. "The Community Development programme has to devise ways and means to take advantage of this great force of social change."

(Indian Information, Vol. 2, No. 12, 15 July 1959, pp. 451-453).

Modernisation of Textile Industry: Working Group set up.

A working group has been set up by the National Industrial Development Corporation to suggest measures for an early and thorough modernisation of the cotton textile industry in India.

Shri D.S. Joshi, Textile Commissioner, will be the Chairman of the group, which will consist of Shri Krishnaraj H.D. Thackersey, Shri G.D. Somani, Shri K. Srinivasan, Shri S.R. Vasavada, Shri Ramrattan Gupta, Shri Trilokinath Sharma, and Shri U. Hajumdar. Shri K.R. Aravamthan will be the Secretary.

The group will examine the extent of finances necessary, the portion of foreign exchange required, the extent of finances which will be forthcoming from the industry itself, and how the balance of the needs may be met from public or private financing agencies. The question of increasing the resources of public financing agencies like the NIDC will also be considered.

The group may send out some of its members to visit countries like the U.K., Japan, the USA, and Switzerland where modernisation of the cotton textile industry has been done remarkably well. The group will report on the measures they consider necessary to be taken up here.

The group will complete its work by the end of November.

(The Statesman, 8 September 1959).

Propensity to Save in Delhi Area: Results of Survey.

According to the Sample Survey of 600 households in Delhi conducted by the National Council of Applied Economic Research, the average net amount of a household in Delhi saves works out to 380 rupees or about 11 per cent of the average net gross income of a household. Another disclosure of the survey is that an average household in Delhi saves larger fraction of its income in comparison with an average household in the U.K. and as large a fraction of its income as its counterpart in the USA.

Households in Delhi up to an annual income level of 3,000 rupees were found to dissave on the average. The propensity to save beyond this income level increased with increasing incomes and the average saving propensity of the highest income class (annual income 10,000 rupees to 25,000 rupees) was found to be 30 per cent. This class, constituting about 5 per cent of total households in Delhi, accounted for as much as 64 per cent of the total aggregate saving of Delhi households.

Irrespective of the level of income up to 10,000 rupees per annum, an average Government employee household was found to save more than a private employee household. The reason for this is attributable to the amenities received by the former class with respect to housing and health, besides their compulsory saving in the form of provident or pension funds.

Only about 14 per cent of households in Delhi were found to live in their own houses.

Life Insurance.— Life insurance was found to be the most frequent form of saving for Delhi households. Nearly a third of them saved by this means and their mean payment amounted to about 370 rupees per household. Nearly 3.5 per cent of the total aggregate income of Delhi households was found to be saved through payments to life insurance.

About 28 per cent of households in Delhi saved by contributing to provident funds and their mean contribution was found to be 380 rupees per household.

Taking together all households in Delhi, nearly 44 per cent saved contractually (i.e. either contributed to life insurance or provident fund or both) and their mean saving towards this form of saving amounted to above 520 rupees.

The survey also reveals that the purchase of National Savings Certificates does not seem to be an important form of saving for Delhi households - only a little less than 1 per cent of the total aggregate income was found to be invested in these Certificates.

While 6 per cent of households in Delhi invested in gold about 4 per cent liquidated it. Thus for Delhi as a whole, there was very little net saving through the accumulation of gold.

An inquiry into the attitude of Delhi households towards dowry revealed that nearly 40 per cent of them approved of dowry giving while 60 per cent were against it. Surprisingly poor people were found to favour dowry, while the wealthy were against it.

Up to an income level of 10,000 rupees property holdings comprising residential houses, commercial buildings and landed properties constituted an important form of wealth for the Delhi household whereas beyond this income level business assets held by households appear to account for the greater portion of wealth.

Nearly 45 per cent of households have some liquid assets in the form of current and savings accounts and National Savings Certificates.

This study is the first of its kind in India conducted on a scientific basis. The Council is now engaged in an all-India survey of savings which, it hopes, will be of great use to the Planning Commission in assessing the internal resources position when the third Plan is in operation.

(The Statesman, 10 September 1959).

35. Productivity.

India - September 1959.

State Awards for Public Undertakings for Increase in  
Production and Better Labour Relations.

It was stated in Parliament on 3 August 1959, in answer to a question, that the Government of India has decided to give some awards to public undertakings every year. The scheme at present is confined to public undertakings run by the Central Government. In determining the award for any unit ~~responsibility~~ due consideration would be given to a number of factors including, among others, significant increase in production over the programmed target; profits, labour relations, and any special contribution which the unit might have made to the economy, through research, discovery of new process, design method, etc., of production.

(Indian Labour Gazette, Vol. XVII, No. 2,  
August 1959, page 163 ).

36. Wages.

India - September 1959.

Andhra: Agreement on Wages for Road Transport Workers.

A two-year agreement between the Andhra Pradesh Road Transport Corporation and its employees' union on the demand of the employees was signed at Hyderabad on 9 September 1959.

The Chief Executive Officer of the Corporation said that the employees started on the scales of pay prevalent in the Andhra region of the State would get an "ad hoc" increase of 5 rupees to 10 rupees per month.

The other terms of the agreement include a minimum wage of 60 rupees per month for class IV employees and an upward revision of the scale for semi-skilled workers.

He said that the "ad hoc" increase would benefit 1,400 employees. The demand for a merger of 50 per cent of the dearness allowance in the basic pay was not conceded. The provident fund facilities would be extended to all employees.

The agreement also provided for a confirmation of the ~~and~~ temporary staff having long years of service. About 1,000 employees would be confirmed as a result.

(The Times of India, 10 September 1959).



Wage Boards in Industry: Draft Proposals for Law  
Circulated to Employers and Workers.

Shri G.L. Nanda, Union Minister for Labour and Employment, addressing the Informal Consultative Committee of Parliament on 13 September 1959, stated that draft proposals to place the wage boards for industries on a statutory footing have been circulated to employers' and workers' organisations and their comments were awaited.

The Minister said that the wage boards already set up for the textile and cement industries had practically completed their work and their recommendations were expected shortly.

Shri Nanda also announced that the Government were considering a proposal to set up a wage board for the Chemical industry.

Some members of Parliament stressed the need for setting up a wage board for the iron and steel industry also. The Labour Minister agreed to have the matter examined by the Government.

(The Hindustan Times, 14 September 1959).

Kerala: Minimum Rates of Wages fixed for Employment  
in Printing Presses and Timber Industries.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Kerala has fixed the following minimum rates of wages payable to employees employed in printing presses and the timber industry.

Printing Presses

	Monthly wage rate (inclusive of D.A.) <u>Rs.</u>
<b>I. Unskilled Workers:-</b>	
1. Cleaner	
2. Sweeper	
3. Peon	40.00
4. Watchmen	
5. Mazdoor	
<b>II. Skilled Workers:-</b>	
All other workers than those specified as unskilled or as apprentices.	45.00
<b>III. Apprentices:-</b>	
Apprentices who have completed six months of service but not completed 12 months of service.	20.00
Apprentices who have completed 12 months service but not completed 18 months service.	30.00
Apprentices who have completed 18 months and not completed 24 months service.	40.00
Apprentices who have completed 24 months service.	45.00
<b>IV. Adolescents:-</b>	
Shall be paid at 75 per cent of the above rates.	

(Notification No.L1-44647/58/L and LAD dated 21 August 1959)

Timber Industry

## A. MINIMUM WAGE RATES PER DAY

Category.	Basic Wages. Rs.	Dearness Allowance. Rs.	Total. Rs.	Remarks.
Man or women doing identical works.	1.00	0.87	1.87	
Man.	1.00	0.87	1.87	For work exclusively done by adult males.
Woman.	0.80	0.60	1.40	For work exclusively done by adult female.

Adolescents shall be paid 75 per cent of the wage rates of the adults  
(For work exclusively done by adults).

## B. MINIMUM WAGES RATES PER MONTH.

Category.	Basic Wages. Rs.	Dearness Allowance. Rs.	Total. Rs.	Remarks.
For man and women doing identical work.	25.00	21.75	46.75	
Man.	25.00	21.75	46.75	For work exclusively done by adult males.
Woman.	20.00	15.00	35.00	For work exclusively done by adult females.

Adolescents shall be paid 75 per cent of the wage rates of  
adults. (For work exclusively done by adults).

The dearness allowances shall be adjusted to changes in the cost of  
living index in the prescribed manner.

(Notification No. L1-7158/59/ I and LAD dated 22 August 1959)

(Kerala Gazette No. 35, dated 1 September 1959,  
Part I, )

EB. Housing.

India - September 1959.

Madhya Pradesh: Co-operative Societies to be given Preference in executing Housing Projects.

The newly reconstituted Madhya Pradesh Housing Board, at its first meeting held at Bhopal on 4 September 1959, decided that preference should be given to co-operative societies in entrusting execution of housing projects in the State.

In view of the difficulties in securing land, the Board resolved to examine and prepare projects for acquisition and development of land on an extensive scale almost in every district and give plots to co-operative housing societies and individuals.

Shri V.V. Dravid, State Housing Minister and Chairman of the Board, who presided over the meeting, announced the formation of a committee to review rules, regulations and procedure of the Board with a view to facilitating implementation of the schemes being taken over by the Board.

The 16-member Board deals mainly with subsidised industrial housing and the low-income group housing schemes.

(The Statesman, 6 September 1959).

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

INDIA - SEPTEMBER 1959.

41. Agriculture.

Inter-Ministerial Agriculture Production Board set up.

The Union Ministry of Food and Agriculture announced on 31 July 1959, its decision to set up an Inter-Ministerial Agriculture Production Board under the Chairmanship of Dr. H.S. Randhawa, Vice-President of the Indian Council of Agricultural Research. Among others, Dr. V. Subramanyan, Director of the Central Food Technological Research Institute, Mysore, and Dr. L.A. Ramdas of the National Physical Laboratory, Delhi are members of the Board.

The main function of the Board will be to examine the results of the research on agricultural production going on in various institutions, and recommend ways of propagating them by State Governments.

It will also consider fresh problems having a bearing on agricultural production for research and review the progress of work on them from time to time. The Board will also co-ordinate the activities of a large number of institutions and organisations in the country carrying on research on problems of agricultural production independently of each other.

(The Statesman, 1 August, 1959 ).

Tea Planters' Scheme of Replanting: More Employment Anticipated.

The Indian Tea Planters' Association has submitted a scheme to the tea board for a Government loan of 150 million rupees in the third Five-Year Plan for rehabilitation of 50,000 acres of land by uprooting and replanting of tea. The chairman of the association <sup>Spoke at Calcutta</sup> ~~disclosed here yesterday~~, ~~in~~ 21 August 1959.

<sup>He</sup> ~~Shri B.C. Ghosh~~ said the scheme, with which the Indian Tea Association is also associated, will be able to find employment for a large number of workers.

Referring to the recent decision of the West Bengal Government to increase wages of tea estate workers by annas two a day, he said that the real problem in tea estates was more employment rather than wage increase.

(The Hindustan Times, 24 August 1959).

'L'

Madhya Pradesh Ceiling on Agricultural Holdings Bill, 1959.

The Government of Madhya Pradesh published on 15 September 1959 the text of the Madhya Pradesh Ceiling on Agricultural Holdings Bill, 1959, proposed to be introduced in the Legislative Assembly of the State. The Bill provides for the imposition of a ceiling on agricultural holdings, acquisition and disposal of surplus land and matters ancillary thereto.

The Bill provides that as and from the appointed date no tenure holder or occupancy tenant may be entitled to hold land, other than exempted land, in excess of 32 standard acres. Where a holder has one or more of specified heirs who do not hold any land in their own right and are dependent on him, such holder shall be entitled to hold land in excess of 32 standard acres to the extent of six standard acres per each such heir but not exceeding 62 standard acres in the aggregate. A 'standard acre' has been defined to mean one acre of perennially irrigated land or two acres of seasonally irrigated land or three acres of dry land.

Other provisions of the Bill relate inter alia to submission of returns by persons holding land in excess of ceiling, payment of compensation for surplus land vesting in the State and disposal of surplus land. The surplus land is to be allotted in bhumiswami rights to the following persons in the order of priority on payment of a premium equivalent to the compensation payable in respect of such land vis.:

- (i) joint farming society, the members of which are agricultural labourers, or landless persons or a combination of such persons;
- (ii) better farming society, the members of which are agricultural labourers, landless persons or a combination of such persons;

- (iii) agricultural labourers;
- (iv) landless persons;
- (v) displaced tenants subject to the provisions of section 202 of the Madhya Pradesh Land Revenue Code, 1959;
- (vi) holders holding contiguous lands;
- (vii) joint farming society of agriculturists;
- (viii) better farming society of agriculturists;
- (ix) any other co-operative farming society subject to the condition that land (including the land as owner or tenant individually by members) shall not exceed the area equal to the number of members multiplied by the ceiling area;
- (x) an agricultural holding land less than the ceiling area;

provided that unless the State Government otherwise directs surplus land consisting of compact area shall be either reserved for Government Farm or allotted to co-operative societies or any other public purpose.

(Madhya Pradesh Gazette,  
Extraordinary, 15 September 1959,  
pp. 1259-1280).



Uttar Pradesh Imposition of Ceiling of Land Holdings  
Bill, 1959.

The Government of Uttar Pradesh published on 29 August 1959 a Bill to provide for the imposition of ceiling on land holdings in Uttar Pradesh and certain other matters connected therewith. According to the Statement of Objects and Reasons of the Bill, With a view to provide for a more equitable distribution of land by making the same available to the extent possible to landless agricultural labourers and to provide for cultivation on co-operative basis and to conserve part of the available resources in land so as to increase production and build up ~~reserve~~ stocks of food-grains against lean years by carrying on cultivation on modern scientific lines in State owned farms, it is expedient to impose ceilings on existing large and holdings. It is also necessary to provide some land to the village communities for their common needs, such as establishment of fuel and fodder reserves. This Bill is, therefore, being introduced to promote the economic interest of the weaker section of the community and to subserve the common good.

The Bill provides that no person shall, except as otherwise provided, be entitled to hold an area in any holding in excess of the applicable ceiling area. The applicable ceiling area in the case of an individual person or a family consisting of not more than five members shall be deemed to be 40 acres of fair average quality land. The ceiling area in the case of a family of more than five members shall be 40 acres of fair average quality land plus eight acres of such land for every additional member of the family subject to the maximum of 24 such acres. Other provisions of the Bill deal inter alia with the procedure for the determination and acquisition of surplus land, manner of calculation of compensation, disposal and settlement of surplus land, powers of officers and authorities in hearing and disposal of objections and the procedure to be followed and penalties.

(Government Gazette of the Uttar Pradesh,  
Supplement - Part VII, 29 August 1959,  
pp. 1-19 ).

42. Co-operation.

India - September 1959.

Conference of State Ministers of Cooperation, Mysore,  
28 July 1959: Expert Committee suggested to increase  
Production.

A conference of State Ministers of Cooperation was held at Mysore on 29 July 1959. Among others, Shri H.V.R. Iengar, Governor of Reserve Bank of India, participated in the discussions. The Conference among other things, suggested the setting up of an expert committee to find adequate finance to increase production in the rural areas and to market the agricultural produce. The Committee will also examine the question of increased credit required for expanded programme of co-operative development in the country and look into the existing standards of credit limits of primary societies in different States, loan policies of credit institutions from apex to primary level and measures necessary for increasing the borrowing power of village societies.

The other recommendations of the conference include the strengthening of the co-operative department, the training of non-official workers at all levels and the introduction of co-operation as a subject of study in schools and colleges.

(The Tribune, 31 July 1959;  
The Times of India, 31 July 1959 ).

Indian Cooperative Union Recommends creation of  
Autonomous Grants Commission.

The Seminar held at Delhi, on 25 August 1959, under the auspices of the Indian Cooperative Union, has urged the setting up of an autonomous grants commission. It also stated that aid programmes should not be controlled by cooperative departments. The Seminar felt that laws on co-operation should be revised so that Government control could be eliminated. Existing co-operatives, it added, should be evaluated in terms of co-operative principles. Those bodies which were functioning well should be declared free from departmental control. Those which showed promise of stability and efficiency should be assisted to qualify for independent functioning; but spurious and dead co-operatives should be wound up in consultation with non-official co-operative opinion.

(The Hindustan Times, 24 August 1959).

'L'

Working Group on Co-operative Farming set up  
Debate in Lok Sabha

Replying to a question in Lok Sabha on 17 August 1959, Shri B.S. Murthy, Deputy Minister for Community Development and Cooperation said that the Union Government had set up a working group on co-operative farming to help formulate, an action programme based on available experience. After the report of the working group was received necessary action to implement the scheme for co-operative farming would be taken up in consultation with the States. In his reply, Shri Murthy also said that the new co-operative policy of the Government envisaged organisation of service co-operatives with the village community as the primary unit. Existing village societies, which were largely, credit societies, were also to be reorganised as service co-operatives. The new policy had been accepted by all State Governments. It would, however, take some time before the whole country could be covered by such co-operatives and the State Governments would, therefore, have to work out a phased programme spread over a period of years.

(The Hindustan Times, 18 August 1959).

44. Merchant Marine and Fisheries.

India - September 1959.

Training of Marine Workers: Board set up.

The Government of India has decided to set up a Merchant Navy Training Board with the Minister of Shipping as its President to consider all matters pertaining to the training of Merchant Navy officers, ratings and other sea-going personnel and to recommend from time to time all such measures as may be necessary for the building up of an adequate, efficient and devoted merchant navy personnel. The decision has been announced in a Government of India resolution dated 22 August 1959.

Functions of the Board.- The Board will be an advisory body and will have power to coopt members. The personnel of the Board will be appointed by the Central Government after consultation with the interests concerned. The term of office of the representatives of non-official bodies of the Board will be two years. In addition to its general functions the Board has been asked in particular (i) to recommend, from time to time, the numbers to be recruited for training; (ii) to review from time to time the syllabus of training in the various institutions; (iii) to form selection committees for the recruitment of trainees for the Training Ship 'Dufferin' and the Directorate of Marine Engineering; (iv) to constitute inspection teams for the periodical inspection of the various training institutions; (v) to maintain statistics relating to the officers of the Merchant Navy (the statistics for ratings are being maintained by the Seaman's Employment Office); (vi) to maintain contact with comparable training institutions abroad with a view to keeping abreast of the developments and improvements there; (vii) to consider and recommend the introduction of new courses of training study; and (viii) to maintain the requisite co-ordination between the various branches of training, particularly Navigation and Engineering.

The Board will set up two committees from amongst its members to deal with specific problems of the two institutions, 'Dufferin' and the Directorate of Marine Engineering Training.

The setting up of a board to deal with all aspects of training is a sequel to the establishment of a number of training institutions for Merchant Navy personnel since 1947. At that time the only training institution in existence was the training ship 'Dufferin' which, of course, has had a governing body of its own. Simultaneously with the acceptance in 1947 of a dynamic policy for the development of merchant shipping, the Government of India set up a Merchant Navy Training Committee, which, in its report relating to pre-sea and post-sea training of ratings and officers, submitted in 1948 and 1949, recommended that apart from 'Dufferin', several other institutes should be set up.

Practically all the recommendations made by the Committee have been accepted and the following new Merchant Navy training establishments have since been set up: (i) Nautical and Engineering College, Bombay, which imparts post-sea instructions to Merchant Navy officers preparing for the professional examinations for certificates of competency conducted by the Directorate General of Shipping; (ii) Directorate of Marine Engineering Training and Marine Engineering College, Calcutta, which impart pre-sea training for marine engineering careers; and (iii) Training Ships 'Bhadra', 'Melkhal' and 'Navlakhi', for deck and engine room ratings.

These institutions have so far given between them training to about 16,200 boys of whom 5,400 are working as officers and 10,800 as ratings in the merchant navy. The total amount of money spent by the Government on the construction of buildings, purchase of equipment and annual recurring expenditure adds up to 25 million rupees.

(The Gazette of India, Part I, Section 1,  
dated 22 August 1959, pp. 190-191;  
Indian Information, Vol. 2, No. 16,  
15 September 1959, pp. 530-531).

CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - SEPTEMBER 1959.

50. General.

Conditions of Work in regard to Contract Labour in Refineries and the Digboi Oilfield.

In accordance with the recommendations of the Planning Commission in the Second Five Year Plan, the Labour Bureau carried out in 1958 a survey of conditions of work of contract labour in oil refineries and the Digboi oil-field. The results of the survey are briefly reviewed below.

At the time of enquiry (1958) there were four refineries, viz., Assam Oil Company Refinery, Digboi, Burmah Shell Refineries Ltd., Bombay, Standard Vacuum Refining Company of India Ltd., Bombay, and Caltex Oil Refining (India) Ltd., Visakhapatnam and one oilfield at Digboi worked by the Assam Oil Company. It was decided to cover all of them. In the first instance, a questionnaire relating to direct as well as contract labour was prepared and issued to all of them in September 1958. Three of the four units replied that they did not employ any contract labour for the work either directly connected with or ancillary to that of the refinery. Miscellaneous jobs e.g., building and construction, construction of tanks, painting, gardening, food catering, etc., were, however, given out on contracts periodically after inviting tenders. The contractors were free to employ any number and any type of persons for performing the job assigned to them within the period stipulated in the contract. These units were, therefore, requested to furnish a list of their contractors and in the meantime a fresh questionnaire was prepared for covering individual contractors.

It was decided to have on-the-spot study of the recruitment, conditions of work, wage rates, welfare, etc., of workers employed by such contractors. Investigators were accordingly sent out for collecting the information from all the units, including oilfield, and their individual contractors. The number of contractors working for three units was 22 of which 1 was common to two units. In the fourth unit, viz., Assam Oil Company, there were 4 contractors on the refinery side and 8 contractors in the oilfield. Since three contractors were common to both sides, there were actually 9 contractors for the Company. Thus, in all there were 30 contractors. It was decided to cover all of them of whom information in respect of one contractors could not be obtained.

Employment.— The following table shows employment data in the refineries and the oilfield as on 31 December for the years 1953-1957:—

Year	No. of units to which the data relate	Contract Labour			Percentage to the total labour	Total Labour*		
		Men	Women	Total		Men	Women	Total
1953..	1	1,339	-	1,339	15.4	9,043	134	9,177
	2	375	134 (7.2)	509				
1954..	3	1,503	168 (10.1)	1,671**	17.5	9,393	168	9,561
	3	2,001	176	2,177				
1955..	1	73	-	73	20.2	10,589	176	10,865
	1	331	50 (7.7)	381				
1956..	3	3,579	173	3,552	28.8	12,474	223	12,697
	1	331	50 (5.6)	381				
1957..	4	3,650	173 (4.5)	3,823	30.3	12,449	173	12,622

\* Figures in respect of one unit include supervisory and clerical staff also.  
 \*\* Figures in respect of refinery side of one unit are not available.  
 Note - Figures in brackets in col.4 show percentage of women contract workers to total contract labour, in that year.



It will be seen that two units in 1953 and one unit each in 1955 and 1956 did not employ any direct labour since they had not started the actual working of their refineries, although contract labour was engaged by their contractors. In 1953 only one unit was actually working and the percentage of contract labour to the total labour force in that unit was 15.4. Similar percentage for that unit for the year 1954 cannot be worked out for want of complete information in respect of the workers employed through contractors. However, during the years 1955 to 1957 these percentages in that unit alone were 12.2, 13.8 and 17.6 respectively. In 1954 three units had started actual working and the percentage of contract labour to the total labour employed in them was 17.5. This percentage was low due to non-inclusion of the data in respect of contract labour employed on the refinery side of the Assam Oil Company, Digboi. During 1955 and 1956 there were four units but the fourth one had not started actual working and therefore had not employed any direct labour. The percentages of contract labour to the total labour employed in the three units which were working during 1955 and 1956 were 20.2 and 28.8 respectively. In 1957 the fourth unit had also started actual working and the percentage of contract labour to the total labour employed in all the four units in that year was 30.3. Thus, there is a continuance rise in the percentage of contract labour to the total labour employed in refineries. The reason for this increasing percentage may be <sup>attributed to</sup> ~~increased~~ constructional activities in different units.

Sex-wise classification of the data shows that women labour was conspicuous by its absence as far as the direct labour is concerned. As regards contract labour, only four contractors employed women labour. Their percentage to the total labour varied from 4.5 in 1957 to 10.1 in 1954. The percentage of women labour to the total labour in the industry was insignificant varying between 1 and 2 per cent in different years. A redeeming feature in this industry was that neither the managements nor the contractors employed any child labour.

The contract labour was mainly employed for construction, repairs, and maintenance of buildings and offices, sanitary services, gardening, cleaning, running of canteens and cafeteria, loading and unloading of railway wagons, filling petroleum coke in bags and loading the same into wagons or trucks, painting, etc. In the ~~oilfield~~ oilfield it was employed for earth cutting, jungle clearing, handling materials, maintenance of roads, etc. Thus, the contract labour was generally employed on jobs which were either of a casual and intermittent nature or those which required specialised training and experience and were unconnected with the refinery processes. Further, in cases where the amount of work involved was uncertain the management got the work done through contractors instead of direct labour because the contractors could easily increase or decrease the number of workers according to their requirements but the managements could not easily do so. By adopting this recourse the managements were also saved of the botheration of supervision of the work.

The nature of employment of an overwhelming majority of workers employed through contractors was casual, as reported by all the contractors except five. As soon as any particular item of work was completed the workers were disbanded. The data received from one of the five contractors were defective and were therefore rejected. The remaining four contractors employed 99 workers, out of which 86 were permanent and the rest temporary.

The distribution of the 99 non-casual contract workers according to the length of service as on 31 December 1957, shows that 13 workers had less than one year's service; 83 workers had service between 1 and 5 years and the remaining three workers had more than 5 years' service.

All the contractors were free to recruit their labour. They had no difficulty in the recruitment of unskilled labour as the same was available near the refinery gates. Some difficulty was, however, experienced by them in the recruitment of skilled labour as such labour was in short supply. Sometimes they had to bring such labour from other places. For example, one contractor in Bombay recruited his skilled labour from Surat and adjoining areas. A majority of the contractors recruited their workers directly. Two of them recruited their workers through other contractors, four through agents and sirdars and four through existing workers.

The available information reveals that only 17 out of 29 contractors gave advances to their workers either for purchasing rations and provisions or for going to their native places or for urgent family needs, etc. No interest was charged on such advances which were recovered from the wages of workers.

Wages and Earnings.— Most of the labour employed through contractors was on time-rate basis. There was only one contractor who had engaged labour on piece-rate basis.

The available information reveals that in two units the wage rates, etc., of contract labour were fixed by the contractors themselves and the management had no hand either in the fixation or payment of wages. In the remaining two units some control was, however, exercised both in respect of fixation and payment of wages. In one of them wages were fixed in accordance with either the rates fixed under the Minimum Wages Act where applicable e.g., Building and Construction work or prevalent market rates. The management checked the accounts of its contractors periodically in order to verify whether the workers had got their due wages. All complaints regarding non-payment or delayed payment of wages or reductions therefrom were settled by the labour and welfare officers of the unit. In the other unit contractors were required to pay wages to their workers according to the Standard Contract Rates based on the Company's pay scales for different categories of workers. The only difference between the direct and contract labour in this unit was that the former earned increments whereas the latter always got the minimum of the grade. At the time of contract every contractor was required to sign a clause guaranteeing payment of wages to his workers according to the scales given in the schedule prescribed by the Company. The management tried its best to see that contractors complied with this clause of the contract.

The contractors generally paid the proscribed wages because their contracts were cost-margin contracts and they were getting from the Company the actual total wage-bill as estimated plus a percentage thereof as their remuneration. The fear of losing future contracts, in case they did not pay full wages to their workers, made them conscious of their duties and responsibilities. Complaints regarding non-payment of wages or reductions therefrom were generally lodged with the Government Labour Inspector, in consultation with their Labour Union when necessary.

Wage rates for some of the important categories are discussed in the following paragraphs:

Mazdoors.- Mazdoors were employed by all the units and a majority of contractors. Two units employed them on daily basis and the other two on monthly basis. The daily rates of basic wages varied from 1.44 rupees to 3.00 rupees. The monthly wages in the two units were 45.50 rupees and 60.00 rupees respectively. As regards the wages of mazdoors employed through contractors the management of one unit fixed it at 1.44 rupees per day. In the remaining three units, only 12 out of 20 contractors employed mazdoors and the wages paid by them to mazdoors varied from 1.50 rupees to 3.37 rupees per day. Of the twelve contractors, three paid 2.50 rupees per day. Another three paid 2.00 rupees, 2.37 rupees and 3.37 rupees per day respectively. Five units, paid between 1.50 rupees and 3.00 rupees per day. Only one contractor was paying wages at monthly rates. He paid 300 30.00 rupees per month to mazdoors employed by him.

Four contractors employed women labour. Of these, only one paid different wages to women and men labour. Their wages were 1.50 rupees and 2.25 rupees per day respectively.

Jugalis.- In one of the four units they were employed directly as well as through contractors. The wages of direct labour ranged from 1.63 rupees to 2.25 rupees per day whereas the contract labour got 1.63 rupees per day.

Artisans.- Artisans were employed directly as well as through contractors in one unit only. The daily wages of artisans recruited directly ranged from 2.63 rupees to 3.50 rupees for Grade I and from 3.63 rupees to 4.38 rupees for Grade II, whereas those recruited through contractors got only the minimum of the range viz., 2.63 rupees and 3.63 rupees per day for Grades I and II respectively.

The following categories of workers were employed through contractors only and no comparative position is, therefore, available in respect of direct labour:-

Carpenters.- Only six contractors employed carpenters who were paid daily wages ranging from 4.00 rupees to 10.00 rupees per day. Most of them were paid wages between 5.00 rupees and 6.00 rupees per day.

Painters.- Six contractors employed painters on wages ranging from 3.50 rupees to 10.00 rupees per day. The most common wage paid by the contractors for this category was about 5.00 rupees per day. Some of the contractors also employed helper painters. Their wages ranged from 2.25 rupees to 4.00 rupees per day. One of the contractors employed a 'letter painter' on 7.00 rupees per day.

Masons.- Six contractors employed masons whose daily wages varied from 4.00 rupees to 10.00 rupees per day. Most of them were, however, paid a wage between 5 rupees and 6 rupees per day. One of the contractors employed mason mistry also at the rate of 7.00 rupees per day.

Fitters.- Wages of fitters who were employed only by five contractors varied from 3.00 rupees to 8.00 rupees per day. The mechanical fitters were paid higher wages than the pipe fitters. Most common wage of pipe fitters was about 5.00 rupees whereas that of mechanical fitter was 8.00 rupees per day.

Welders.- Welders were employed by three contractors only. In one case their wages varied from 4.00 rupees to 10.00 rupees per day. The remaining two contractors paid 8.00 rupees and 9.50 rupees per day.

Malis.- Two contractors employed labour for gardening, etc., at the rate of 75.00 rupees per month. One of them employed two muddams also for gardening jobs on 105.00 rupees per month and 120.00 rupees per month respectively.

Dearness allowance.- All the units were paying dearness allowance to the direct labour. In three units it varied with income groups. It was also linked to consumer price index number in two units. Two units were also giving variable dearness allowance of temporary dearness allowance in addition to the normal dearness allowance subject to certain conditions and such allowances were linked to the consumer price index number. However, it was only in one unit that some categories of workers, recruited either directly or through contractors, were paid 2.02 rupees per day as dearness allowance, as well as a variable dearness allowance which came to 25.00 rupees per month for all workers. Only two contractors were paying fixed dearness allowance to all categories of workers employed by them. One of them was paying 2.37 rupees per day while the other was giving 30.00 rupees per month. All other contractors were paying consolidated wages and it was not possible to isolate dearness allowance from the basic wage.

Other Cash Allowances.- One unit was paying a minimum house allowance of 8.00 rupees per month to those direct workers who had not been provided with any housing accommodation. In another unit shift allowance was paid to direct labour only. Two contractors paid conveyance allowance to their workers in cash. One of them paid 0.50 rupee per worker per day irrespective of the conveyance charges actually incurred by the worker; whereas the other paid to all categories of workers except mazdoors the actual tram and/or train fares spent by them. One contractor was giving 30.00 rupees per month to his employees as food allowance.

Money Value of concessions in kind.- Only in one of the four units direct labour was being given free tea costing one anna per day. Almost the contractors, only one gardening contractor had provided to his workers two uniforms and a blanket costing 30.00 rupees. One contractor was also giving free tea to his workers twice a day if on duty at fixed hours.

Profit Sharing Bonus.- Three units paid annual profit bonus for the year 1957 to the direct labour only. In two of them it was paid at the rate of 3 months' basic wages whereas the third unit paid at the rate of 4½ months' basic wages.

None of the units had any scheme of paying incentive bonus to workers employed through contractors. As far as contract labour is concerned, one contractor paid one month's wages - half month's wages at the time of Diwali and a similar amount at the completion of the year - as bonus to each worker. Another contractor used to provide incentives in form of a lump sum to some of his workers in order to get any important work completed within the scheduled time.

Retaining or Subsistence Allowance.- Only two contractors were paying retaining or subsistence allowance to their workers when no work was provided to them. One of them was paying full wages as subsistence allowance to a nucleus staff of 20 to 30 workers in case no work was provided to them. The other paid wages only to those workers who were called for work but no work could be provided to them.

Hours of work.- The refineries fall within the purview of the Factories Act, 1948. Under the Act, hours of work have been fixed at nine per day and forty-eight per week. The maximum spreadover has been fixed at 10½ hours per day. The Act also lays down that adult workers shall be allowed a rest interval of half an hour after every five hours of continuous work.

In one of the units daily hours of work for the general shift were eight per day from Monday to Friday and four on Saturday, thus making a total of 44 hours in a week. Workers in other shifts were required to work eight hours a day and 48 hours per week. In this unit contract labour engaged by contractors was allowed to work in the premises during the period of the general shift only and their hours of work were also fixed accordingly. In the remaining three units working hours for direct labour varied from 7-1/4 hours to 8 per day and 40 to 48 per week. However, the daily hours of work for workers employed through 20 contractors of these three units varied from 7 1/2 to 8. Normal daily hours of work were 8 in respect of 18 contractors. These varied from 7 1/2 to 8 in respect of one and were 7 1/2 in respect of the remaining one.

Daily spreadover for direct labour varied from 8 to 10 hours in different units. In one unit it was 8 1/2 hours with half an hour's rest interval. In another unit spreadover for the shift was 10 hours in summer and 9 1/2 hours in winter with 2 and 1 1/2 hours' rest interval respectively. In the remaining two units spreadover varied from 8 to 9 hours with a rest interval of half an hour to one hour.

The daily spreadover for contract labour in one unit was the same as for direct labour viz., 10 hours in summer and 9 1/2 hours in winter with 2 and 1 1/2 hours' rest interval respectively as the contract labour was allowed to work during the period of general shift only. The spreadover for contract labour in the remaining three units varied from 8 1/2 to 10 hours per day with a rest interval of 1/2 to 2 hours per day. The number of contractors in these three units was 20. Ten out of these 20 contractors had their spreadover as 9 hours with one hour's rest interval. Amongst the remaining 10 contractors, the spreadover was 8 1/2 hours with 1/2 hour's rest interval in five cases; 8 1/2 hours with one hour's rest interval in one case; from 8 1/2 hours to 9 hours with one hour's rest interval in one case; 9 1/2 hours with 1 1/2 hours' rest interval in two cases; and from 8 1/2 to 10 hours with 1/2 to 2 hours' rest interval in one case.

Contract labour in all the units was normally employed only in the general shift. Twenty five out of twenty nine contractors worked only one shift and the remaining four more than one shift. Three of these four worked three shifts and the fourth worked three shifts in the maintenance department only. However, one contractor normally working one shift stated that ~~that~~ he also worked second shift if there was urgency of work. As regards change-over of shifts, two of the four contractors working more than one shift, changed them weekly, one changed it monthly and the fourth did not change it at all.

Only two units exercised control over the working hours of contract labour by prescribing the same hours of work as for direct labour. The work within the premises of refineries was regulated as a matter of practice because workers were not generally allowed to work within the premises of refineries beyond the normal shift hours as a measure of safety. However, work which was required to be finished within a specified time was allowed to be done outside the proscribed hours. Outside the premises of the refineries there was no restriction on the hours of work of contract labour.

Direct labour was paid at double the normal wages for overtime in all units. Contract labour in one of these units was getting overtime at the rate of basic wages on week-days and at 1½ times the basic wages on Sundays. In the remaining three units the position varied from contractor to contractor. Only twelve out of twenty contractors in these units reported that their labour worked overtime occasionally. Ten contractors paid overtime at double the rate of their daily wages, one at one-and-a-half times their wages and dearness allowance and the remaining one at one-and-a-half times their basic daily rates of wages.

Holidays.- Out of 29 contractors, 27 allowed a weekly day of rest to their labour. The practice of granting holidays and leave with pay existed only in the case of a few contractors.

Welfare.- All the units had provided housing accommodation for their direct labour though the extent of accommodation varied from unit to unit. In one of these units, such accommodation was rent free while in others a fixed rent or a fixed percentage of salary was deducted as the rent for the housing accommodation so provided. None of the four units was providing housing accommodation to the labour employed through its contractors.

As majority of the labour was coming from the nearby places most of the contractors had also not provided any housing facility to their workers. Only two of them had provided some housing accommodation. One had provided three houses to those skilled workers who had been brought from outside. These houses were situated near the unit. They were 'kutchoha' and had not been given to workers on individual basis. These were allotted to a group of workers and were rent free. Suitable arrangements existed for water supply, etc. A common cook and cooking utensils, etc., were also provided free of charge to those workers who resided there. The other one had provided 100 temporary thatched and rent free hutments to 200 workers. Each hutment was generally allotted either to a family consisting of husband and wife, if both of them were working with the same employer, or to two workers. These hutments were constructed near the work-sites and were shifted with the change of the sites.



Medical facilities were available in all the four units for direct labour, but in two of them they were not available for contract labour. In one of the units first-aid facilities, medical treatment and ambulance service were provided by the management for both direct and contract labour. In another unit contract labour was also entitled to medical help from the hospitals on payment on the advice of the contractor concerned. The contractors were usually charged for the treatment of contract labour but one of them passed on these charges to labour. As regards contractors themselves, only 7 out of 29 had provided separate medical facilities for their workers. Workers of one of the contractors working in the maintenance division were covered under the Employees' State Insurance Scheme. The extent of medical aid provided by the remaining six contractors varied in its extent, one provided only first-aid facilities, four gave free medical aid for injuries received on duty, and the remaining one provided only eye-drops, etc., at the work-site.

Educational facilities were available to direct labour only in three units. Recreational facilities were, however, available for direct labour in all the units. As regards workers employed through contractors neither educational nor recreational facilities were provided for them either by the managements or by the contractors.

Canteens were provided in all the four units. In one of them meals, tea and snacks were ~~xxx~~ provided at no-profit-no-loss basis. This facility was available to both types of labour. In the same unit a mobile canteen carrying tea and snacks for workers working in the fields was also ~~xxxxx~~ provided. Contract labour working in the fields could also make use of this mobile canteen on usual payment. In the other units, cooked food, snacks, tea, etc., were provided and in one of them at subsidised rates but the facilities were available only to direct labour. Amongst the contractors only one had provided a temporary canteen at the site of work in progress where tea, etc., were available.

Rest rooms were provided in two units for direct labour only. Two contractors had also provided temporary thatched rest shelters at the work-site for their workers.

Grain shops were provided by one unit for direct labour and one contractor for his own labour. Grains, etc., at no-profit-no-loss basis were available at these shops.

Social Security.— Workers employed in refineries and oilfield were eligible for compensation in case of accidents in accordance with the Workmen's Compensation Act, 1925. As far as direct labour was concerned management themselves were responsible for accidents and payment of compensation therefor. Compensation to workers employed through contractors was paid by the contractors themselves in all the units. Only two units exercised checks to ensure that due compensation, as laid down in the Workmen's Compensation Act, was paid by the contractors to their workers. Workers of ten contractors were insured with the insurance companies against accidents and premia were paid by the contractors. The obvious advantage of this system to contractors was that by paying only the premia they could recover the whole amount of compensation to be paid to workers from the insurance companies. Workers of the remaining ten contractors were not insured with any insurance company and in their cases compensation had to be paid by the contractors themselves in accordance with the provisions of the



Workmen's Compensation Act. During the year 1957 there were 10 non-fatal accidents amongst contract labour and compensation amounting to 1,477.00 rupees was granted in three cases only. The amount of compensation payable in the remaining seven cases was not decided by the time of the survey.

None of the contractors paid maternity benefit to their women workers as the nature of their employment was casual.

Neither the management of any unit nor any contractor had ~~provision~~ provided any scheme of provident fund, pension or gratuity for contract labour. In all the four units, provident fund facilities existed for direct labour. Rates of contribution varied from 5 to 10 per cent of their basic wages per month with an equal contribution by the employers. In addition, pension and gratuity were paid to direct labour in two units while only gratuity was paid in the remaining two units. Rate of gratuity varied but the maximum limit was 10 to 15 months' basic wages.

Industrial Relations.— In all the four units definite grievance procedure was laid down as far as the direct labour is concerned. As regards contract labour, it existed only in two units. In one of them, grievances were enquired into by the labour and welfare officer of the unit and this facility was available to contract labour also. In the other unit grievances were first heard by the departmental head and thereafter by the top management, associating the labour union when necessary. Such machinery was also available to contract labour. As regards the remaining twenty contractors only ten had some grievance procedure. One of them stated that conciliation was done by the Labour Department of the State Government and most of the grievances were redressed and workers satisfied. Six contractors settled their grievances personally with the labourers. Two settled it in co-operation with the Union leaders and one had appointed a part time labour officer for enquiring into the grievances of workers, if any.

There were six trade unions in all the units. Three units had one union each while the fourth had three unions. All these unions were registered but two of them were not recognised by the management. There was only one union of contractors' labour and its membership was exclusively confined to contract labour. This union was registered and also recognised by the management of the unit concerned. Most of the contractors stated that there were no trade unions of their workers. Only four of them stated that their workers were members of a trade union.

Steps to abolish contract system.- Only in one unit an experiment was made to replace the contract labour by direct labour but results were reported to be unsatisfactory as direct labour applied for transfer to other departments in the refinery on the plea that such work was meant only for contract labour. The other reason for its failure was stated to be that the working hours in jobs for which direct labour had been employed in place of contract labour were irregular and were therefore considered to be more suited to workers employed on a casual basis. In another unit a demand was made for the abolition of contract labour by the union in respect of a particular contractor having contract for cleaning office, plant premises and housing colonies. The matter was referred to an industrial tribunal which observed that the work was not of a casual nature and it directed the company to discontinue this work through contract labour and to get the same done by direct labour.

(Indian Labour Gazette, Vol. XVII, No. 2, August 1959, pp. 117-132 ).

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The Mines (Amendment) Bill, 1959.

Shri Gulzari Lal Nanda, Minister for Labour and Employment, Government of India, introduced in the Lok Sabha on 4 September 1959 a Bill further to amend the Mines Act, 1952.

According to the Statement of Objects and Reasons of the Bill, the Mines Act, 1952, was passed with a view to amending and consolidating the law relating to the regulation of labour and safety in mines. The working of the Act has shown that it requires to be amended for various reasons, e.g., clarification of certain provisions, proper enforcement of certain others and insertion of some new provisions to bring the Act in line with those contained in the Factories Act, 1948. Some of the more important amendments sought to be made relate to -

- (i) the definition of the term "mine" to make it clear that it includes quarries and opencast workings and also private railways, aerial ropeways, conveyors, etc.;
- (ii) a new provision to the effect that subject to certain conditions the Act (excepting a few provisions) shall not apply to excavations made for prospecting purposes only and to small quarries;
- (iii) the maintenance of first-aid rooms in mines wherein more than one hundred and fifty persons are employed, instead of five hundred persons as at present;
- (iv) the prohibition of employment of persons in a mine when its owner, etc., fail to comply with the notice of the Inspectorate for remedying any matter, thing or practice connected with a mine, which is dangerous to human life, limb, or safety;
- (v) the empowering of the person appointed under section 24 of inquiring into an accident also to inquire into the fitness of a person to hold a certificate granted to him under the Act, if he is of the opinion that the person concerned is prima facie guilty of incompetence or negligence or misconduct in the performance of his duties under the Act in relation to the accident;

- (vi) the payment of overtime at a uniform rate of twice the ordinary rate of wages for persons employed both above and below ground, instead of the present rate of one and a half times, in the case of persons employed above ground, and twice, for persons employed below ground;
- (vii) the revision of the Chapter on leave with wages so as to bring it as far as practicable in line with similar ~~provisions~~ provisions in the Factories Act, 1948, which are considered to be more liberal; and
- (viii) the enhancement of penalties for contravention of the different provisions of the Act to make punishment more deterrent by raising the scale of fines and also providing for imprisonment along with fine in the case of subsequent convictions for the same offense and for contravention of orders under section 22.

An amendment to Section 40 the Act raises the minimum age for admission to underground work in mines to 16 in view of I.L. Recommendation No.96.

(The Gazette of India, Extraordinary,  
Part II, Section 2, 4 September 1959,  
pp. 1102-1146 ).

52. Workers' Welfare, Recreation and Workers' Education.

India - September 1959.

Central Social Welfare Board Grant for Night Shelter for  
Workers.

The Central Social Welfare Board has sanctioned a grant of 0.20 million rupees for one year for setting up 38 night shelters in various States, viz., seven in Uttar Pradesh, five each in Andhra Pradesh, Bihar and Punjab, four each in Kerala, and Mysore, two each in Bombay and Rajasthan and one each in Jammu and Kashmir, Madras, Orissa and Madhya Pradesh. These shelters are meant for the use of working people such as labourers, hawkers, etc.

(Indian Labour Gazette, Vol. XVII, No. 2,  
August 1959, page 168 ).

50

58. Labour Administration.

India - September 1959.

Review of Working of Legislation relating to Shops and  
Commercial Establishments during 1957.

The review is based on the annual reports furnished by the State Governments on the working of the Shops and Commercial Establishments Act, Weekly Holidays Act, etc., in the respective States for the year 1957. Such reports have not been received from Jammu and Kashmir and Himachal Pradesh and Manipur. The information relating to these areas is not, therefore, included in this review. Further, reports furnished by certain State Governments do not cover the whole State, e.g., the report from Mysore does not include information relating to the Coorg area, even though legislation relating to Shops and Commercial Establishments is in force there. The report from Uttar Pradesh does not include any information relating to the number of Shops and Commercial Establishments, etc., and employment therein, as there is no arrangement for collection of such information under the State legislation. These shortcomings are mentioned here for a proper appreciation of the information included in this review.

Scope and Coverage of the Acts: State Acts.— The working conditions of the employees in shops and commercial establishments in India are regulated largely by Acts passed by the State Governments. During the year 1957, all the States and these Union Territories, viz., Delhi, Himachal Pradesh and Tripura had either their own Acts or had adopted or applied the Acts passed by other States. These Acts, which apply to only specified areas in each State, regulate, inter alia, the daily and weekly hours of work, rest intervals, opening and closing hours of establishments, payment of wages, overtime pay, holiday with pay, annual leave, employment of children and young persons, etc.

Central Act.— Besides the State Acts, there is also a Central Act known as the Weekly Holidays Act, 1942, which provides only for the grant of weekly holidays to persons employed in shops, commercial establishments, etc. This Act is permissive in character and is operative in only such States as notify its application to their areas. During the year under review the Central Act had been applied in Bihar, Bombay, Mysore, Orissa, Rajasthan, Telengana Region of Andhra Pradesh, the town of Bhopal in Madhya Pradesh, certain areas of West Bengal and Manipur.

The following table shows the number of towns, cities, etc., in which the State Acts and the Central Act were in force according to information available in the Bureau.

Cities, Towns, etc., in which the Act was in force

(a) Under the State Acts:  
States

Andhra -----	33 Municipalities, 186 Panchayats and 4 especially notified areas under Madras Shops and Establishments Act, 1947, and 21 areas in Telengana Region under the Hyderabad Shops and Establishments Act, 1951.
Assam -----	All the Districts and Sub-Divisional Headquarters towns notified.
Bihar -----	41 Municipalities, 15 Notified areas.
Bombay -----	88 Municipalities under Bombay Shops and Establishments Act, 1948, 24 Municipalities under Saurashtra Shops and Establishments Act, 1955, 14 Municipalities under the C.P. and Berar Shops and Establishments Act, 1947, and 15 areas under the Hyderabad Shops and Establishments Act, 1951.
Kerala -----	The United States of Travancore-Cochin Shops and Establishments Act was in force in 27 Municipal towns, 40 Panchayats and the Trivandrum Corporation, Madras Shops and Establishments Act was in force in certain Municipal Towns, Major Panchayats and two notified areas.
Madhya Pradesh -----	13 towns under Madhya Bharat Shops and Establishments Act, 1952 and 14 towns under C.P. and Berar Shops and Establishments Act, 1947.
Madras -----	Madras City, Municipal Areas, Class I Panchayats and some specially notified areas under the Madras Shops and Establishments Act. The United States of Travancore and Cochin Shops and Establishments Act was in force in the Kanyakumari district and the Shencottah Taluk of Tirunelveli district until 17 December 1957. The Madras Shops and Establishments Act, 1947 was extended to these areas with effect from 18 December 1957.
Mysore -----	2 Municipalities and 5 Major Panchayats (Class I) as notified areas in the District of South Kanara under the Madras Shops and Establishments Act 1947, 6 areas under the Hyderabad Shops and Establishments Act, 1951, 15 areas under the Mysore Shops and Establishments Act 1948 and 14 places under the Bombay Shops and Establishments Act, 1948.

Table continued:

	Cities, Towns, etc., in which the Act was in force
Orissa -----	8 towns under the Orissa Shops and Commercial Establishments Act, 1956.
Punjab -----	145 town under the Punjab Trade Employees' Act, 1940.
Rajasthan -----	Municipal areas of Ajmer (including Paltan Bazar), Kekri, Deoli, Nasirabad, Beawar and Bijai Nagar Under Ajmer Shops and Commercial Establishments Act, 1956.
Uttar Pradesh* -----	73 towns under Uttar Pradesh Shops and Commercial Establishments Act, 1947.
West Bengal -----	64 Municipal towns and other Trade centres.

UNION TERRITORIES

Delhi -----	3 Municipalities, 3 Notified Areas and Delhi Cantonment Limits under the Delhi Shops and Establishments Act, 1954.
Tripura -----	Tripura under the Bengal Shops and Establishments Act, 1940.

(b) Under the Weekly Holidays Act:-

STATES/UNION TERRITORIES:

Andhra -----	30 Areas in Telangana Region.
Bihar -----	53 Towns.
Bombay -----	45 Areas in the Marathawada Region.
Madhya Pradesh -----	Bhopal City.
Mysore -----	22 Areas in the Districts of Gulbarga, Bihar and Raichur.
Orissa -----	8 Towns.
Rajasthan -----	50 Cities and Towns.
West Bengal -----	Certain notified areas.
Manipur -----	Certain notified areas.

\* In 25 of these towns, only a few provisions of the Act were in force.



157 23

During the year under review in Punjab, a new Punjab Shops and Commercial Establishments Bill to repeal the existing Punjab Trade Employees Act was discussed in both the Houses of the State Legislature. In Rajasthan, the Ajmer Shops and Commercial Establishments Act, 1956 was brought into force with effect from 1 January 1957. During the period under review the Act was applicable to the erstwhile State of Ajmer only. An Act on the same lines had been passed by the State Legislative Assembly and was to be promulgated throughout Rajasthan after it had received the assent of the President of India. In Kerala, with a view to having uniform legislation throughout the State and to afford better benefits, the State Government proposed to introduce a new Bill to replace the existing legislation.

Number of Establishments and Workers covered.— Data regarding the number of shops, commercial establishments, etc., covered by the Acts and the workers employed therein have been furnished by some States and are presented in the table below. In most of the States, no statutory annual returns from the covered establishments are called for and the employment data are based on figures furnished by the employers at the time of registration of the units and in other cases they are based on information collected specially by Inspectors. In view of the absence of arrangements for collection of employment data on a uniform and continuing basis, they cannot be taken to be accurate.

(Please see table on the next page)

State	Shops		Commercial Establishments Cinemas, Restaurants etc.				Total	
	Number	No. of Persons Employed	Number	No. of Persons Employed	Number	No. of Persons Employed		Number of Establishments
Andhra Pradesh.	93,510	46,479	3,085	8,469	7,664	19,437	104,489	74,385
Assam .	5,354	4,405	350	1,640	239	937	5,943	6,982
Bihar.	27,392	24,144	2,366	5,973	1,482	3,320	31,240	33,437
Bombay.	317,813	260,191	49,523	197,748	22,863	120,708	393,936*	603,610
Kerala.	23,132	23,496	1,873	9,875	4,085	11,106	29,090	44,477
Madhya Pradesh.	49,104	23,619	5,135	7,101	3,771	10,233	56,010	41,153
Madras.	151,774	142,358	6,513	29,339	16,938	47,322	175,225	219,019
Mysore**.	31,748	24,056	6,160	13,280	3,197	15,392	41,125	52,698
Orissa.	5,057	15,432	449	2,025	711	2,745	6,197	18,202
Punjab.	95,717	18,195	26,491	24,394	3,360	5,072	125,588	47,661
Rajasthan.	9,271	5,105	559	1,170	516	632	10,346	6,907
West Bengal.	150,500	125,540	10,000	200,000	6,005	18,500	166,505	344,040
Delhi.	31,732	35,338	6,243	31,041	1,553	7,278	39,533	73,657
Tripura.	979	1,236	17	240	226	450	1,222	1,926

\* The break-up of 3,634 establishments is not available according to categories of Commercial Establishments, Hotels, Theatres and Restaurants.  
 & The break-up of 24,963 persons is not available according to categories of Shops, Commercial Establishments, Theatres, Restaurants, Hotels, etc.  
 \*\* Information in respect of Coorg not received.

It may be noticed that in some States like Andhra, Madhya Pradesh, Punjab, etc., the number of workers covered was actually less than the number of establishments. This is due to the fact that there are establishments which do not employ any worker as such, but are nevertheless, covered by the Acts. The average number of persons employed in an establishment was the highest in Orissa (2.94) and lowest in Punjab (0.38).

53

Enforcement.- Of the 1,186,449 shops, establishments etc., registered in the States of Andhra, Assam, Bihar, Bombay, Kerala, Madhya Pradesh, Madras, Mysore, Orissa, Punjab, Rajasthan, West Bengal, Delhi and Tripura as many as 1,771,560 inspections were made. Maximum number of inspections (658,299) were made in the State of Madras. The number of prosecutions launched was the highest in Bombay (13,221). The amount of fines realized was the highest in Punjab (i.e. 78,621 rupees) among all the States. As in the previous years, the administering authorities continued to follow the policy of persuasion for obtaining compliance with the provisions of the Acts and launched prosecutions only as a last resort. Most of the irregularities detected during the year under review related to non-closure of establishments on weekly holidays, non-payment of wages, opening of shops beyond prescribed hours, wrongful dismissals, rest intervals, overtime, leave, etc. Some of the difficulties experienced by the administering authorities in the proper implementation of the Acts were, long delays in the disposal of cases, imposition of low fines by the courts, reluctance of the employees to give evidence against their employers, etc.

(Indian Labour Gazette, Vol., XVII, No. 2,  
August 1959, pp. 135-142 )

56

59. Social Research.

India - September 1959.

Minimum Standards for Welfare Work suggested:  
Recommendations of Study Group Team.

A study team on social welfare, which was appointed by the Planning Commission's Committee on Plan Projects, has suggested, among other things, that the basic minimum standards should be set for welfare schemes. The team is of the view that the economically more advanced groups are today receiving benefits from the welfare services. A graded system should be introduced for the Scheduled Castes and Tribes in which assistance would go to those who are in greater need of it. It has also proposed economic criteria in administering aid to the scheduled castes and scheduled tribes and abolition of the category of the so-called "other backward classes".

The team has recommended that the Central Social Welfare Board should be constituted as a statutory autonomous body, while executive responsibility for looking after the projects and the administration of the grants-in-aid programmes should be delegated to the State Boards.

In the States, the Social Welfare Departments have been found handling a miscellaneous assortment of subjects. Rationalisation in this field is a major recommendation of the team which has further suggested that, at the Centre, there should be a ~~reorganisation~~ regrouping of clearly identifiable social welfare services under a Department of Social Welfare in the Ministry of Education.

The team has also recommended the inclusion of family planning and mothercraft in the maternity programmes.

(The Hindustan Times, 28 August 1959).

# Chapter 6. General Rights of Workers

## 64. Wage Protection and Labour Clauses in Employment Contracts with the Public Authorities.

India - September 1959.

### Report on the Working of the Payment of Wages Act, 1938, on Railways during 1956-1957.

Number of Employees covered.- The number of Railway employees covered by the Act (except those employed on Northern, North-Eastern, Southern and South-Eastern Railways which did not furnish the requisite information) during 1956-57 was about 0.55 millions.

Enforcement Machinery.- The administration of the Payment of Wages Act on Railways (excluding Railway factories) has been entrusted to the Central Industrial Relations Machinery headed by the Chief Labour Commissioner (Central), who together with 5 Regional Labour Commissioners (Central) and 20 Conciliation Officers (Central) functioned as 'Inspectors' during 1956-57 for securing compliance with the provisions of the Act. However, inspection visits were mostly undertaken by the Labour Inspectors (Central) employed under the Regional Labour Commissioners and Conciliation Officers. The Labour Inspectors discharged this assignment under the guidance and direction of the Regional Labour Commissioners and Conciliation Officers. The Conciliation Officers carried out inspections in the course of their tours. The Regional Labour Commissioners usually checked some of the inspection work done by Labour Inspectors and Conciliation Officers in addition to their own inspection.

Inspections and Irregularities.- During the year 1956-57, 6,368 inspections were carried out and 19,682 irregularities were detected; the corresponding figures for the previous year were 7,307 and 13,181 respectively. It will thus be seen that there was a decline in the number of inspections during 1956-57, but the number of irregularities detected increased by about 50 per cent as compared with the previous year. As in the previous year, the number of irregularities detected in the Transportation establishments (10,905) was the highest amongst the various departments, accounting for about 55 per cent of the total irregularities. Also, the number of irregularities detected (4,617) was the highest in the Central Railway.

Nature of Irregularities.- Most of the irregularities detected in the Railway establishments related to delayed payment or non-payment of wages. During 1956-57, the percentage of such irregularities to the total irregularities detected was 71. This percentage was 55 during the previous year. Most of the cases were reported to have arisen on account of the absence of employees at the time of payment, delay in sanctioning increments, leave salaries, officiating allowances, salaries of the staff on transfer, suspension allowance, etc.

Defects of a procedural nature relating to non-display of notices and non-maintenance or improper maintenance of registers accounted for 20 per cent of the irregularities detected. Irregularities relating to wrongful or unauthorised deductions or fines or deductions for damage or loss were comparatively few, viz., 4 per cent during 1956-57.

Rectification of Irregularities.- As against 47 per cent of irregularities rectified in 1955-56, 55 per cent were rectified during 1956-57. There was also improvement in the year under review in the speed with which irregularities were rectified. Of the irregularities rectified within one year, 75 per cent were rectified within 3 months, 14 per cent between 3 to 6 months, 7 per cent between 6 to 9 months and the remaining 4 per cent between 9 to 12 months.

Deductions from Wages.- Section 7 of the Payment of Wages Act lays down that the employer should pay wages to the employees without deductions except those authorised by or under the Act. It also lays down that every payment made by the employee to the employer or his agent shall, for the purposes of the Act, be deemed to be a deduction from the wages (An amendment effective from 1 April 1958 lays down that monetary losses of workers resulting from action taken against them under the approved disciplinary rules will not be deemed as deductions).

Fines.- The number of irregularities detected regarding the imposition of fines in Railway establishments was 230 during 1956-57 as against 455 in the preceding year. The highest number of cases detected was in the Central Railway and Western Railway viz. 69 ~~each~~ each.

The amount of fines imposed, totalled 58,090 rupees involving 13,151 employees during the year 1956-57, compared to a fine of 30,365 rupees involving 13,642 employees in the previous year. The largest number of cases during 1956-57 was in the Central Railway (9,669), the amount of fine imposed being 22,528 rupees. The Southern Railway abolished the penalty of imposition of fines.

Deductions for Damage or Loss.- The number of cases of irregularities deductions on account of damage or loss decreased to 58 in 1956-57 from 97 in the previous year.

59

Other deductions.- No breaches of the provisions relating to deductions for absence from duty and on account of attachment orders issued by the Courts came to notice during the year under review. Observance of the provision authorising deductions for refund of loans and cost of stores purchased from the Co-operative Societies was also reported to be satisfactory on all Railways. However, 477 cases of excessive or unauthorised deductions for recovery of house rent, water charges, subscriptions to Railway Institute, etc., came to light and necessary steps were taken for their early rectification.

Unpaid Wages.- As usual, there were a number of cases, where employees had failed, for one reason or the other, to receive wages earned by them. The total amount of unpaid wages was 2.42 million rupees in 1956-57 as against 2.27 million rupees in the previous year.

Claims.- Under Section 15 of the Act, an employee can apply for necessary directions to the 'Authority' appointed under the Act in connection with matters relating to deductions from wages or delayed payment of wages. According to the available information, 2,660 applications for non-payment of delayed payment of wages and 105 for wrongful deductions were preferred during the year under review. Of these 2,765 cases, 1,155 were decided in favour of the applicants, 87 against them, 67 were withdrawn and 1,457 were pending disposal with the Authorities at the close of the year. The total amount (including compensation) directed to be paid to the applicants as a result of preference of claims was 161,057 rupees during 1956-57.

Contractors' Establishments.- The establishments of Railway contractors employing labour directly or through sub-contractors on an average of 20 or more persons a day in any month during the preceding 12 months are covered under the Payment of Wages Act. The Officers of the Industrial Relations Machinery inspected 513 contractors' establishments and detected 2,076 irregularities during 1956-57, as against 561 establishments inspected and 1,550 irregularities detected in the previous year; 1,323 irregularities were rectified during 1956-57 as compared to 985 in the previous year. The percentage of rectification of irregularities remained the same as in the last year (64).

Annual Returns.- Rule 17 of the Payment of Wages Act (Federal Railway) Rules, 1938 requires the Railway Administrations to submit an annual return giving details of number of persons employed, total amount of wages paid, deductions made therefrom on account of fines, damage or loss and breach of contracts and disposal of proceeds of fines realised. Railway establishments furnishing information for the year under review employed 539,263 adults, 15,535 substitutes and 46 children. The amount of wages paid totalled 570,239,195 rupees. The amount of fines realised in 13,157 cases was 38,090 rupees and proceeds of deductions made on account of damage or loss amounted to 25,880 rupees in 5,705 cases. The proceeds of deductions were utilised for the benefit of staff on cost of medical relief, grants to Railway institutes and recreational clubs, assistance to Railway employees towards education, dieting charges, etc.

(Indian Labour Gazette, Vol. XVII, No. 2,  
August 1959, pp. 147-150).

66. Strike and Lockout Rights.

India - September 1959.

Stay-in Strike is a Strike: Supreme Court's Ruling.

The appeals by the Punjab National Bank from the judgment of the Labour Appellate Tribunal granting reinstatement to 136 employees of the bank who had been dismissed for participating in an illegal stay-in strike were dismissed by the Supreme Court by a judgment delivered on 24 September 1959 by Mr. Justice Gajendragadkar. The judgment lays down an important proposition of law that a stay-in strike is a strike within the definition of that term in the Industrial Disputes Act, and mere participation by a workman in an ~~illegal~~ illegal stay-in strike does not disentitle him from claiming the relief of reinstatement.

During 1950-51, there were several differences between the management of the Punjab National Bank and its workmen regarding their conditions of service. While relations were thus strained the Secretary of the Delhi Union was suspended for absence without obtaining leave. This led to a strike by the workmen at Delhi and there were strikes in other branches of the bank also. The Labour Department, Government of India, intervened in the ensuing dispute and ultimately the bank agreed to take back into their service all but 150 of the striking employees. The case of these 150 employees was referred for adjudication to the Industrial Tribunal, in July 1951.

Before the Industrial Tribunal the case of the workmen was that the refusal of the bank to take back these workmen was a part of the deliberate plan of the bank to victimize the office-bearers and active workers of the union. It was stated that the management wanted to penalize the important union members and teach them a lesson. The bank denied the allegations of victimization and unfair labour practice and contended that they had participated in an illegal strike with a view to paralysing the working of the bank and that their dismissal was justified. Allegations of violence, coercion and intimidation were also made by the bank against these 150 workmen.



61

Principal Questions.— The Industrial Tribunal rejected the claim of the workmen for reinstatement, but granted compensation in certain cases. Both parties preferred appeals to the Labour Appellate Tribunal. The principal questions canvassed before the Labour Appellate Tribunal were: (i) whether an employer has the right to dismiss a workman for his absence from duty by reason of his mere participation in an illegal strike; and (ii) if he has, can the Tribunal scrutinize the exercise of that right and grant relief to such a workman when it comes to the conclusion that the right has been exercised capriciously or by way of an unfair labour practice.

The Labour Appellate Tribunal answered these questions in favour of the workmen, but at the same time held that in order to determine whether any of the workmen in question merited dismissal it was necessary to record evidence on the part played by him during the strike. As a result of this order, evidence was recorded, and on the basis of this evidence the Labour Appellate Tribunal held that 156 workmen were entitled to reinstatement and the remaining 14 were rightly dismissed by the bank.

The management filed two appeals from the orders of the Tribunal and the workmen preferred an appeal from the order refusing reinstatement to 14 employees. The management urged the following points before the Supreme Court:—

"1. That participation in a pen-down strike is itself an activity of such a subversive character that it disqualifies the employees who took part in it from claiming the relief of reinstatement.

"2. That the publication and circulation of subversive documents was the result of a concerted plan and represents a collective activity of all the strikers and as such all the employees before the Court should be held responsible for it and on the ground reinstatement should be refused to them.

"3. That the finding recorded by the Appellate Tribunal that only 14 people were directly and actively concerned with the preparation and publication of the subversive documents is opposed to the weight of evidence and is perverse.

"4. That the Appellate Tribunal erred in law in not taking into account the fact that after the 150 employees were dismissed the bank had engaged fresh hands and the order of reinstatement would therefore be unjust and unfair.

"5. That the Appellate Tribunal was also in error in not taking into account the fact that some of the employees have in the meanwhile taken employment elsewhere."

The Supreme Court examined the proposition whether a pen-down strike is a strike within the meaning of the term "strike" defined in the Industrial Disputes Act, and also whether mere participation in an illegal pen-down strike would disentitle the workmen to reinstatement. In this connection it examined the wellknown American case - National Labour Relations Board versus Fensteel Metallurgical Corporation - upon which reliance was placed by the bank in support of its proposition that the management could dismiss any employee who took part in an illegal stay-in strike.

The history of trade union legislation in the U.K. and in India was examined by the Court and it felt that in the present case the statutory provisions governing strikes provided a safer answer to the question. On such examination the Court observed that "thus considered the conclusion is inevitable that a pen-down strike is a strike within Section 2(Q) of the Industrial Disputes Act and so per se it cannot be treated as illegal...and as has been held by the Court in Messrs Burn & Co. Ltd., mere participation in such an illegal strike cannot necessarily involve the rejection of the strikers' claim for reinstatement."

The argument of counsel for the bank which sought to make all the workmen responsible for the subversive documents found to bearers was rejected by the Court. The Court observed that it was not necessary to consider academic arguments based on the theory of conspiracy and upheld the approach adopted by the Labour Appellate Tribunal. The Supreme Court further found that the contentions of counsel with regard to the findings of the Tribunal being against the weight of evidence were not well founded.

On the remaining contentions the Court held that these had not been pressed before the Tribunal and in any case the bank had not placed sufficient material on record to arrive at any finding on these issues. Having rejected the grounds of appeal taken by the bank the Court dismissed both the appeals. The appeal by the workmen with regard to the remaining 14 was also dismissed except as to one Munna Lal who appeared to have been included erroneously in the list.

(The Statesman, 25 September 1959).

Madhya Pradesh Essential Services Maintenance Bill, 1959.

The Government of Madhya Pradesh published on 21 September 1959, the Madhya Pradesh Essential Services Maintenance Bill proposed to be introduced in the Legislative Assembly of the State. According to the Statement of Objects and Reasons of the Bill, of late, certain categories of Government servants have evinced a tendency in an increasing manner to resort to improper and objectionable methods to enforce their demands, regardless of the fact that these methods jeopardise the proper working of the administration. The Bill is designed to meet the requirements of the situation and to maintain the proper functioning of the administration.

The Bill provides that if the State Government is satisfied that in the public interest it is necessary or expedient so to do, it may, by general or special order, prohibit strike in any essential service specified in the order. Such an order shall, in the first instance, be in force for a period not exceeding six months but the State Government may on expiry of the said period extend it from time to time by a further period not exceeding six months at one time.

Upon the issue of an order (a) no person employed in any essential service to which the order relates shall go or remain on strike; and (b) any strike declared or commenced, whether before or after the issue of the order, shall be illegal. Any person employed in any essential service who commences a strike or remains or otherwise takes part in a strike which is illegal under this Act shall be punishable with imprisonment for a term which may extend to six months, or with the fine which may extend to two hundred rupees, or with both.

The term 'essential service' means a Civil Service of the State and includes every civil post under the State but does not include an All-India Service.

"Strike" with respect to an essential service means - (i) a total or partial cessation of work; or (ii) a refusal to work; or (iii) absence from duty without prior sanction of leave; by a number of persons belonging to an essential service acting in combination or in a concerted manner or under a common understanding.

Penalties are provided for instigation of strikes, and for giving financial aid to illegal strikes.

(Madhya Pradesh Gazette, Extraordinary,  
21 September 1959, pp. 1331-1332 )

65

CHAPTER 8. MANPOWER PROBLEMS.

INDIA - SEPTEMBER 1959.

81. Employment Situation.

Employment Exchanges: Working during June 1959.

General employment situation.- According to the Review of Work done by the Directorate-General of Resettlement and Employment, during the month of June 1959, the total number of registrations including re-registrations was 292,802 as against 194,396 in the preceding month, showing a rise of 35,406. A rise of 35,569 was also recorded in the Live Register and it stood at 1,287,783 at the end of June 1959. The number of employers who made use of the employment exchanges, dropped from 7,888 in the month of May 1959 to 7,795 in the month under report - showing a fall of 93. A total of 41,379 vacancies were notified during the period as against 44,122 of the last month - a fall of 2,743. The number of placements effected, however, recorded an increase of 994, being 26,531 during the month as against 25,537 in the previous month.

Widespread shortage continued to persist in respect of experienced stenographers, fast typists, trained teachers, compounders, midwives, nurses and overseers (civil). Shortage in respect of civil engineers and draughtsmen, librarians, accountants, skilled turners, moulders, electricians and boiler attendants was also fairly widespread. A good number of exchanges reported shortage in respect of doctors, health visitors, physical training instructors, sanitary inspectors, laboratory technicians, Hindi typists, and sweepers.

Widespread surpluses continued to exist in respect of clerks, untrained teachers, motor drivers, unskilled office workers and unskilled labourers. A fairly large number of exchanges reported an excess of supply in respect of carpenters, chowkidars, attenders and sweepers.

Registrations and Placings.- The following table compares registrations and placings during the month of May and June 1959:-

	<u>May 1959.</u>	<u>June 1959.</u>
Registrations -----	229,802	194,936
Placings -----	25,537	26,531

Register of unemployed.- The number of persons seeking employment assistance through the employment service on the last day of June 1959, was 1,287,783 which was 35,569 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 was particularly marked in Bombay (9,775), Madras (8,133), Rajasthan (5,947), Assam (5,737), Andhra Pradesh (4,638), Madhya Pradesh (3,894) and Delhi (3,649). On the other hand, a fall in the Live Register was significant in the States of Uttar Pradesh (6,602), West Bengal (2,534), Manipur (1,742) and Bihar (1,342). In all 25,820 employed and self-employed persons of whom 763 were women remained on the Live Register of the employment exchanges at the end of the month under report.

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

<u>Occupation</u>	<u>Number on Live Register as on 30 June 1959.</u>
1. Industrial supervisory -----	11,035
2. Skilled and semi-skilled -----	100,458
3. Clerical -----	335,568
4. Educational -----	75,925
5. Domestic service -----	44,938
6. Unskilled -----	659,183
7. Others -----	62,675
Total.	<u>1,287,783</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>Category</u>	<u>Registrations</u>	<u>Placings</u>	<u>Number on Live Register</u>
1. Displaced persons ----	3,664	501	44,761
2. Ex-service personnel ----	5,110	1,005	28,472
3. Scheduled Castes ----	27,162	4,317	143,428
4. Scheduled Tribes ----	3,652	470	21,716
5. Women ----	18,700	1,199	98,570

Collection of Employment Market Information.- A training course for Employment Officers for the collection of employment market information was conducted in Bombay from the 5th to the 17th June 1959. Twentythree employment officers from different States attended the course.

Youth Employment Service and Employment Counselling.- A brief orientation course in Vocational Guidance for officers of four University employment bureaux at Delhi, Aligarh, Banaras and Trivandrum was started during the month.

Vocational Guidance Sections have been established in 13 employment exchanges. Figures relating to guidance activity, available from 13 employment exchanges show that during the month guidance was given to 8,351 applicants on a group basis and to 575 applicants on an individual basis. Information on an individual basis was supplied to 849 applicants.

Central Co-ordinating Section, Damodar Valley Corporation.- Out of 4,820 workers declared surplus in the DVC upto the end of June 1959, 4,056 have been provided alternative employment and 206 are awaiting offers of appointments. Alternative employment is yet to be secured for 530 surplus workers.

Hirakud Dam Projects.- A total of 280 workers (29 skilled and 251 unskilled) were retrenched during June 1959, and there are now 29 workers left at the Project at present.

Adjustment of ~~xxxxxx~~ retrenched employees of Central Government Establishments.- A total of 36 surplus employees were reported to the Special Cell. Only one surplus employees was given alternative job. Six surplus employees of the Inland Water Transport Committee have been removed from the Special Cell as they were not retrenched due to economy reasons and were not eligible for the facilities of the Cell. Thirty-nine candidates are awaiting offers of appointments. Twenty-two Candidates are on the register of the Special Cell.

Central Tractor Organisation.- All the 34 employees (clerical) of the C.T.O. have been nominated to subordinate officers of the Central Government and they are awaiting officer of appointment.

Bharat Sewak Samaj.- The ex-trainees of the Bharat Sewak Samaj who were sponsored to the Chief Soil Survey Officer, IARI, could not be absorbed as suitable posts are not available with the above employer at present. Efforts are being made to sponsor these extrainees to some other employer.

Central Coordinating Committee.- The tenth meeting of the Central Coordinating Committee was held on 11 June 1959 in the D.G.R. & E. to discuss the problem of absorption of surplus workers of Damodar Valley Corporation and Hirakud Project. The participating Ministries and Organisations have promised to cooperate in this respect. The decision reached at the meeting are at the stage of finalisation.

Recruitment of Short-duty (extra departmental) telephone operators in the Post and Telegraph Department.- The P & T Department have evolved a scheme for appointment of short-duty telephone operators for handling operation work during peak hours of trunk traffic. Initially, the scheme is to operate at Bombay, Calcutta, Delhi, Lucknow, Madras and Patna. The procedure in the matter of recruitment of these operators was discussed and finalised in consultation with the Ministry of Home Affairs and the D.G. P. & T. According to this agreed procedure, the heads of Circles and Administrative and Recruiting Offices will advertise the posts requesting interested persons to contact the nearest employment exchange before a specified date. ~~xxxxxx~~ On the date fixed by the recruiting authority, the concerned employment exchanges will present all suitable candidates (those who respond to the advertisement as also those who were already on the Live Registers) for interview and selection.



69

The P & T recruiting authority after interviewing the candidates will make out a list from which short-duty telephone operators ~~will~~ would be appointed as and when required. The list thus drawn up will remain valid for a period of six months after which period a fresh list would be prepared following the same procedure.

Opening of additional employment exchanges.- One Employment Exchange and two sub-offices have been sanctioned during the month under report. The total number of exchanges sanctioned so far, under the Second Plan comes to 107. Out of these 107, 101 employment exchanges have started functioning, bringing the total number of employment exchanges functioning in the country at the end of June 1959 to 236, including one Special Exchange for Handicapped functioning in Bombay and 4 University Employment Bureaus at Delhi, Trivandrum, Aligarh and Varanasi.

(Review of the Work done by the Directorate-General of Resettlement and Employment during June 1959; issued by the D.G.R. & E., Ministry of Labour and Employment, Government of India, New Delhi ).

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Closure of Gorakhpur Labour Organisation:  
Implementation not to be hurried.

Speaking during the half hour debate in the Lok Sabha on 12 September 1959, relating to the Government's decision to close down the Gorakhpur Labour Organisation (vide Section 81, page 80 of the report of this Office for August 1959), Shri G.L. Nanda, Union Minister for Labour assured the members that the Government was "in no hurry" to implement its decision to close the Gorakhpur Labour Organisation on 30 September.

If there was a sense of uneasiness among the people by the Government announcement he would stay the action, Shri Nanda stated.

Replying to a half-an-hour discussion regarding the Gorakhpur Labour Organisation raised by Shri Kashi Nath Pandey (C-U.P.) Shri Nanda accepted a suggestion to appoint a committee to investigate into the working of the organisation.

Shri Pandey pleaded for retention of the organisation if possible as it was supplying labour to various ~~industries~~ industries and for continuance of the various amenities and privileges enjoyed by the Gorakhpur Labour Force.

(The Statesman, 13 September 1959).

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Annual Report of the Bombay Dock Labour Board for  
the Year ended March 1958.

The employment opportunities for workers declined during the year under review due to considerable fall in traffic in the Port. The average employment for the year dropped from 21.5 manshifts last year to 15.8 in 1958-59. The monthly average employment during the year 1958-59 fluctuated widely, being the highest (22.1) in July 1958 and lowest (8.5) in February 1959, depending upon the fluctuations in the port traffic. While the volume of imports fell due to import restrictions, there was not much improvement in the volume of exports from the country. The position worsened further with the import of food grains by tankers which were previously carried by dry cargo vessels. The tonnage of cargo handled by stevedore labour during the year under review dropped by 600,000 tons as compared to the last year.

The fall in average employment opportunities contributed to the increase in the expenses of the Board incurred on account of minimum guarantee and attendance allowance paid to workers. The minimum guarantee, for instance, accounted for an expenditure of about 1.3 million rupees as compared to 0.6 million rupees incurred last year. The expenditure on attendance allowance went up by about 100,000 rupees as compared to the last year. However, the earnings of the workers did not show much decline; the figures being 185.41 rupees and 176.91 rupees for 1957-58 and 1958-59 respectively. This became possible on account of the piece-rate system.

To meet the increasing expenditure on minimum guarantee and attendance allowance, the rate of levy was revised twice during the year. On 1 May 1958, it was decided to step up the levy from 75 per cent of the daily wage rate to 125 per cent. Simultaneously, it was decided that the employers of monthly labour should pay prorata administrative charges. In the month of November 1958 again it became necessary to raise the levy to 140 per cent.

72

As a result of Government's decision on Choudhury Report, additional benefits, such as, grant of P.T.O. facilities, increasing the number of casual leave from 7 to 10 days, increasing paid holidays from 8 days to 11 days and reckoning 50 per cent of dearness allowance for the purpose of provident fund contribution and gratuity, were granted to the stevedore workers. In case of piece-rated workers, it was further decided to reckon processing allowance also for the purpose of provident fund contribution and gratuity. The Board also granted interim relief of 5 rupees in dearness allowance as recommended by the Second Pay Commission with retrospective effect from 1 July 1957, and the arrears were paid to the workmen during the year.

The relations between the Board and its employees continued to be cordial during the period under review except for a five day strike by foremen and chargemen, and a 11 day strike by stevedore workers. The latter was in response to the call given by the All-India Port and Dock Workers Federation to the major Ports in the country. During the year under review, a few local demands were referred to arbitration. Two references concerning the Board's employees were also made to industrial tribunals. One related to certain defects in the working of the piece-rate scheme and special allowance to monthly workers which was adjudicated upon and an award was given. As the union concerned was not satisfied with the award, it filed a petition in the Supreme Court which is pending. The other, which related to the dispute between the Board and its distribution peons who claimed revision of their scale and change of designation, was pending before the industrial tribunal.

There was an all round improvement in the matter of discipline among the workers. During the year under review, the number of complaints received and the workers involved were 294 and 945 respectively as compared to 1,042 and 2,410 respectively during the last year. During the year, 17 cases were referred to the Deputy Chairman for ~~the~~ higher punishment. Punishment ranging from 2 days to 3 weeks was awarded by the Deputy Chairman to 38 workers.

The Board continued to provide welfare amenities on a large scale to workers. This necessitated stepping up of levy relating to Welfare Fund from 6 NP ~~monthly~~ to 20 NP with effect from 1 May 1958. During the year under review, maternity benefits were made available to the family of the workers.

The housing colony of the Board was ready by the middle of the year and 580 tenements were allotted to the workers with effect from 15 July 1958. The Board decided to charge a rent of 15 rupees only per tenement.

(Indian Labour Gazette, Vol. XVII, No. 2, August 1959, pp. 150-152 ).

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Employment Exchanges (Compulsory Notification of Vacancies)  
Act, 1959 (No. 31 of 1959 ).

The Employment Exchanges (Compulsory Notification of Vacancies) Bill (vide pp. 77-78 of the report of this Office for May 1959) as passed by Parliament received the assent of the President on 2 September 1959 and has been gazetted as Act No.31 of 1959. The Act 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. Power is given to the appropriate Government to require, by notification the employer in every establishment in private sector to notify vacancies and to furnish information and returns to prescribed employment exchanges.

The Act does 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 services; (c) in any employment the total duration of which is less than three months; (d) in any employment to do unskilled office work; and (e) in any employment connected with the staff of Parliament.

The Act provides for punishment of employers who fail to notify vacancies or furnish false information with a fine amounting up to 500 rupees.

(The Gazette of India, Extraordinary, Part II, Sec.1,  
5 September 1959, pp. 226-231 ).

83. Vocational Training.

India - September 1959.

Labour Ministry's Training Schemes: Working during  
June 1959.

According to the Review of Work done by the Directorate General of Resettlement and Employment, during June 1959, the number of craftsmen trainees on the roll of various training institutes and centres on 30 June 1959 was 24,167. There were 22,454 trainees (including) 50 women in engineering trades and 1,713 (including 786 women) in non-engineering trades.

Training of Displaced persons.- The total number of displaced persons undergoing training in engineering and non-engineering trades at the end of June 1959, was 2,913 of whom 2,142 were undergoing training in engineering trades and 771 (including 131 women) in non-engineering trades.

Training of Supervisors and Instructors.- A total of 407 Instructors and Supervisors were receiving training at the Central Training Institute for Instructors, Koni-Bilsapur 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, 32 women instructors trainees were receiving training at the end of month under review.

*Institute*

National Apprenticeship Training Scheme.- In all, 498 apprentice trainees were undergoing training under the National Apprenticeship Training Scheme at the end of month under review.

Evening Classes for Industrial Worker's Scheme.- There were 535 persons under going training under the Evening Classes for Industrial Workers' Scheme at the end of month under review.

The following table gives the total number of training institutes and centres and the number of persons (including displaced persons) undergoing training as on 30 June 1959:-

<u>Number of Training Institutes and Centres.</u>	<u>Number of Seats Available.</u>	<u>Number of Persons Undergoing Training.</u>
133	32,200	27,080

Stores and Equipment.- T.C.M. equipment worth approximately Rs.16,385.73 was reported as received at the Training Centres and Institutes concerned during June 1959 raising the total value of the aid received upto 30 June 1959 to Rs.2.937 millions.

Russian equipment worth approximately Rs.62,625.60 was reported to have been received at the various Training Centres and Institutes during the month of June 1959. Total amount of aid so far received under this aid comes to Rs.901,889.80 approximately.

Supply order amounting to Rs.4,299.25 nP. have been placed on various firms during the month of June 1959, for C.T.I. Aundh and Bombay and Koni.

This Ministry has been allotted foreign exchange to the tune of 0.8 million rupees for the procurement of tools and equipment. Orders have been placed for items costing 0.1 million rupees. Arrangements for utilisation of the remaining foreign exchange are in hand.

(Review of Work done by the Directorate General of Resettlement and Employment during June 1959; issued by the D.G.R.&E., Ministry of Labour and Employment, Government of India, New Delhi )



Training of Craftsmen during III Five Year Plans  
Assessment to be made.

An assessment of the requirements of craftsmen and technicians during the Third Five Year Plan will be made by the Committee on Craftsmen Training and Technical Education at Secondary Education Level, set up the Planning Commission's Working Group on Technical Education. The Committee will also draw up a programme for craftsmen training during the Third Plan which will be later considered by the Working Group on Technical education.

At present there are various public and private organisations in the country catering to the needs of craftsmen training and technical education. The Ministry of Defence started a pilot scheme for the training of civilian staff to meet their requirements. The Committee felt that it is necessary to coordinate this with similar efforts by the Ministries of Railways, Iron and Steel, and Labour and Employment and Directorate-General of Posts and Telegraphs.

The requirements of the Ministries of Railways, Defence and the Directorate-General of Posts and Telegraphs are generally met by their own training schemes for technicians. The Committee was of the view that major industries should also have their own training schemes.

The training programme of the Ministry of Labour and Employment (Directorate-General of Resettlement and Employment) envisages increasing the training capacity in the Industrial Training Centres from 10,500 at the end of the First Plan to 40,000 by the end of the Second Plan. According to an earlier assessment, about 0.12 millions craftsmen would be required every year during the Second Plan. To make up the short-fall and also to meet the increasing demands during the coming years it was estimated that the training capacity would have to be expanded with an additional ~~xxx~~ 100,000 seats during the Third Five Year Plan.

As regards instructors for the institutions, it was estimated that about 4,050 instructors would be required by the end of the Second Plan and another 10,000 or even more would be required during the Third Plan. The total capacity of the training institutes at present is about 800. The Committee will consider programmes for training adequate number of instructors.

The Committee may work in cooperation with similar Committees or the Working Groups on Education of State Governments. It was suggested that at the State level also there should be co-ordination of all technical training programmes implemented by different departments. While finalising its proposals, the Committee will take into account the efforts made by the various Central Ministries and Departments and prepare a coordinated picture.

(Indian Labour Gazette, Vol. XVII, No. 2, August 1959, pp. 154-165).

84. Vocational Rehabilitation of Disabled Persons.

India - September 1959.

Welfare of the Handicapped in the Third Five Year Plan:  
Interim Recommendations.

The Sub-Group on Welfare of Handicapped, Aged and Infirm, set up by the Planning Commission's Working Group on Social Welfare, has prepared an interim report on the work connected with the formulation of a practicable welfare programme for the handicapped, aged and infirm to be implemented during the Third Five Year Plan.

The Sub-Group has pointed out that one of the most difficult problems in the field of the welfare of the handicapped is the placement of handicapped persons in suitable employment. Training programmes in institutions for the handicapped should, therefore, have a definite relationship to employment prospects and should be so arranged as to enable the students to choose occupations in accordance with their aptitudes and abilities. The Sub-Group suggests that in the coming years increased stress should be laid on the provision of employment opportunities for trained handicapped persons.

80

Proposals for the Third Plan, made by the Sub-Group, mainly relate to the welfare of the blind, deaf, orthopaedically handicapped, mentally retarded, aged and infirm. It has been recommended that first priority should be given to the establishment of educational or training institutions and the provision of placement services. Setting up of sheltered workshops for the blind and the orthopaedically handicapped and offering generous assistance to voluntary agencies have also been suggested.

As regards training of personnel, it has proposed that special departments for the training of teachers for the blind and the mentally retarded should be established during the Third Plan. Short-term refresher courses of about three months' duration for training ~~existing~~ employment officers for the handicapped should also be organised.

Another suggestion made by the Sub-Group is that the Government should establish a Central Bureau of Statistics for the handicapped. The main function of this Bureau will be to collect particulars from State Governments, local authorities, voluntary agencies, employment offices, etc., regarding handicapped population.

(Indian Information, Vol.2, No.12,  
15 July 1959, page 459 ).

# Chapter 9. Social Security

## 93. Application.

India - September 1959.

### Employees' State Insurance Corporation: Annual Report for 1958-1959.

The annual report of the Employees' State Insurance Corporation for the year 1958-59 has been published recently. A review of the main features of the report is given below.

General.- There were three chief developments during this year, these being the extension of medical care to the families of insured workers, the publication of the quinquennial valuation report and the recommendations of the Study Group on Social Security.

The year has also been satisfactory from the point of view of the administration of the Scheme. The coverage was extended to 78,000 employees and about 633,000 of family members became beneficiaries for medical care. The settlement of the capitation fee for panel practitioners paves the way for the introduction of the Scheme in the important industrial area of Ahmedabad where 150,000 employees and some 400,000 family members would benefit from the Scheme. Arrangements were being made to bring the families in Delhi, Uttar Pradesh and Vidharba.

Progress in Implementation.- During the year the Scheme was extended to 16 areas in the States of Mysore, Kerala, Assam, Madras, Rajasthan and Uttar Pradesh.

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\* Employees' State Insurance Corporation: Annual Report  
for the Year 1958-1959. Issued by: The Director-General,  
Employees' State Insurance Corporation, New Delhi,  
pp. viii + 185.

The number of additional employees covered during the year was about 78,000 and after taking into account the variations in the number of insured employees in the areas already implemented, the total number of employees covered at the close of the year stood at about 1,414,000. At the close of the year, the Scheme was in force in 79 centres in 12 States and the Union Territory of Delhi as against 60 centres in 10 States and Delhi at the end of the previous financial year. Medical care is being provided in all new areas covered during the year, through the service system. The table below shows the number of workers covered in the various areas under the Scheme:-

Area	No. of Employees as on 31-3-1959.	Estimated No. of insured persons at the end of the year.
Hyderabad & Secunderabad	16,750	38,500
Chittivalsea, Eluru, Guntur		
Mangalagiri, Nellimarla,		
Vijyanada and		
Visakhapatnam	16,250	
Gauhati, Dhubri, Dibrugarh and Tinsukia-Kalam	3,000	3,500
Patna, Monghyr, Katihar and Samastipur.	16,500	17,500
Nagpur	28,700	47,500
Akola, and Hinganghat	15,300	
Greater Bombay	520,000	582,500
Union Territory of Delhi.	48,500	55,000
Alleppey, Quilon, Trichy, Alwaye and Ernakulam	30,150	34,000
Trivandrum	1,850	
Gwalior	18,100	
Indore	27,450	
Ujjain	12,900	
Ratlam	2,350	75,000
Burhanpur	3,300	
Jabalpur	3,400	
Coimbatore	51,250	
Madras	56,350	
Madurai, Ambasamudram and Tuticorin	31,200	168,500
Salem, Udumalpet, Mettur, and Tiruppur	16,700	
Ambala, Amritsar, (Chhehrata),		
Batala, Bhiwani, Yammanagar,	38,000	38,000
Jullundur and Ludhiana		
Bangalore	48,000	58,000
Jaipur, Jodhpur, Bikaner, Pali-		
Karwar, Lalcheri and Bhilsara	14,050	
Bewar	5,300	26,500
Sawai-Madhopur	2,150	
Dholpur and Sriganganagar	2,500	

(Table Continued):-

83

Area	No. of Employees as on 31-3-1959.	Estimated No. of insured persons at the end of the Year.
Kanpur Area	86,050	149,000
Lucknow, Agra and Saharanpur	18,050	
Allahabad, Varanasi, Rampur and Kalyanpur	13,150	
Hathras, Aligarh, Baroilly and Shikohabad	6,250	
Sahjanwa, Mirzapur, Gaziabad and Modinagar	6,000	
Calcutta City and Howrah Dist.	256,000	
Total.	1,413,500	1,587,000

Medical care was extended to about 226,000 family units (i.e., about 633,000 additional beneficiaries) in seven States.

Provision of medical benefit.— According to the statistics received for the year under report, 3,357,321 new and 9,543,667 old cases were treated at the various State Insurance dispensaries and clinics of panel practitioners as against 3,291,833 and 9,404,088 respectively in 1957-58. A total of 30,850 cases were referred for admission to hospitals and 206,947 for specialist investigation, as against the corresponding figures of 26,181 and 226,696 respectively in the previous year 1957-58. Medical certificates issued in the year under report numbered 3,585,828 as against 3,712,103 in the year 1957-58. During the year under report the rate of new attendances per 100 insured persons was 260 as against 263 in the preceding year, showing little change. During 1957-58, the incidence of new attendances per 100 was between 150 to 436 and during the year under report also, it varied between 131 and 453. The incidence was particularly high in Calcutta including ~~Khowrah~~ Howrah and Mysore.

The panel system of medical benefits were abandoned in the areas of Ujjain and Ratlam with effect from 1 March 1959, on the extension of medical care to families of insured workers, as it was found that the per capita expenditure on medicines on the special list was rising (i.e., it was ~~more~~ from 7 rupees to 7.50 rupees, which was double the per capita cost under the service system).

Along with the extension of the Schemes to new areas and to families, efforts were continued to effect further improvements in the standard of medical care. These related to provision of additional beds for T.B. cases, construction of hospitals and dispensaries, reservation of beds, specialists' services, extended cash benefit and medical care for leprosy and mental and malignant diseases, provision of artificial limbs, and Dentures, and in-patient treatment to disentitled insured persons.

84

During the year under report, a sum of 16,846,721 rupees was paid by the Corporation to the State Governments against the share of expenditure on the provision of medical care under the Scheme. This amount represented the liabilities of the Corporation for the financial year 1955-56, 1956-57, 1957-58 and 1958-59.

Morbidity data.- Compared to last year, the incidence of sickness in 1958-59 was more or less at the same level. The rate for 1958-59 was 2,598 as against 2,633 in 1957-58, although there was a widespread influenza epidemic in the previous year. During this year, common cold, bronchitis and influenza together accounted for only 18 per cent of total sickness as against 32 per cent in the previous year. Diseases of the digestive system formed a major block, in which dysentery, diarrhoea and diseases of the stomach and duodenum predominated. Diseases of skin covering boils, abscess, cellulitis and others came next in importance from the point of view of heaviness of incidence. Malaria, the great scourge, accounted for a substantial portion of the total sickness. Arthritis and rheumatism, acute pharyngitis and tonsillitis were fairly common conditions. Other specific diseases commonly met were diseases of the eye, anaemias, avitaminosis and other deficiency states. These are mainly short-term diseases which require only an efficient dispensary service.

Tuberculosis and venereal diseases are the major problems in industrial health. During 1958-59 the rate of incidence of pulmonary tuberculosis was 9.3 per thousand, tuberculosis of other forms 2.1, silicosis and occupational pulmonary fibrosis 1.5. Gonococcal infection recorded a rate of 15.7 per 1,000 and syphilis 7.8. In this case, it is possible that the workers did not fully avail of the medical aid under the Scheme, because of the social stigma attached to these diseases. Cancer had only a rate of 0.31 per thousand but this disease derives its importance from the protracted misery caused to the victim.

Proposals have been made by the Corporation for the promotion of the development of Occupational health services and family planning programmes, and consultation with State Governments were in progress by the end of the year.

Contributions and Enforcement.- During the year under report, the rate of employers' special contribution remained the same as in the previous years i.e.,  $1\frac{1}{2}$  per cent for the implemented areas and  $\frac{3}{4}$  per cent for the non-implemented areas. The employees' contribution is collected from the employees in the implemented areas at the rates laid down in Schedule I to the Employees' State Insurance Act. The employees' contribution and employers' special contribution received during the year under report was 38,111,950 rupees and 29,024,081 rupees respectively. The corresponding figures for the year 1957-58 were 35,235,954 rupees and 28,341,328 for employees' contribution and employers' special contribution respectively.



85

In last year's report, it was mentioned that the Government of India had notified its intention to revise the rates of employers' special contribution, but that the proposed revision had not been given effect to. The question of increasing the rates of employers' special contribution was re-considered by the Corporation at its meeting held in August 1958. The Corporation decided that the increased rates might not be given effect to, but that the extension of medical care to families should not be held up on that account. The additional expenditure involved in extending medical care to families might be met from the current revenues of the Corporation without touching its reserves. The increased rates might be levied at any time if it was found that it was not possible to meet the expenditure involved from the current revenues or if the final report of the Valuer for the first quinquennial ended 31 March 1954, showed that the rate of employers' special contribution should be enhanced.

The final report of the Valuer has recommended enhancement in the rates of employers' special contribution to Schedule I level and it was under consideration at the year end.

Inspections were given due importance during the year. The inspection work was organised further to achieve more thorough checking of records pertaining to employers' special contribution and employees' contribution, and to speed up the inspection of factories, in general, more intensively. The promptness and regularity in payment of contributions improved considerably due to regular inspection of defaulting factories. The inspection of newly covered factories was also given priority to determine their coverage under the Act and to reduce the default in payments by them to the minimum. The inspectors also guided the employers to ensure proper understanding of the Act particularly in the implemented areas.

Payment of Cash Benefits: (a) Sickness Benefit.— During the year an amount of 18 million rupees was paid as against 16.8 million rupees paid during 1957-58 i.e., an increase of 7 per cent over the amount paid in the last year. This increase is primarily due to the increase in the coverage of workers. As from 1 June 1956, insured persons suffering from tuberculosis are eligible for extended sickness cash benefit at a reduced rate for an additional period of 18 weeks; during the year under report, 564,482 rupees were paid to insured persons on this account as against 458,445 rupees paid in the previous year.

The three basic elements, which account for the sickness benefit costs, are average rate of benefit, average number of fresh spells per annum per insured employee and the average number of benefit days per spell. The data collected show that there are marked levels of these averages in the country. The average benefit rate was well above 2 rupees in the States of Bombay, Delhi and Madhya Pradesh. It was 1.5 rupees or a little over in other States except Kerala, where it was somewhat lower. The average number of fresh spells was round ~~about~~ about one in the States of Andhra, Delhi, Kerala, Madras and Madhya Pradesh. It was distinctly lower in other States particularly in Punjab where it was very low, being only 0.28 in 1958-59. The number of benefit days per spell was at a higher level in Bombay (Vidharbha), Rajasthan, Madhya Pradesh and Madras than in the other States. Due to these variations, the cost of sickness benefit in the various States also considerably varied. If the average wage level in a particular State is higher, ~~and thus~~ the rate of contribution in that area will also be correspondingly higher and thus the average benefit rate is higher in that State. The higher wage benefit rate cannot, therefore, be said to contribute to the higher cost of sickness benefit in an area. It is only the variations in the average number of fresh spells per annum per insured employee and the number of benefit days per spell which result in rather uneven distribution of the sickness benefit cost vis-a-vis the uniform contribution made by employees in a particular wage group for covering the benefit. A continuous watch is kept over the incidence of sickness at the various centres with a view to checking any tendency towards laxity in granting sickness benefit. The relevant statistics received at the headquarters every month, are analysed and if any centre shows abnormal incidence, an enquiry is made with view to finding out whether this abnormality was due to the prevalence of some special seasonal or other diseases. If it is felt that medical certification has been unduly liberal the persons concerned are asked to be careful and, if necessary, the number of incapacity references calling for a second opinion from the Medical Referees of the Corporation is increased. Steps taken promptly act to check laxity in certification.

**(b) Maternity Benefits.**- During the year 1958-59 the amount paid as maternity benefit was 1,026,000 rupees, which is practically double the amount paid in the year 1957-58. The main reason for this sharp increase in the amount paid is the enhancement of the maternity benefit rate from half daily wage to full daily wage as from 1 June 1958. Consequently the average cash benefit paid per case increased from 151 rupees to 189 rupees during the year under review. The total amount paid also went up due to an 8 per cent increase in the number of women covered mainly as a result of extension of the Scheme to new areas, but a good deal of the increase was due to an appreciable rise in the number of maternity cases coming up for benefit. The number of cases per 1000 insured women increased from 46 in 1957-58 to 59 in 1958-59. As in the previous years, insured women's failure to comply with the requirements of the Regulations due to ignorance of other bonafide reasons was ~~strictly~~ liberally condoned during the year under review.

87

(c) Temporary Disablement Benefit.- During the year 1958-59, a sum of 1,687,000 rupees was paid as against 1,475,000 rupees paid in 1957-58. The increase was primarily due to the increase in the number of insured employees covered for the benefit. The averages per annum per insured employee for fresh spells, benefit days and amount paid showed little change from the average for the preceding year, being 0.03, 0.61 and 1.23 respectively. The number of benefit days per spell declined from 20 to 18 and the amount of benefit per spell from 59 rupees to 37 rupees. Compared to other States, the incidence of temporary disablement is generally higher in Delhi and Punjab. The number of benefit days per spell in the various States shows considerable variation from 17 to 27 days. In Delhi and Punjab the duration of temporary disablement has been usually low being only 9 and 7 days respectively.

(d) Permanent Disablement Benefit.- The number of fresh cases admitted during the year 1958-59, was 1,721 as against 1,574 during the previous year, but there was little change in the incidence rate per thousand insured employees, which remained at 1.3. As permanent disablement benefit is in the form of a life annuity and the Scheme has been generally expanding, the number of beneficiaries on funds increased rather sharply from 4,046 to 5,763 and the amount disbursed as benefit from 309,000 rupees to 470,000 rupees. The Scheme is based on annual budgetary system, but in so far as long term liabilities like permanent disablement benefit and dependents benefit are concerned, appropriate reserves are set aside on the occurrence of an accident to meet the cost of periodical payments, as they arise. In view of the changed capitalisation bases adopted in the First Valuation of the Scheme, the capitalised value of the permanent disablement benefit claims in respect of fresh cases admitted during the year under report was determined on the basis of 1951 Census Life Table (male or female) and 3 per cent rate of interest instead of adjusted 1931 Census Males Life Table and ~~xxxxxxxxxxxxxxxxxxxxxxxx~~ 3½ per cent rate of interest. The effect of the change has been that the capitalised value per rupee of annual benefit now is 15.7 rupees for men and 16.6 rupees for women as against 13 rupees in each case formerly. The Valuation Report brought out a deficit of 298,000 rupees as on 31 March 1954, when the reserve fund stood at ₹ 379,000 rupees. The figures include those in respect of dependants' benefit as well, for which also the capitalisation basis was similarly revised. The capitalised value of claims occurring between 31 March 1954 and 31 March 1957, also needs revaluation on the changed basis. Necessary steps to determine the revised liability and to strengthen the reserve accordingly are being taken. The permanent disablement benefit reserve fund as at the close of the year under review was 8,252,000 rupees (net) after adding interest on investments and deducting the payments made.

88

(e) Dependants' Benefits.- The number of fresh cases admitted for dependants' benefit increased from 69 to 100 during the year under review and the amount paid for the benefit ~~excess~~ of the dependants on the fund increased from 133,000 rupees to about 101,000 rupees. At the end of the year under report, 788 dependants of deceased insured persons were on the funds. The dependants' benefit reserve fund as at the end close of the year under review was 2,175,000 rupees (net) after adding interest on investments and deducting the payments made.

Total Cash Benefits Paid.- The total amount of cash benefits paid to the insured persons during the year under report, and comparative figures for the previous two years are as follows:-

(Figures in thousands of rupees)

Year	Sickness benefit.	Maternity benefit.	Temporary disablement benefit.	Dependants' benefit.	Permanent disablement benefit.	Other Benefits.	Total
Upto 1956-57.	19,745	640	3,130	152	310	58	24,015
For 1957-58.	17,281*	517	1,475	133	309	65	19,780
For 1958-59.	18,543*	1,026	1,687	191	470	98	22,015
Total.	55,569	2,183	6,292	456	1,089	221	65,810

\* Including extended sickness benefit.

First Quinquennial Valuation.- The final report on the first valuation of the Corporation for the period 1949-54 was received towards the close of the year under report. The Valuer compared the actual cost of granting the various benefits with the estimated cost on the basis assumed in fixing the contribution rates and brought out a surplus of 139.2 million rupees as on 31 March 1958 as per following details.

(Please see the table on the next page)

(In Millions of Rupees)

	Estimated cost on contribution basis (1)	Actual cost (2)	Surplus (1) - (2) (3)
Sickness Benefit....	104.835	37.027	127.808
Temporary Disablement Benefit .....	24.312		
Permanent Benefit....	29.259	10.794	48.134
Dependants' Benefit..	5.357		
Maternity Benefit....	11.950	1.155	10.794
Medical Benefit.....	44.917	33.901	11.016
		Surplus on benefit payments:	137.752
Administration.....	41.209	22.556	18.553
Add			216.405
Rent, interest, miscellaneous receipts, etc.			10.447
			226.852
Less			
Short-fall of Employers' Special Contribution, below Schedule I contribution.			87.652
		Total Surplus.	139.190

On the basis of this favourable experience of the Scheme the valuer has suggested certain improvements in the Scheme including payment of sickness benefit for increased periods. The Report has commended the favourable experience of the Scheme but it strikes a note of warning that "any attempt to extend medical care to families of insured persons without at the same time raising the contribution income from the employers to the required level or in other words without raising the rates of the employers' contribution, is bound to make an encroachment on the funds accumulated by the Corporation upto now and thus come in the way of the Corporation's development plans including its programme for building hospitals in the various States".

Relative cost of Administration.— The statement below shows the comparative pro rata cost of administration per insured-employee during the last four years 1955-56 to 1958-59. The slight rise in cost is mainly due to revision of yardstick and also the comparative higher cost of administration in smaller regions.

Year	Rs.	per insured employee
1955-56	Rs. 5.10	
1956-57	Rs. 4.59	-do-
1957-58	Rs. 5.16	-do-
1958-59	Rs. 5.28	-do-

90

Criticism of Employees' State Insurance Scheme:  
Debate in Lok Sabha.

*Lok Sabha*

On 10 September 1959, the ~~Employees' State Insurance Scheme~~ discussed the annual report of the Employees' State Insurance Corporation (vide pp. 81-89 of this Report) for 1958-59. Severe criticism of the Scheme was a feature of the debate.

Almost all members who participated in the debate expressed dissatisfaction at the working of the Scheme. The Minister, they said, owed an explanation to the House why there had been so much delay in the construction of separate hospitals for the insured workers, at least in important industrial towns.

Although workers were making full contribution to the scheme out of their wages, they were not getting full benefits. Some members also criticised the delay in extending the benefits of the scheme to the families of workers.

Communist speakers made a strong plea that employers should be asked to increase their contribution to the scheme to 5 per cent of the total wage bill. The major financial burden of implementing the scheme had fallen on workers, because most employers were not even contributing their present statutory maximum. There had also been instances where employers had "swallowed" the employees' contribution.

Shri S.M. Banerjee (Ind.) expressed surprise that, out of a registered labour population of 15,000,000 only 1,500,000 had so far been brought within the purview of the scheme.

91

Shri G.L. Nanda, Union Minister for Labour and Employment, in his reply, admitted that the Employees' State Insurance Scheme suffered from several defects and he himself was not satisfied with its working. That was why he had appointed a one-man committee to review the scheme.

In addition, several other measures had already been taken to set things right and remove the flaws. He, however, did not think that much of the criticism made was justified.

Shri Nanda, disowned Central responsibility in implementing the scheme. The main responsibility for what was done or not done rested on the Corporation, he said. The State Governments were responsible for administering medical benefits. Steps had been taken to ensure co-ordination between the two, he said.

Ministers' Conference to be convened.— Addressing the Informal Consultative Committee of Parliament on 13 September 1959, Shri Nanda said that he would soon call a meeting of State Labour and Health Ministers to draw up a programme of implementation of the programme within the prescribed period.

*relating to the Employees' State Insurance Scheme*

(The Hindustan Times, 10 and 14 September 1959).

82

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

INDIA - SEPTEMBER 1959.

CHAPTER 8. MANPOWER PROBLEMS.

Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 (No. 31 of 1959). (The Gazette of India, Extraordinary, Part II, Sec. 1, 3 September 1959, pp. 226-231 ).

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- \*(b) "The Report of the Seminar on Slum Clearance - Proceedings". Published by the Indian Conference of Social Work, Bombay, pp.324.

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

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CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

- \* "Annual Report on the Activities of Government pertaining to Labour matters during 1957". Received from the Government of Bombay. pp.115.

CHAPTER 8. MANPOWER PROBLEMS.

- \* "National Classification of Occupations - Occupational Titles with draft Definitions". Issued by the D.G.R. & E., Ministry of Labour and Employment, Government of India, New Delhi.

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\* Publications received in this Office.